

Rebuilding Agricultural Markets Program (RAMP) Afghanistan

Fiscal Year 2006 Work Plan



Submitted by:

Chemonics International Inc.

Submitted to:

**Afghanistan Mission
U.S. Agency for International Development
Kabul, Afghanistan**

February 2006



USAID Contract No. 306-C-03-00-00502-00 to provide services to the Rebuilding Agricultural Markets Program (RAMP) in collaboration with the Islamic State of Afghanistan and the Ministry of Agriculture, Animal Husbandry and Food.

Address: Ministry of Agriculture and Animal Husbandry, Kart-i-Sakhi, Kabul, Afghanistan

E-mail: info@ramp-af.com

www.ramp-af.com

TABLE OF CONTENTS

| | |
|---|-----------|
| ACRONYMS | 3 |
| PREFACE | 4 |
| SECTION I. INTRODUCTION | 5 |
| A. REBUILDING AGRICULTURAL MARKETS PROGRAM (RAMP) OVERVIEW | 6 |
| SECTION II. VALUE CHAIN ELEMENTS..... | 8 |
| B. IDENTIFYING MARKETS AND DEVELOPING MARKETING SYSTEMS | 9 |
| C. IMPROVING VALUE-ADDED PROCESSING..... | 10 |
| D. INCREASING ON-FARM PRODUCTIVITY | 12 |
| SECTION III. VALUE CHAIN SUPPORT FUNCTIONS | 15 |
| E. FACILITATING ACCESS TO FINANCIAL SERVICES | 15 |
| F. IMPROVING FARM TO MARKET ROADS | 17 |
| G. IMPROVING IRRIGATION SYSTEMS | 19 |
| E. POLICY ADVISING AND INSTITUTIONAL CAPACITY BUILDING | 20 |
| SECTION IV. PROJECT MANAGEMENT | 22 |
| I. COLLABORATING WITH STAKEHOLDERS..... | 22 |
| J. ENSURING GENDER SENSITIVITY..... | 26 |
| K. PROTECTING AFGHANISTAN'S ENVIRONMENT | 26 |
| L. MONITORING AND EVALUATING ACHIEVEMENTS | 27 |
| M. COMMUNICATING RESULTS | 29 |

ACRONYMS

| | |
|-----------|--|
| ADB | Asian Development Bank |
| AED | Agriculture Extension Department |
| AFC | Afghanistan Finance Corporation |
| AIB | Afghanistan International Bank |
| AISP | Agriculture Input Supply Program (2005 seed/fertilizer distribution) |
| AL[P] | Alternative Livelihood [Program] |
| AMPS | Agriculture Marketing and Production Support (2006 seed/fertilizer distribution) |
| ANSO | Afghanistan NGO Security Office |
| The Fund | Afghanistan Renewal Fund |
| Chemonics | Chemonics International Inc. |
| COP | Chief of Party |
| CTO | Cognizant Technical Officer |
| CO | Contracting Officer |
| DCOP | Deputy Chief of Party |
| EU | European Union |
| FAO | Food and Agriculture Organization of the United Nations |
| GIS | Geographic Information System |
| GOA | Government of Afghanistan |
| GPS | Global Positioning System |
| GUI | Graphical User Interface |
| Ha | Hectare |
| IP | Implementing Partner |
| IR | Intermediate Result |
| JO | Job Order |
| LOP | Life of Project |
| M&E | Monitoring and Evaluation |
| MAAH | Ministry of Agriculture and Animal Husbandry |
| MEIS | Monitoring and Evaluation Information System |
| MISFA | Microfinance Investment Support Facility Afghanistan |
| MIWRE | Ministry of Irrigation and Water Resources |
| MOC | Ministry of Commerce |
| MOF | Ministry of Finance |
| MOU | Memorandum of Understanding |
| MRRD | Ministry of Rural Rehabilitation and Development |
| MT | Metric Ton |
| NGO | Non Governmental Organization |
| PASA | Participatory Agency Service Agreement |
| PMP | Performance Management Plan |
| PPSD | United Nations Partnerships for Private Sector Development |
| PRA | Participatory Rural Assessment |
| PRT | Provincial Reconstruction Team |
| RAMP | Rebuilding Agricultural Markets Program |
| SME | Small and Medium Enterprises |
| SO | Strategic Objective |
| TISA | Transitional Islamic State of Afghanistan |
| UN | United Nations |
| UNDP | United Nations Development Program |
| USAID | United States Agency for International Development |
| USDA | United States Department of Agriculture |
| VBSE | Village-Based Seed Enterprise |
| VFU | Veterinary Field Unit |
| WOCCU | World Council of Credit Unions |

Preface

In December 2004, Chemonics International Inc. (Chemonics) submitted the following documents to USAID/Afghanistan, outlining the services it will provide under its contract to USAID/Afghanistan's Rebuilding Agricultural Markets Program (RAMP):

1. RAMP Contract: Implementation Strategy
2. RAMP Contract: Life of Project Work Plan
3. RAMP Contract: 2005 Work Plan
4. RAMP Contract: Supporting Technical Documents

RAMP/Chemonics' *Implementation Strategy* presents a broad description of the program's Results Framework while the *Life of Project Work Plan* expands on this description and describes generally how the Results Framework links to value chains of agriculture commodity groups in Afghanistan. The *2005 Work Plan* explains in greater detail how RAMP/Chemonics planned to manage project activities throughout that year, in an integrated manner to have the greatest impact on farming communities.

Following is RAMP/Chemonics' *2006 Work Plan*. The management team developed this document through an evaluation of the program's aforementioned documents, and analyses of the real progress and impact of RAMP/Chemonics' ongoing activities. The *2006 Work Plan* presents to the reader in a narrative format the steps Chemonics will take over the remaining five months of its contract with USAID to ensure the program achieves its contractual objectives.

This document is designed to be read while referring to *RAMP/Chemonics 2005 4th Quarterly Report*. The program's most recent Quarterly Report – submitted to USAID on February 1, 2006 – provides extensive detail about each one of RAMP/Chemonics' 53 Job Orders and how they are progressing.

It is important to note when reviewing the *2006 Work Plan* that during 2005 USAID and Chemonics mutually agreed to revise some of the targets outlined in the prime contract – specifically in regard to a reduction in the number of kilometers of roads the program is projected to rehabilitate. Due to escalating cost of materials and labor throughout Afghanistan, and the deterioration of security surrounding project sites, USAID and Chemonics recognized that it would be infeasible to rehabilitate the original target of 900 kilometers of road. The program is now targeted to rehabilitate 572 kilometers of road, and the *RAMP/Chemonics Life of Project Work Plan* has been modified accordingly. The rationale behind this target reduction is explained in greater detail in section F. 'Improving Farm to Market Roads' (pp. 17) of this document.

If the reader would like to know more about any of the activities described in the *2006 Work Plan*, RAMP/Chemonics encourages him/her to e-mail the program's management team at info@ramp-af.com. RAMP/Chemonics will be pleased to put the reader in contact with the appropriate technical director who manages the particular project(s) the reader is interested in.

SECTION I. Introduction

The U.S. Agency for International Development's (USAID) Rebuilding Agricultural Markets Program (RAMP) in Afghanistan encapsulates the Mission's strategy to help the people and Government of the Islamic State of Afghanistan (ISA) rehabilitate the country's rural sector, focusing specifically on enhancing food security and increasing rural incomes. In July 2003, USAID/Afghanistan issued a contract with Chemonics International Inc. (Chemonics) to "[p]rovide services in support of [the] Program." This contract is the single largest component of the overall program.

This *Fiscal Year 2006 Work Plan* expands from RAMP's *Contract Implementation Strategy*, *Life of Project Work Plan*, and *Fiscal Year 2005 Work Plan* – all documents that have been previously approved by the program's Cognizant Technical Officer (CTO). The first document outlines the strategy guiding Chemonics and its implementing partners (IPs) as they execute specific tasks to rehabilitate and repair infrastructure that is critical for rural sector growth, increase the flow of capital, primarily in the form of credit, to the sector, and introduce improved technology to produce and develop markets for agricultural products. The ultimate purpose of these activities is to increase the sales of agricultural products both domestically and abroad.

The *Life of Project Work Plan* describes the actions the contract team is implementing to achieve its strategic objective. It summarizes the actions the team has taken since implementation began, diagnoses challenges, extracts critical lessons learned, and shows how the team will apply these lessons over the remainder of the contract. The *Fiscal Year 2005 Work Plan* presents in greater detail a description of the program's planned activities for that year, emphasizing the program's revitalized integrated approach to its three broad categories of activities: Agriculture Technology and Market Development, Rural Financial Services, and Infrastructure.

It is important to note that RAMP/Chemonics contract with USAID ends on July 2, 2006 – after this date, Chemonics can accrue no additional costs under this contract. With this in mind, RAMP/Chemonics presents this document as the program's final Work Plan for its activities through the end of the contract. As described in the *Fiscal Year 2006 Work Plan*, over the next five months RAMP/Chemonics will focus resources on:

- (1) Ensuring an integrated approach to all program activities is maintained, emphasizing a concerted effort to link related IP activities with one another;
- (2) Assessing the impact of individual projects and how they contribute to achieving RAMP/Chemonics' contractual objective of increasing marketable value of agriculture products by \$250 million;
- (3) Enhancing the operational capacity of the Ministry of Agriculture, Animal Husbandry and Food (MAAHF); and
- (4) Preparing for the contractual end of RAMP/Chemonics.

The Chemonics/RAMP closeout plan will be submitted to USAID on February 28, 2006, 120 days prior to the contract end date. The closeout plan will provide detail in both narrative and graphic format on the demobilization of technical activities, subcontracts and grants, personnel, and the disposition of property. The plan will also include our approach to ensuring that our technical activities remain sustainable going forward and how the transition from RAMP I to the anticipated RAMP II will be managed effectively.

