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ALTERNATIVE LIVELIHOOD PROGRAM – SOUTHERN REGION (ALP/S)

Quarterly Report: April – June 2007

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ALTERNATIVE LIVELIHOODS PROGRAM – SOUTHERN REGION (ALP/S)

QUARTERLY REPORT

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EXECUTIVE SUMMARY

ALP/S experienced many successes and milestones in the April through June 2007 reporting quarter but was also hampered by increasing concerns over security and difficulties in the operating environment. Successes included resolution of some of the staffing issues that continue to have an impact on the project, particularly filling some positions that have long been open. Many of the program initiatives have finally begun to move in a positive direction and gain momentum particularly in horticulture in Helmand Province with the chili development and marketing program under Development Works Canada and horticulture development under the subcontractor Central Asia Development Group. In Kandahar a horticulture program began under the supervision of Fair Acre Farms (FAF) assisting in the development and marketing of fruits and nuts. In response to military operations conducted in Helmand through Operation Achilles, ALP/S began an aggressive Cash for Work program through the implementing partner CADG. This program will help to support the construction of a new paved road between the ring road and the Kajaki area. ALP/S initiated other highly important interventions during this quarter including selecting and starting to develop the Agriculture Business Park site at the Bost airfield and providing a strong presence at the National AgFair held in Kabul in April.

ALP/S has also made significant progress in hiring key staff members, despite the increasingly volatile security environment and some continued turnover of program staff. While the Agricultural Cluster Director Dr. Michael Schwartz left the program in June, ALP/S successfully hired and fielded five key long-term expatriate staff members: Business Development Specialist Paul Bell and Monitoring and Evaluation Specialist Sonnya Valencia both joined ALP/S in April; Project Financial Controller Ousmane N'Diaye, Community Action Projects Director Rick Breitenstein and Project Support Accountant Ricardo Diaz all joined the ALP/S in June.

During the period Gordon Bremer arrived from the Home Office as a short term Agriculture Consultant. Additionally, NRECA fielded a three person staking crew (Oscar Salinas, Jorge Ponce and Zenobio Gomez) for design and staking of the new electrical distribution line. The Louis Berger Group fielded Carlos Gandarillas for a short term assignment as Irrigation Specialist. Additional short term consultants included John Shinn, Field Auditor and Penelope Poole, Public Information Specialist. ALP/S continues to recruit for the positions of Infrastructure Director and plans to fill the Financial Analyst, Business Training Manager and Value Chain Marketing BDS Department posts in the next quarter.

This quarter ALP/S also developed its work plan for the period July 1, 2007 through the end of the current contract period February 9, 2009. ALP/S submitted a draft of the plan to USAID in early June.

Program Progress this Quarter

ALP/S distributed 9,483 metric tons of ruminant feed and 464 MT of poultry feed to southern Afghan livestock producers in Kandahar and Helmand this quarter. ALP/S will distribute the final 500 MT of feed in Helmand early in the third quarter.

On May 8th ALP/S completed 210 of 218 identified Kandahar vineyard rehabilitation projects

through its implementing partner Roots of Peace. Projects included providing vineyards with grape vines, small irrigation drains, kishmish-khana (raisin drying chambers), wells, and drip irrigation systems.

ALP/S also neared completion of its spring seed and fertilizer distribution program during the quarter. ALP/S and its implementing partner distributed all but a few kilograms (76 kg of carrot seed) of the total expected vegetable seeds to farming cooperatives in Helmand, Kandahar, and Uruzgan during this quarter. As of June 30, 2007 ALP/S had a final remaining balance of only 129 tons of fertilizer to distribute to farmers in Uruzgan and Kandahar. Through this distribution program ALP/S contributed to the crop success of 20,000 southern Afghan farmers.

ALP/S's agricultural activities during the quarter focused on initiating new interventions in Helmand and Kandahar. During the last quarter ALP/S signed a subcontract with DWC for the production, processing and marketing of chilies. ALP/S has built 63 hotbeds and planted chili seeds representing 9 varieties of chili peppers. ALP/S has trained total of 42 laborers on the Central Farm.

On May 24, ALP/S signed a subcontract with implementing partner CADG to develop a horticulture program in Helmand Province. The project will provide farm production assistance and introduce new techniques and technologies for perennial and short cycle crops, marketing information and assistance to the Helmand Department of Agriculture.

