



USAID | **AFGHANISTAN**
FROM THE AMERICAN PEOPLE

AFGHANISTAN ALTERNATIVE LIVELIHOODS PROGRAM SOUTH (ALP/S)

**YEAR THREE WORK PLAN
JULY 1, 2007 THROUGH JUNE 30, 2008**

Submitted By:

Chemonics International Inc.

In Collaboration With:

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

21 June 2007

This publication was produced for review by the United States Agency for International Development. It was prepared by Chemonics International Inc.

AFGHANISTAN ALTERNATIVE LIVELIHOODS PROGRAM SOUTH (ALP/S)

YEAR THREE WORK PLAN JULY 1, 2007 THROUGH JUNE 30, 2008

Contract Number	GS-23F-9800H
Task Order Number	306-M-00-05-00516-00
Task Order Duration	15 February, 2005 - 14 February, 2009
Contractor Name	Chemonics International Inc.
Cognizant Technical Officer	Rory Donahue
Contracting Officer	Wanda Henry
Total Task Order Budget	\$121,143,244
Geographic Coverage	Helmand and Kandahar Provinces

21 June 2007

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

A. Introduction

A.1 Strategic Repositioning Implementation

Chemonics presents a revised implementation strategy that meets the critical needs of Helmand, invests in and builds the critical mass of supporters through an integrated approach to develop the economic, political and social fabric to win the confidence of the population and rebuild the region.

In order to be successful, the alternative livelihoods (AL) program in Helmand should, in the current circumstances, most appropriately be viewed as a social, political and economic response to the problems of regional state failure, designed to change attitudes and behavior with respect to the state, the potential for change, and the region's economic future. In effect, AL is an attitudinal and behavioral change program. Where conflict is pervasive and state presence weak, this response must create a critical mass of leaders and supporters, from the grassroots upwards to the provincial level in favor of the possibility of positive socio-economic change. It must accomplish this by demonstrating results in terms of:

- Strengthened connectivity to markets and buyers for licit products to both expand the effective demand and increase sales opportunities for local agricultural and other products;
- Improved access to basic, social and economic goods and services that respond to community-felt needs;
- Improved farm-level technology and value-added marketing and processing investments to shift the regional agricultural crop and livestock supply functions to meet buyer demand;
- Strengthened physical, institutional and human resource base for social and economic development;
- Deepened social capital, leadership and organizational capacities at the village level and between the village and the state;
- Improved public attitudes from pessimistic skepticism to confidence in the capacity of the state, donor community and local people and organizations to collectively build the new Helmand.

In short, the new strategy begins with stimulating demand, while connecting buyers to farmers and the state to the villages. Based upon that, investments in value-added processing and productive and social services and infrastructure are made in the context of market towns and economic corridors. Work at the farm and village levels enables farmers and villagers to have access to productive inputs and technologies and state services. Social, economic and physical capital is strengthened at all levels. Finally, the resource base, upon which it all rests, is strengthened for long-term sustainability. As a result, we can hope for economic development, a shift in public attitudes, and improved presence and perception of the state. In order to show this positive socio-economic change, the ALP/S program proposes the following strategy elements:

Relative Geographic Concentration. ALP/S will concentrate investments geographically in market towns, their satellites and economic corridors with manageable or reasonably permissive security environments and strong potential for economic progress. Initially we have defined the middle Helmand as the most appropriate area for concentrating investments. The principal market town is Lashkar Gah and the economic corridors, stemming from Lashkar Gah, are: Nadi-Ali to the northwest; Marjeh to the west; Nawa-I-Barakzayi to the south; and the Lower Nari-Sarraj to the north east. As security permits, the market areas of Girishk to the north and Garmser to the south can be incorporated into the program. An economic corridor is not a road, or simply the area between two points. For example, Bogota-Miami is an economic corridor for flowers, with money, information, services and products flowing between those

centers to connect the Bogota production cluster to the Miami distribution and marketing networks. The geographic concentration can be viewed in three senses: the city of Lashkar Gah; the nearby semi-rural farm outskirts, along the roads to satellite centers (e.g. Qali-Bost, Aynak); and the middle Helmand.

Connectivity to Markets and Buyers. We will directly focus on the need to expand the effective demand for area products by connecting producers and their organizations to buyers outside of the province. The project will establish “deal makers” to reduce transactions costs, expand effective demand and increase sales and bring buyers and producers together to make deals and identify the investments needed for the product to meet buyer specifications. Experience in other parts of the world suggests that a positive buyer-seller relationship is an effective means of achieving longer term private investment in the marketing and processing chain. Within the province, we will work with the Chamber of Commerce and the agricultural groups to establish the Helmand Valley agricultural exporters association to promote sales of local product and attract investment in the agricultural sector. Importantly, a variety of instruments will be used to cement the buyer-producer relationship, including forms of contract farming.

Agro-Industrial Development in the City of Lashkar Gah. The potential for agro industrial plants in the area are in the livestock-feed and the horticulture and tree fruit/vineyard sectors. Under this work plan and current contract budget parameters, the project will do the initial organizational, planning and site development for the establishment of an Agricultural Park. This park will be the site for future agro industrial and support enterprises including an appropriately sized feed mill, with the capacity for expansion, in conjunction with a private investor, with whom the project will enter into a co-financing arrangement to provide proper incentives for its management and operation. In the horticulture sector, a similar approach will be established, focusing on demand generation through contract farming, cold storage, packing and distribution centers. The priority is on the private investor/owner, not building the farmers cooperative. Additionally, the agricultural park will be designed to include input suppliers and dealers to improve their quality, outreach, distribution network, and sales. These businesses, along with input suppliers will be bundled into the agricultural park facility.

Integrated Investment Portfolio. ALP/S will implement an integrated investment portfolio that can provide the inhabitants of villages and towns with improved provision of basic services, social and productive infrastructure and economic alternatives. In the towns and villages of the economic corridors, ALP/S will use a participatory community development/social capital building approach for basic services, and social infrastructure and integrate them with the agriculture development activities in productive infrastructure, horticulture, tree crops and livestock.

Market Town Productive and Social Infrastructure and Services. The program will support, within its scope limited market town infrastructure and services investments to improve the investment and business climate, demonstrate to the urban opinion leaders that progress is being made and thus gain their public support, provide local employment, and, most importantly improve the quality of life for the residents of the market town. Agricultural and rural infrastructure investments within and along the outskirts of the city, on Qali-Bost and Aynak roads for example, may be relevant.

Resource Development and Management. Resource development and management will focus on Helmand’s most important scarce natural resource: water and the irrigation system. This would involve, *inter alia*, a major effort for the rehabilitation of canals, drains, re-channeling, gates, intakes and flood walls; the institutional strengthening of HAVA as an effective technical manager of the resource; the organization and training of institutions for effective water use and management; and human resource capacity building.

A.2 Implementation Principles

The pillars of the ALP/S strategy and key elements of how we will implement over the remaining months of the program have been outlined in the introductory statement to the AWP. The following guiding principles take us a step closer to how we should select and what we should keep in mind as we design project activities.

Simplicity. Simplicity is a cardinal rule of engagement. The less complicated an activity is, the better its chance of success. Straightforward, integrated packages of practices that can be rapidly introduced and replicated are preferable to the introduction of slow-to-be accomplished practices or introducing one practice at a time.

Realism. Realistic time requirements will dictate eligibility of every activity. While we all know that a sustainable, dynamic, viable and licit regional economy is a long-term process requiring across the board investments in productive, social, organizational and human resource capacities, all with varying time horizons, we are under contract to produce important results and measurable progress in the near term. If we do not accomplish this in the near term, the long term may not unfold as hoped.

Build upon existing systems and organizations. Existing technological and business systems of farmers, processors and distributors (traders) will be the basic operating platform for every activity. Improvements (changes) to be introduced will studiously avoid drastic divergence from traditional systems. We will work proactively with existing, functioning organizations (service providers, input suppliers, etc.), local councils and individual opinion leaders.

Ground Truth. Activities will be socialized with and accepted by beneficiaries, communities and/or local leadership, as relevant, prior to initiation. This will be an important role for our M&E program. We do not expect all projects to be running perfectly at the outset, changes and adjustments will be required during implementation and the M&E program will be involved in all programs to identify implementation issues requiring adjustments.

Transparency. Selection of beneficiaries and implementation shall be fully transparent, equitable and avoid conflicts of interest. This principle cascades down to all personnel, grantees, and subcontractors and is on-going. Full disclosure is an important element of this principle.

Follow through on commitments. Working in a conflict environment requires the creation of a chain of confidence from the grass-roots upwards. This is the fundamental principle of building bridge social capital. Funding and personnel decisions will be reviewed by the COP or his designee prior to making any commitments, either formal or informal. The policy of testing first and committing only with full buy-in and certainty of completion will be practiced through the remainder of the project, avoiding the disappointment of unmet expectations and encouraging more positive public perception.

Complementarity. Program complementarity is critical to achieve maximum effect. For example, village development activities should complement agricultural activities; infrastructure must support agricultural production and marketing; agricultural programs must go in hand with business development activities. This also has implications for the internal organization of the ALP/S working structure: no program is an island and each sector project is dependent upon complementary support from other program personnel and therefore full collaboration is required.

Market-led competition. We will not foster monopolies or unfair competition, nor inappropriately mix public sector roles with private business roles. At the same time we will encourage the public sector to exercise its legitimate role as a supporter of private sector-led growth through transparent and just administration of laws and regulations and services that establish and maintain fair competition and provide access to public goods.