Section II of this document presents an overview of RAMP and the Chemonics contract, Section II describes RAMP/Chemonics activities which strengthen specific Value Chain Elements introduced in the *Life of Project Work Plan*. These include identifying markets and developing market systems, facilitating opportunities in value-added processing, and increasing on-farm productivity. Section III describes RAMP/Chemonics activities which directly or indirectly support targeted agricultural value chains. These include facilitating access to finance, improving farm-to-market roads and irrigation systems, and providing capacity building advisory services to the MAAHF.

The final section, Section IV, describes the primary contract management tasks, including collaborating with stakeholders, ensuring gender sensitivity, protecting Afghanistan's environment, monitoring and evaluation, and communicating results.

A. Rebuilding Agricultural Markets Program (RAMP) Overview

RAMP is meeting the challenge to rebuild Afghanistan. It is the largest donor-funded initiative supporting Afghanistan's agricultural sector. This three-year program (2003 – 2006) is improving the lives of Afghanistan's rural inhabitants, who account for 85 percent of the total population, by increasing food supplies and food security, creating jobs, increasing incomes, and strengthening the competitiveness of agricultural production.

The strategic objective of RAMP is *to enhance the food security and increase the incomes of Afghanistan's rural population* by a) increasing agricultural productivity and output, and b) increasing incomes by making the linkages between producers, processors and markets more efficient. RAMP is designed to support the Afghanistan National Development Framework and strengthen the Islamic State of Afghanistan. Specific interventions under RAMP are linking rural producers with markets and input suppliers; making agricultural production more efficient, helping firms add value to agricultural raw materials; and identifying market opportunities and helping operators all along the value chain take advantage of them.

RAMP/Chemonics Contract Components

In July 2003, Chemonics International, Inc. (Chemonics) began implementing a contract¹ issued under RAMP. The strategic objective of this contract is to increase the marketable value of agricultural products by \$250 million over three years (July 2003 – June 2006). The contract is comprised of four major components:

- Management, Administration and Technical Assistance
- Physical Infrastructure Reconstruction or Repair
- Rural Financial Services
- Agricultural Technology and Market Development

The first component provides the resources the prime contractor needs to:

- Identify opportunities to create and strengthen market linkages and increase sales of agricultural products, increase the flow of capital to agribusinesses and producers, and improve infrastructure vital for agricultural and rural sector development;
- Subcontract/issue grants to IPs to carry out specific activities to take advantage of these opportunities;
- Monitor and evaluate the success of these activities, and quantify their cumulative impact;
- Communicate to RAMP's stakeholders about the results achieved; and
- Provide technical assistance to the MAAHF's departments of agricultural extension and communication.

RAMP stakeholders include both USAID in Afghanistan and Washington DC, other U.S. government departments and agencies, the Government of Afghanistan, especially the Ministries of Agriculture, Animal Husbandry and Food; Energy and Water (MEW); Rural Rehabilitation and Development (MRRD); Public Works (MPW); Counter Narcotics (MCN); and Commerce (MOC), as well as provincial and district authorities; and complementary projects funded by USAID and other donors.

Under its second component - Physical Infrastructure Reconstruction and Repair – the contract team is designing and managing through subcontract initiatives to repair irrigation systems that are needed to expand and improve agricultural output and rehabilitate farm-to-market roads that producers need both to reach markets and to access inputs.

The program's Rural Financial Services component is working to strengthen and diversify the country's network of financial institutions. It has been supporting microfinance institutions and working with national and international banks to reliably provide credit to small- and medium-sized agribusiness firms. Additionally, the program supports the Afghanistan Leasing and Finance Company, which is a leasing company that is helping entrepreneurs acquire the capital assets they need to improve value adding operations – cold storage, improved processing, refrigerated

¹ Throughout this document the words "contract" and "program" are synonymous. "Contract" refers to Contract No. 306-C-03-00-00505-00 between USAID/Afghanistan and Chemonics International Inc. The project is to implement this contract, which is part of the broader Rebuilding Agricultural Markets Program (RAMP). The convenient shorthand for this is RAMP/Chemonics.

transportation. This component also is playing a vital role to create an equity fund – the Afghanistan Renewal Fund - to support private agribusiness development. Finally, it is addressing the critical need for more business development services (BDS) through a grant with Flag International.

The focus of the project's market development initiatives is to create more effective linkages between producers, processors and markets. Building systems that will allow market signals to travel “upstream” all the way to producers will ensure that they **produce what will sell**. Complementing this focus on markets and marketing systems, the project has and will continue to seek out opportunities to introduce improved agricultural technology to help farmers and herders’ access and use new crop varieties, fertilizers and equipment to the productivity and efficiency of their operations.

The contract team uses its resources to identify opportunities where it can “invest” RAMP funding in an integrated fashion. Using a market-driven value chain approach it will achieve results that are greater than the sum of these individual investments in infrastructure, rural financial services, and agricultural technology and market development.

SECTION II. Value Chain Elements

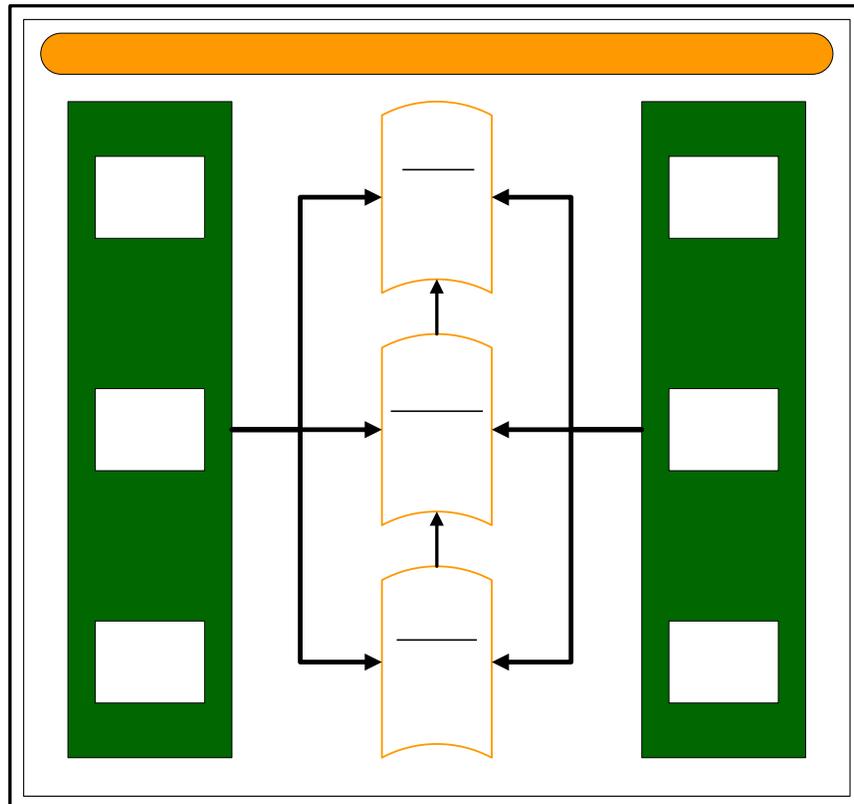
As indicated in RAMP/Chemonics' *Implementation Strategy and Life of Project Work Plan*, there are five product groups on which this program focuses:

- (1) Tree and vineyard fruit,
- (2) Nuts,
- (3) Vegetables and annuals,
- (4) Livestock and poultry, and
- (5) Wheat.

Each of these agricultural clusters have been identified as 'commodity priorities' in the MAAHF's *Master Plan* - a document the Ministry completed in the Fall of 2005, presenting its national strategy for a generating a 6 percent overall growth rate in the agricultural sector.²

To increase the marketable value of the individual commodities within these groups, the contract team has designed and is implementing activities along these value chains to develop domestic and international market systems (identify the specific product demands of domestic and international markets), enhance value-added processing efforts, and increase agricultural productivity on farms.

Figure 1: Value Chain Diagram



The programmatic starting point for increasing marketable value is the final market (demander), not the farmer (supplier). The following sections support the 'produce what you can sell' principle by first describing the contractor's accomplishments to date with regards to identifying markets and developing market systems, enhancing processing facilities, and increasing the quality and yield of production – and then briefly explaining RAMP/Chemonics' 2006 planned activities related to these value chain elements.

² In the MAAHF's Master Plan, RAMP/Chemonics' priority product groups 'Tree and vineyard fruit', 'Nuts' and 'Vegetables and annuals' are categorized within the commodity priority labels 'Perennial Horticulture' and 'Annual Horticulture'.

In post conflict situations, matters of security will consistently have a significant bearing on the success of a project. Given the environment in which RAMP operates, all partners, and the management team itself, have had to adjust some programmatic activities to respond to real and/or perceived threats to their security. This is especially the case for infrastructure activities such as roads and irrigation structures where implementing partners are working in remote areas more vulnerable to attacks, and where mines pose hidden threats to people and equipment. Consequently, given the amount of unanticipated security concerns, a number of interventions have not progressed as smoothly as possible or in accordance with projected time-lines.

The issue of security is very serious and continues to impact all value chain activities described below as well as the value chain support functions discussed in Section III. RAMP continues to work closely with PRTs, ANSO and other security organizations to assess the threats in various regions and has bolstered its internal security procedures.

B. Identifying Markets and Developing Marketing Systems

Domestic and international market demand is the driving force behind all project interventions. Identifying market opportunities and developing systems to reach these markets successfully has been a primary focus during the first two years of the project. Upcoming activities during 2006 will continue to improve the information and knowledge available, and processes and procedures to meet the market demand.

