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ALTERNATIVE LIVELIHOOD PROGRAM – SOUTHERN REGION (ALP/S)

Quarterly Report: October – December 2006

PREPARED BY:

Chemonics International

IN COLLABORATION WITH:

Abt Associates Inc.
The Louis Berger Group
NRECA International Ltd.
Making Cents International
Global Strategies Group

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ALTERNATIVE LIVELIHOODS PROGRAM – SOUTHERN REGION (ALP/S)

FIRST QUARTERLY REPORT for FY 2006

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EXECUTIVE SUMMARY

October through December 2006 was a successful quarter for the program as momentum continued to grow in implementing technical activities despite the heavily constraining environment imposed by the security situation. ALP/S staff continued their efforts on successful programs initiated in previous quarters while starting new activities to support the overall goals of the program. Serious challenges continue to persist such as the volatile security environment and turnover of program staff. In this quarter, three long term expatriate staff left the program: COP Charlie Oberbeck, Infrastructure Manager James Huddleston, and Public Information Specialists Holly Barnes and Sally Cooper.

During the period, ALP/S consolidated its focus on three principal initiatives: (1) improving access to productive infrastructure; (2) developing a livestock cluster and (3) exploring the potential for a horticultural agribusiness cluster for management effectiveness and maximum visible impact. Woven throughout each of these themes is the priority of working closely with the GoA and relevant line ministries including the Ministry of Agriculture and Irrigation (MAI) and the Ministry of Rural Rehabilitation and Development (MRRD). Cooperation with these entities during this quarter has continued and has been essential for ALP/S and community relations, serving the larger goal of demonstrating to stakeholders that the GoA is increasingly responsive and effective.

Much of the ALP/S agricultural cluster development activity this quarter centered on the further development of a productive livestock sector. ALP/S staff initiated the commercial feed system activity and continued progress in the veterinary services and mini-feed mill activities. In the horticultural cluster, ALP/S achieved considerable successes in the dried fruits and nut sector as well as the fresh fruits sector. In addition, ALP/S completed the successful design for the Spring Seed Distribution plan. In December, ALP/S signed a subcontract with the Noor-Heravi Brothers to purchase and deliver 10,000 metric tons of livestock feed to 14,000 farmers in Helmand and Kandahar provinces. This delivery will spur demand for livestock feed and set the stage the need to establish an operational feed mill in the south. ALP/S continued implementation of the mini-feed mill project to demonstrate to area farmers the advantages of providing compound feed for livestock. In veterinary services, ALP/S conducted trainings on animal health and production and administered over 400,000 vaccines and medicines and applied nearly 13,000 veterinary services. In addition, para-veterinary courses commenced in Kandahar and the program established six new veterinary field units in Helmand.

ALP/S was successful in its support of the fresh and dried fruit and nut agricultural sectors by aiding farmers to export 13.5 MT of apricots, 63 MT of dried fruit, 65 MT of pomegranates, and \$542,260 worth of almonds and other fresh fruits. Training efforts included instructing farmers in the selection, packaging, and transportation of pomegranates, best practices in viticulture and orchard topics for over 8,400 farmers, and the use of fertilizer for the fresh fruit exporters union. In November, an ALP/S sponsored Afghan trade mission traveled to Ukraine to improve trade relations and to address current challenges in exporting products there. Pertinent parties are currently negotiating a deal to export 1,300 MT of red raisins to the Ukraine valued at over \$1,000,000. Finally, ALP/S is coordinating with the Ministry of Agriculture and USAID for the

forthcoming Spring Seed Distribution Program.

The Infrastructure component continues to implement numerous successful road, irrigation system, and electrical sector activities. ALP/S continues to select infrastructure activities for their potential to promote the growth of licit economic development in the three provinces in the ALP/S mandate. Successful road rehabilitation efforts continued with the gravel compacted and stone-paved road projects. ALP/S anticipates additional gravel compacted road work to begin in January 2007 as RFPs were received and reviewed for the rehabilitation roads in Helmand and Kandahar province. Early in the quarter, ALP/S and the Nadi-i-Ali shura signed an MOU to build 40 kilometers of cobblestone roads in Nad-i-Ali district. Additional Bolivian cobblestoning experts arrived in country and leveling work began in November employing over 300 laborers. In December, work ceased at the request of the Nadi-i-Ali shura who requested paved roads instead of cobblestone.

ALP/S continued major efforts in irrigation and drain rehabilitation resulting in completion of 20 kilometers of main drain cleaning in Bolan and 3.5 kilometers on the main drains in Garmser district. ALP/S issued an RFP to clean 148.78 kilometers of drains and irrigations canals of the Middle Helmand Irrigated Agricultural System. Afghan private businesses and NGOs sent numerous proposals to ALP/S and ALP/S will review these proposals, and expects work to begin in early February. In this quarter, ALP/S initiated a large cash for work program that focused on areas effected by recently conducted military operations in Uruzgan and Kandahar. ALP/S has planned nearly five million USD in project activities with 15 specific activities underway or already completed. These activities consist of canal and karez cleaning, flood wall reconstruction, road and culvert rehabilitation.

The electrical substation project continued in this quarter supported by a short term consultant who revised the project schedule and conducted a financial sustainability assessment for the electrical distribution system. ALP/S received bids for replacement transformers and is in the process of receiving clarifying information from potential suppliers before proceeding with subcontracting. In addition, the program is preparing an RFQ for the design of the substation renovation.

The Business Development Services (BDS) component continued efforts to support licit economic development by focusing on activities in livestock feed distribution, investment promotion, industrial park assessment, and association strengthening. In addition, ALP/S continued efforts on the internet connectivity activity. An ALP/S short-term consultant completed and delivered the industrial park assessment confirming preliminary research which identifies Bolan as the most ideal location in Lashkar Gah for an industrial park. ALP/S home office staff attended a business match-matching conference hosted by the AACC in Washington, DC resulting in several subsequent meetings between Afghan firms and field staff.

The internet connectivity project continued with the purchase, delivery and installment of antennas, routers, d-link switches, and cables. In addition, ALP/S identified trainers and scheduled introductory classes to begin in the next quarter. The short-term association strengthening consultant completed his evaluation and needs-assessment for local associations in support of association strengthening objectives. Results of the assessment identified recurring organizational needs and developed action plans and workshops.

In this quarter, the Public Information component saw the arrival of a new long-term public information specialist and ultimately her unanticipated departure as the quarter ended. Despite the lag time of coming up to speed by the newly fielded PI specialist at the beginning of the

quarter, the PI component continued to achieve progress in broadcasting information about USAID's ALP/S program through the distribution of posters and booklets, and messages on billboards and through radio dramas. The PI specialist also conducted a briefing for local media on ALP/S activities to date and future plans and completed design of leaflet on livestock feed distribution.

ALP/S made significant progress to support income generation and capacity building for women in Southern Afghanistan despite the charged and volatile operational environment for effecting change in this conservative culture. In this quarter, efforts focused on English language training, midwifery program design, and other income generating activities. The gender specialist identified English training as a critical need for prominent women in their efforts to engage with donors and implementing partners in Helmand Province. ALP/S developed an English training activity and successfully completed the language capacity development program for 11 female leaders from Helmand.

ALP/S began discussions with the Helmand Department of Public Health to develop the Helmand Community Midwife Enterprise (CME). The goal of this program is to train and accredit up to 20 Helmand based community midwives providing improved birthing healthcare to mothers while creating income generating opportunities for females. In addition, the ALP/S-supported Arghand Cooperative continued to produce soaps and oils from locally produced seeds and plants providing income generating employment for local women. This quarter production increased 100% with the installation of electric oil seed press which will further increase the efficiency and profitability of the cooperative.

Another ALP/S supported women's income generation activity, Kandahar Treasures, continues to advance towards self sufficiency as the result of technical assistance including help with the marketing plan and inventory training. ALP/S plans additional training in business management topics for the next quarter. Kandahar Treasures has signed a Memorandum of Understanding with the Rameen Kamran Cooperative which will provide access to the Kabul market. This will not only open up access into the expatriate market for handicraft products but will create opportunities to identify future business partners.

In spite of the challenges of implanting technical assistance in the volatile, debilitated and conservative Southern provinces, ALP/S continues to implement activities laying the foundation of licit, sustainable, economic growth in order to improve lives of Afghan citizens in collaboration with the Government of Afghanistan.

PROGRAM OVERVIEW

STATEMENT OF WORK

The overall objective of the Alternative Livelihoods Program is to improve the licit income opportunities and well being of thousands of rural families by integrating them into a growing regional economy. By providing licit, alternative income and employment opportunities, ALP/S will contribute to a reduction over time in the growing of opium poppy in targeted areas. The following objectives form the basis of all proposed ALP activities in Southern Afghanistan, and advance the primary Strategic Objective of USAID/Afghanistan: *a thriving licit economy led by the private sector*:

1. Improve public works and infrastructure;
2. Develop agribusiness clusters and associated income-generating activities;
3. Accelerate business development; and
4. Increase capacity of local institutions to facilitate ongoing economic growth.