Economic and Financial Viability. We will not advocate practices and investments that cannot be sustained by farmers and/or businesses. Within a value chain, all elements of the chain must be economically viable; otherwise the investment will simply become a visible white elephant example of failure.

Geographic Focus. Geographic focus is important for a variety of reasons: efficiency in service and support delivery; complementarity and integration of activities; increased responsiveness to village felt needs; and improved capacity to monitor and report. We will avoid a dispersion of small individual activities spread out over the territory.

A.3 Approach to Implementation

The achievement of the primary objectives depends not only on what we do, but how we do it. The process of implementation can be as important as the content. In general, ALP/S will implement all program activities through a transparent, responsive and accountable participative process that involves all the relevant parties: farmers, villagers, their organizations, the state and local authorities. Participation means that the “beneficiaries” have influence and an appropriate level of control over all stages of implementation, from design through monitoring and evaluation.

For the purposes of this Annual Plan, the proposed integrated market town/economic corridor approach can be conceptualized as described below. Due to the funding limitations under the current contract, the funding parameter of this work plan, not all of these elements can be fully developed with project interventions under this work plan.

Strengthened Connectivity to Markets and Buyers to Directly Increase Effective Demand for Farm Products. ALP/S will, either directly or through grant/contract, establish “deal maker” relationships outside of Lashkar Gah for the purpose of business matching, connecting buyers and investors to producers and/or their organizations in Helmand. Program funds will be used to cover basic operating costs for a fixed period of time. This process will also identify the particular constraints to sealing any deal, such as technical assistance, crop variety, cold storage, farm-to-market roads, packing, quality control, etc. on which project resources can be applied to help close the deal. Initially, we would anticipate establishing business matching/deal making facilities in Kabul, Herat and Kandahar. External markets, such as Quetta, UAE, and India will also be explored for buyers. With this process, “market-driven” becomes not just a slogan, but a way of doing business. Among the instruments employed to actualize the linkage of buyers to producers are forms of contract growing, buyer-producer trade meetings, and agricultural fairs.

Market Town Value-Added Activities. The competitive development of horticulture and livestock value chains requires value-added activities in the market towns. Fruits and vegetables cannot be shipped to outside markets without improvements in quality control, packaging, cooling and transport. Livestock improvements are limited by access to quality feed and cannot be shipped without adequate fattening, slaughtering, packaging and refrigeration, and transport. In response to buyer and investor demand and interest, ALP/S will begin development in Lashkar Gah of an Agricultural Park. This could, in the future, include, *inter alia*: an appropriately sized feed mill, strengthened input suppliers, improved marketing facilities for marketing, fruits, vegetables and livestock; packing and cold storage facilities and chain,

information and training, veterinary expertise, machinery rental and sales suppliers. It will become the one-stop center for everything the farmer needs to improve, modernize and connect to markets and buyers. It would be accomplished with state support and private sector investment. The budget limitations under the current contract permit only the initial site development, organizational and planning work to be implemented.

Market Town Investment. Just as indicated above with respect to the need for working with the village and not just farmers, the project will also undertake limited social investment in the market town of Lashkar Gah and its principal satellite towns. The purposes of the investment are to shift public attitudes, strengthen town-based social capital, show state responsiveness, improve the quality of local life and provide local jobs and income. Some of these activities could be carried out directly by ALP/S in coordination with the mayor's office and community-based organizations, such as park improvement and rehabilitation and investments in the area adjacent to the agricultural park. In 16 months the Lashkar Gah electrification project will finish.

Strengthened Connectivity to the State and Services. The rural village is more than the set of farmers who participate in project-supported agricultural activities. In the villages identified for intensification and improvement of their horticulture, tree crop, and livestock activities community development activities will also be integrated in response to community-felt needs. These activities may include cash-for-work, small infrastructure, farm-to-market roads, rehabilitation of health and education facilities, among others. For example, if a contractor is providing support to agricultural activities, part and parcel of the support will be identification, though a participative process, of a set of community priorities and needs. ALP/S will, either through that contractor or under an infrastructure IQC, support the identified community project(s). The process will build local social capital, bring state services to the rural community and provide needed services, income and infrastructure. The village projects can both improve the infrastructure for the agricultural project and should increase the security for implementing it.

Shift Farmer Supply Response. In order for farmers to take advantage of expanded market opportunities, farmers must have access to the technology, practices and information required to change existing cropping patterns and/or improve traditional systems. Physically, these will be available at the agricultural park or center. ALP/S will assist input suppliers to improve the quality, marketing and sales of their products. Projects such as Horticulture, Chili and Livestock Cluster Development will introduce new knowledge and technologies. The Veterinary Field Units will be expanded in terms of number and range of activities. Similar to the VFU, one or more para-crop specialists will be given more extensive training and established to provide a relatively permanent local capacity to respond to crop production and management problems that may arise. This increases the level and capacity of local technical social capital, along with the VFU. As indicated above, the organizations carrying out the agricultural work will also include community development activities as part of their menu of possibilities for farmers and villages. To the extent possible, we will broaden the base of contractors/NGOs working in the programs to have more local representation, giving them feasible and geographically limited work areas. While local organizations may have less internal capacity than international organizations, programs can be designed to take advantage of their specific skill sets and capacities.

Resource Development and Management. Helmand agriculture sits on the vast and beautiful Helmand Valley irrigation system. This is the great resource of the province and its rehabilitation, development and sustainable management provides the foundation for provincial development. Much physical improvement has been made over the past years, but much more is needed: canal and drainage, flood control, and river re-channeling. The management authority, HAVA, is technically and organizationally very weak. New technical capacity has not been brought in for years. Sound management of the scarce water resource is one of the most important and visible manifestations of positive state presence. Investments in improved

irrigation are designed to complete the priority works identified in the RAMP (DAI) investment plan for the system and support the ALP/S agricultural development programs.

Emergency Response Capacity. In a conflict zone, the need to have an institutional capacity to respond quickly and effectively to emergency situations is essential. Among the emergency situations that may be foreseen in Helmand and Kandahar are: war damage and relief at farm, household, and village levels; flooding; influx of internally displaced persons; and destruction or damage to public infrastructure, such as electrical power.

Coordination. We recognize that ALP/S is not the only project working in Southern Afghanistan, that not all the solutions are to be found within the region and USAID is not the only donor. We will coordinate with our sister Chemonics projects, ASAP and FEWSNET, in a variety of areas. With ASAP, specifically with regard to contract farming to supply feed inputs to their poultry initiatives and, also with their assistance, work with the Herat tomato paste processing facility to provide tomatoes from Helmand. The data, information and analysis of FEWSNET is directly relevant to the management of the valley's water resource. We will work with FEWSNET and HAVA to use the FEWSNET output to improve water resource management in the Helmand valley. Collaboration with the USAID funded ASMED project would be beneficial to the ALP/S BDS program, as would collaboration with ARIES in enterprise development, contract farming and agricultural park development. To date they have limited activities in Helmand. DIFID and the PRT-QIP are important programs in Helmand and improved coordination and information flow is required to avoid duplication, stepping on toes and create synergies. We will work to improve that. It should however be also noted that dividing up pieces of programs and projects among donors with different objectives and processes can be frustrating both to implementation and to beneficiaries.

B. Current Programs and Continuing Projects

Through 2006, the major projects were: (1) distribution of annual animal feed, vegetable seed and fertilizer; and (2) emergency, war relief-driven, cash-for-work projects. Prior to the signing of the Chili Pepper project in late April 2007, the total portfolio in agribusiness was approximately \$8 million, of which the input distribution programs totaled \$ 5.7 million. The emergency cash for work projects also represent a significant proportion of the infrastructure budget. Obligations to Gender and BDS programs were minimal. As a result, the project enters its final two years having to develop and implement a complete AL portfolio, rather than focusing on implementing and deepening an on-going program as would normally be the case in the third year of a four year project.

B.1 Budget Parameters

In recent months, the following new projects have started:

Northern Helmand Community Action Program. This project, designed to complement the Kajaki Project, provides \$3.8 million to support community development efforts in the villages between Girishk and Sangin. The contract for the project was signed in mid-April, 2007.

Helmand Horticulture Development Project. This \$10 million project will support the development of horticulture production and marketing throughout the middle Helmand valley. The contract was signed in late May 2007.

Helmand Chili Pepper Development Project. This project of \$6.7 million with a private firm will develop the production and marketing of chili peppers for export in the area of Central Helmand. The contract with the private company was signed in early May, 2007.

Kandahar Orchard Project. This project of \$ 1.5 million will provide managerial, technical and marketing support to farmers and organizations for the production and international marketing of dried fruits and nuts from conflict affected areas of Kandahar province. The contract was signed in late May, 2007. Complementing this contract, ALP/S will directly implement associated field, processing and marketing activities.

Upgrading Electrical Power Sub substation and Distribution Grid, Lashkar Gah. This project of approximately \$4.0 million will upgrade the electrical power substation in the city of Lashkar Gah and establish the electrical distribution lines throughout the city. The contract for the purchase of transformers was signed in mid-May (\$2.7 million contract signed) and works begun on siting the power line distribution network in late May.

Helmand Valley Irrigation Canals and Drains. A set of nine contracts for canal cleaning and drain clearing in middle Helmand were let, totaling approximately \$ 2.9 million.

Helmand and Kandahar Rural Road Rehabilitation. This is a set of contracts for various road rehabilitation projects totaling \$1.6 million. Given the time elapsed, we have decided to withdraw these projects from consideration.

The total amount available in the Implementation Fund (CLIN 3) is \$ 68,535,000. Management and program support costs charged to this CLIN average approximately 21 per cent, leaving \$ 54.8 million for projects. As shown in the attached budget tables, all but \$ 3.7 million of this has been obligated to projects and contracts.