Activities

RAMP/Chemonics' planned activities for 2006 focusing on identifying markets and developing marketing systems are listed below under the following subcategories: Market Assessments and Information Systems, Agribusiness Development, Market Center Construction, Regulatory Requirements and Export Associations, Marketing and Promotion (training and trade shows), and Agricultural Exports. Following each narrative is an italicized parenthetical citation of the specific Job Order carrying out the activities.

Market Assessments and Information Systems

RAMP and its IPs completed several domestic and international market assessments for target crops during 2005. IPs also established market data collection and dissemination systems. The focus for 2006 will be for the IPs to continue these market data information systems in their target areas and expand the coverage:

- CADG – weekly wholesale crop prices in **Hilmand** (*JO#23-CADG*)
- IFDC – **national** agriculture input (seeds and fertilizer) prices, (*JO#24-IFDC*)
- ICARDA – vegetable wholesale prices in **Kabul**, (*JO#6,7,8,9-ICARDA*)
- GIA – **national** grain market prices, (*JO#28-GIA*) and
- DCA – **national** livestock prices (*JO#13-DCA*).

Agribusiness Development

The vegetable dehydration factory, established by DWC, came into operation during 2005. DWC will provide technical assistance to the association to improve operations, and will provide additional training in association management. ICARDA has established 21 Village-Based Seed Enterprise (VBSE) associations, and will continue training to each one to improve their business management skills. IFDC and DCA are providing business development training to associations of input dealers and veterinary field units (VFU), respectively. RAMP/Chemonics will continue to work with associations to develop business plans, and with the MAAHF and MOC to register the established associations.

(*JO#26-DWC, JO#7-ICARDA, JO#24-IFDC, JO#13-DCA*)

Market Center Construction

During late 2005 RAMP/Chemonics completed an assessment of 145 market centers constructed during 2004-2005 by nine IPs (DAI, CADG, RoP, GIA, STARR, GRSP, MADERA, DWC, and RAFA). During 2006, these facilities, including small- and medium-sized structures and grain storage bins, will be officially turned over to organizations or individuals identified in the assessment.

(JO#3-DAI, JO#23-CADG, JO#29-RoP, JO#28-GIA, JO#48-STARR, JO#19,22-GRSP, JO#11-MADERA, DWC, and RAFA)

Regulatory Requirements and Export Associations. RAMP/Chemonics will continue to work to establish grades and standards, phyto-sanitary regulations, and promote other product quality regulation functions, activities that were initiated in 2005.

(JO#29-RoP, JO#26-DWC, JO#28-GIA)

Marketing Training. IPs will conduct training in marketing and product promotion to associations and enterprises that they are working with. RoP and CADG will conduct marketing and promotion training for dried fruits and nuts, IFDC for input dealer associations, ICARDA on value of clean seed potatoes and clean seed through VBSEs, FAO on poultry product marketing, and DWC on marketing of dried vegetables.

(JO#29-RoP, JO#23-CADG, JO#24-IFDC, JO#7-ICARDA, JO#5-FAO, JO#26-DWC)

Trade Shows. Project IPs will participate in at least four trade shows in regional markets during 2006. Possible venues will include India and South Korea. The list of participating IPs includes CADG and RoP promoting dried fruits and nuts.) RAMP/Chemonics may also send participants to carpet trade show in Dubai, after further discussing value-added processing priorities with the MAAHF.

(JO#23-CADG, JO#29-RoP, JO#51-CI,Abt)

Agricultural Exports. DWC will continue to expand their successful commercial export program for dried vegetables to Europe. Other export activities during the first half of 2006 will be limited for fruits and nuts due to little production during the off-season.

(JO#26-DWC)

C. Improving Value-added Processing

Processing interventions begin on the farm, where proper harvest techniques and subsequent cold storage extends the life of agricultural products. Drying vegetables and fruits, and packaging are basic second-stage processing efforts currently underway. The project is also working to meet phyto-sanitary requirements in export markets. Looking ahead, project technical assistance will work with progressive entrepreneurs to add value and increase prices of critical crops. As with other project activities, the goal is to increase the marketable value of agricultural commodities through proper cleaning, handling, and value-adding processing. Activities for 2006 will build on successes achieved in 2005.

Activities

RAMP/Chemonics' planned activities for 2006 focusing on value-added processing are listed below under the following subcategories: Post Harvest Technology Extension/Training, Processing Associations, Packaging and Storage Units, Product Quality Testing, and Food Processing. Following each narrative is an italicized parenthetical citation of the specific Job Order carrying out the activities.

Post Harvest Technology Extension/Training

RoP will conduct extension and training on grape harvesting and sorting; GIA on grain storage, fresh fruit processing, and vegetables as related to cold storage; DWC on vegetable collecting and grading, and sun drying of tomatoes; and CADG on drying apricots.

(JO#29-RoP, JO#28-GIA, JO#26-DWC, JO#23-CADG)

Processing Associations

IPs will provide technical assistance and training to processing associations that they are working with in the following areas: RoP with the *Fresh Fruit Exporters Association* in Kandahar, the *Dried Fruit Exporters Association* in Kandahar, and nut processors in Kabul, Kandahar, Balkh. GIA with vegetable producers associations in Hilmand and Herat on tomato paste, pickle and jam production. DWC with the *Parwan Growers Association* on dehydrating and processing dried vegetables.

(JO#29-RoP, JO#28-GIA, JO#26-DWC)

Packaging and Storage Units

Cold Storage – GIA (vegetables, fresh fruits, dairy), DCA (cold chains for vaccines) and RoP (fresh fruits) will conduct demonstrations and training on maintenance and use of cold storage units. These operations show how entrepreneurs can add value by extending shelf-life and enabling produce to reach new markets.

Dry Goods Storage – Activities will continue in 2006 on the following crop storage areas. GIA will conduct training on grain warehousing and use of holding bins. ICARDA will continue establishment and conduct training on potato storage facilities and procedures. There are 33 functioning units as of the end of 2005. IFDC will continue their program of providing credit for storage of harvested seed until the demand and price goes higher.

(JO#28-GIA, JO#13-DCA, JO#29-RoP, JO#6-ICARDA, JO#24-IFDC)

Product Quality Testing

IP activities for 2006 will focus on providing technical assistance and training to associations and groups on product testing in their specific areas of interest. RoP will work with the Export Institute laboratory in Kandahar and Kabul to improve microbial and aflatoxin testing, and formally establishing a certification process. They will provide training to dry fruit and nut producers, processors and exporters in Balkh, Kabul and Kandahar. GIA will continue training to improve the grain inspection laboratories in Kabul and Kunduz. DWC, with dehydrated vegetables, will focus on assuring buyers of product quality. ICARDA will improve the testing and quality of seed produced by the VBSEs.

(JO#29-RoP, JO#28-GIA, JO#26-DWC, JO#6,7-ICARDA)

Food Processing

Food processing activities for 2006 will target improving the quality and quantity of commercial products available for the market. IPs will work with their respective associations and organizations. GIA will work with processing tomato paste, jam, and pickles, as well as grain milling. DWC will focus on the technical aspects of drying and processing vegetables, and RoP will assist processors to improve sorting, grading and cleaning of fresh and dried fruits and nuts processors to improve sorting, grading and cleaning of fresh and dried fruits and nuts

(JO#28-GIA, JO#26-DWC, JO#29-RoP)

D. Increasing On-farm Productivity

Afghan farmers are improving their on-farm productivity in priority regions with the help of on-farm demonstrations and farmer field days providing information on improved crop varieties, improved management and off-season production technologies. Access to quality agricultural inputs and farm machinery is improving through leasing and financing. A reliable source of water is being provided through irrigation rehabilitation projects (discussed in greater detail in Section III). Locust and Sunn pest control projects are diminishing crop losses. Livestock numbers are increasing, partly due to improved animal health and vaccinations provided by nationwide development of private veterinary clinics and trained para-vets. Although the project emphasis is shifting to address more processing-related, market development activities, it is important that efforts supporting productivity at the farm-level continue to assure that the quality and volume of products produced is appropriately responsive to market demand. Many of the activities for 2006 are a continuation of those initiated earlier in the project.

Activities

RAMP/Chemonics' planned activities for 2006 focusing on increasing on-farm productivity are listed below under the following subcategories: Agri-Input Availability, Production Associations, On-Farm Demonstrations and Field Days, Agricultural Technology Training/Extension, Protected and Rehabilitated Agriculture, Animal Health and Production and Pest and Disease Control. Following each narrative is an italicized parenthetical citation of the specific Job Order carrying out the activities.

Agri-Input Availability

Seed and Planting Material – ICARDA (VBSEs) and DWC will provide clean and improved seed for annual crops to farmers through their respective programs and associations. CADG will provide orchard saplings for planting that were produced in nurseries during previous program activities. Through the Spring 2006 seed and fertilizer distribution program (AMPS), IFDC will be procuring and ensuring timely delivery of high-value crop seeds (melon, eggplant, tomato, cucumber, peppers) to farmer beneficiaries in the ALP priority provinces.

(JO#7-ICARDA, JO#26-DWC, JO#23-CADG, JO#52-IFDC)

Production Infrastructure and Materials – CADG will continue with its programs of increasing availability of drip irrigation systems, trellising for vine crops, and greenhouses. ICARDA will also continue with its greenhouse program. RoP will make available trellising as well as Kishmish Khanas (drying sheds for raisins). DWC will make available improved crates for transporting vegetables and trays for sun drying vegetables.

(JO#23-CADG, JO#9-ICARDA, JO#29-RoP, JO#26-DWC)

Fertilizer – IFDC will continue to provide availability of fertilizer and basic technical knowledge of its proper use through its input dealer network. Training of dealers will help ensure that they provide proper advice to farmers who will then purchase and use the appropriate products in a correct manner.