OPERATING ENVIRONMENT

Afghanistan's south has been in a perpetual state of war for much of the last 25 years. Existing infrastructure is poor and often damaged, the number of potential implementing partners, both Afghan and international, is limited, and the Afghan partners often have low capacity to implement activities. Additionally, there is little access to financial services. With few educational facilities, the workforce is largely unskilled and uneducated. The percentage of local population receiving education varies from an estimated 10% in Uruzgan (ALP/S) to 14.8% in Kandahar (ALP/S). Almost half the population is under 16 years of age (ALP/S). As a result, ALP/S has to provide much capacity building for partners and on the job training for its local employees, resulting in short-term slow rate of implementation, but long term capacity and investment in the area, which furthers ensures sustainability.

The three provinces covered by ALP/S, Helmand, Kandahar and Uruzgan, are characterized by their poverty, insecurity, their tribal conflict and their weak local governance. The rise in the number of incidents involving improvised explosive devices in Lashkar Gah included two suicide bomb attempts within the Governor's compound. After a year in his position, President Karzai removed Helmand Governor Mohammed Daoud in December and replaced him with the former governor of Kunar, Asadullah Wafa. ALP/S had a good working relationship with the out-going Governor, and will seek to develop one with the new appointee.

One of the most influential challenges that ALP/S faces in the implementation of its activities is operating in the high risk environment in which it works. Southern Afghanistan is extremely insecure, characterized by frequent movements of coalition and Afghan military and police against insurgent forces, as well as Taliban and anti-government elements (AGE) activity. Ambushes and improvised explosive devices (IED) are constant threats to program implementation. Traditional power politics also influence conflict resolution in the region. The

operating environment effects project implementation in several different ways: restricted movement to and from project sites, and in and out of Helmand, Kandahar and Uruzgan provinces, and the willingness of local stakeholders to collaborate with ALP/S.

QUARTERLY RESULTS

I. AGRICULTURAL CLUSTER DEVELOPMENT

Much of ALP/S activity during the quarter focused on its work in developing a productive livestock sector by implementing emergency repair and rehabilitation of vineyards, irrigation systems, and raisin drying facilities in Kandahar in the wake of Operation Medusa in Panjwai and Zhari districts in Kandahar Province.

LIVESTOCK CLUSTER DEVELOPMENT

The CTO approved ALP/S Work Plan for 2006/2007 outlines assistance that will result in an integrated livestock cluster operational in Helmand Province by June 2007. The components of this cluster will include a commercial feed system, veterinary services, fattened lamb production and marketing, dairy production and marketing, livestock price information system, and rural financial services. ALP/S is developing this cluster through a network of farm and livestock associations, which will serve to provide supplies and services to several thousand small farmers, forming the productive base of the cluster and creating the farm level conditions that will make commercial provision of feed, supplies, and veterinary services economically sustainable, by the end of ALP/S. During this quarter, ALP/S provided technical services and support through implementing partner, Afghanistan Veterinary Association (AVA) and subcontractor Noor-Heravi Brothers.

COMMERCIAL FEED SYSTEM



Kuchi livestock herder (ALP/S, December 2006)
Afghanistan Alternative Livelihoods Program
Southern Region (ALP/S)

Livestock has the potential to be a major driver of licit economic development in Southern Afghanistan. Current and projected livestock activities include: development of a commercial feed system; establish and strengthening veterinary field units (VFUs) throughout Helmand and Kandahar; support for small-scale commercial dairy markets; and farmer access to credit. The program will distribute feed to approximately 6,500 farming families in Helmand and 7,500 farming families in Kandahar, as well as a yet to be determined

number of Kuchi groups in both provinces. The livestock feeding activity is guided by three fundamental premises:

- For the majority of beneficiaries, with small numbers of animals, the quantity of feed received will represent an important supplement to the scarce forage and feed grain diet typically available during the winter season, and will maintain milk production and animal weight during the winter months.
- For producers with large herds, who collectively own the majority of animals in the region, the feed distributed represents a small fraction of what would be needed to offset seasonal feed shortages and consequent production and weight losses indicated above.

In December, ALP/S signed a subcontract for the purchase of 10,000 MT of livestock feed with the Noor-Heravi Brothers whom are local contractors. The first delivery of feed is scheduled to take place on January 4, 2007. ALP/S will distribute the feed among 6,500 farming families in Helmand and 7,500 farming families in Kandahar. There are plans to distribute feed to a number of Kuchi groups in both provinces; the number of groups has yet to be determined.

Preparations are underway for providing extension services and workshops that will train livestock owners and project personnel in the monitoring of feed distribution. As women contribute significantly to livestock, particularly poultry production, the program anticipates that a select number of these courses will train female extension agents to work with women on an appropriate village level.

VETERINARY SERVICES

ALP/S, working in collaboration with its implementing partner the Afghanistan Veterinary Association (AVA), strengthens the capacity of veterinary field units in order to provide routine vaccinations for cattle, sheep and poultry throughout Southern Afghanistan, which by increasing animal health will result in higher prices for the livestock or livestock products at market.

During this quarter, AVA conducted three Basic Veterinary Workers courses. The courses' curriculum included topics such as clinical examination diagnosis methodology for sick animals, control and field treatment of common diseases, minor surgery techniques, animal vaccination and de-worming and improved animal health and extension services. Two of the courses took place in Lashkar Gah, training 29 participants from the Nawah, Nad-I-Ali, Lashkar Gah, Marja, Khanshin, Washit and Kajaki districts of Helmand, and Khakriz, Shikhwani, Daman, and District #6 districts of Kandahar. The third took place in Kandahar, training a total of 14 participants from the districts of Shawalikot, Ghurak, Zeri, Dand,



Basic Veterinary Workers with their kits in Helmand after completing training program (ALP/S; Oct 2006)

Shegah and District #5 in Kandahar province, and the Seuri district of Zabul province. The 29 trainees who successfully completed the Lashkar Gah course received their initial kit of equipment, medicines and vaccines. AVA distributed two newsletters and four extension messages (flip charts) including information on animal health and animal production to VFU

staff, farmers and others relevant parties. As a requirement, all graduates are required to complete a second "refresher" course within six months of completing the program. Through these courses, trainees administered approximately 153,266 vaccines, 253,334 various medications and provided 12,625 various veterinary services.

Early November marked the commencement of the 21-week paravet course in Kandahar. The 720-hour course has 16 participants enrolled, and offers instruction on subjects including anatomy, animal husbandry, infectious disease, reproduction, surgery, clinical pharmacology, immunization and vaccination, as well as basic math and English. The course requires all participants to complete 285 hours of clinical practice, and they must pass a final examination. The curriculum uses audio-visual teaching materials especially tailored for the course. This course will run through April, after which the newly trained paravets will receive district-level placements in Kandahar and Helmand provinces.

Also during this quarter, ALP/S established six new veterinary field units in Darweshan, Baghran, Lashkar Gah, Delaram, Takhat Pol, and Shorbak districts of Helmand. These units are providing vaccinations, medication and other veterinary services to cattle, sheep and poultry to these areas.

ALP/S also procured artificial insemination equipment including artificial insemination straws, a liquid nitrogen cylinder and laboratory equipment. The equipment is now in Kabul, the project anticipates shipping it in mid-January, and once the equipment arrives, the courses are scheduled to begin. Initially, AVA plans to implement artificial insemination for improvement of cattle breeds and, at a later stage, for sheep. In the upcoming quarter, to further utilize the laboratory equipment, ALP/S will train the 28 paravets to properly analyze and diagnose various diseases as well as training and facilitation of practical artificial insemination.

MINI-FEED MILLS

In the FY 2006 fourth quarter, ALP/S began the implementation of the mini-feed mill program. ALP/S will set up the mini-feed mills, four in Helmand and four in Kandahar, for the purpose of grinding and mixing feed for cattle, sheep and poultry. The desired outcome of this specific project is to demonstrate the advantages, such as maintaining milk production and animal weight in winter, of providing compound feed to livestock to targeted farmers. ALP/S will provide technical guidance to associations and cooperatives which will ultimately become the owners of the eight feed mills.

In November, the Agribusiness Department identified two additional organizations that can directly benefit from the feed mills. Both beneficiaries are located in Helmand Province. The first is The Bolan Dairy Association and the second is a large scale, private poultry producer also in Bolan, the only operation of its kind in the area.

HORTICULTURE CLUSTER DEVELOPMENT

SUPPORT TO FRUIT AND NUT FARMERS AND TRADERS IN KANDAHAR

In support of horticulture cluster development ALP/S provides production and marketing assistance to farmers in the Kandahar region. Military operations in Southern Afghanistan influenced the working conditions during this quarter, especially in Panjwai and Zehrai districts

where the fresh and dried fruit farmers and traders are concentrated. Ramazan and festival of Eid also contributed to slowing of the activities, with the season of fresh grapes and pomegranates coming to an end in early December.

During this quarter, ALP/S achieved a number of notable milestones. For the first time, dried apricots from Southern Afghanistan met U.S. import processing standards. Following customs clearance, the 13.5 MT shipment is now en route to the United States. During October demand in the Indian market increased for dried fruit and nuts. The Dried Fruit Exporters Association of Kandahar (DFEAK) shipped \$542,260 worth of almonds and dried raisins to New Delhi in the month of October and a further 63 MT of assorted dried fruit in November.