The principle conclusions of the portfolio analysis are:

With the above obligations, and taking into account the other charges against the Implementation Fund (IF), the amount remaining in the ALP/S IF account for obligation to new projects is approximately \$ 3.7 million. This amount represents the maximum amount that can be programmed for new programs under the current contract and this work plan.

As of July 1, 2007, the time remaining for portfolio implementation, assuming a minimum of three months for ALP/S close-out processes, is 16 months

Some important implications of these two simple facts are the following:

- As the major projects are just now beginning (Horticulture, Chili Peppers, Dried Fruits and Nuts, Electrification), 16 months will permit them to achieve important advances, but the full developmental impact of these value chains and activities will not occur in the limited time remaining. Some level of continued support beyond the ALP/S end of contract should be considered.
- The 16 months remaining does not permit the initiation of new projects with medium to long-term impact. Further, all new projects must be initiated before September 1, 2007 if they are to achieve significant impact before ALP/S close-out in November 2008.
- The \$ 3.7 million remaining to be invested in new projects is insufficient to meet the current challenges of Helmand and Kandahar development described in previous sections of this work plan.

C. Programs and Projects

This section describes the programs and projects to be implemented in terms of the overall strategy, challenges and constraints discussed above. We find the challenges are broad and the strategy is responsive and coherent, but the time and resource constraints are quite limiting.

We also understand that with recent signing of the Supplemental Bill, there is a strong likelihood of receiving additional funds in the short-term. In recent weeks, Chemonics received a RFP for these supplemental funds, in the amount of \$45.0 million. This RFP requested a number of specific projects, including, for example, the establishment of a feed mill. As instructed, this work plan presents only the programs to be funded under the current contract funding level. It should be noted, however, that the funding to be provided under the supplemental will, in many cases, build upon and expand programs begun under the current contract. Further, with but \$3.7 remaining to be obligated within the current contract funding level of the Implementation Fund, most of the “big ticket” programs planned will have to be funded, wholly or in part, from the supplemental funding, such as the feed mill, airstrip upgrading, livestock program, agricultural park, Uruzgan expansion and additional cash for work programs.

The Implementation Fund budget presented in the annex, shows only past, current and new projects to be signed within the next 30 days and within the current contract budget.

The description below divides the program into six distinguishable but inter-related Strategic Programs (SP) with the specific projects contributing directly to the SP under each. The traditional separation of projects into technical components (agriculture, infrastructure, BDS, gender integration) fails to capture the inter-relationships among the components and their combined contribution to overall objectives. Only the projects to be funded under the current contract budget are described in the following section.

C.1 STRATEGIC PROGRAM 1. CONNECTIVITY TO MARKETS AND BUYERS.

The overall objectives of this program are to:

- facilitate and support the direct connection between producers, traders, and buyers;
- identify and make investments to overcome the factors that constrain the expansion of increased sales; and
- employ various forms of contract growing to provide buyers and producers an appropriate degree of security in the transactions. This will be achieved in various forms:

Current Projects. The Dried Fruit and Nut support project, for example, includes a specific component to support and facilitate the expansion of exports as well as support at the production and processing levels to build the capacity for meeting increased demand. The Chili Pepper Development project works directly with a private firm that already has markets for the product and, under the contract, will further develop product demand. Both of these projects provide support at all elements of the value chain, from production to market. The private firm developing the Chili Pepper project has developed contract farming systems in its operations in other regions of Afghanistan and will apply them in Helmand. The contracts describing the objectives, scopes of work, activities, deliverables to be provided and resources are on file with USAID.

New Projects/Activities. These interventions are designed to provide market connectivity support to on-going projects that have weaknesses in product marketing (Helmand Horticulture

Development) as well as other agricultural activities common in Helmand, such as corn and alfalfa. In support of the KOP/FAF project, ALP/S will directly carry out field activities. The new projects are:

Outreach Marketing Project (OMP)

Objective: To strengthen connectivity to markets and buyers and directly increase effective demand for farm products. This project will establish “deal makers” outside of Lashkar Gah and connect buyers (and investors) to producers and / or their organizations in Helmand. It will identify the particular constraints to making a deal, such as technical assistance, cold storage, quality control, etc. on which project resources can be applied to help make the deal go through. The project will provide further opportunities to strengthen producer and trader associations and make a major incremental move toward the establishment of a fully functioning local agricultural chamber or exporters association. Beneficiaries will be the commercial and agricultural sectors of Lashkar Gah in particular and of the Helmand Valley in general.

Implementation

Where:	Kabul/Herat/Kandahar	
Who:	Implement	Business/Market Development Organization
	Manage	ALP/S & B/M Development Organization
Private Sector Role:	Investment and participation	
Public Sector Role:	Permission and participation	
ALP/S:	Directly and through grant / contract	

Principle Components:

- Establishment of deal making/ business matching facilities in Kabul, Herat and Kandahar
- Trade facilitation and contract growing
- Various technical assistance components.
- Data acquisition and management
- Within the BDS unit, form a small business support group that will identify local firms with expansion opportunities and provide them with the technical support, limited seed capital grants and financial and market connections to expand their businesses.

Staffing Implications: Additional ex-patriate BDS specialist in marketing and sales and a financial analyst; short-term technical assistance experts will be required as and when necessary for specific investment analysis.

Budget Reservation: \$ 500,000

Key Activity 1: Contract Farming. Contract farming represents a systematic approach to the improvement of a value chain, linking producers to the market in a formal arrangement that mitigates supply, market and price risks. The issuer of a contract to producers needs to have some assurance of a buyer for the final product. For example, a feed miller does not contract for corn supplies unless there is some security that the feed produced will be bought. For this reason, contract farming with producers is generally linked to agro industrial processing, rearing feeder livestock and/or export markets where the buyer/contractor of raw agricultural inputs has the demand (sales) side of the equation under control. The extent of contract farming at the producer level, a form of specialization, is limited by the demand for the final product, the financial resources of the contractor and the contractor's capacity to monitor and support production and enforce contract compliance. A detailed plan and targets for contracting farming will be developed as part of the assignment of the incoming interim Agribusiness Director (now programmed for the last week of July). With his arrival, the detailed plan will be provided no later than August 23, 2007. The basic outline of the contract farming plan includes the following elements:

--Corn and feed grains. Under the ASAP project, a modest feed mill for poultry operations will be installed in Herat in the next six months. This facility will require corn from Helmand. ALP/S will work with ASAP, traders and producers to facilitate this transaction and pilot the use of contract farming for corn and other feed grains. In 2007, we expect contracting to be started in September for the pre-winter harvest. Corn planting begins in late June, and contracting for field crops should be done after the crop is established, enabling the buyer to see that the producer's crop has germinated and started well. Because of the high transactions costs enforcement problems and security situation involved in negotiating many small contracts, the initial focus will be on fewer and larger farmers to supply the quantity required by the poultry operation's feed mill. A preliminary target for 2007 is 200 producers under contract for sales, testing and demonstrating higher yielding hybrids. In addition, the Market Outreach program will canvas other potential industrial purchasers of corn and work with them to introduce contract farming to secure corn supplies in Helmand.

--Alfalfa and forage. ALP/S will identify and support a business that will contract for alfalfa, dry and store the product, perhaps with additional value added processing, and sell to livestock producers during the winter months. This represents a business opportunity and will support the introduction of improved alfalfa varieties.

--Chili Pepper. Under the recently initiated Chili Pepper project, 250 producers will be contracted between August and September 2007 for the first stage of the project. During 2008, an additional 3,750 producers will be under contract, for a total of 4,000 contracted farmers.

--Horticulture. The recently initiated Helmand Horticulture project will work with 4,000 farmers. We anticipate including all of these 4,000 producers under some form of contract farming to ensure buyers for their produce. The Horticulture project implementer (CADG) will work with the Market Outreach program to identify the purchasers and implement the contract farming program for the horticultural project.

--Kandahar Fruit and Nut Tree Orchards and Grapes/Raisins Value Chain. Given the uncertainties of future price and demand variability, the prospect for providing contracts to producers of newly established trees and vines with a relatively long gestation periods (3 or more years to reach production) are limited. However, the ALP/S principle counterpart organization, DFEAK, buys fruits, nuts and raisins from many current producers and we are working with them to expand their external markets. There may be some resistance on the part of DFEAK to use formal contracts with growers. Recently the subject was raised with them and their response was that the word of a DFEAK trader was much more valuable and reliable than any piece of paper. However, the expansion of their export markets and the installation of a functioning almond processing line provide the opportunity to expand contract farming.

--Pomegranate Value Chain. Under the USAID financed ARIES project, it is likely that a pomegranate concentrate/juice processing plant will be established and in operation over the next six months. We will work with the enterprise and with fresh fruit growers association, UFFGK, to enable the processing plant to contract for fruit supplies from the Kandahar growers.

-- Helmand Feed Mill. The remaining element for achieving the proposed 20,000 producers is the Helmand feed mill, requested by USAID for financing under the supplemental RFP. The above contract farming activities plus the producers for the Helmand feed mill should lead to the incorporation of approximately 20,000 producers under contract.

Key Activity 2: Helmand Ag Fair 2007 and 2008. The Ag Fair will provide an opportunity for producers, traders, buyers, investors, and input suppliers to make deals and contacts, show-off

Helmand agriculture and learn of new technologies and opportunities. The 2007 Ag Fair will be held in August.