(JO#24-IFDC)

Livestock and Poultry – DCA will continue to ensure availability of vaccines, medications, instrument kits, and cold chain facilities through its VFU project. FAO will continue to make inputs (pullets, drinkers, feeders, feed) available for rural women's poultry production through participating groups and established systems.

(JO#13-DCA, JO#5-

Production Associations. Several IPs are developing new production associations, or expanding the activities and effectiveness of existing ones. GIA – Crop Producers in Kunduz (all areas of production), Bolan Farmers Association in Hilmand (veg. production and collection, cold storage and processing of vegs.). DWC – Parwan Growers Association (will establish association and guide in investing in Parwan Dehydration Company to get a 40% investment). ICARDA – Village Based Seed Enterprises, growing crops for seed (ongoing seed business development including technical assistance on seed production). RoP – Grape Growers Association in Shamali Plains (establish and/or take over Production and Marketing Centers to increase effectiveness of production).

(JO#28-GIA, JO#26-DWC JO#7-ICARDA, JO#29-RoP)

On-Farm Demonstrations As illustrated in RAMPICARDA will establish 342 new demos on best practices for wheat, onion, potato, vegetables, peanuts and cotton. RoP will continue with 173 demos on best practices for perennial crops: grapes, raisins, almonds and walnuts. CADG will establish 164 new demos for annual crops (feed and food grains, oil seeds, vegetables, cotton), and continue with 431 demos for perennial horticulture crops (stone fruits, grapes, pomegranates). IAM will continue with its six demonstration plots in Kabul and Kunduz, exploring the effectiveness of new seed and fertilizer varieties for dry land wheat production.

(JO#8A-ICARDA, JO#29-RoP, JO#23-CADG, JO#8B-IAM)

Agricultural Technology Training/Extension

Perennial Horticulture Crops - RoP and CADG will provide training and extension services to farmers on trellising, drip irrigation, grafting, best practices, and shade drying of raisins.

(JO#29-RoP, JO#23-CADG)

Annual Crops – ICARDA will provide training and extension services on annual crop production to farmers on greenhouse establishment and use, seed production technology, tissue culture techniques, and best practices for production. DWC will provide training and extension services to farmers on vegetable production best practices and sun drying of tomatoes.

(JO#9-ICARDA, JO#26-DWC)

University-level Workshops and Mentoring – In partnership with the Northwest Frontier Province Agricultural University (Pakistan), IALC will continue to monitor ten masters degree candidates and provide targeted, hands-on, practical short term training through the remainder of the RAMP program.

(JO#25-IALC)

Protected and Rehabilitated Agriculture

Greenhouse Establishment – ICARDA will assist farmers to establish 30 additional greenhouses. CADG will assist farmers to establish 37 additional greenhouses.

(JO#9-ICARDA, JO#23-CADG)

Vineyard Rehabilitation – RoP will continue to rehabilitate vineyards and trellises, and to establish additional nurseries. During 2006 RoP will replace old vines with 200,000 new and improved vines from nurseries established last year. RoP will also continue its program of rehabilitating kishmish khanas (drying sheds). CADG will continue with its vineyard and orchard rehabilitation program by establishing new nurseries and planting out material from last year's nurseries. CADG will also continue rehabilitating trellis and drip irrigation systems.

(JO#29-RoP, JO#23-CADG)

Animal Health and Production

Woman-Focused Poultry Business Development. FAO will distribute pullets and supplies to an additional 6,500 women who complete a 12 week training course in poultry production.

(JO#5-FAO)

Veterinary Services – DCA continue its successful program during 2006 and will treat 4,000,000 animals through its VFUs.

(JO#13-DCA)

Pest and Disease Control

Renovation of PPQD Lab – FAO will continue training Central and Provincial PPQD staff who will provide support to pest and disease control efforts.

Locust Control – FAO, with RAMP and other funding, will continue monitoring and spraying remaining locust in the few remaining heavily infested areas, and the PPQD will monitor and spray in the more sparsely infested areas.

Sunn Pest Control – FAO (northern and western Afghanistan) and CADG (Hilmand) will guide and supervise mechanical and chemical control of Sunn Pest. The private sector will provide pesticide directly to farmers in this control program implemented cooperatively by several agencies.

(JO#50-FAO, JO#23-CADG)

SECTION III. Value Chain Support Functions

In addition to working with operators – individual producers, processors, and marketing companies who handle a crop or livestock product as it moves along the value chain – RAMP/Chemonics provides significant resources to improve support functions. The classic definition of a supporter or support function in a value chain is one that provides services to operators. Throughout the contract, RAMP/Chemonics focuses on three principal support functions: rural financial services, infrastructure, and policy advisory/capacity building services to the MAAHF.

E. Facilitating Access to Financial Services

The provision of credit and financial services is an essential component of an integrated approach to rebuilding the agricultural economy of Afghanistan. When the RAMP/Chemonics project began, there were no functioning banks or formal financial institutions in Afghanistan. In the informal financial sector, the selection consisted of *hawallas*, the traditional money dealers, and a few microfinance institutions that were beginning to form with modest portfolios.

The objectives of RAMP/Chemonics' rural finance component are to manage risk, encourage sustainable growth and stimulate lending to the agricultural sector. The strategy was to provide a broad range of financial services leveraging funds with those from other investors and donors, and build collaborations that strengthen private sector financial institutions. RAMP/Chemonics uses resources to encourage private sector support of micro-, small-, medium- and large-sized agribusinesses; agribusinesses that may be a higher risk but have demonstrated their ability to generate sufficient incomes to households throughout Afghanistan.

RAMP/Chemonics' mandate is to facilitate the access to credit for Afghan agribusinesses. In that vein, the program has assisted various financial institutions to provide a broad spectrum of financial products to all sizes of agribusinesses. The financial products developed include: micro-loans, leasing, bank debt financing and equity investments. As a complementary element to the development of financial products, small-, medium- and large-sized agricultural entrepreneurs are also provided with business development services (BDS) supported by the program. These services allow the entrepreneurs access to business advisors who assist the local business owners in developing business plans, addressing the application requirements for obtaining credit or other financial services.

Activities

The spectrum of financial products and services designed and implemented by the RAMP/Chemonics rural finance subcontractors/financial institutions are described below. The descriptions are included with references to the associated IPs.

Micro-lending

The RAMP/Chemonics approach to supporting the financial infrastructure in Afghanistan began by investing in the World Bank-created Microfinance Investment and Support Facility (MISFA). MISFA provides technical assistance and loan capital to budding microfinance institutions. These institutions present proposals to MISFA, indicating the type of assistance they need to effectively operate – be it technical advice for lending to micro-entrepreneurs or loan capital to deliver credit. RAMP provided a grant of \$5 million (\$4 million for loan capital, and \$1 million for technical assistance) to MISFA which expired in August 2005. The results of the grant were the disbursement of 28,118 loans in 17 provinces by 12 separate microfinance institutions.

The RAMP/Chemonics rural finance team will continue to be involved in the microfinance sector. The team will be an integral part of an evaluation mission planned by the MRRD, the Ministry under which MISFA resides. Also, RAMP/Chemonics will continue to monitor the impact of the microfinance institutions in Afghanistan, and advocate for more assistance to the sector as more donor funds are allocated to private sector initiatives.

Small and Medium Enterprise Lending

To facilitate the start-up and expansion of agribusinesses, RAMP/Chemonics developed a lending facility through its partner Afghanistan International Bank (AIB) for small and medium loans with a focus on agricultural enterprises. The bank capital of \$10 million was leveraged with RAMP's loan capital of \$2 million. This loan capital allowed the bank to finance agribusinesses that would not normally have been able to qualify for credit. AIB has demonstrated that the (1) risk is manageable to lend to this sector; (2) it can effectively develop relationships with new clients; and (3) it can utilize its own funds for lending to the agriculture sector.

The partnership created between RAMP/Chemonics and AIB has strengthened access to credit for small and medium agribusinesses. The results to date for the project are full disbursement of the \$2 million in loan capital funds to seven agribusinesses located in Kabul, Kunduz, Faryab, Hirat and Baghlan. The businesses are involved in flour processing, sesame seed and cumin processing, large scale farming, raisin processing and wholesale input supplies.

AIB is expanding into three new provinces – Balkh, Kandahar and Hirat. Future loans through RAMP/Chemonics initiatives will be made with the revolving loan funds and targeted to the provinces with new branches.

Equipment and Machinery Leases and Loans

RAMP/Chemonics has been instrumental in creating a non-bank financial institution to deliver leasing products and loans to finance the needs of small and medium enterprises (SMEs), specifically in the agricultural sector. The primary aim of the Afghanistan Finance Company (AFC) is to finance SME activities along the value chains that are receiving support through RAMP funded projects. There is very limited lending available to SMEs, especially for agribusinesses and AFC offers a unique service to this category of entrepreneurs by allowing business owners to obtain equipment and machinery without having to front the full cost of the equipment.

By December 2005, ten leases had been disbursed through AFC's financing facility for a value of over \$610,000. The facility is available nationwide to agribusinesses and to-date leases have been approved for entrepreneurs located in Kabul, Kunduz, Ghazni, Mazar and Jalalabad.

Through the end of the program, AFC will coordinate closely with the Afghanistan International Chamber of Commerce (AICC), the Alternative Livelihood Programs and other USAID private sector initiatives such as On the Frontier to increase and deepen their service coverage to qualified clients.