Exports of pomegranates also enjoyed considerable success during this quarter. One member of the Fresh Fruits Exporters Association of Kandahar (FFEAK) exported 40 MT of pomegranates to India by road. This shipment resulted from an Indian trader coming to Kandahar and training ten farmers on selection, packaging and transportation of pomegranates. The farm gate price per kilo paid by the Indian importer for selected pomegranates was US\$0.70 and US\$0.48 for unselected pomegranates, which are 15-25% more than local market prices. The association exported a further 25 MT of pomegranates to India in November.

At the request of USAID, ALP/S surveyed the destruction of vineyards, raisin drying structures, and irrigation canals caused by recent NATO military operations in Kandahar. ALP/S received approval from USAID for a six-month rehabilitation program in Panjwai and Zherai districts under the emergency rehabilitation work plan. Surveying work was completed in October with reconstruction of one well, a number of pomegranate and vine nurseries and five raisin drying sheds in Regay village, Panjwai in November. As much of Zherai was out of bounds during this quarter due to military operations, it is anticipated that work will begin there in the New Year.



Afghan dried fruit traders meeting with Ukrainian businessmen during their visit to Kiev (DFEAK Nov 2006).

An ALP/S Marketing Trade Mission traveled to Ukraine in November. The trade mission, made up of members of DFEAK, proved very successful with the delegation holding a number of discussions with Ukrainian traders and with the Afghan Ambassador to Ukraine in order to improve trade relations and resolve problems faced by Afghan dried fruit traders accessing Ukrainian markets. Negotiations are now underway to export 1,300 MT of Kandahar red raisins to Ukraine with a contracted sale price of \$1,040,000. DFEAK is planning further trips to a number of Middle East countries with the aim of expanding markets and providing quality products.

Overall, in this quarter, ALP/S through its subcontractor Roots of Peace, trained 1,601 grape and orchard farmers in a wide variety of farming techniques including the improved use of

Comment [cmnty1]: Is the conclusion that these 1,601 farmers planted an average of 4.2 trees each?

fertilizer (diammonia phosphate, urea and manure), vine pruning, shoveling and improved preparation of lime sulfur to combat pest borne disease. ALP/S also provided budding and grafting training to orchard farmers who subsequently grafted 6,800 apricot saplings in Zherai district.

In November, the FFEAK held a field day on the use of fertilizer in Arghandab, Dand and Zherai districts. Topics covered included the use of diammonia phosphate, urea and animal manure. In all, 25 farmers from eight villages (Loy Monarah, Tabeen, Zeyarat, Kocharan, Mian-Deh, Qalacha, Sanjahri and Kondyali) attended.

CHILI TRIAL PLOT ACTIVITY

ALP/S is pursuing a number of investor-based, agribusiness cluster opportunities for Helmand province. One such activity presently being pursued is the cultivation, drying and processing of chili peppers, one of the key anchor activities within a larger vegetable and fruit processing cluster. In order to assess the viability of dried chili production and processing, as part of the vegetable and fruit processing cluster, ALP/S subcontracted with Development Works Canada (DWC) to test the growing, drying and processing of chili peppers in Helmand province, as a viable alternative to opium poppy cultivation.

The trial chili pepper crop that ALP/S planted in June bore fruit this quarter. ALP/S took early samples and identified a potential partner, a Herat based chili drying and exporting company.

SPRING SEED DISTRIBUTION

Building on the success of the USAID 2005-2006 autumn and spring seed and fertilizer distribution activity, ALP/S, together with the Ministries of Agriculture and Irrigation in Helmand and Kandahar, completed the design of the forthcoming Spring Seed Distribution project. Eleven seed varieties, including tomato, cucumber, eggplant, ochre, leak, squash and melon, will be distributed between February 15 and March 30, 2007 to all districts of Helmand and Kandahar, security permitting. ALP/S is finalizing a Request for Quotation, and will identify and contract final suppliers by mid January.

II. IMPROVED ACCESS TO PRODUCTIVE INFRASTRUCTURE

A rehabilitated infrastructure is a vital and necessary condition for the economic growth of the region. Infrastructure activities, such as road and irrigation system rehabilitation and rebuilding the electrical substation electricity distribution system in Lashkar Gah contributes toward the area-based economic development of Southern Afghanistan, and demonstrates the commitment of the GOA in partnership with the USG to the development of economic assets that are visible and perceived by a large number of residents as being of great value in improving their economic opportunities.

Infrastructure activities interlink with cluster development in the following ways: Gravel compacted roads enable farmers and growers to transport their goods faster and with less post harvest losses to the agro-processors. Cobblestone roads provide a durable road comparable to a paved road, and the labor-intensive construction trains skilled stone technicians in an alternative livelihood. While rehabilitation of the irrigation systems, such as drain-cleaning, improves water flow from run off in the irrigation systems, which in turn reduce water-logging and soil salinity, and irrigation canal rehabilitation contribute to more efficient water flow and increased irrigable area.

ALP/S selected the activities implemented during the quarter for their potential to promote the growth of licit economic development in Helmand, Uruzgan, and to a lesser extent Kandahar province. ALP/S worked in collaboration with provincial and community leaders to identify infrastructure rehabilitation activities. Key activities and accomplishments during the quarter include:

“Of course [I can see the improvement in my land from the drainage system]. Before we were not getting crops from our land because of the lack of water but now we get different crops and vegetables from which I can feed my family and can get income... Before I was jobless; I was buying even wheat, vegetables- every thing-but now I can work on my own land to have all these and also not be jobless because now my land has water. Before it had nothing but now I can see it green with different crops.”

Zahir jan, a resident of Nawa district, an AVA and irrigation beneficiary.

REPAIR AND RENOVATION OF GRAVEL COMPACTED ROADS

ALP/S surveys along with consultation with MRRD and the Provincial Governor identified roads for gravel compacting in Helmand. They will be repaired and renovated through contracts with private contractors selected in a competitive bidding process. ALP/S distributed a Request for Proposals in November for gravel-compacted roads in Helmand and Kandahar provinces. Much effort went into the translation of important documents from English to Pashtu so that local contractors can understand the RFP. The Request closed on November 20. ALP/S has identified contractors and is in the process of drafting subcontracts. ALP/S anticipates work beginning in January.

The quarter saw the completion of the Saha Durai Road rehabilitation activity in the village of Arghandab in Kandahar province. In total, the road rehabilitation activity employed 1029 laborers, generated 93,039.32 labor days and earned \$198,840 in wages for the community.

Comment [cmnty2]: Check numbers: \$198,840/93,000= \$2.13

STONE PAVED ROADS IN HELMAND AND KANDAHAR PROVINCE

In March 2006, USAID/OIEE infrastructure team inspected and approved the ALP/S Qala-i-Bost demonstration road and gave verbal approval to cobblestone pave a high volume traffic road (the first 20 kilometers of the Girishk to Kajaki road). After a series of planning meetings, ALP/S and the Shura of Nad-i-Ali district signed a Memorandum of Understanding in October to build 40 kilometers of cobblestone road in the district. The ALP/S selected twenty Afghans from the successful Qala-i Bost cobblestone road to work with the eleven Bolivian cobblestone specialists to train a new labor force in the Nad-i-Ali district, further disseminating new skills to the broader community. Leveling work began on the road in November, but ceased on December 9 at the request of the local shura. ALP/S and community are discussing whether to continue the cobblestone activities. In total for the quarter, the Nad-i-Ali cobblestone road employed 305 laborers, generated 1,785 labor days and earned \$11,248 in wages for the community.

Comment [cmnty3]: \$11,248/1,785=\$9.57 Why is there a wage price difference between the cobblestone activity and the CFW?

IMPROVED CAPACITY TO MANAGE THE IRRIGATION AND DRAINAGE SYSTEMS

MAIN DRAIN CLEANING



Cleaning Shamalan/Bolan Main Drain A. With housing so close to the drain, cleaning is, at times, complicated.

Helmand Province's irrigation and drainage system was created in a massive development assistance program between the 1940's and 1970's. Conflict, lack of machinery, and minimal financial inputs has forced farmers to live with drains and canals that are filled with sediments. As a result, drains do not flow freely and do not carry off salt-laden effluents. Drains clogged with sediment or "spoils" contribute directly to water-logging and soil salinity, directly affecting the land's fertility. The ALP/S Year Two Plan is to dredge and rehabilitate main drains using draglines on the Darweshan, Shamalan and the Marja drainage systems. ALP/S subcontracted this

activity to the local contractor, Helmand Construction Company (HCC).

During this quarter, ALP/S cleaned 20 kilometers of the 20.62 kilometers Shamalan / Bolan Main Drain A. This activity, begun in August, is expected to finish in January 2007.

At the request of the local shura, ALP/S began work cleaning Main Drain B and Main Drain C in the Garmser district of Helmand province. Since neither of the two main drains had been cleaned before, ALP/S felt that the request was viable and began work in November. To date, ALP/S has cleaned 3.46 km of the planned 6.28 km of Main Drain B and 3.715 km of the planned 10.3 km of Main Drain C.