C.2 STRATEGIC PROGRAM 2: MARKET TOWN VALUE-ADDED ACTIVITIES

Planning and Initial Site Development for Agricultural Business Park (ABP) Project

The centerpiece for this Strategic Program will be the establishment and development of an Agricultural Park in Lashkar Gah. The Agricultural Park will be an area in which the various ALP/S-supported agribusinesses will establish their operations along with related agricultural service and input supply businesses. Its probable location will be along the Qali-Bost Road. Agricultural and infrastructure activities in the adjacent farmlands will also receive support, as will the upgrading of the nearby airport and work for the preservation and rehabilitation of the historical land site at the end of the road. Upgrading the adjacent airstrip is a complementary activity to the Agricultural Park. This area will become a showcase for the ALP/S economic and social development activities. All implementers will be directed to contribute to the development of the area. (The airstrip upgrading will be undertaken under the supplemental funding and therefore is not discussed in this work plan).

Under this work plan, the planning and initial site development work will be implemented.

Objective: The immediate objectives under this work plan are to: clear and level the site, organize partnerships for implementation, and develop the required plans and work scopes for the Agricultural Park.

Implications for other elements of ALP/S: The BDS management unit will be in overall charge of the project with significant support from the Infrastructure/Engineering unit and Contracts Office.

- *Infrastructure:* General, quantity and environmental impact surveying, project management
- *BDS:* Project development, attracting investment, financial analysis, market connectivity
- *Contracts:* Organize the most rapid contracting forms, negotiate contracts.

Implementation

Where:	Lashkar Gah /market town	
Who:	Construct	Local Construction contractors
	Manage	Board of Representatives
Private Sector Role:	Investment, participation and management	
Public Sector Role:	Permission, participation and management	
ALP/S:	Various implementing roles and contractual mechanisms	

Principle Components

- Site Development: site defined and developed, secured and ready for development.
- Partnerships organized: Board of Representatives defined, potential firms identified
- Plans and work scopes completed

Staffing Implications: Long term ex-patriate Supervisory Engineer contracted. In addition, specialized experts will be required at various stages of the project. Imminently required are specialists to survey and assess the geological and hydrological properties of the site and to undertake an Environmental Impact Assessment. BDS Manager to be assigned project officer

status and a *local* national staff member needs to be assigned or newly employed as project assistant. Other expatriate and local staff will need to be secured as and when the need arises.

Budget Reservation: \$ 700,000

Growing Your Business Training Project:

To expand the growth of local businesses, a business training program will provide business training services to area businesses, farmer cooperatives and other relevant people and groups. The program will be targeted specifically to potential growth businesses, not an open-ended generalized training program. The targeted groups include: women's' groups with business operations (such as those involved in the nursery); firms locating in the Agricultural Park; farmer cooperative directors involved in the horticulture and chili pepper projects; DFEAK and UFFGK; businesses identified by the business scout program as having significant growth potential; agricultural input and machinery supply businesses. ALP/S will "cherry-pick" those businesses that have the market opportunity and basic capacity to expand sales and employ more people in the short-term and provide them with a customized training and development plan.

Objective: The objective is to expand business growth through a comprehensive program of tailored business training offerings that addresses the specific capacities and marketplace realities of ALP/S SME and targeted agribusiness beneficiaries. Accurately gauge existing levels of capacity through the use of extensive needs assessment to ensure maximum absorption and incorporation of training into actual working practices. Ensure training outcomes can be measured by embedding appropriate performance indicators in curricula. This project will not only increase capacity of participants but will also extend and compound ALP/S' contact with them.

Implications for other elements of ALP/S: This project will necessitate close cooperation between the BDS and Agriculture teams. Substantial input will be required from Agriculture to enable the BDS Training Manager to tailor generic materials so they meet the specific requirements of the various sectors and sub-sectors involved.

Implementation

Where:	Lashkar Gah & Kandahar	
Who:	Implement	ALP/S & local/national implementing partner
	Manage	ALP/S & implementing partner
Private Sector Role:	Participation	
Public Sector Role:	Permission and participation	
ALP/S:	Directly or through grant / contract	

Principle Components:

- Comprehensive 10-module course "Planning and Running Your Own Business" Targeting groups of trading / farmers' associations and specifically adapted as a two-week intensive Agricultural Business Course for use at Kandahar University's Agriculture Department.
- Individual courses addressing specific topics (i.e. Basic bookkeeping, production planning, marketing)
- Training manuals to accompany and guide all programs
- Training of Trainers for implementing partners
- Soft copy CD and hardcopy textbooks and / pamphlets in English, Dari and Pashtu

Staffing Implications: A long term ex-patriate Business Training Manager is required. Other national staff, particularly translation experts, will be required as and when necessary.

Budget Reservation: \$ 300,000

Farm Radio Project

As an outreach-extension program, the Agricultural Park and the AP businesses will sponsor a Farm Radio project.

Objective: To draw upon the experience and current practices within the Developing Countries Farm Radio (DCFR) network and other radio for development experience and build upon previous USAID and ALP/S programs to:

- Reach out to those communities /individuals in the ALP/S region which are currently isolated by geography, illiteracy, poverty or conflict.
- Address wider 'mind set' issues like changing traditional agricultural practices, better nutrition or health and community developments
- Provide information on alternative livelihood options
- Increase awareness of ALP/S interventions locally and regionally
- Increase competition and build capacity of local radio in the Helmand region
- Improve perceptions of the project

Primary beneficiaries are small-scale farmers and their dependents. Secondary beneficiaries will be the three participating radio stations: Sabawoon, Samoon and Mahaly, which have a combined listenership of more than 2 million listeners in an environment where radio, as are all media, is perceived as authoritative.

The radio stations located in Lashkar Gah do not have coverage in Uruzgan. However, two radio stations in Kandahar (Radio Free and Armaan) have coverage in Uruzgan and the BBC-Pashto station also covers Uruzgan. We propose to use the scripts and buy time on one or more of those stations to provide the program in Uruzgan.

Implications for other elements of ALP/S: This project will necessitate close cooperation between the BDS, Agriculture, Gender and Communication teams. Possibility for other program development is high.

Implementation

Where:	Lashkar Gah	
Who:	Implement	ALP/S & local radio stations Sabawoon, Samoon and Mahaly
	Manage	ALP/S & local radio stations
Private Sector Role:	Participation & implementation	
Public Sector Role:	Permission and participation	
ALP/S:	Directly or through grant / contract	

Principle Components:

A competition will be held to determine how to apportion a contract to produce and broadcast an ongoing series of programs on agribusiness, alternative livelihoods, and community development themes drawn from DCFR's online script library:

Rank	Broadcasts	Number of programs	Times per week	Number of weeks
------	------------	--------------------	----------------	-----------------

1 st	125	25	5	25
2 nd	75	15	5	15
3 rd	50	10	5	10

- Additional production and broadcasting and communication equipment
- Training / translation support
- CD recordings and hardcopies of all scripts in English, Dari and Pashtu

A procedure for ensuring timely USAID/CTO approval of the messages will be established.

Budget Reservation: \$ 100,000

Women-Operated Vegetable Plug Seedling Greenhouse in Helmand

Objective: Create a viable, integrated agricultural enterprise that promotes high-quality horticultural production in Helmand province for local consumption and export. This business project will initially be linked to the Helmand Horticulture project as a buyer of seedlings. The greenhouse will be located in or adjacent to the Agricultural Park. To accelerate employment and income generation at start-up, the output of the greenhouse will be sold to the Helmand Horticulture project.

Implications for other elements of ALP/S: The model is derived from the successful 'Women-Owned Plug Seedling Enterprises' program launched by ALP/E in three provinces in October 2006. This quick impact activity will take a value-chain approach to women's involvement in regional economic and agricultural development, connecting women directly with farming cooperatives supported under ALP/S Agriculture Sector. The greenhouse initiative also links directly with the business management training and Outreach Marketing Program activities proposed by the BDS team. In the long-term it may also be part of the planned Agriculture Industrial Park.

- **Economic & Horticultural Development:** The women-operated greenhouse initiative integrates women into regional economic development and supports the development of high-quality horticultural products.
- **Promotion of a value-chain approach:** The greenhouse initiative builds upon existing support to Helmand's vegetable farmers and provides them with reliable, timely and competitively priced inputs for producing higher quality and volume of produce for sale.
- **Business Development:** Support to a women-operated greenhouse is another step towards strengthening the agribusiness community in southern Afghanistan. The program will make heavy technical assistance investment in the female operators of the greenhouse, including providing detailed technical and business management training to promote the sustainability and financial success of the enterprise. ALP/S will also assist in creating a legal business entity and to develop and implement its business plan.

Implementation

Where:	In or near Lashkar Gah (Ag Park)	
Who:	Construct	ALP/S horticulture program partners and clients
	Manage	ALP/S with horticulture technical partners
Private Sector Role:	Investment, participation, operation and management of greenhouse	
Public Sector Role:	Permission and participation	
ALP/S:	Technical assistance and finance	

Principle Components:

- Site selection must be convenient for women, if possible, in or adjacent to the Agricultural Park, refurbishment (as needed) and recruitment of first group of 10-15 greenhouse workers.
- Training 10-15 women in greenhouse operational and business management and vegetable plug seedling production.
- Facilitating the sale of approximately 50,000 plug seedlings per cycle to the low-risk, secured market of ALP/S Horticulture project and farm cooperative clients with a view to expanding the sales market in years two and beyond.
- Monitoring and evaluation of production cycle, business development and sales/profitability of greenhouse enterprise. Recommendations for program expansion/establishing new greenhouse sites in the second year.