Equity Fund

RAMP/Chemonics provided a grant to fund a contribution to the Afghanistan Renewal Fund - a venture capital fund which is managed by Acap Partners. 'The Fund' is a finance delivery mechanism that fulfills the previously unmet financing needs of medium- and large sized enterprises. The total capitalization of the Fund is \$20 million and includes a multitude of investors: Overseas Private Investment Corporation, Capital for Development, and Asian Development Bank. The Fund generates market-based returns for investors by contributing to the regeneration of the private sector.

Through the end of the project, the Fund will commit capital to up to seven agribusinesses located nationwide through equity participation. The Fund will invest in the priority economic sectors of agribusinesses, financial institutions, light industries, and distributors.

RAMP/Chemonics will ensure that the agricultural sector receives a significant portion of the Fund's investment with an initial target of at least 20% of all the invested capital in the Fund. The Fund will make investments in agribusinesses while simultaneously providing advisory services to the enterprise through its core team and external business advisors.

Business Development Services

Flag International is providing Business Development Services (BDS) to Afghan agribusinesses with the goal of improving their ability to access credit in support of RAMP's ongoing projects. Flag offers guidance on business planning, preparation to access loans, leases, equity and post-finance assistance in order to grow their businesses.

Flag has exceeded RAMP/Chemonics' expectations on the number of clients that received BDS training, one-on-one consulting on financing alternatives. 132 agribusinesses located in Kabul, Kunduz, Laghman, Faryab, Herat, Parwan, Balkh and Baghlan have been screened and/or trained, of which 44 received assistance in assessing debt, trade or equity finance.

Through the end of the program, Flag will continue to provide intensive assistance to agri-entrepreneurs with bankable business proposals and link them with other RAMP/Chemonics financial services partners to obtain credit.

F. Improving Farm to Market Roads

Rehabilitating farm to market roads is an important part of project integration in support of the value chain. By strategically improving farm to market roads in areas that have already benefited from irrigation rehabilitation, farmers have the means to move their improved production to markets. Farmers gain from higher yields and improved prices for their goods. Improved roads also reduce transportation costs and the rates of spoilage and damage to produce en route. Smaller communities become more accessible and the availability and prices for agri-inputs such as seed and fertilizers are improved.

The target for the construction of farm-to-market gravel-compacted roads shown in the RAMP/Chemonics prime contract *could* be considered as 1000 kilometers (pp. 18, 23, 28, 29). However, on page 31 of the Prime Contract Statement of Work, the 1000 kilometers figure was reduced: "The majority of this [roads] is expected under REFS [separate roads contract awarded to Louis Berger Inc.]." Thus, the specific target for total length of roads to be constructed under RAMP is 900 kilometers, as agreed by the USAID CTO when he approved the *RAMP 2005 Work Plan* in December 2004.

Over the 31 months of RAMP implementation through January 31, 2006, the costs of construction, labor and materials have escalated by a minimum of 75 percent. Prices for all construction inputs are continuing to rise, as the demand for labor, cement, steel, and diesel fuel (perhaps the single largest factor driving cost rises) escalates both in Afghanistan and outside of Afghanistan (the source of many material inputs).

In consideration of the inflation in construction costs and the deteriorating security situation surrounding project sites (particularly in Hilmand, Kandahar, Nuristan, and Kunar provinces), Chemonics discussed with USAID (RAMP CTO) the need to reduce the targeted kilometers of roads to be rehabilitated from 900 to 572. The USAID CTO agreed that the 572 kilometer target is more realistic

By the end of 2005, RAMP/Chemonics' infrastructure department had rehabilitated approximately 423.2 kilometers of farm to market roads. The program is on schedule to complete the remaining 148.8 kilometers in 2006. Under this component, RAMP/Chemonics is partnered with dozens of local and international organizations who are leveling, compacting, protecting and paving roads in seven provinces (Baghlan, Balkh, Ghazni, Hilmand, Kunduz, Parwan and Nangarhar) of Afghanistan

Activities

During 2006, RAMP/Chemonics will complete the rehabilitation of 148.8 kilometers of roads in Balkh and Nangarhar provinces. Once these activities are completed, RAMP/Chemonics will have reached its target of 572 kilometers of roads rehabilitated.

Figure 2: RAMP/Chemonics 2006 Road Activities

| Province | District | Road Segment | Km of Roads Rehabilitated | | % Complete | Job Order # - IP |
|---|----------------------|------------------------------------|---------------------------|------------------------|------------|---|
| | | | Target | Actual | | |
| Balkh | Balkh | Colombo Road | 5.7 | 3.7 | 65% | JO#38-AREA |
| Balkh | Sholgara | Kod Barq Sholgar Road | 19.8 | Work began 01/01/06 | N/A | JO#38-KRA |
| Balkh | Sholgara | Kod Barq Sholgar Road | 22 | Work began 01/01/06 | N/A | JO#38-PRB |
| Balkh Total: | | | 47.5 | 3.7 | 8% | 3 IPs: AREA, KRA, PRB |
| Nangarhar | Pachir Wa Agam | Agam Centre Giri Khel | 12.3 | Culverts are completed | N/A | JO#36-ABR |
| Nangarhar | Pachir Wa Agam | District Centre Bamakhil | 3.2 | Culverts are completed | N/A | JO#36-ABR |
| Nangarhar | Pachir Wa Agam | Zamarkhil Mourgi | 2 | Culverts are completed | N/A | JO#36-ABR |
| Nangarhar | Pachir Wa Agam | District Centre Mir Afjali Zyarat | 6.4 | Culverts are completed | N/A | JO#36-ABR |
| Nangarhar | Sherzad and Khogiani | 5 separate segments in Sherzad and | 21.3 | Culverts are completed | N/A | JO#38-AACC |
| Nangarhar | Kama | Sherger | 13 | Culverts are completed | N/A | JO#38-HADF |
| Nangarhar | Shinwar | Gulalee | 9 | 5.4 | 60% | JO#38-DCG |
| Nangarhar | Batikot | Grabawa | 8.4 | 5 | 60% | JO#38-DCG |
| Nangarhar | Beshood | Kushgambad | 9.3 | 5.6 | 60% | JO#38-DCG |
| Nangarhar | Batikot | NVDA Drain Roads | 11.4 | 10.3 | 90% | JO#35-IF Hope |
| Nangarhar | Shinwar | Canal 29 road | 5 | 4.5 | 90% | JO#36-RSSA |
| Nangarhar Total: | | | 101.3 | 30.8 | 30% | 3 IPs: ABR, AACC, HADF |
| 2006 Ongoing Road Rehabilitation Activities Total: | | | 148.8 | 34.5 | 38% | 6 IPs: ABR, AACC, HADF, AREA, KRA, PRB |

G. Improving Irrigation Systems

As drought conditions prevail into the sixth year, rehabilitating irrigation structures and improving the productivity of the arable land in Afghanistan is essential. Irrigation projects that have already been completed are providing farmers with improved irrigation and improved yields, in some cases, for the first time in 25 years. As irrigation projects provide a reliable source of water, farmers are moving their increased production to market on improved roads.

Since July 2003 the project has de-silted and widened over 605 km of canals and repaired/constructed 340 irrigation structures, (ie. siphons, dams, bridges, gates) in 5 provinces Baghlan, Hilmand, Kunduz, Parwan and Nangahar. These activities have effectively improved irrigation for approximately 341,624 hectares of farm land.

Activities

In 2006, RAMP/Chemonics partner IFHope will rehabilitate 38 km of drains in the Nangarhar and Kama Drainage system in Nangahar province (the IP has already rehabilitated 74 km through this project – JO#35-IF Hope). Additionally, RAMP/Chemonics will repair/construct the following irrigation structures in Hirat and Parwan.

Figure 3: RAMP/Chemonics 2006 Irrigation Structure Activities

| Province | District | Irrigation Structure | # of Structures Repaired / Constructed | | % Complete | Job Order # - IP |
|---|--------------|---------------------------------|--|------------------------|------------|--|
| | | | Target | Actual | | |
| Hirat | Guzara | Guzara Canal Aqueducts | 4 | Work began Dec 2005 | 0% | JO#27-BDCI |
| Hirat | Injil | Injil Canal /Haf Qulb Sediment | 2 | Work began in Dec 2005 | 0% | JO#27-RAFA |
| Hirat | Guzara | Guzara Canal Bridges | 4 | Work began in Aug 2005 | N/A | JO#27-EACC |
| Hirat | Injil | Bande Rig Siphon | 1 | Work began in Dec 2005 | N/A | JO#27-STAAR |
| Hirat | Injil | Injil Canal Water Dividers | 3 | Work began Jan 2006 | N/A | JO#27-TCC |
| Hirat | Injil | Injil Canal Outlets | 31 | Work began Jan 2006 | N/A | JO#27-TCC |
| Hirat | Injil | Injil Canal Retaining Walls | 2 | Work began Jan 2006 | N/A | JO#27-ARAO |
| Hirat | Injil | Injil Canal Water Dividers | 2 | Work began Jan 2006 | N/A | JO#27-ARAO |
| Hirat | Injil | Injil Canal Outlets | N/A | Work began Jan 2006 | N/A | JO#27-ARAO |
| HiratTotal: | | | 49 | 0 | 0% | 5 IPs: BDCI, RAFA, EACC, STAAR, TCC, ARAO |
| Parwan | Jabalussaraj | Salang/Ghorband River Diversion | 5 | 3 | 60% | JO#16-RAFA |
| Parwan Total: | | | 5 | 3 | 60% | IP: RAFA |
| Ongoing Irrigation Activities Total: | | | 54 | 3 | 6% | 5 IPs: BDCI, RAFA, EACC, STAAR, TCC, ARAO |

E. Policy advising and Institutional Capacity Building

In addition to building on its substantial work on the value chain support services of improving access to financial services and rehabilitating roads and irrigation systems, RAMP/Chemonics is working on the policy level to enhance the capacity of the MAAHF. Since the program's inception, RAMP/Chemonics staff members have worked directly with senior MAAHF staff through two separate administrations. In addition to involving his Excellency Minister Obaidullah Ramin the design and monitoring of programmatic activities, RAMP/Chemonics works directly within the Ministry's agriculture extension and communications department to ensure technical information and public outreach material is accurately developed and delivered to its intended audience in the most appropriate means.