A Request for Proposals to clean the drain and irrigation canal for the Middle Helmand Irrigated Agriculture System was completed in November and distributed in December. This activity consists of 148.76 kilometers of drain cleaning and 54.5 kilometers of irrigation canal cleaning. ALP/S in collaboration with Helmand Arghandab Valley Authority (HAVA), the local shura, and the Helmand provincial government selected the drains, irrigation canals and project areas. The

project based the scope of work on the agricultural benefits, immediate need and upheld that no previous implemented works would be repeated. ALP/S received and reviewed the proposal submissions.

REHABILITATION OF LASHKAR GAH ELECTRICAL SUBSTATION AND DISTRIBUTION SYSTEM

ALP/S designed an upgrade to the Lashkar Gah electrical substation and distribution system that will begin implementation in the 2006/07 project year. The rehabilitation of the electrical facilities in Helmand province will include the replacement of two power transformers in Lashkar Gah, rehabilitation of the Lashkar Gah substation, and the replacement of the current 3.3 kV electrical distribution system with a 20 kV electrical distribution system that is in line with national standards. These upgrades, when completed, will result in an immediate gain of about 2.5 MW of capacity that is currently lost due to poor performance of the transformers in the substation and inadequate transmission through the lines in town. Rebuilding the electrical substation in Lashkar Gah and improving local distribution will prepare the area for the planned rehabilitation of the Kajaki-Lashkar Gah 110 kV transmission line and will deliver a reliable source of electrical energy to the planned industrial park and the surrounding community.

Following a December site visit ALP/S drew up a revised schedule which includes the addition of a financial sustainability assessment for the electrical distribution system.

ALP/S is drafting a Request for Quotation for the substation design and the supply of the balance of materials, for circulation and clearance. Some issues remain to be cleared with the Ministry of Energy and Water following their conditional approval to proceed with the procurement, and ALP/S expects that these issues will be clarified after Eid. The Request for Quotation will be ready for advertisement and distribution in January 2007.

CASH FOR WORK ACTIVITIES

In November 2005, ALP/S subcontracted with Central Asian Development Group (CADG) to implement cash for work activities in the often volatile region of Uruzgan Province. The subcontract runs until the end of 2006. A year later, in November 2006, ALP/S extended CADG's assignment in Uruzgan, and expanded its scope of work to cover Kandahar to help alleviate the effects of recent military operations.

URUZGAN

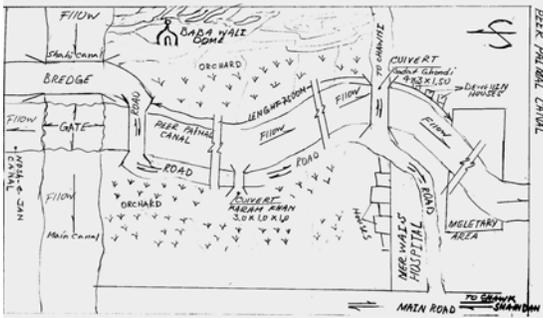
During this quarter, ALP/S completed 15 activities in Uruzgan and ended its year-long subcontract for Uruzgan CFW. In the Tirin Kot district, it cleaned eight karezes and erected two flood walls. While in the Chura district, it built three flood walls and cleaned two canals. Civil Affairs/Firebase canceled the activities approved for the Dihrawud and Charchina districts due to the ongoing military operations in the area. In total, for this quarter, these activities employed 738 laborers over 9,513 labor days and generated \$44,957 in wages for the community.

KANDAHAR

ALP/S commenced Cash-for-Work activities in Kandahar during this quarter. In Kandahar's Panjwai district, ALP/S completed work on the Panjwai Canal de-silting activity. The main canal and all sub canals are now finished. During this reporting period, 190 laborers worked 460 labor days and earned \$1,940 in wages. Projects on the Armarah Village Road and Panjwai culverts

will begin in January. In addition, ALP/S approved five activity requests, and projects in the Dand district and Panjwai district began. Details are as follows:

Dand Canal Desilting – Dand district, Kandahar



Dand Canal Desilting Plan (CADG December 2006)

December 13th and the 21st.

In the Dand district, workers provided a total of 1,525 labor days and earned \$6,480 in wages to remove 2,807 cubic meters of silt from 3.2 km of the main canal and sub canals. Work on the remaining 80 percent will continue in January.

Regwa'l Canal De-silting – Panjwai district, Kandahar

Over an eight day period leading up to Eid, 135 workers earned \$4,720 for removing 3,689 cubic meters of silt from 10 km of the Regwa'l main and sub canals. A total of 1080 labor days were completed between

III. BUSINESS DEVELOPMENT SERVICES

The Business Development Services (BDS) component continues to focus on the promotion of private sector business investment in both Helmand and Kandahar. The BDS component also will manage the development of an industrial park for Lashkar Gah, with support from the Infrastructure component, and focus on local association strengthening.

This quarter's focus has included the livestock feed distribution activity, supported by a short-term Livestock Feed Specialist who worked on this component in Lashkar Gah through the end of November. ALP/S also focused on local association-strengthening through the support of a short term consultant who conducted an evaluation and needs-assessment for local associations. In addition, ALP/S remained focused on investment promotion in Helmand and Kandahar Provinces and supporting local interests by attending a networking conference hosted by the Afghan-American Chamber of Commerce in Washington, DC, resulting in several meetings between Afghan firms and ALP/S field staff in Afghanistan and Chemonics Home Office staff in Washington, DC. The BDS component also made headway with the development of an industrial park for Lashkar Gah, through the short-term consultancy of an industrial park specialist who conducted an assessment of industrial parks in Afghanistan and concluded that Lashkar Gah has potential as a future site.

STRENGTHENING ASSOCIATIONS

In this quarter, the ALP/S short-term association strengthening and capacity building consultant completed his assignment and submitted his final report on his assessment of associations and cooperatives throughout the Lashkar Gah area. The consultant identified recurring organizational needs and developed action plans and workshops which are relevant to many of these associations. In particular, he personally met with leaders of various groups including the Bolan Association, Lashkar Gah Widow's Association, Nad-i-Ali Association, and Bolan Lashkar Gah Trader's Association. These associations produce crops ranging from eggplant, grapes and peaches, to tomatoes, okra, and pomegranate, among others. Additionally, the Widow's Association currently conducts tailoring trainings and runs a small ice cream factory made possible by ALP/S funding and trainings in dairy/ice cream production.

Common organizational needs shared by the associations include:

- Technical knowledge in livestock and agriculture to impart on members
- Business skills in budgeting and marketing
- Funding to cover operational costs

Before departing in November, the consultant left designs for training programs that meet the associations' specific needs. These trainings will be useful resources for future ALP/S capacity-building workshops with selected local association.

Among the recommended training programs are:

- Training program in livestock for extension agents
- Training program for feed mixer association staff

AACC BUSINESS MATCHMAKING CONFERENCE

On October 29-31, 2006, the Afghan American Chamber of Commerce (AACC) hosted the "US-Afghan Business Matchmaking Conference" in Washington, DC. The event, supported by

USAID including ALP/S, the Afghan-International Chamber of Commerce and the Center for International Public Enterprise, was meant to facilitate business and investment between the United States and Afghanistan. Honorable guests at the event included Afghanistan's Minister for Commerce, HE Mohammed Amin Farhang, and the U.S. Undersecretary of State for Public Affairs, Nicholas Burns.

Members of the Chemonics Home Office ALP/S Program Management Unit (ALP/S PMU) participated in the conference along with representatives from other U.S. firms interested in forming linkages with Afghanistan. Throughout the conference, ALP/S PMU staff networked with other participants, specifically those involved in business, infrastructure/construction, energy, agribusiness and IT/communications to alert participants to opportunities collaborating with ALP/S.

On the final day, ALP/S hosted a table at the AACC *Informational Trade Fair*, engaging in dialogue with representatives from Afghan firms in relevant ALP/S sectors, with possible interest in expanding their enterprises to Helmand, Kandahar and/or Uruzgan. Overall, the event was productive and resulted in several new linkages with Afghan firms and entrepreneurs in the infrastructure and agribusiness sectors.

As a follow-up to the participation at the Business Matchmaking Conference, the ALP/S PMU invited five Afghan businessmen present at the conference to meet at its Washington office to discuss the possibility of expanding each of their existing enterprises into Helmand or Kandahar. The businesses, all presently located in Kabul, Herat and Jalalabad consisted of a dried fruit export, processing and packaging plant, a fruit juice factory, a handmade soccer ball enterprise, flour mill, and electrification/construction firm. These firms were linked directly with the ALP/S staff in Afghanistan, with whom they are still in communication regarding future ALP/S business development activities. In particular, the electrification and construction firm, Liberty Corporation, has met with our electrification specialists and would provide a promising bid on our distribution line and balance of materials (including lines, poles, etc) RFP for the Lashkar Gah rural electrification activity this year.