Staffing Implications: ALP/S will use its existing and planned additional staff, along with technical assistance from its key horticulture program partners, to implement this activity.

Budget Reservation: \$ 200,000

C.3 STRATEGIC PROGRAM 3: SHIFT FARMER SUPPLY RESPONSE

The key value chains at the production level are horticulture, chili peppers, and livestock in Helmand and fresh and dried fruits and nuts in Kandahar. The horticulture, chili pepper and fresh and dried fruits and nuts projects are currently in implementation. In the livestock sector, only the health improvement program with the Afghan Veterinary Association is under implementation. All of these programs could be expanded and deepened with additional funding.

Due to the budget constraint under the current contract (described above) the programs described in the first version of the work plan are not included herein. These were: Expansion of Horticulture Value Chain and the Livestock and Poultry Value Chain Modernization programs, including Feed Grain and Forage Production and Sale; Feed Manufacturing; Incubator Hatchery and Support to Commercial Poultry Operations; Expanded BVW Training; and, Confinement Lamb Fattening.

Horticulture, Chili Peppers, and Fresh and Dried Fruits and Nuts

On-going Projects: The recently initiated projects in horticulture, chili peppers, in Helmand, and dried and fresh fruits and nuts in Kandahar are fully obligated and provide a solid foundation for development of the respective value chains. In Helmand province, both the horticulture and chili pepper projects will be directed towards tighter geographical concentration in proximity to Lashkar Gah district. The Marketing Outreach project will coordinate with the horticulture project to secure buyers for the horticulture farmers and develop the contract farming initiative, as described above. The work scopes for each are provided as attachments. These programs will:

- Expand market/buyer opportunities, both domestic and international;
- Introduce contract farming to approximately 10-12,000 farmers;
- Extend and train new production and post-harvest handling alternatives and technologies to these farmers;
- Assist the strengthening of the public sector (MAIL) agricultural extension capacity.

C.4 STRATEGIC PROGRAM 4: RESOURCE DEVELOPMENT AND MANAGEMENT

Irrigation is the basis of agriculture in the southern provinces. Investment in improving the irrigation systems meets important criteria: it is demanded by the rural agricultural citizen; it can be carried out in conflict areas by local contractors and with cash for work; and, as studies have shown, it has one the highest economic rates of return of any project interventions. The irrigation investments made to date by ALP/S have been based upon the priority investments identified by the RAMP/DAI study of the HAVA system.

While further investment in improving the irrigation and its management institutions has much merit, due to the budget constraint under the current contract (described above) the programs described in the first version of the work plan are not included herein.

C.5 STRATEGIC PROGRAM 5: MARKET TOWN INVESTMENT

On-going project: Lashkar Gah City Electrification Upgrade

ALP/S has designed the upgrade to the Lashkar Gah electrical substation and distribution system that has begun implementation. The contract is signed for the fabrication, delivery and installation of the two required transformers. The vendor's schedule calls for fabrication to take place over a 330 day period with delivery and installation adding another 65 days for a total time of 395 days. Placing of the order for the transformers has been the critical path item that is dictating the schedule for the completion of the design and procurement of the balance of materials for the substation and for the distribution system. Rebuilding the electrical sub-station 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. Additionally, the mapping and staking for the distribution city distribution line has begun and the RFP for the rehabilitation of the transmission station has been developed. The budget reservation for the additional costs of this project is \$ 2.0 million.

Recreational Park Development, Lashkar Gah City

Objective: Develop community relations to improve social capital within the municipality of Lashkar Gah. This project will help to establish ALP/S as a good neighbor within the municipality and will provide a recreational facility for the local population while the electrical upgrading project is underway.

Implications for other elements of ALP/S: Will provide short term employment for people within the community and respond to the mayor and Provincial Governor's Office. While the activity does not have direct implications for the Agriculture and BDS components of the program it will contribute to the cross cutting gender component as parks will offer recreational opportunities for women, children and vulnerable groups within the community.

Implementation

Where:	Lashkar Gah	
Who:	Implement	ALP/S
	Manage	Municipality of Lashkar Gah
Private Sector Role:	N/A	
Public Sector Role:	Approvals, participation and management	
ALP/S:	Direct implementation	

Principle Components: Through a request from the mayor's office in the City of Lashkar Gah ALP/S conducted a preliminary survey of 12 recreational parks within the city. ALP/S prepared a budget and plan for rehabilitation of the parks based on the survey and has prepared an Activity Request for submittal to USAID for approval of the activity.

The recreation parks will be rehabilitated in accordance with detailed plans developed by ALP/S. Rehabilitation work will be carried out through a participatory process using cash for work under ALP/S direct supervision and labor drawn from the local community.

Proposed budget: \$300,000 over the period June 15, 2007 through January 31, 2008.

Staffing Implications: No staffing impacts as the project will draw from existing staff for supervision of the work and will draw labor from the local community to conduct rehabilitation work.

C.6 STRATEGIC PROGRAM 6: STRENGTHENED CONNECTIVITY TO THE STATE & SERVICES

The objective of these projects is to provide rural inhabitants in the areas where ALP/S-supported agricultural and business projects are under implementation with access to a set of public goods and services that can benefit a significant proportion of the local inhabitants. These projects will execute an integrated community development program in the districts and villages in and around Lashkar Gah. This project will be implemented through subprojects that respond to community-felt needs determined through participative processes involving community members, their organizations, and relevant governmental institutions. The program will directly build physical capital and indirectly build social and organizational capital at the village and district levels and, *inter alia*, improve the agricultural infrastructure for all agricultural crop alternatives to the village farmers. These projects will work hand-in-hand with the on-going agricultural development projects.

On Going Projects: Cash for Work. The ALP/S has one on-going emergency response, cash for work programs, under implementation in Kandahar, Uruzgan and Northern Helmand. The Northern Helmand component is just recently starting. These projects are fully obligated and implementation of these projects will continue as planned.

Due to the budget constraint under the current contract, no major expansion of cash for work programs is presented in this work plan, with the exception of the below Qali-Bost project to complement the development of the Agricultural Park.

Qali Bost Road (Karez) Community Action Project

Objective. The Qali-Bost Road (Karez) area presents significant opportunities to demonstrate the new integrated approach of the ALP/S program: proximity to the Agricultural Park and airport; cobblestone road; reasonable security; adjacent farmlands with water. At the end of the road is a forested area and a hill with ruins dating back, it is said, to Alexander the Great. This project may be replicated to other areas, such as Aynak, in support of the agricultural and livestock programs.

Implications for other elements of ALP/S: The project will work hand-in-hand with the on-going agricultural development projects in horticulture and chili peppers, local community councils and the relevant provincial authorities.

Implementation

Where:	Qali Bost Road (Karez)	
Who:	Construct:	Local NGO
	Implement:	Local NGO
Local NGO	Participative community development, organization of cash for work; design; construction, monitoring and reporting; supervision of work.	
ALP/S	Supervision and Technical Direction	

Principle components

- Agricultural infrastructure
- Agro-forestry boundary program Agro-forestry boundary program
- Health, Education and Social Infrastructure, including the rehabilitation and improvement of health posts, potable water, schools and community facilities
- Bost Ruins Preservation
- Monitoring and Community Surveys
- Coordination with other ALP/S projects and departmental authorities

Proposed budget reservation: \$ 1.0 Million.

Staffing implications: Additional national staff in the Community Action Program unit.

Resource Center, Department of Women's Affairs, Lashkar Gah

Objective: Establish a provincial-level technical information and service resource center for key program partners and their constituents involved in women's programs.

Implications for other elements of ALP/S: Establishing a resource center within the office of the principal state entity for women will have a wide-reaching effect on community engagement with and access to relevant technical information and services.

Knowledge Sharing & Management: The Department of Women's Affairs is the primary source of public services and information on agriculture, livestock and women's economic development in the Helmand province. By supporting the development of a customized resource center on their premises, ALP/S will enhance their ability to provide technical assistance, information and capacity building to their constituents. The resource center will serve as provincial level information access points for women in local agribusinesses, livestock producers and business development. The Center will include a range of educational resources for both literate and non-literate audiences. It may also be used as small group training site.

State Institution Strengthening: Southern Afghanistan needs improved public and private institutions to create a strong regional economy. The center will increase popular awareness of local and national resources for agriculture, livestock and enterprise; they may also help to promote private sector services. It will also demonstrate the relevance of the Department of Women's Affairs as key resources within their communities.

Implementation

Where:	Lashkar Gah	
Who:	Construct	N/A Sites already in place; resource center to be developed on current institution grounds DWA in Helmand

	Manage	Director of the Helmand Departments of Women's Affairs; Local hiring of 1-2 staff
Private Sector Role:		Use of space to promote private sector services, on-site/departmental event sponsoring
Public Sector Role:		On-going Technical & administrative/financial management
ALP/S:		Start-up technical assistance and financing

Principle Components:

- Two ALP/S-funded staff members for the resource center
- ALP/S will help to design and finance the centers.
- Each will house a range of AV equipment and multi-media learning resources and furniture. Capacity of 20 people.
- ALP/S will assist the host institutions in developing a series of promotional events during year 1 to encourage widespread client use of the new resource.
- ALP/S will facilitate internet and computer access as appropriate (some locations have service already).
- Host institutions will regularly collect and analyze client usage statistics. Institutions will share the resulting information with ALP/S during the initial 12-month period.

Proposed budget reservation for the project: \$ 100,000

Staffing Implications: The Resource Center will function during normal institution working hours (typically 8 hours per day, 6 days per week) and will employ two full or part-time staff to provide informational, orientation and coordination services to clients using the resource centers, potential event sponsors and the like. Where computer access is available the resource centers may choose to charge for printing and computer/internet use.