In May 2005, RAMP/Chemonics initiated its Institutional Capacity Building Project (Job Order #51) which provides a cadre of senior officials to enhance the capabilities of the MAAHF. These officials have been working directly with Ministry staff to coordinate appropriate use of resources, and develop strategic long-term plans for the Ministry as a whole. In 2005, the MAAHF, working in collaboration with RAMP/Chemonics advisors and other donor, completed its *Master Plan*. This document outlines the Ministry's priorities, and outlines the steps the Ministry will take over the next years to ensure Afghanistan experiences six percent overall growth rate within the agricultural sector. The MAAHF *Master Plan* feeds into the *The Interim Afghanistan National Development Strategy* – a document completed January 31, 2006 presenting the country's development goals and objectives for the next five years.

Activities

RAMP/Chemonics' approach to assisting the MAAHF on the policy level includes the teaming of key expatriate specialists with an Afghan counterpart within the Ministry, and additional Afghan specialists who focus on revamping financial and legal matters within the Ministry. To ensure long-term impact, the eight individuals (five national and 3 expatriate) will mentor other Afghan nationals in policy advisory roles, as well as legal, financial, alternative livelihoods and chief-of-staff roles. The program also has continuing responsibilities for mentoring existing Ministry specialists and officials. During 2006, RAMP/Chemonics will be providing advisory support services to MAAHF in the following technical areas:

MAAHF Agricultural Extension Department. The MAAHF extension department, led by Director Dr. Fazel, is responsible for coordinating the development of technical agricultural material (textual and visual), training extension agents on new agricultural techniques, and ensuring that this valuable information is effectively conveyed to farming communities. Since the program's beginning, RAMP/Chemonics has worked directly with this department, often seconding staff members (extension agents) in the field to assist in the implementation of projects.

RAMP/Chemonics and its partners will continue to work closely with the MAAHF's extension department, facilitating training workshops; assisting in the production of print and radio extension material related to improved cropping techniques, seed/fertilizer varieties; and involving provincial extension agents directly in demonstration farms and monitoring field activities.

MAAHF Agricultural Communications Department. The MAAHF communications department, led by Director Abdul Latif Rasoli, has evolved significantly since RAMP/Chemonics began. The department publishes and distributes a bi-monthly magazine, which documents MAAHF achievements and keeps provincial agricultural directorates informed of pertinent agricultural technology developments and new initiatives being pursued by the MAAHF. The department is responsible for all public outreach campaigns, and strives to keep the Afghan public informed of MAAHF activities, assistance programs, and achievements within their communities.

RAMP/Chemonics communications department will continue to provide ongoing computer application and radio production training to MAAHF communications department staff.

RAMP/Chemonics staff members work directly with this department to produce weekly radio segments (i.e. extension material, livestock vaccination campaigns, and agriculture-related radio dramas) that are broadcast on national and private radio stations. RAMP/Chemonics will share audio content produced through these activities with the USAID-funded Digital Solar Village project.

RAMP/Chemonics will also be working directly with this department to actively promote MAAHF and USAID achievements through the annual 'National Farmers Day' event held in Kabul on March 21, 2006.

Policy and Planning. Dr. Mohammad Usman, the Policy and Planning Advisor is a RAMP/Chemonics staff member and a key position within the advisory support team to the Minister. In addition to contributing significantly to developing the MAAHF *Master Plan*, he initiated a restructuring and development program for the Policy and Planning department of the MAAHF.

Throughout 2006, he will continue to advise the Minister on implementing the recently completed *Master Plan*; continue to develop the organization, skills and capacity of the Policy and Planning department; assist in planning a Ministry-wide training program to modernize the ministry (this was initiated last year with training for staff in computer skills and English language).

Alternative Livelihood. Mr. Yaqub Roshan, is a RAMP/Chemonics staff member who holds the position of Alternative Livelihoods Advisor, has focused on developing the capacity and effectiveness of the Alternative Livelihoods (AL) unit within the MAAHF. This has taken many forms, including restructuring the AL unit, building capacity of the Administration unit, improving communication between other departments and ministries, and facilitating improved coordination and effectiveness of the MAAHF with the Fall 2005 seed and fertilizer distribution program (Agriculture Input Supply Program – AISP).

In the first half of 2006, Mr. Roshan will finalize the design and structure of the AL unit; coordinate work between the MAAHF AL unit and other participating ministries; ensure work of the Spring 2006 distribution program is fully coordinated with other participating ministries; and train MAAHF field operatives as necessary to facilitate the distribution program.

Infrastructure, Public Relations, and Foreign Affairs. The responsibilities and activities of this position are quite diverse, drawing upon Mr. Habib Rahman's technical skills in architecture as well as his skills in management to bring together the physical and organizational needs of the Ministry and the Minister. During last year he completed a plan for the MAAHF compound in Kabul, and initiated assessments of infrastructure needs of facilities outside Kabul. A second accomplishment was to begin restructuring the staff and procedures within the Minister's office to more effectively utilize the Minister's time.

In 2006, Mr. Rahman will serve as the interim Chief of Staff to restructure the Minister's office while recruitment for this position is ongoing; establish systems whereby the Minister receives timely and essential information necessary for effective decision making; advise the Minister in details of the physical restructuring of the Ministry; and ensure construction and renovation meet modern and safe standards.

SECTION IV. Project Management

The previous sections of this document describe the activities RAMP/Chemonics will be implementing during 2006 in regards to supporting the value chain of agricultural commodity groups. The management task for an undertaking as multi-faceted and geographically wide-ranging as RAMP/Chemonics is considerable. This section focuses on RAMP/Chemonics' ongoing collaboration with a range of US and Afghan stakeholders, the programs emphasis on gender and environmental issues, and steps made in monitoring and evaluating activities, and communicating results.

I. Collaborating with Stakeholders

RAMP/Chemonics will continue formal and informal coordination with USAID, ISA, and other donors throughout fiscal year 2006. Coordination activities will take an increasingly important role in RAMP/Chemonics final months, as agribusinesses develop and as program works to ensure its activities have a lasting impact. In addition to the existing pattern of Kabul-based coordination meetings and reporting efforts to USAID, RAMP/Chemonics is continuing to coordinate regional collaboration among its IPs, USAID partners, and key government ministries.

Liaising with the USAID/Afghanistan

The RAMP/Chemonics Chief of Party (COP) serves as the primary liaison between individual project IPs and USAID. The COP is responsible for ensuring follow-through on all proposed activities and that the program's collective efforts meet its contractual obligations and objectives. Upon direction from RAMP/Chemonics CTO, the COP also liaises with other USG bodies to ensure that RAMP's programmatic activities are in line with the US Mission to Afghanistan's over-reaching national objectives.

Integrating Activities of RAMP/Chemonics Implementing Partners

Within RAMP/Chemonics, the Deputy Chief of Party (DCOP) is charged with managing the program's technical directors and ensuring integrated coordination among infrastructure, rural financial services, and agricultural technology and market development activities. RAMP/Chemonics activities in infrastructure, rural finance, and agricultural technology and market development are most effective when all three work toward the same goal.

Throughout the remainder of the program, RAMP/Chemonics will continue to facilitate collaboration among its implementing partners, to ensure the combined efforts of all activities have the greatest impact. In addition to ensuring that farmers have improved access to markets through newly rehabilitated roads, RAMP/Chemonics is working to link associations and agribusinesses with financial services providers also supported by the program.

Coordination with Other USAID and USG Partners

Given the ever-changing political and security environment in Afghanistan, RAMP/Chemonics would not be a success without ongoing cooperation with other USAID and USG supported partners. These include but are not limited to the PRTs, USADA, CNFA, OTF, and CIPE. By maintaining open channels of communication with these bodies, RAMP/Chemonics can ensure that it is progressing in a manner which is reflective of the USG strategic objectives for the region.

Provincial Reconstruction Teams (PRTs) – During 2005, RAMP/Chemonics' relationships with the PRTs throughout the country has strengthened significantly. In each province hosting RAMP activities, RAMP/Chemonics staff members engage with PRT personnel – both military and civilian. Not only do the PRTs serve as an invaluable resource in regards to providing security intelligence and emergency support when needed, the teams' civil affairs units, regularly meet with RAMP regional staff to coordinate activities and to ensure duplicative efforts are avoided. RAMP's interactions with the PRTs increased during the fall of 2005, when regional coordinators were implementing the MAAHF and USAID's Agricultural Input Supply Program (AISP). Through this program, RAMP and its partners with ALP (North, South, and East) distributed seed and fertilizer to over 500,00 farmers in Afghanistan.

Increasingly, the USG is stationing more civilian staff within the PRTs – representatives from USAID, USDA and the State Department. Throughout the remainder of the program, RAMP is committed to provide regular updates to PRT staff on programmatic activities in their provinces so US government resources can be coordinated for maximum impact.

United States Department of Agriculture (USDA) – Not only are USDA staff members actively engaged with providing advisory services to the MAAHF, but many are embedded within PRTs, designing and monitoring US-funded agriculture activities at the provincial level. Throughout 2005, USDA staff members were working directly with the MAAHF communications and agriculture extension departments to strengthen the identity of the Ministry as a recognizable institution and trusted source of information, and increase capacity to effectively transmit policy and technical information with

In addition to keeping USDA PRT representatives abreast of RAMP/Chemonics ongoing agriculture activities in individual provinces, program staff will meet periodically with USDA representatives working directly with the MAAHF in Kabul. RAMP/Chemonics capacity building initiatives will build upon the institutional investments USDA has already made to the MAAHF's communication and extension departments.