INTERNET CONNECTIVITY IN LASHKAR GAH

The ALP/S Internet Connectivity activity is designed to provide Internet connections for the Helmand governor's office, Ministry of Agriculture and Irrigation, Helmand Widow's Association, as well as a public Internet café operated by a private sector entrepreneur, selected from ten applicants who competed for the private sector opportunity. By the end of this quarter, all equipment had arrived in Lashkar Gah and had been installed.

ALP/S has identified a trainer to provide basic computer training for the Governor's office and the Department of Agriculture. The Widow's Association already has a trainer, and the private entrepreneur for the Internet Café will provide his own trainer.

BUSINESS SKILLS FOR LOCAL ENTREPRENEURS

ALP/S sponsored Mr. Abdul Wahed Noor, Director of the Noor-Heravi Brothers' Group to participate in the Regional Business Conference for Afghanistan held in New Delhi. Several businessmen from Asia and Europe attended the conference which aimed to attract Indian investors to Afghanistan. On his trip Mr. Wahed held discussions with a number of companies interested in setting up joint ventures, including Shriram Fertilizer and Chemicals, a large New Delhi based company manufacturing fertilizers and seeds, and Planetum Intertrade, a company

dealing in livestock medicines and equipment, also based in New Delhi. The Noor-Heravi Brothers are also in contact with an Indian company manufacturing agriculture machinery and tractors for imports and assembly.

INDUSTRIAL PARK

During this quarter, ALP/S received the final report from its previous short-term industrial park consultant, who conducted an assessment of potential industrial park sites and conditions in Lashkar Gah. The results of this study confirmed preliminary research pointing to Bolan, the area west of Lashkar Gah, off the Helmand River, as the most feasible site for an industrial park in the vicinity. The site at Bolan is located in an area where the citizens themselves have chosen to invest their time and their money. Additionally, the consultant pointed out that nowhere else in the community is there an equivalent flurry of activity in residential and commercial construction, deeming this area as the greatest potential for a successful industrial park, especially because the site also has the backing of the political leadership in the province.

The Bolan site may be ideal for an industrial park if the following requirements are met before development of a park begins: construction of a main road, ideally cobblestone, and electricity extended across the river to Bolan. Additionally, the report concluded that the sand and gravel soil present at the site provide a suitable base for the park, as they drain water quite well. Furthermore, the low development cost would allow a selling price which would move the property quickly, and would provide funds for continued expansion in the future.

IV. PUBLIC INFORMATION

The program developed the Alternative Livelihoods Public Information Campaign at the request of USAID to accurately define ALPS' activities to the people of Helmand. The campaign was developed in partnership with local stakeholders and Kabul based subcontractor Sayara Media and Communications.

ALP/S continued its implementation of the campaign during this quarter with the distribution of 15,000 posters and 4,000 educational booklets throughout Helmand province. Following its strategy to send its message through different media, the PI Office posted five billboards in strategic locations in Helmand, and broadcasted one 12 minute drama and nine spots on local radio stations reaching approximately 500,000 listeners. The radio spots consisted of discussions of ALP/S activities and included interviews with beneficiaries of ALP/S activities. ALP/S distributed a further 2,145 solar powered radios to schools, refugee camps, and radio station and sports context winners.

In November, ALP/S held a briefing for members of the local media on achievements of the program to date. The aim of the meeting was to enhance communication between ALP/S and the local media as well as provide journalists with better understanding of ALP/S activities.



Lashkar Gah journalists at the meeting held at ALP/S on November 28 (ALP/S Nov 2006).

ALP/S found that the local media and community do not know much about USAID's work and have much misinformation as to ALP/S objectives, intended impact and results.

The Public Information office also assisted other departments in communicating important messages via local media. During this quarter, the Public Information section designed a pictorial leaflet to assist with the upcoming livestock feed distribution and used local radio in Kabul, Kandahar and

Helmand to advertise requests for proposals for the upcoming spring seed distribution.

V. ADDITIONAL PROGRAM ACTIVITIES

GENDER

Among the challenges of working with women and vulnerable groups in the Southern region is the conservative nature of society. This area is the seat of Pashtun culture and the home of the Taliban. Within this context, ALP/S must devise innovative ways to include and provide these groups access to program activities and benefits, design them in culturally sensitive ways and to take into consideration their needs within each component. While long term gender integration will require substantial effort from many governmental and non-governmental actors and associations, ALP/S intends to take advantage of opportunities that currently exist to involve women and vulnerable groups in the region's economic development, and in so doing, foster their personal development and well being.

This quarter has been an especially active one for the Gender component, especially in terms of planning innovative activities anticipated to begin next quarter. During October- December 2006, ALP/S continued to work to improve the livelihoods of women and vulnerable groups through activities including:

- Maintaining support for women owned and managed businesses, such as the Arghand Cooperative and Kandahar Treasures in Kandahar, which create high-end embroidered clothing, decorative items, and handmade natural soaps and oils.
- Supporting local women leaders at the district and provincial levels through the implementation of a month-long English language training and capacity building workshop in Kabul for eleven women leaders from Helmand Province.
- Integrating gender into program components such as the Business Development Services component, which will help build female midwives' business-skills in the Community Midwife Enterprise (CME) and in the Agribusiness component, which plans to hire female extension workers to assist in feed distribution.

ENGLISH LANGUAGE TRAINING FOR HELMAND WOMEN

During this quarter, ALP/S identified English-language training as a tangible need of many prominent women in Helmand Province. One of the main reasons that Helmand's women leaders cannot fully engage with donors and implementing partners in the management of women's programs is that they do not speak English. With the increasing number of donors entering Helmand, this course proposed to build these women leaders' capacity to interact effectively with donors and implementing agencies in the province. By overcoming this barrier, ALP/S would be providing them the opportunity for further professional development in program management, strategic leadership, and business development.

"I met the Women's Group last week and I could not believe the difference in [the participants] who no longer require an interpreter."

(Liz, PRT Kandahar, CIMIC)

By focusing on this opportunity and significant need, within a period of less than two months, ALP/S successfully developed a workshop itinerary, partnered with the American University in Kabul, a well-known English training facility with staff fully certified in teaching English as a

Second Language (ESL), and had selected eleven qualified women to participate in the program. Because of the significant deterioration in the security situation for women during this quarter, most notably the assassination of Amajan Safia, the Director of Women's Affairs for Kandahar and a major advocate of women's education, ALP/S determined that the English language immersion training would take place outside of Helmand province.

The women from Lashkar Gah traveled to Kabul in November for a one month course at the American University. ALP/S funded per diem and transport expenses. The course included Basic computer training in addition to the supplementary program of basic business behavior instruction. Other networking and field trip activities also took place, including field trips to women-owned factories in Kabul.

The course ended successfully on December 14, 2006, with excellent feedback from participants and trainers. The participants shared their enthusiasm and gratitude, sharing that the program was a wonderful opportunity for them, which they had never until this point experienced this in their lives. As a testament to their enthusiasm for the course, they requested more follow-up courses in the future to improve and maintain their current English-language levels. Additionally, the program instructors had positive feedback to share after the program's completion. One of the instructors, Dr. Sultana Parvanta, senior advisor to the Minister of Commerce in Kabul and adjunct faculty at American University, Kabul, said that since the course ended, the women are emailing her, which she did not expect since their level of English and computer skills were initially so low.

MIDWIFE ENTERPRISES AND TRAINING

In an effort to ensure that gender-related activities are in accordance with the conservative Southern Afghanistan context, ALP/S continues to identify new and creative ways to improve Afghan women's position in society. As the most direct and least culturally threatening way to provide technical assistance to women, ALP/S continues to support various income-generation activities, particularly in Kandahar, and has identified new activities to build local women's capacity and earning potential. Building upon a currently practiced and accepted profession for women, midwifery, ALP/S has collaborated with the Helmand Department of Public Health to develop the Helmand Community Midwife Enterprise (CME), help create small businesses and improve Helmand's reproductive healthcare through the training of midwives.

The CME will not only provide 20 Helmand-based local women with training to improve their midwifery skills up to the level of accreditation with the National Ministry of Public Health, but it will also enhance their business skills to maximize their profit and improve their livelihoods.

Since ALP/S continually seeks new ways to incorporate its gender work into all of the other program components, the CME activity will also integrate the Business Development Services component through business-skills trainings, as well as the public information component through implementation of a complimentary public awareness campaign promoting safe motherhood and safe birthing services. ALP/S anticipates a positive response to this campaign in Helmand, as a similar family planning campaign is currently running nationwide, with success, through the Afghan Midwives Association (AMA).

In this past quarter, ALPS sent an accreditation request to the Ministry of Public Health in Kabul, to the board for the National Association of Afghan Midwives. Furthermore, ALP/S has developed a comprehensive Scope of Work for this 22-month activity and has identified a

partnership with JHPIEGO, the leading US organization managing community midwife training programs throughout Afghanistan. ALP/S also hired a short-term Gender Specialist to assist with the start-up of this activity, among other gender integration project tasks.

ALP/S and the Lashkar Gah PRT are coordinating their individual activities to synergize international assistance. In the past quarter, not only has ground been broken for the foundations of the CME dormitory by the PRT on the grounds of the Bost Hospital in Lashkar Gah city, but significant and visible progress has been made in just one month. The PRT anticipates completion of the remainder of the facility by the end of March 2007.