Community Midwife Education Training Program

Objective: Establish a nationally accredited CME training program in Helmand Province to provide improved safe motherhood services to rural women and create bridge social capital at the village level.

Implications for other elements of ALP/S: The ALP/S Community Midwifery Education Program is part of a package of integrated activities designed to increase the social capital of rural southern Afghan communities through licit sector employment and increased access to markets, services and information. The CME program will complement ALP/S's community development activities by creating/expanding a multi-purpose rural network of program constituents for agriculture, livestock, business management and infrastructure activities.

Discussion with USAID Health Office. The program was discussed with the USAID Health Office. At that time, they indicated their general agreement with the proposed project at the new funding level of \$635,000. They also indicated that they wanted to discuss the program internally and would provide the AD office with their recommendation.

Community Development & Social Capital: By investing in life-saving services, ALP/S will support the human and institutional infrastructure needed to produce a greater number of healthy workers in Helmand province. Within this framework the CME activity will produce the following direct benefits:

- Creating jobs for at least 87 rural women & men

- Improving maternal and infant health in Helmand Province.
- Increasing household productive capacity
- Expanding Horizons for southern Afghan women
- Reducing the marginal cost of additional health investments
- Expanding state presence in the rural areas

Implementation

Where:	Lashkar Gah/Bost Provincial Hospital.	
Who:	Construct	PRT is constructing a 20 bedroom dormitory on the Bost Hospital grounds; training and clinical sites already in operation at Bost.
	Manage	Bost Provincial Hospital with technical support from ALP/S (Chemonics/Int'l Health Group as needed)
Private Sector Role:	Employment of community midwives	
Public Sector Role:	Course facilitation, recruitment, management, deployment of graduates, post-graduation monitoring	
ALP/S:	Finance & technical assistance as needed.	

Principle Components:

- Recruitment, Training, and Deployment of up to 25 CME Trainees
- Training of CME Faculty and Associated Personnel
- Design and Implementation of Outreach and Capacity Building Programs
- Monitoring & Evaluation of student progress and post-graduation community reintegration

Key Results

- Creation of one nationally accredited Community Midwife Education (CME) program for Helmand Province located at the Bost Provincial Hospital complex.
- Training, certification and redeployment of 12-25 community Helmand Province through the Bost CME course.
- Delivery of home-based safe motherhood services to the women of Helmand Province, which will reduce maternal mortality in a region where access to basic health services is extremely low.

Proposed budget reservation for the project: USD \$635,000

Staffing Implications: ALP/S will hire additional Project Integration Team members to assist in managing this program; the program may also provide STTA as needed to Bost Hospital. The primary management and staffing implications, however, will be taken on by Bost Hospital.

ALP/S-related Public Information and Communications Materials

Objective: Use a combination of traditional mass media (radio, television, and print media) as well as micro media (e.g. community newsletters, posters) and grassroots informal communication tools, including social events, drama, speaking engagements, combined with other informal communication channels, as well as focus groups and study tours, to promote ALP/S's goals and achievements.

Implications for other elements of ALP/S: The program's public information and communications components will promote social change within the southern region by highlighting project and client achievements within agriculture, livestock production and broader enterprise pursuits.

Promotion of program activities: building on the program's public information efforts in conjunction with the AgFair, ALP/S will develop an appropriate mix of new print, radio, video and other mass media tools to share project success stories with clients, donors and the development community.

Promoting investment: For business development purposes, a suite of materials to be determined through consultation with sectoral staff will be developed. In addition, beginning with generic (non USAID, non Chemonics) branding, identify the program as professional and the region as ready for non risk-averse investors.

Information, Education, Communication for Social Change: The program may also use communication tools to extend the technical capacity of its clients by producing or procuring relevant resources on agriculture, livestock production, business management, and women's economic development.

Implementation

Where:	Produced by way of IQC in Kabul; distributed to clients, donors and community members in program region and nationally	
Who:	Construct	Graphic Design and Print Company (e.g., Sayara, Jehoon, etc.)
	Manage	ALP/S via Strategic Activities, PI and Communications team (as dictated by the specific print/media item and its intended use)
Private Sector Role:	Materials used to attract private sector investment in regional & ALP/S enterprises	
Public Sector Role:	Materials used to promote their services, technical expertise & role in regional economic development.	

Budget Reservation: \$ (Omitted by Chemonics International)

D. Monitoring and Evaluation: Measuring and Reporting Progress

Background. The monitoring and evaluation system that ALP/S has been applying will be adjusted so that the update process does not imply delays implementing projects underway or delays in projects that make up the portfolio for the remaining span of the program. Due to this situation, the adjustments will be merged into the components and pieces of the current system, adding new elements as they are being developed.

Monitoring and evaluation is a participatory process that involves all parties that make possible successful project implementation and that seek to fulfill the goals of a program oriented to a target population. These are complementary and constant activities during the implementation period on any project.

Monitoring is the ongoing review, conducted by the multi-disciplinary team, to determine whether a project is being financially and technically implemented according to its own plan and budget requirements and whether any adjustments or action may be needed to achieve the desired targets. Reporting documents are part of the coordinated activities among the team members and a means of sharing the information. Effective monitoring includes a coordinated reporting system.

Evaluation is the ongoing analysis of the relevance, effectiveness and efficiency of the implementation strategy. This analysis is based on the data produced through monitoring activities and other pre-qualified sources of available data.

Objectives: The program's evaluation and monitoring system is a managerial tool developed with four main purposes:

- Have access to the target population's opinion on the program's relevance and some perspective about the general perception and response to the program implementation.
- Make possible a systematic follow-up to the program implementation, providing early alerts that allow timely project adjustments to enhance their success.
- Learn from the successes and issues identified in projects under implementation to adjust similar projects within the portfolio to increase their potential success.
- Serve as a reporting tool that fulfills internal and external information needs.

Strategy

The strategy to achieve monitoring and evaluation objectives is made up of four elements:

- Involve all stakeholders during the process.
- Adapt the system incorporating current tools and local experience collecting field data.
- Strengthen the local capacity using and managing monitoring tools.
- Fluent and permanent communication to all parties involved regarding Monitoring System progress and results.

Methodology. Upgrading and operating the monitoring system will be done in three stages:

Planning Stage. This stage has already begun and is expected to be finished the first week of June. The phase involves:

a.

- Assessing the current system to determine its ability to respond to the Program's needs and to identify its strengths and weaknesses to handle the upcoming challenge of implementing the project portfolio for the remaining life of the Program.
- Defining information and reporting needs, involving all the system's internal and external users and stakeholders.
- Identifying required resources.
- Present the Monitoring and Evaluation System to each Department or area to discuss, receive feedback and adjust it.
- Defining an implementation schedule.

Refining Stage. This begins once consensus has been reached regarding the concept behind the Monitoring System. Several ongoing activities take place in this stage.

- Revising the Performance Management Plan regarding the required indicators to report to USAID, defining or adjusting indicators for each one of the technical areas (involving members of these areas) and defining desirable Program level impact indicators.
- Identifying relevant Impact Evaluations and the right time to develop them.
- Adapting useful tools to survey field information and to report on projects progress to offer operators, contractors and grantees according to their profiles. Local participation, although cross-cutting to all implementation stages of the strategy, turns to be especially important to carry out this activity.
- Harmonizing the current systems in place with new tools or procedures developed.
- Updating current data bases, profiles of chosen Districts and active and closed projects' hard files. It includes the GIS, the GeoBase and the TraiNet among others.

- Preparing Monitoring Plans and a performance template by project.
- Assembling periodical meetings on project performance evaluation, where the Project Manager presents achievements and issues to address to the Management Team. The purposes of this meeting are receiving feedback in possible solutions and sharing experiences that can be applied to similar projects.
- Verifying the existence of support documents for reported data in projects under implementation or already completed.
- Consolidating the work team for the monitoring and evaluation area.
- Defining and implementing a field verification protocol for reported information and achievements and to record the impact generated by the Program's intervention and support.
- Integrating environmental monitoring and Public Information activities the monitoring and evaluation system.

Capacity Building Stage. This stage takes place simultaneously with the previous stage, beginning with a definition of the methodology used to provide technical support and strengthening the local capacity to monitor and evaluate projects. From the moment this stage begins, it goes on permanently until projects are closed within the ALP/S Program.

Monitoring and Evaluation System Components. The M&E system operation requires four components as follows:

Data

- Information to be processed and analyzed
- Indicators
- Available reference information

Human Resources. Made up of stakeholders, their roles, responsibilities and information needs

Tools

- PMP
- Base-line built with primary and secondary information
- Individual Project's Monitoring Plan
- Individual Project's Performance Template
- GIS
- Project evaluation meetings
- Training and Support Program Capacity Building in monitoring and evaluation for our own staff, subcontractor and grantees
- Verification System
- Forms to collect information

Reports

- Bi-weekly Reports
- Project Performance Reports
- Quarterly Reports
- TraiNet Reports
- GeoBase
- Meetings with groups from target population or organizations
- Media

Monitoring System Resources. Resources that make possible operating the monitoring system are classified in:

- Human: Work team and internal and external users
- Financial: Required to pay personnel, buy equipment, carry out verification and other field activities
- Logistic: Software, field work equipment, office equipment and security support for traveling purposes
- Institutional: Program guidelines and permanent feedback from the counterpart, this is, USAID and Home Office

E.Management Plan, Organization and Staffing

The ALP/S revised strategy requires a revised management plan, both in terms of program management and reorganization of personnel, in order to quickly respond to the critical needs, streamline decision-making process between ALP/S and the USAID Mission to accelerate implementation.