RAMP/Chemonics agriculture technology and communications staff will focus extension and public outreach resources on those organizations that the USDA orchestrated MOUs with MAAHF: Internews, ISAF Radio, and Kabul University.

Citizens Network for Foreign Affairs (CNFA) - The Rural Finance Department of RAMP cooperates regularly with the CNFA grant program - a USDA funded activity. Each program shares information and coordinates technical assistance about potential small- and medium-sized agribusiness clients to present a coherent approach to the agricultural sector. During 2005, CNFA provided 100 hand operated juicers for women in Hirat who were receiving assistance from RAMP/Chemonics' partner CRS to start small processing businesses. CNFA will be working closely with the financial institutional partners of RAMP to assist in providing equity or fixed assets to a client to enhance the attractiveness of the business operation for further debt financing.

In the upcoming months, CNFA is also working directly with RAMP's partner ICARDA in leveraging funds so managers of Village Based Seed Enterprises can purchase agricultural machinery. RAMP/Chemonics will continue to explore other similar means of teaming CNFA with its implementing partner's beneficiaries.

On the Frontier (OTF) – USAID contractor OTF is working to increase the competitiveness of five economic activities clusters/support industries. In 2004, RAMP/Chemonics participated in the selection of those clusters (dried fruit and nuts, carpets and marble) and support service sector (financing and transport). In 2005, RAMP/Chemonics provided field coordination and kept OTF personnel apprised of the program's 'on the ground' accomplishments – particularly in regards to the dried fruit and nut cluster.

In addition to the dried fruit and nut cluster, in 2006 RAMP/Chemonics will be working with OTF on the carpet sector. Carpet production in Afghanistan is directly related to the availability of quality wool. Upon the Minister of Agriculture's request, RAMP is pursuing the carpet weaving industry as a viable value-adding processing activity for Afghanistan. RAMP/Chemonics will regularly meet with OTF to identify specific activities that the program can implement to support this initiative.

Center for International Private Enterprise (CIPE) – is a USAID-funded private sector initiative that provides assistance in building the Afghanistan International Chamber of Commerce (AICC).

One of the RAMP financial partners, Afghanistan Finance Company (AFC), is collaborating closely with CIPE to co-locate with them in their provincial offices to offer financial services to the clients of AICC.

Alternative Livelihood Programs (ALP) – Since February 2005, USAID has been funding three large ALP programs in northern, eastern and southern poppy producing provinces of Afghanistan. In July 2005, due to ongoing security concerns, ALP-S (contracted by USAID to Chemonics) programmatically absorbed RAMP's Alternative Income Project (AIP). ALP-S, operating under an enhanced security platform restarted a number of AIP's successful cash-for-work activities focused on rehabilitating drains/canals in Hilmand province. During Fall 2005, RAMP/Chemonics worked with Regional Coordinators employed by ALP-S (contracted to Chemonics), ALP-E (contracted to DAI), and ALP-N (contracted to PADCO) on AISP – the national seed and fertilizer distribution program.

In the Spring of 2006, RAMP/Chemonics is coordinating the Agriculture Marketing Production Support (AMPS) – a distribution program implemented in the ALP priority provinces (Kunduz, Badakshan, Takhar, Nangarhar, Laghman, Kunar, Kabul, Kandahar, Hilmand, Zabul, Uruzgan) focused specifically on high value crops (i.e. tomato, melon, watermelon, sweet pepper). In addition to coordinating logistics, RAMP/Chemonics is responsible for ensuring all related extension material is approved by the MAAHF, and that the Ministry's communication department is instrumental in actively promoting activity through print and radio.

RAMP/Chemonics remains committed to keeping ALP program managers apprised of activities implemented in their provinces of operation to avoid duplication of efforts and so ALP can actively promote MAAFH-USAID assistance programs as alternatives to producing poppy.

USAID Partners Working with Graphical Information Systems (GIS) - RAMP/Chemonics has and will continue to provide technical support to AIMS, IRD, the British Embassy, and USAID in the formation of a country-wide GIS Databases.

Coordination with the Government of the Islamic State of Afghanistan (ISA)

RAMP/Chemonics is coordinating with key ministries of the ISA to ensure that all activities are in accordance with the priorities of the Afghan government. In addition to its primary partner - the Ministry of Agriculture, Animal Husbandry and Food (MAAHF) - RAMP/Chemonics also coordinates with the Ministries of Energy and Water (MEW); Rural Rehabilitation and Development (MRRD); Public Works (MPW); Counter Narcotics (MCN); and Commerce (MOC), as well as provincial and district authorities; and complementary projects funded by USAID.

Provincial Departments/Directorates of MAAHF

Previous section E. 'Policy Advising and Institutional Capacity Building', explains RAMP/Chemonics collaborative relationship with the MAAHF in Kabul. This central body is responsible for developing and implementing national and regional policies for the agricultural sector. The institution is also responsible for ensuring all donor-funded activities are supportive of the Afghanistan's national objectives. Within the capital cities of each province are provincial agricultural directorates which serve as official offices of the MAAHF. The provincial directorates significantly vary from province to province in regards to staffing, operational capacity, funding and effectiveness. Throughout the program, RAMP/Chemonics regularly (with approval from the MAAHF) seconds provincial extension officers who are invaluable in monitoring program activities, actively participate in agriculture technology training, and collect market data for the program's PRAs. During the Fall 2005 seed and fertilizer programs, RAMP/Chemonics and ALP Regional Coordinators worked directly with the provincial agricultural directorates to select program beneficiaries, determine appropriate distribution sites in each district, and promote the program to farming communities.

RAMP/Chemonics will continue to provide training to and work with the extension officers staffed by the provincial directorates. As the level of communication between the Kabul based MAAHF and the directorates increase, RAMP/Chemonics will work to ensure that centrally-developed extension and public outreach material (print and radio) is delivered in a timely manner to the provincial capital cities for wider dissemination to farming communities. Additionally, RAMP and ALP staff will continue to rely on the directorates as a valuable resource when implementing the Spring 2006 seed and fertilizer distribution program.

Ministry of Energy and Water (MEW)

All of RAMP/Chemonics' irrigation projects are designed in consultation with and approved by the Ministry of Energy and Water (MEW). RAMP/Chemonics regularly seconds highly trained engineers from the provincial offices of this Ministry to conduct site inspections and to provide technical assistance.

RAMP/Chemonics will maintain its cooperative relationship with the MEW –both at the central and provincial level. RAMP/Chemonics makes certain that the MEW is actively involved in all irrigation projects – from identifying needs, designing projects, construction/rehabilitation, to assessing impact.

Ministry of Rural Rehabilitation and Development (MRRD)

From 2003 to 2005 RAMP/Chemonics provided a \$5 million grant to the Microfinance Investment and Support Facility Afghanistan (MISFA) - an umbrella fund that nationally supports microfinance institutions (MFIs) and is housed within the MRRD. During the Fall 2005 seed and fertilizer distribution program, the provincial directorates of the MRRD were extremely instrumental in assisting the Regional Coordinators in selecting program beneficiaries.

RAMP/Chemonics policy advisors to the MAAHF are in regular contact with MRRD representatives, keeping the latter institution informed of proposed and ongoing agricultural activities throughout the country.

Ministry of Public Works (MPW)

All of RAMP/Chemonics road rehabilitation projects are designed consultation with and approved by the Ministry of Public Works (MPW). Each of the RAMP/Chemonics road projects feeds directly into the MPW's National Road Program.

RAMP/Chemonics will continue to participate in monthly coordination meetings with the MPW. In attendance at these meetings are all partners and contractors who are receiving funding to rehabilitate and/or expand Afghanistan's growing road network.

Ministry of Counter Narcotics (MCN)

Although the MAAHF does support alternative livelihood activities throughout the country, as a matter of policy, the institution does make an effort to disassociate itself with eradication efforts in Afghanistan. However, the poppy problem in Afghanistan will not be curbed unless all government bodies and members of the donor community work collaboratively to actively follow the 2004 multifaceted *National Drug Control Strategy* that aims to reduce opium poppy cultivation by 70 percent by 2008.

Although not specifically 'ear-marked' as such, all of RAMP/Chemonics programmatic activities contribute to alternative livelihood opportunities in Afghanistan. For its Spring 2006 seed and fertilizer distribution program, RAMP/Chemonics is working directly with contractors supporting the MCN to maintain message continuity in alternative livelihood public awareness campaigns.

Afghanistan Parliament

At the time of this document's submission, Afghanistan's newly elected parliament was dividing into technical committees – one of which focuses on the national agriculture priorities. Throughout 2006, RAMP/Chemonics will work with its CTO and the US Embassy's Parliamentary Liaison Office to ensure that parliamentary officials are kept apprised of all of the program's activities and impact.

Afghanistan's Central Bank.

The Supervision Department within the Central Bank is establishing the laws and regulations for bank and non-bank financial institutions. These laws will impact the financial institutional partners of RAMP.

The Central Bank collaborates closely with RAMP/Chemonics financial services partners to receive their input on the laws as they are drafted.

J. Ensuring Gender Sensitivity

All RAMP-funded activities involve the participation of the men and women from rural farm households and communities. Gender issues are specifically addressed in several job orders. In 2005, RAMP/Chemonics contracted a short-term gender specialist to evaluate the program's impact on women in Afghanistan. Homira Nassery's principal finding was that RAMP/Chemonics has done far more for the women of Afghanistan than the program is actively reporting. Ms. Nassery recommended that RAMP/Chemonics refine its monitoring and evaluation and reporting mechanisms to more clearly demonstrate the program's inclusion and focus on women in the individual job orders.