VILLAGE PHONE

After consultation with the community and a women's focus group in Lashkar Gah, ALP/S decided to not pursue the village phone project due to security risks. The Taliban harm those who use communications technologies, suspecting them of being spies. The antennas that are required for the village phone project would be clearly visible from outside the houses of beneficiaries, thereby making them potential targets of violence.

ARGHAND COOPERATIVE



Abdul Ahad Kher, a soap-maker with Arghand Cooperative, steeps Artemisia in place of water to increase the fragrance of the soap he is making. (Photo by Nassery- ALP/S; 2006)

The Arghand Cooperative is a woman-managed agro-processing company receiving ALP/S technical assistance to assist with the production of soaps and oils from locally produced seeds and plants. During this quarter the Arghand Cooperative's Technical Advisor returned from a successful marketing trip to the United States. Arghand now supplies seven US-based stores and has another 59 registering interest in Arghand products. Arghand is also working with a US-based graphic designer to improve its labels and marketing documents.

In this quarter, Arghand Cooperative's soap production rate per batch (i.e. approximately 21 large bars and 20 small bars) increased by 100 percent, from three batches per week reported in an earlier reporting phase, to its current six batches per week.

Arghand increased its production, and shipped 125 large soap bars and 270 small soap bars to the U.S. and Canada. It is currently planning for a more sustainable shipping process for future overseas orders. Seven staff were employed, including four women, for 93 labor days, and generated \$460 in wages. In an effort to increase efficiency, Arghand has incorporated modern production technology to its current facility through the installation of a new electric oil seed press, which will begin use in the next quarter.

KANDAHAR TREASURES

Kandahar Treasures (KT) is a woman-managed handicrafts business based in Kandahar and supported by ALP/S. It is increasingly becoming more self-sufficient although continued technical support is still needed in areas such as financial record-keeping, inventory management, and marketing.

KT successfully completed an assessment of all of its 49 home-centers and operations facilities throughout the Kandahar city area in December. The results demonstrated the quantitative impact of the program in the Kandahar area. The table illustrates the most significant figures.

KEY RESULTS OF KANDAHAR TREASURES IMPACT ASSESSMENT DECEMBER 2006

Total number of home-centers and operations facilities	49
Total number of women employed by KT	423
Number of "master embroiderers" for special orders	16
Total product sales within 2-week period (12/06)	\$1,992

In addition to the number of women reached by the retail side of KT, the program also reaches illiterate women in the community by running home-based literacy classes in three of its home centers, each run by its own female teacher. In this past quarter, the KT literacy program reached 53 students.

KT staff has observed visible family-level impact in the community through the women it employs. These changes include a new roof over a mud hut that had no roof before, plastic sheeting at another home, and a blanket over one door as opposed to being open to the elements. These small, incremental changes are actually improving the quality of life for these families. Other women choose to use their income for their family's education. One KT employee uses her new income to send her son to English-language classes in Kandahar.



Kandahar Treasure sells its products from nearly 50 different centers, with additional operations running out of some workers' homes. The boutique shown here is the main Kandahar Treasures retail center in Kandahar. (ALP/S December 2006)

Finally, among one of Kandahar Treasures' most significant marketing and networking accomplishments this quarter is the recent signing of an MOU initiating participation in the Rameen Kamran Cooperative (RKC) Store in Kabul. This relationship will give KT access to the expatriate market in Kabul as well as opportunities to meet potential business partners through the Business Council for Peace (PEACE). Additionally, KT has agreed to be on the Quality Control Committee of RKC.

FEMALE AGRICULTURAL EXTENSION WORKERS

This quarter, ALP/S identified a way to integrate gender into its Agricultural component through an upcoming livestock feed distribution activity. ALP/S plans to hire three female workers to serve as extension service providers for catchment areas where the feed will be distributed. These three women, already identified, will then each

manage community clusters of 20-30 women, who will further cascade the knowledge provided by the three supervisors into the villages and districts where feed is being distributed. The areas covered and the women themselves have been generously shared with ALP/S by Mercy Corps, which has substantial experience working on the ground in Helmand province.

VII. PROGRAM MANAGEMENT

OPERATIONS

STAFFING

This quarter saw key changes in the ALP/S team. October staff departures included Chief of Party Charles Oberbeck and Public Information Specialist Holly Barnes. Tim Mooney from the Chemonics Home Office served as interim Chief of Party until the arrival of Stephen Vance in early November. Mr. Vance will serve as acting Chief of Party until a successor is named. Mike Schwartz joined the ALP/S team from Abt Associates as the long-term Agriculture Cluster Director in October and Public Information Specialist Sally Cooper was fielded in November.

This quarter also saw the arrival and departure of several short term consultants. Mark LaGrange, short term Livestock and Feed Specialist, concluded his assignment in November and Monitoring and Evaluation Specialist Chris Payne departed in December. ALP/S plans to field a new long term Monitoring and Evaluation Specialist in February 2007.

ALP/S extended the assignment of Country Security Advisor Edwin Howard to evaluate the appropriate level of security necessary to operate safely in Kandahar. Mr. Howard departed Afghanistan in November. Agricultural Economist Teshome Lemma arrived in Lashkar Gah on 25 November on a short term assignment until January 2007.

OPERATING ENVIRONMENT

TRANSPORTATION

ALP/S uses armored vehicles on a daily basis for the transportation of staff between its facilities within Lashkar Gah guesthouses as well as to locations outside the city such as the Nad-i-Ali cobblestone road activity. Transportation outside Lashkar Gah usually involves travel over poor quality roads and dangerous terrain in vehicles that are often fully loaded thus placing extra stress on the suspension systems, a problem exacerbated by the weight of the armored vehicles themselves. To increase the capacity of the vehicles to navigate difficult terrain, ALP/S is performing select upgrades to the suspension of four armored vehicles located in Lashkar Gah. The upgrades involve the installation of gas shocks and stronger coil springs. Operations had two vehicles upgraded by No Lemon at their repair facility in Kandahar this quarter. Upgrades to the remaining vehicles will take place early next quarter.

COMMUNICATIONS

ALP/S office in Lashkar Gah currently has an Internet connection through a company called Quicklink. Service provided by Quicklink has in general been good although there are service outages from time to time. Given the importance of maintaining a permanent communications link, this quarter ALP/S has secured the services of a second Internet Service Provider (ISP) called VSAT. VSAT will provide the main ALP/S office with a secondary connection to the Internet that will serve two purposes. First, the program office will use the VSAT connection to augment the Quicklink connection during times of heavy usage, providing the entire office with additional bandwidth. Second, the VSAT connection will provide connectivity to the Internet in the event of a service outage by Quicklink. The redundancy resulting from two Internet connections will help ensure that ALP/S continually maintains a connection to the outside world.

SECURITY SERVICES FOR KANDAHAR

In 2007, at the request of USAID, ALP/S plans on increasing its activities in Kandahar province. As an increase in program activities necessitates a heightened security presence, ALP/S is in the process of finalizing contractual details with Global Strategies Group to roll out one Personal Security Detail (PSD) to Kandahar to better manage increasing activities in Kandahar. Composed of expatriate and local security professionals, the PSD will provide the security platform necessary to ensure the safety of project staff and assets. ALP/S expects the new detail to be in place early next quarter. In addition, ALP/S expects delivery of four new armored vehicles from the US in March.

AIR TRANSPORTATION

While much of this quarter was characterized by the smooth running of all ALP/S operations, the almost complete lack of PRT flights to Lashkar Gah in November and December presented numerous challenges to ALP/S staff both in Lashkar Gah and its support office in Kabul.

A recent example illustrates the air transportation challenge: After almost a week failed of daily attempts, ALP/S chartered an aircraft for four staff members to travel from Lashkar Gah to Kabul on December 24. Due to the continued unreliability of PRT flights, ALP/S had to send staff members in vehicle convoys to Kandahar, a three hour trip over insecure territory, in order to secure air transportation to Kabul. Similar difficulties with air transportation have been encountered from Kabul to Lashkar Gah. The knock on effect was that many of ALP/S payments to its subcontractors were delayed because the Chief of Party was forced to remain in Lashkar Gah, and program staff often have to work remotely because these delays inhibit their movement between field offices or visiting project sites.

Next quarter, ALP/S will investigate the possibility of securing regularly scheduled air transportation dedicated to the ALP/S project. Regularly scheduled transportation will enable staff members to more effectively plan, implement and monitor project activities.

This quarter also saw a significant rise in the number of security incidents in Kandahar city, particularly in late November. December proved quieter largely due to the increase in NATO military operations in the province and the appointment of a new police chief who has increased the number of police checkpoints on the four main arterial roads into the city. Military operations in Uruzgan, Kandahar and Helmand have remained constant throughout this quarter with significant activity in Zheri and Panjwai, the two districts west of Kandahar city, and in Garmser, Naw Zad and Musa Qala districts in Helmand.