Contractual. Modify Statement of Work to include Grants under Contract (GUC). The USAID/CO has approved the use of GUCs under this contract. We will shortly submit a Grants Manual for approval and initiate the use of grants.

Program Management. The AL program described above has six Strategic Programs:

- SP1: Connectivity to Markets and Buyers
- SP2: Market Town Value Added
- SP3: Shift Farmer Supply Response
- SP4: Resource Development and Management
- SP5: Market Town Investment
- SP6: Connectivity to State and Services (including Emergency Response Capacity)

Results-Oriented Team (or Cluster) Approach. The management structure to achieve the objectives of each will require a result oriented team (or cluster) approach. It can be visualized in matrix form, with the traditional project units on the left and the primary objectives (1-6, above) across the top row. The elements in each cell indicate leadership and result responsibility (XX) and support (X). Obviously, with each objective, there is a set of related projects; for example, the achievement of objectives 1 and 2 include a new demand enhancement effort and the development and establishment of the agricultural park.

Project Unit	Strategic Programs				
	1-2	3	4	5	6
BDS	XX			X	
Engineering	X	X	XX	XX	XX
Agri-business	X	XX	X		X
Emergency CFW			X	X	
Gender/Special Act	X	X	X	X	X

Reporting to management will be based upon progress and problems related to achievement of the objectives. The Strategic Program team, under the leadership of the team leader, will be responsible for the results.

This structure focuses on synergizing project results to achieve program results. It also represents a new way of combining ALP/S technical resources to achieve program results on the primary objectives.

E.1 Organizational Structure.

A complete organizational chart is in the Annex F.4

E.2 Staffing

It should be noted that the current ALP/S team is far different from the team of only a few months ago. There is a permanent Chief of Party, a new Contracts/Grants Director, Business development services director, monitoring and evaluation director, integration director, financial director and support accountant, director of community action programs and a supervisory engineer for the Agricultural Park. The recruits for public information director, communication specialist and agribusiness director are in their final stages, with candidates selected. This represents practically the first time in over a year that a complete and apparently stable team is on board.

The positions remaining to be filled under ALP/S current contract are:

- Infrastructure Director
- Irrigation Engineer
- Public Information Director
- Communications Specialist
- Agribusiness Director

The additional staffing requirements for this work plan include:

BDS Program: Long-term ex-patriate Marketing and Sales, Financial Analyst and Training Manager.

Local staff. A key element of Chemonics' approach to proposed activities is to build the capacity and credibility of the Afghan government. Care must also be taken to ensure that program personnel will be accepted by the communities they serve, a critical consideration given the diversity of Afghan tribes and rural nature of much of the proposed work. Security risks for expatriates as well as mistrust of Afghans aligned with them present additional challenges in mobilizing a cadre of personnel that is likely to succeed.

Key Additional Activity. In order to implement and monitor projects in the field, ALP/S will contract additional local staff who live in the districts of interest and provide them appropriate training. This activity will be coordinated with the district council. The additional staff will include those with agricultural, irrigation and engineering experience. Their responsibilities will include: coordinating among the various project implementers working in the district; coordination with the local *shura* councils; monitoring and reporting on the status and progress of area projects. The security situation and the acceptance and support of the local *shura* councils are key considerations in carrying out this activity.

E.3 Operations Activities

Accommodation for expatriate staff. In order to accommodate the influx of personnel, we are looking at the following expansion. We have located the new residence and will be undergoing minor construction and make-ready improvements to include the following:

- Construction of six additional bathrooms (approximate cost \$20,000)
- Modifications to existing construction for space expansion.
- Security upgrades include sniper screening, alterations to perimeter walls, HESCO installation, razor wire, windows replacement, RPG screening and Mylar installation. (approximate cost \$30,000)
- Two generators have been purchase and will be installed once all improvements have been made and finalized (cost \$42,000)
- Security has been dispatched to this location without requiring modifications to the existing Global subcontract.
- *Chowkidars* (unarmed guards) will be hired (2 individuals @ \$200/month = \$4800 per year)
- This new residence will house an additional nine ex-pat members and our total housing pool will be able to provide shelter to 28 employees. This will suffice for the influx of ex-pat staff, which at its climax will tally at 24 individuals.

Office Space. With the increase to personnel, locals and expatriates, office space is becoming more and more reduced. We have made ready and expanded to the adjacent lot, south of our current compound, in order to accommodate current personnel. This is still insufficient for future expansions and construction is required in order to be able to house all our staff in an efficient, safe and secure working environment. We are proceeding with the construction of a new office building, comprised of two floors and four large office spaces suitable to house an additional 40 staff members. Approximate cost for this construction is estimated at \$75,000.

Three additional *chowkidars* will be required for this additional space to man the pedestrian access and vehicle entry/exit gates. Approximate cost will be \$9,600 per year.

Security. The increase in staff and activity will require an increase of one complete PSD team (two expats and eight national) and the associated costs. We estimate that security, charged to CLIN 2 will need to be increased by \$2.0 million.

Armored Vehicles. Along with the expansion of personnel comes an increase in road missions in the region. We have received an additional four DOS-certified armored vehicles bringing our total AVs in Lashkar Gah to nine and in Kandahar to two. We recommend leasing two additional units for each Lash and Kandahar. Experience has shown that purchasing could take up to 16 months. With only 18 months remaining in the project, purchasing vehicles seems neither reasonable nor wise. Currently vehicles can be leased locally at an approximate monthly rate of \$6,000 per unit, for a long-term lease (12 months). Should four vehicles be required the toll comes to an estimated grand total of \$288,000 for a one year lease.

Annexes

Annex F.1 Farm Radio Background

Radio in Afghanistan is the pre-eminent media in the country. Radio ownership is fairly evenly distributed at an estimated 83% and although it is primarily used at home in company with relatives, radio is also used intensively with 59% of women and 85% of men stating that they regularly tune in by themselves.

The Afghan population also uses radio as a source of general education. A cross border survey¹ cited 23% of Afghans, as compared with 2% of Pakistanis, listen for educational programming with 25% believing there should be more.

Expectations of the media are higher in rural areas than in the cities and in more isolated provinces there are calls for more development of media especially at the local level.

A recent report² has evidenced this view and found that local independent radio stations are particularly popular in their coverage areas. Regular listenership is estimated at 79% and, of those listeners surveyed, 82% cite radio as their main source of local news and 29% had, at some time, called or sent a letter to their local station.

Local radio has long been known to have impact on issues that, due to rural isolation or conflict, cannot easily be dealt with by traditional face to face development. Thinking on wider 'mind set' issues like sustainable agricultural practice, nutrition or health and community development can be strongly influenced by focused yet entertaining programming which doubles as effective educational programming for change.

Pre-eminent in the development of radio as a development tool has been Developing Countries Farm Radio (DCFR) which has a network of over 281 local radio partners in 38 sub-Saharan / African countries³.

The primary beneficiaries of DCFR have been smallholder farmers, small plot gardeners and farm laborers – especially women, who provide about 75% of the labor for agriculture in developing countries but are often excluded from traditional agricultural extension services. Other beneficiaries are their families, and in particular their children, who benefit from better nutrition as a result of improved food production and processing, and better education as a result of improved household income.

The original mission of DCFR was to make information available to small-scale farmers. Its primary goal now is to support radio broadcasters so that they can strengthen small-scale farmers and rural livelihoods. The secondary beneficiaries are, therefore, rural radio broadcasters who are trained so that they can better meet the needs of their farming user groups.

DCFR databases and provides program scripts on a range of over twenty subjects from desertification and food processing to small scale business development and health and nutrition. They have almost five hundred radio stations whose broadcasters participate in a script-sharing program and one thousand agriculture extensionists, researchers and teachers who contribute ideas and expertise.

In addition to providing scripts, DCFR also help broadcasters develop their skills through training and by facilitating links with other stakeholders in rural development and by providing connections and collaborations with other rural radio broadcasters around the world. They also promote training resources and opportunities from a variety of other organizations and publish examples of best practice from other local radio station partners.

Most rural radio stations in developing countries possess extremely limited resources and staff members have little training in many of the agricultural and other issues that interest their users. DCFR materials help broadcasters to better understand their farming community's problems and concerns and to produce quality, entertaining programs which at the same time provide reliable, practical information based on proven scientific research as well as traditional knowledge.

Farmers in the developed world gain competitive advantage from the information they receive from newspapers, agricultural markets, the internet and commercial and government extension services. In contrast, farmers in developing countries have limited access to current and relevant information. Without this access, they will continue to make and implement decisions based on outdated or incorrect information that will inevitably continue to compound their disadvantage.

This kind of radio programming, and the capacity building programs and networks that support it, has proved most effective in countering declining agricultural extension services and limited educational opportunity in rural areas similarly impacted by the isolation, illiteracy, poverty and conflict experienced in the ALP/S region.

A.1.2. Previous USAID Initiatives

Nationally, USAID's Office of Transition Initiatives (OTI) has given priority to support for Afghan media as part of its broader strategy to support democratic transition in Afghanistan.

This has found grass roots expression in program support for the creation of locally based independent radio networks. Previous USAID initiatives under ALP/S have also supported this strategy and supported initiatives designed to support and develop local radio as an accessible and responsive source of information and education.

In June / July 2006 ALP/S distributed over 21,000 radios in the Helmand region and has contracted numerous service broadcasts locally.

A1.3. Objectives

This new program aims to draw upon the experience and current practices within the DCFR community and build upon previous USAID and ALP/S programs to.