During the final months of the contract, RAMP/Chemonics is focusing significant resources on assessing the impact of the program. In addition to determining collective economic impact of RAMP/Chemonics' activities, the program's M+E department is gathering quantitative data regarding the inclusion of women in individual projects. Throughout 2006, program will make a concerted effort to ensure that USAID and the Afghan public are made well aware of how rural women are benefiting through the RAMP activities.

K. Protecting Afghanistan's Environment

In July of 2004, RAMP/Chemonics project management and a Tellus Institute consultant reviewed Job Orders for compliance with USAID mandatory Environmental Requirements. During 2005, the management team updated all development documents to reflect compliance with environmental review requirements and facilitated a training session for all Implementing Partners ensure operational compliance with USAID mandatory Environmental Requirements.

In accordance with the recommendations brought forth in the report, RAMP/Chemonics will continue to ensure environmental standards are upheld by carrying out the following activities:

- Require all IPs to follow a standardized Environmental Screening and Review Process that adequately addresses USAID Mandatory Requirements such as USAID Regulation 216 and FAA 117 and 119;
- Incorporate compliance measures by requiring successful bidders to commit, upon award and/or in the project design stage, to submit an Environmental Report Form and, where appropriate, an Environmental Review Report (ERR);
- Apply 'best practices', particularly mitigation and monitoring guidance through the project Subcontractor Welcome Kit and other project documents; and
- Through training and technical assistance, develop capacity of Implementing Partners to:
 1. Prepare and Apply the ERR to projects at the design stage;
 2. Apply environmentally sound design principles at the project design stage;
 3. Ensure effective mitigation and monitoring plans and follow up; and
 4. Apply environmental 'best management practices' during project implantation.

L. Monitoring and Evaluating Achievements

As indicated in the *LOP Work Plan*, the results framework lays out the strategic objective and the intermediate results (key contributing objectives) that are *necessary and sufficient* to accomplish the objective. The Performance Management Plan (PMP) relies on a series of indicators to measure the progress of RAMP accomplishments.

Figure 4: Project Results Framework

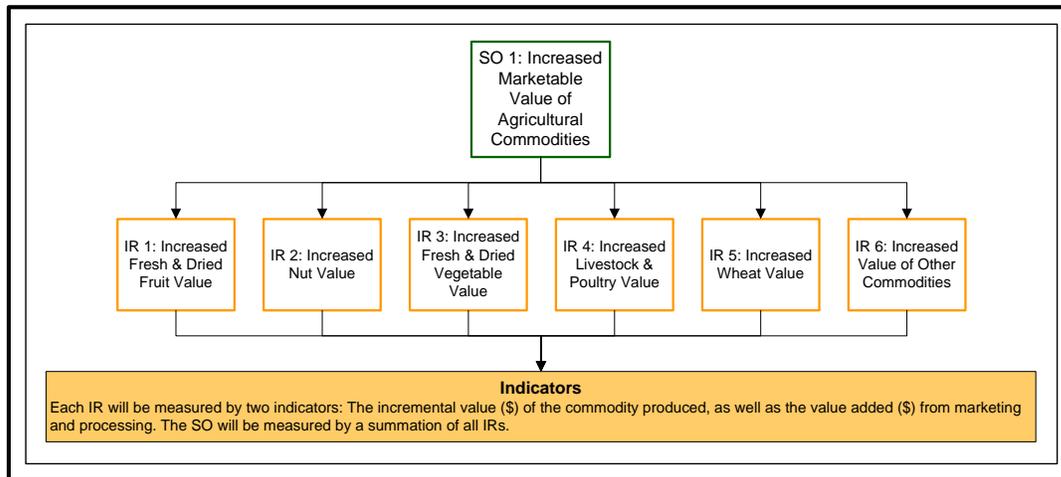


Figure 4: Project Indicators

- ▶ **SO 1: Increased Marketable Value of Agricultural Commodities**
 - Indicator 01: Value change in output and marketing and processing from all impacted commodities
- ▶ **IR 1: Increased Fresh & Dried Fruit Value**
 - Indicator 02: Value change in the output of fresh and dried fruit
 - Indicator 03: Value change to fresh and dried fruit from marketing and processing
- ▶ **IR 2: Increased Nut Value**
 - Indicator 04: Value change in the output of nuts.
 - Indicator 05: Value change to nuts from marketing and processing
- ▶ **IR 3: Increased Fresh & Dried Vegetable Value**
 - Indicator 06: Value change in the output of fresh and dried vegetables
 - Indicator 07: Value change to fresh and dried vegetables from marketing and processing
- ▶ **IR 4: Increased Livestock & Poultry Value**
 - Indicator 08: Value change in the output of livestock and poultry
 - Indicator 09: Value change to livestock and poultry from marketing and processing
- ▶ **IR 5: Increased Wheat Value**
 - Indicator 10: Value change in the output of wheat
 - Indicator 11: Value change to wheat from marketing and processing
- ▶ **IR 6: Increased Value of Other Commodities**
 - Indicator 12: Value change in the output of other commodities
 - Indicator 13: Value change to commodities from marketing and processing

*While IR 6 is presented here, as well as in the results framework, it is expected that contributions to the SO will be minimal but it is inline with the projects overall opportunistic approach.

Activities

Monitoring and evaluation (M&E) plays a vital role in managing project interventions and reporting results and accomplishments to project stakeholders. The contract's strategic objective (SO) calls for a \$250M increase in the marketable value of agricultural commodities. RAMP has elaborated on this SO with a refined results framework and PMP. These are presented in detail in the Life of Project Work Plan.

Supporting the macro-level targets presented in the PMP are a series of tools, systems, and analyses. These are presented in the activities section below.

PMP

The project's performance management plan (PMP) forms the backbone of its reporting of project success. The target over three years is to increase the marketable value of agricultural commodities by \$250M. Supported by six intermediate results and a dozen indicators, the PMP will report changes in agricultural output and marketing and processing.

Impact Assessments

Impact surveys attempt to measure the outcome of project interventions. The M&E Unit will measure the dollar change to the strategic objective due to specific project interventions or a basket of interventions. They are as follows:

Agricultural Technology & Marketing

- *Agricultural Marketing of Fruits and Nuts*
Project activities to expand exports of agricultural commodities will generate program impacts. Ongoing analyses will provide periodic updates on the status of accomplishments.
- *Adoption Rate*
Through agricultural extension and on-farm demonstrations RAMP is promoting a basket of technologies aimed at increasing agricultural output and farmers' incomes. Surveys focused on adoption rates will identify the type and rate of technology adoption by affected farmers. From this, benefits will be calculated.
- *Cold Storage and Market Center Impacts*
Cold storage and market centers are bringing greater efficiencies to the value chain. Their benefit, in dollar terms, will be quantified through an analysis of product values.
- *Improved Agricultural Inputs*
Improved seed and fertilizer promoted or distributed by RAMP increases agricultural productivity. Project impacts in this area will be quantified.
- *Livestock, Poultry and Veterinary Services*
Vaccination and treatment has a positive, measurable impact on the value of livestock and poultry. Analysis of vaccination and treatment data will provide a periodic valuation of this intervention.
- *Locust and Sunn Pest Eradication*
Locust and Sunn pest can destroy significant agricultural production. The eradication of these pests in affected areas has a significant impact on the value of saved agricultural production. Benefits will be calculated periodically.
- *Vegetable Production and Processing*
Benefits from improved vegetable production practices and the processing into packaged products will be calculated.

Rural Finance

- *Microfinance and SME*
Rural microfinance provides one of the few credit facilities to farmers. Likewise SME loans in the agricultural sector benefit processors and growers. A valuation of these services will be completed periodically.

Infrastructure

- *Road Rehabilitation*
Road rehabilitation is a major component of the project. Reduction in travel time and cost, and decreased damage and spoilage to crops, are only some of the potential benefits from repaired roads.
- *Irrigation and Drainage Impacts*
Irrigation and drainage works address one of the most significant limitations in Afghan agriculture. As such, their potentially large benefits, due to increased farm productivity, will be calculated.

Metrics Reporting (Bi-weekly reporting)

Metrics reporting of important output variables will continue on a bi-weekly basis. These measures provide frequent updates to the work accomplishments of the IPs. Currently RAMP/Reports on the following indicators:

- Irrigation structures rehabilitated
- Hectares receiving improved irrigation
- Kilometers of farm-to-market roads rehabilitated
- Loan officers trained
- Loans disbursed
- Livestock vaccinated/treated
- Chickens distributed (for women's poultry management program)
- Women training in poultry management
- Farmers served by extension
- Market Centers Constructed

GIS

RAMP maintains an extensive database of its activities in a Geographic Information System. This allows for the production of maps, agricultural and demographic analysis using GIS data, and the management of related data for USAID's GeoBase.

M. Communicating Results

As the largest agricultural donor initiative in Afghanistan, the RAMP/Chemonics communications program takes a comprehensive and cohesive approach. By combining reports from implementing partners, important educational information derived from project activities and developing a strong public awareness effort, RAMP communications is:

- Meeting USAID needs for timely and effective reporting;
- Building national and international awareness of the good work being implemented by RAMP;
- Enhancing the efforts of the RAMP/Chemonics staff and its IPs;
- Providing Afghan families with information for improving their operations and their incomes; and
- Strengthening awareness of development progress under the Islamic State of Afghanistan.
- Working directly with the MAAHF Communications Department to enhance its capacity to deliver appropriate public outreach and agriculture extension material.