During this quarter, the security situation in Lashkar Gar and the immediate surrounding districts has remained consistent with no attacks directly targeting non military organizations, and ALP/S in particular. All attacks in the said area of operation have been improvised explosive devices (IED), targeted at coalition forces (ISAF, NATO, ANA and ANP) and Afghan Government agencies. For the majority of the reporting period the suicide improvised explosive devices (SIED) risk in Lashkar Gah and immediate surrounding districts has been assessed as high and on occasion, critical. The unpopular Helmand Governor survived a body-borne improvised explosive device (BBIED) attack in early December and was soon after replaced. Military air and ground operations are ongoing in the Musa Qala, Garmser and Naw Zad districts where coalition forces are experiencing significant operational success. Periodically, military operations have been carried out in the Kajaki, Nahri Sarraj and Washir districts, reportedly with similar results.

Most importantly, October, November and December mark the poppy planting season in the south. ALP/S estimates the total per capita income from agriculture in Helmand province to be between \$260 and \$290. Of this, an estimated 62 – 69 percent will come from poppy. It is within this context that ALPS seeks to fulfill its mandate.

In this context, the ALP/S cobblestone activity has experienced two notable setbacks. A compactor (heavy machinery) was burned (November 2006) at night, in the heavy equipment storage compound in Nad-i-Ali. Initial reports placed the blame on Taliban elements. Investigations revealed that locals had likely burned the compactor in retaliation for their village residents' exclusion from the cobblestone hired workforce. Additionally, a construction equipment company that lost the bid for the contract is suspected to be involved in this incident. The project lost three operational days as a result of the incident.

The second setback occurred when Nad-i-Ali police and unidentified gunmen exchanged shots on a night in late December. Again, Taliban were blamed; however, investigations exposed a history of dissention between local residents and police. PRT intelligence sources believe it is likely that these two elements clashed. The project lost one operational day.

Despite the restricted movement due to military operations and threat of attacks, over 142 (excluding CTO) road missions were carried out for the quarter. Mission destinations included: Lashkar Gar Town destinations, Kandahar City destinations, LKG airfield, PRT, Grishk, Marja, Bolan, Kariz, Nad-i-Ali, Governor and Ministry compounds. In the past three months, the only mission destinations which Global advised against are Panjwayi, Musa Qala, Kajaki, Garmser and Sangin.

One of the strategies that ALP/S uses is to travel in low profile local vehicles; however, even travel by this means can be too dangerous a risk for both expatriate and Afghan staff. A request to send Chemonics local national staff traveling low profile in local vehicles to the Naw Zad district was approved, contingent upon current intelligence reports. This mission has not been carried out to date. Global advises against missions such as these based on coalition intelligence reports which are received daily, either by email or liaisons with coalition intelligence cells. Also taken into account are local Afghan security agency intelligence reports and any feedback from known sources operating or residing in intended areas of operation.

Security concerns on the Ring Road between Kandahar and Lashkar Gar halted road movement to Kandahar in the early portion of this quarter. This issue was overcome by using air movement to Kandahar. Late in the quarter air travel has proved to be unreliable; however, extensive military air and ground operations have lowered the threat level on the ring road between Kandahar and Lashkar Gar and road movement to and from Kandahar has recommenced with the risk assessed as acceptable. The anticipated ALP/S Kandahar expansion will greatly alleviate issues with travel between the towns.

Recent winters have shown a slowing in insurgent activity, but with the imminent Poppy Eradication Program commencement in districts close to provincial centers, careful scrutiny of those areas along with the local attitude toward westerners will be closely monitored.

MONITORING AND EVALUATION

This quarter saw great improvement in ALP/S monitoring systems with the creation of the Master Tracking System that regularly updates ALP/S' work and achievements. The ST M&E

specialist established this centralized and standardized data management system with all relevant and required variables. The system is straightforward, robust, and efficient. ALP/S has trained relevant staff in its use. This data is used frequently for reporting to USAID, as well as a management tool by managers. ALP/S uses the data gathered in the Master Tracker to maintain metrics data, update GeoBase, and create GIS maps of ALP/S and AIP activities in Helmand, Kandahar and Uruzgan.

During the quarter, the project also established a GIS unit headed by Ebadullah Rahmani. Additionally Hamid Sarwari, working out of our Kabul office on a short-term basis, supplemented the team. ALP/S has gathered data background and data layers in addition to detailed project data layers. This has made it possible to produce detailed project maps showing our interventions. A satellite mosaic of Central Helmand has also been created identifying land usage, canal and irrigation systems, as well as roads and other infrastructure. The mosaic, which will be completed in the New Year, adds to the project's repository of AIMS maps and data layers and makes it possible to conduct analysis of land cover data used in our impact assessments.

During this quarter, the ALP/S Monitoring and Evaluation unit also began its work evaluating the incremental gains from the rehabilitation of canals, drains and karezes implemented by AIP and ALP/S. This work is continuing and will measure gains to agricultural output, area shift from low value to high value crops and will include an in-depth analysis of poppy on local farming systems. A final report is expected shortly.

ALP/S also submitted its final revised PMP during this quarterly, and is awaiting approval from the CTO.

PLANS FOR NEXT QUARTER

I. AGRICULTURAL CLUSTER DEVELOPMENT

During the January-March 2007, ALP/S agribusiness department will continue its ongoing programs with implementing partners Roots of Peace, the Afghan Veterinary Association, the Noor-Heravi Brothers, the Ministry of Agriculture and Irrigation as well as develop new projects. During the next quarter, ALP/S will:

- Travel to Pakistan in January to meet with a group of Argentinean investors interested in importing Kandahar raisins to Argentina. The delegation is interested in long term investment and, if successful, represents enormous potential for the Southern Afghanistan market.
- Implement its Spring Seed Program in Uruzgan, Helmand and Kandahar provinces. In partnership with the Ministry of Agriculture and Irrigation and local farmer associations, ALP/S will provide 147 MT of seed and 4,750 MT of fertilizer. This distribution will cover approximately 12,779 hectares (63,896 jeribs) and assist approximately 20,000 farmers.
- Work with agricultural cooperatives in Helmand to assist members in increased fruit production. This will be achieved through the establishment of nurseries and orchards, targeted extension activities utilizing “best practice” production technology, rehabilitation of existing orchards and training aimed at utilizing available resources including cold storage facilities, improved sorting and packing and the Bolan Experimental Farm. ALP/S will partner with the Helmand Ministry of Agriculture and Irrigation.
- Expand on the success of the trial chili plot activity. ALP/S is reviewing and discussing proposal to assist 4,000 Helmand farmers in the production and drying of chilies for export.
- Expand its Market Assistance Project in Kandahar. ALP/S plans to further assist farmers and traders in fruit and nut processing, expanding local markets and accessing export markets.
- Develop a long term horticultural development initiative. Currently in the design stage, this effort will focus on high value vegetable production, fresh fruit and nut production, expanded

extension services and the use of appropriate technology (drip irrigation, greenhouses, plastic tunnels and pest control). Discussions are underway with potential implementing partners including the Central Asian Development Group (CADG) and the Helmand Ministry of Agriculture and Irrigation.

- Develop an intensive livestock management program. Currently being designed, this program will include, but not be limited to, dairy, confined feeding, fodder production and ration formulation/concentrate feed usage in Helmand and Kandahar. Implementing partners are yet to be identified.

II. IMPROVED ACCESS TO PRODUCTIVE INFRASTRUCTURE

In this next quarter, ALP/S infrastructure department will advance its goal of rehabilitating roads and irrigation facilities in Helmand and Kandahar province. ALP/S will:

- Complete the cleaning of Shamalan / Bolan Main Drain A, Darweshan Drain B and Darweshan Drain C.
- Begin the rehabilitation of 156 kilometers of gravel compacted roads in Helmand (144 km) and Kandahar (112 km).
- Begin cleaning of the Marja Branch Canal (18 km), the de-silting of the Darweshan Canal and spillway (17.5 km) and the de-silting of the Nahre Sarraj Canal (19 km) in Helmand province.
- Begin de-silting the sub-main drains in Middle Helmand (163.887 km). ALP/S received and will review proposals in January 2007.
- Sign the contract for the supply and delivery of two 110/20 kv, 20 MVA transformers to Lashkar Gah.
- Issue request for proposal for substation design and balance of material.
- Finalize list of materials for 20 kV distribution lines and issue request for proposal for their supply.
- Collect background information from the Ministry of Energy and Water and its major donors in Kabul in order to initiate a 'Sustainability Study' for the ongoing electrification upgrade in Lashkar Gah.
- Investigate the Ministry of Energy and Water's existing plans for improving its commercial procedures, and collect data on the commercial cycle and procedures being followed in Lashkar Gah.
- Begin de-silting canals and construct culverts in Kandahar in January.

III. BUSINESS DEVELOPMENT SERVICES

- ALP/S has been actively recruiting for a long-term BDS Specialist to lead this component, and anticipates fielding him or her early next quarter. The long-term BDS Specialist will apply the results of our completed local association needs-assessment and will implement business skills trainings, provide technical support, and will facilitate the feed distribution activity among selected agricultural associations and cooperatives. ALP/S will field a short-term BDS consultant in the interim to keep up BDS momentum on ALP/S and to initiate important linkages with the ARIES program in Afghanistan.
- Survey the Lashkar Gah industrial park site in greater depth in order to know exactly how much property is clear of encroachment and available for development.
- Provide management assistance to the Widow's Association after will receive a dairy processing plant. ALP/S will need to consider viable solutions to provide needed support, including the suggestion proposed by the consultant, which was to link the Widow's Association with a skilled entrepreneur who can assist in managing the dairy processing component.