Increase competition and further strengthen independent local radio in the Helmand region
 Increase awareness of ALP/S interventions locally
 Provide information on alternative livelihood options

The program will comprise of two parts:

Part 1 - Competition

With each of Lashkar Gah's three local radio stations - radio/s Sabawoon, Samoon and Mahaly – ALP/S will individually negotiate a price to produce two versions (one in Dari and one in Pashtu) of the same short radio program drawn from DCFR's online script library. In addition to submitting a recording of the completed program the three stations will each submit their price for broadcasting five times per week during peak times.

A panel of judges will evaluate the outcomes and rank in terms of quality and cost. The winner and runners up will be eligible to negotiate new contracts under the terms and conditions of Part 2.

Part 2 - Contract

Produce and broadcast ongoing series of programs on agribusiness / alternative livelihoods themes drawn from DCFR's online script library:

Rank	Number of broadcasts	Number of programs	Times per week	Number of weeks
1 st	125	25	5	25
2 nd	75	15	5	15
3 rd	50	10	5	10

Sources:

¹ Pakistan Afghanistan Cross Border Listener Survey (CBPARS) - December 2004

² USAID - Office of Transition Initiatives - April 2005 (Altai Consulting)

³ Developing Countries Farm Radio Annual Report 2005-2006

Annex F.2

Contract Farming in Helmand Province ¹

According to the USDA, contracts in 2004 governed nearly 40% of the value of US agriculture production and were the primary means of vertical coordination in sectors such as hogs, broilers, pork, sugar beets, fruits and processing tomatoes. In Brazil, 75% of poultry production is coordinated via contracts, whereas in Vietnam there are indications that 90% of cotton and fresh milk, 50% of tea and 40% of rice are being purchased by enterprises through contracts.

A. Benefits and problems

The general term “contract farming” refers to a particular form of supply chain governance adopted by firms to secure access to agricultural products, raw materials and supplies meeting desired quality, quantity, location, and timing specifications. In this context, contract farming is seen as one of the alternative forms of vertical coordination in which firms can engage, which can also be spot markets, full vertical integration and different forms of vertical alliances.

Contract farming can take different formats and generally take one of three modes, namely “market specification”, “resource providing” and “production management”. Market specification is the transaction between growers and buyers and agrees on the terms of what is to be produced (product and quality attributes) and what the commitments for future sale are (timing, location and price). Resource providing adds the provision of farming inputs to the former contract type. Beyond specifying what to produce and what the conditions for marketing are, in-kind credit is offered via the provision of key inputs, often with cost recovery upon farm product delivery. With production management, growers agree to follow precise technological guidance on how to produce.

Contract farming has significant benefits for both investors (sponsors) and farmers. However, problems can accompany these advantages. According to research conducted by the FAO, the primary advantages and problems of contract farming are the following:

Advantages for farmers

- Inputs and production services are often supplied by the sponsor
- This is usually done on credit through advances from the sponsor
- Contract farming often introduces new technology and also enables farmers to learn new skills
- Farmers' price risk is often reduced as many contracts specify prices in advance
- Contract farming can open up new markets which would otherwise be unavailable to small farmers

Problems faced by farmers

- Particularly when growing new crops, farmers face the risks of both market failure and production problems

¹ Parts A and B of this document have been liberally drawn from two FAO publications: Theory of Contract Management and Contract Farming in Agriculture.

- Inefficient management or marketing problems can mean that quotas are manipulated so that not all contracted production is purchased
- Sponsoring companies may be unreliable or exploit a monopoly position
- The staff of sponsoring organizations may be corrupt, particularly in the allocation of quotas
- Farmers may become indebted because of production problems and excessive advances

Advantages for sponsors

- Contract farming with small farmers is more politically acceptable than, for example, production on estates
- Working with small farmers overcomes land constraints
- Production is more reliable than open-market purchases and the sponsoring company faces less risk by not being responsible for production
- More consistent quality can be obtained than if purchases were made on the open market

Problems faced by sponsors

- Contracted farmers may face land constraints due to a lack of security of tenure, thus jeopardizing sustainable long-term operations
- Social and cultural constraints may affect farmers' ability to produce to managers' specifications
- Poor management and lack of consultation with farmers may lead to farmer discontent
- Farmers may sell outside the contract (extra-contractual marketing) thereby reducing processing factory throughput
- Farmers may divert inputs supplied on credit to other purposes, thereby reducing yields

B. Critical success factors

There are critical success factors for contract farming but irrespective of these, contractual relationships will only be sustainable if partners perceive that they are better off by engaging in it. Both have to see the partnership as a source of gains - financial or otherwise - that could not be matched in the next best alternative. The corollary of this proposition is that contract farming will fail if parties do not develop mutual trust and reciprocal dependency rooted in the systems principle of synergy, whereby the whole becomes greater than the sum of its parts. As such, the critical factors for successful contract farming are primarily those that address the set of potential disadvantages that can countervail the sources of synergies. Three critical success factors are:

- Appropriate enabling environment. No successful contracting scheme can exist or remain sustainable where the institutional and political setting is not conducive to it. We have already mentioned some of the areas where laws, regulations and policies can create advantages and disadvantages for contracting parties. Governments wishing to promote farm-agribusiness linkages via contracts should start by assessing, streamlining and expunging the framework from restrictive features. The obligations of parties involved in formal agreements on commercial transactions have to be enforceable, and legislation to that end should be in place.
- Minimization of contractual hold-ups is considered as a critical success factor, strategies towards accomplishing this objective can be pursued by firms and farmers as complementary measures to legal enforcement. From the farmer's perspective, enhancement of bargaining power via collective action is a standard approach. Through

their associations, farmers can have stronger voices in negotiation processes and in this way better protect their interests. Firms, on the other hand, can reduce farmer defaults by group lending, by good communication and close monitoring, by the range and quality of services they offer and by treating defaulters strictly.

- Consideration of production risks. A further critical success factor is the appropriate consideration of production risks in the contract design. Some risk sources can be known a priori and their sharing among transaction parties can be negotiated. Yet, risk sources can never be completely foreseen nor can they be fully covered by contractual clauses. For both of these scenarios, strategies are needed, so as to avoid unexpected events that undermine the contractual relationship.

C. Application of Principles

The principles outlined above, when considered in light of the current realities of Southern Afghanistan, clearly indicate there are very significant risks associated with implementation of any contract farming arrangements. The underdeveloped legal framework, weak institutional capacity and unenforceability of contracts are serious impediments to successfully undertaking contract farming.

Nevertheless, a series of contract farming activities undertaken by DWC in Afghanistan and elsewhere do show some promise for future successful contracting between agribusinesses and farmers under difficult situations such as those of Southern Afghanistan. Some lessons learned are emerging. They vary from case to case but have included the following:

- Getting the MOA to co-sign contracts to give them greater authority with the signatories.
- Engaging personnel from the targeted Districts to help promote and select the growers
- Developing a long-term relationship with growers (multiyear, sustainable)
- Involving respected local farmers to produce and demonstrate the commodities to be contracted
- Holding training and demonstration events to convince farmers to join the program
- Providing inputs -seed and fertilizer
- Selecting commodities for production that are not readily marketable to others in local area.
- Contracting more than one type of production to spread risks
- Being cognizant of food security needs (grower has sufficient area to produce food crops)
- Providing continual TA and encouragement to growers during the production cycle
- Closely monitoring production of every farmer and not announcing harvesting date.
- Make advance agreements to purchase 100% of the crop suitable for processing. at a predetermined price
- Paying a premium for top quality product.
- Blacklisting growers that default on their agreement from future program participation.
- Contract with individuals rather than associations to maintain direct accountability and avoid the political positioning adopted by many groups' leaders.
- Engaging directly in production to ensure the necessary minimum supply.

Future feed manufacture for poultry in Herat and Eastern Afghanistan plus livestock feeding in Helmand Province will significantly increase demand for corn. Livestock fattening will be

promoted in Helmand and require greater quantities of corn and dried alfalfa – probably in pellet or cube form. Helmand Province has the tradition of producing both corn and alfalfa. To capitalize on the expanded markets, ALP/S plans to develop and promote contract growing arrangements between grain and alfalfa buyers and farmers. Corn planting takes place in Helmand during July and August and the new feed mills should be coming on stream by the end of 2007 if not before. The strategy for increasing corn and alfalfa production in the region and the referenced contract farming needs to be developed. The strategy is likely to give important consideration to all but two of the elements reported in the DWC lessons learned, namely, items 7, 8 and 16: selecting non-locally marketable products and contracting more than one type of production, and engaging directly in production to ensure supply of product, respectively. ALP/S will include the following additional elements in its strategy for expanding corn production:

- Socializing the activity with village elders and District Shura
- Identifying investors, ideally from each of the targeted Districts, willing to enter contractual agreements with growers, to purchase grain at market prices (harvesting, shelling, hauling, storage and distribution may also form part of their business activity).
- Developing flat storage facilities at an Ag Park or other location for bagged corn.
- Providing assistance to investors and farmers to draw up contractual mechanisms.
- Technical assistance to investors for linkages to buyers, logistics, business administration, and finance.
- Working with AIB and ARIES for financing investors.
- Back up planning for adequate supplies of corn to help ensure necessary tonnages for feed milling may include contracting with some large-scale growers and/or importing corn.

ALP/S will modify DWC element 6: provision of limited quantities of seed and fertilizer for demonstration effect in each District. The quantity of inputs required to supply all of the growers is far too large and, we hope, unnecessary.

Annex F.4

Organizational Chart

ALP/S ORGANIZATIONAL CHART