IV. PUBLIC INFORMATION

In addition to managing the timely submission of deliverables to USAID and the Governor of Helmand, the Public Information office will, in the next quarter:

- Work with other stakeholders (for example, PEP) to ensure the community understand ALP/S work and its benefit to them.
- Enhance the relationship between ALP/S and the local Helmand media.
- Work with Agribusiness, Infrastructure and Business Development components to circulate information about forthcoming activities including the Livestock Feed Distribution and the Spring Seed Distribution.

V. GENDER AND DISADVANTAGED GROUPS

During the next quarter, the Gender office will:

- Execute a subcontract between ALP/S and JHPIEGO to start implementation on the CME activity.
- Identify a temporary training facility and dormitory in Helmand for activity use while the PRT continues to complete construction of the permanent facility.
- Target women owned and managed businesses for ALP/S support and integrating gender into program components. Next quarter, KT plans to conduct its full inventory on raw materials and products as well as to continue its recruit for a Marketing Director. Arghand Cooperative will incorporate its new electric seed oil press into oil and soap production to boost productivity.
- Build capacity of ALP/S local gender officer through a two-week gender training program at one of Afghanistan's premiere gender training institutes in Kabul. This is critical as the national gender officer is from Helmand, has not had the benefits higher education, and is not fully versed in the concepts of gender as a field.
- Further integrate gender into the ALP/S components, especially agribusiness. The main gender activity in agribusiness is the livestock feed distribution, for which three female supervisors will be hired and will receive workshops/training when the livestock feed

arrives and is ready to be distributed. In addition, ALP/S will work with subcontractors and beneficiaries such as AVA to include women in the training basic veterinary workers for Kandahar, and work with Gulshan Dairy, the small dairy processing facility inherited by the Lashkar Gah Widows' Association to train the women in some operations roles.

VI. MONITORING AND EVALUATION

During the next quarter, ALP/S anticipates hiring and fielding a long term M&E manager. In terms of capturing data and impact, the program will continue with its master tracker used for reporting and management. Additionally, ALP/S will use the data in this tracker to create a GeoBase reporting template for USAID. Approximately 80% of this GeoBase data has been gathered, and once the remaining 20% are included a data submission will be made to UAID.

The program will also continue with its activity of completing impact assessments of its work. Upon the completion of the irrigation impact assessment, expected shortly, the project will move on to veterinary field units (VFUs) and complete an analysis of their impact. Other likely assessments include animal feed distribution, seed and fertilizer distribution, and perhaps road rehabilitation.

The GIS system will continue to evolve and gather forthcoming project data. New data layers will be integrated, and assessment of land use and farming behavior will continue.

APPENDIX II

REQUIRED PERFORMANCE DATA: ACTIVITY LEVEL INDICATORS

Indicator	As of December 31, 2006	
% of cluster (economic area) that meets standards	15 %	
# of ha devoted to licit agricultural production	363,552 ⁱ	
% change in production of selected high value agricultural products	n/a ⁱⁱ	
# of jobs created through the expansion of licit activities	Full time	# of jobs created through the expansion of licit activities
	30	

Indicator	Unit	Added	Total (LOP)	Target FY 06)	Target (FY 07)	Target (FY 08)	By Province (Life of Project)					
							HELMAND		KANDAHAR		URUZGAN	
							Target	Actual	Target	Actual	Target	Actual
Kilometers of irrigation and drainage canals and karezes	km	4,208	1,528	1,492	1,642	1,792	1774	1,487	0	9	27	32
Kilometers of rural roads repaired in poppy regions	km	0	72.8	63	200	400	259	30.7	141	36.1	0	6
Hectares of improved irrigation as a result of ALP infrastructure works	ha	0	56,595	55,000	65,000	82,000	80,500	55,358	0	0	1,500	1,238

REQUIRED PERFORMANCE DATA: ACTIVITY LEVEL INDICATORS, CON'T

Indicator	Unit	Added	Total to Date (Life of Project)	Target (FY 06)	Target (FY 07)	Target (FY 08)	HELMAND		KANDAHAR		URUZGAN		By Gender (Life of Project)	
							Target	Actual	Target	Actual	Target	Actual	Male	Female
Amount paid in CFW in AL programs	USD	6,992	5,884,710	5,154,880	8,000,000	8,700,000	2,900,000	5,104,302	2,900,000	178,509	2,900,000	601,899	5,884,710	
Afghans paid through CFW salaries	#	27	36,910	37,903	39,000	41,000	13,667	32,079	13,667	2,087	13,666	2,694	36,910	
Total labor days for CFW	#	1139	1,481,853	1,323,323	2,000,000	2,200,000	733,334	1,298,920	733,333	41,848	733,333	141,085	1,481,853	
Afghans trained in business skills	#	10	676	500	1,000	1,500	800	551	700	125	0	0	403	
Farmers trained in agricultural practices in targeted poppy provinces under ALP	#	557	16,603	14,355	16,355	18,355	9,178	5,622	9,176	10,981	0	0	16,603	
Farmers receiving seed and fertilizer	#	0	21,000	21,000	41,000	41,000	20,500	5,592	20,500	9,068	0	6,340	21,000	
Afghans receiving credit through ALP	#	0	0	0	TBD	TBD	TBD	0	TBD	0	TBD	0	0	

APPENDIX III

ALP/S AGRICULTURAL CLUSTER ACTIVITIES STATUS AS OF DECEMBER 31, 2006

Project Name	Location	Province	% Designed	% Implemented	IPs	Activity Start Date	Activity Completion Date	Comments
Chili Trial Plot Activity	Lashkar Gah	Helmand	100%	85%	DWC	May 18, 2006	December 2006	Chili ripe harvest
Training, TA to Fresh/Dried Fruit Exporter Associations (FFEUK/DFEAK)	Kandahar	Kandahar	100%	70%	Roots of Peace	August 2006	February 2007	Export under
Veterinary Field Unit Operation (VFU)	42 Districts	Helmand, Kandahar, Uruzgan, Nimroz, Zabol	100%	15%	Afghan Veterinary Assoc. (AVA)	August 2006	October 2008	Part completed with graduation
Cold Storage Placement, Implementation + Training /TA on operations	Lashkar Gah	Helmand	100%	100%	RAMP/ GIAI	July 2006	December 2006	Placement issues resolved
Gulshan Widow's Dairy Association Training/ start up program	Lashkar Gah	Helmand	100%	80%	PRT/GIAI	August 2006	December 2006	Balancing equipment
Feed Mill Placement, Implementation	Lashkar Gah	Helmand	50%	0%	Local Investors	TBD	February 2009	STTA to deliver
Mini-Feed Mills (grinder / mixer)	Helmand/ Kandahar	Helmand / Kandahar	100%	20%	Assoc/ Coops	October 2006	January 2007	Through beneficiaries
Livestock Feeds Procurement and Distribution	Multiple Districts	Helmand / Kandahar	100%	20%	Noor-Heravi Brothers	October 2006	April 2007	Secure order for current with l

APPENDIX IV

ALP/S PRODUCTIVE INFRASTRUCTURE ACTIVITIES STATUS AS OF DECEMBER 31, 2006

Project Name	Location	Province	% Designed	% Implemented	IP	Activity Start Date	Activity Completion Date	Comments
CFW CADG	Tirin Kot, Chora, Dihrawud, Kas Uruzgan Charchina	Uruzgan	100%	100%	CADG	December 2005	December 2006	46 activities completed. A activities involving CA have been cancelled. No other activities remain outstanding
CFW CADG	Panjwayi Dand	Kandahar	<10%	<5%	CADG	November 2006	Ongoing	Suspended c December 21 for contract reasons.
Main Drain Cleaning	Darweshan A (21.8 km)	Helmand	100%	100%	HCC	May 2006	September 2006	HCC has continued working in Darweshan a the request o the Shura.
Main Drain Cleaning	Shamalan-Bolan A (20.6 km total)	Helmand	100%	91%	HCC	August 2006	January 2006	6.935km completed during this quarter.
Main Drain Cleaning	Darweshan B (6.28 km total)	Helmand	100%	54%	HCC	November 2006	Ongoing	3.46km completed in this quarter.
Main Drain Cleaning	Darweshan C (10.3 km total)	Helmand	100%	27 %	HCC	November 2006	Ongoing	3.715km completed in this quarter.
Nad-i-Ali Cobblestone Roads	Nad-i-Ali District (39.76 km)	Helmand	100%	70%	ALP/S with Shura	November 2006	Ongoing	Culvert works completed 70% and roads rehabilitation stopped on

								Dec.9, 2006.
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Per UNODC for Uruzgan, Kandahar & Helmand.
ⁱⁱ Data pending results of upcoming economic assessment.