ALP/S launched the Kandahar Orchards Project (KOP) in June, which has been engaging market leaders, export business managers, field officers, and extension agents in the management, post-harvest handling, processing and marketing assistance of fruits and nuts in Zhari, Parwan, and Panjwai Districts of Kandahar.

The ALP/S Infrastructure department continues to implement a successful irrigation system rehabilitation program and work towards expanding Lashkar Gah's electrification system. During this quarter, ALP/S continued irrigation system cleaning activities and emergency irrigation rehabilitation projects by engaging private sector contractors.

ALP/S completed drain cleaning during the quarter for Main Drain B in Darweshan in the Garmser district of Helmand, Shamalan Main Drain A in Bolan and Marja Main Drain C by the Helmand Construction Company. HCC has also progressed with drain cleaning for Darweshan Drain C, Marja Drain G and Darweshan Spur Drain B in Helmand Province for a total of 18.19 km. This quarter ALP/S cleaned a total of 307 km of drains and canals in Helmand, Kandahar and Uruzgan Provinces through direct subcontracting and cash for work programs.

During this quarter under cash for work, renamed the Community Action Project (CAP), ALP/S identified a cumulative total of 46 project activities in Uruzgan including drain, canal and kareze cleaning, culvert repairs and replacements and flood protection. ALP/S is currently implementing 13 projects and has completed 17. In total, for this quarter, ALP/S CAP employed 6,194 laborers for over 74,683 labor days and generated \$ 270,887 in wages for the community.

During this quarter ALP/S CAP completed irrigation rehabilitation projects in Kandahar's Panjwai and Zarie districts. ALP/S has identified and submitted for approval a cumulative total of 95 projects. ALP/S is currently implementing 20 projects, creating jobs for 2,259 laborers, who worked 29,932 labor days and earned \$112,427 in wages this past quarter.

ALP/S's implementing partner CADG expanded cash for work activities into Helmand Province as a post Operation Achilles activity covering an area from Girishk to Kajaki, with

an emphasis on the Sangin area. Since beginning implementation this quarter CADG has completed one bridge project and continued work on three additional projects; ALP/S has suspended work on two projects due to security concerns.

During the reporting period ALP/S finalized and signed a contract for the delivery and installation of two 20 MVA transformers, part of ALP/S's electrical substation project. ALP/S also issued a Request for Proposal for the supply and installation of the Balance of Substation Materials on June 24th; the program expects responses by August 24th. A three person staking crew arrived in Lashkar Gah in May to finalize design elements for the electrical distribution system. Through their efforts this quarter ALP/S completed staking 23% of the system for the new 20 KV distribution line.

Between April and June 2007 the ALP/S Strategic Activities Department supported Kandahar Treasure in the production of 1500 items used in their participation in the Sante Fe International Craft Fair. The department continued interim management of the public information and communication portfolio, developing a draft Communication strategy that will be reviewed and finalized in the next quarter. ALP/S distributed nearly 20,000 new and revised edition brochures during the Kabul AgFair, promoting southern Afghanistan's livestock cluster and agribusiness investment opportunities. This quarter ALP/S also developed stronger relationships with local radio and print media to promote program activities and regional economic transformation.

The ALP/S Business Development Services Department made significant progress this quarter on plans to develop the first Agricultural Park in Lashkar Gah. ALP/S selected and secured rights to develop the site for the Park near the Bost airfield through an agreement with the Ministry of Agriculture, Irrigation and Livestock. ALP/S also began the site clearing contract process during the quarter.

In spite of the many challenges of providing technical assistance to farming communities in the volatile, debilitated and conservative southern provinces, ALP/S in partnership with the Government of Afghanistan continues to achieve measurable and meaningful program results, laying the foundation for licit, sustainable, regional economic growth.

PROGRAM OVERVIEW

STATEMENT OF WORK

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

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

OPERATING ENVIRONMENT

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

Operating in the high risk environment of southern Afghanistan remains one of the most influential implementation challenges that ALP/S faces. The three provinces covered by ALP/S, Helmand, Kandahar and Uruzgan, are characterized by poverty, insecurity, tribal conflict and weak local governance, frequent military operations of coalition and Afghan military and police against insurgent forces, Taliban and anti-government elements (AGE) activity as well as the influence of illicit poppy production in the Helmand economy.

Spring has ushered in the start of poppy eradication and stepped up insurgent operations in the region. Ambushes and improvised explosive devices (IED) are constant threats to program implementation. The rise in the number of incidents involving body borne IEDs (BBIEDs) in Lashkar Gah included five suicide bombs: one targeting ALP/S's compound in late January, two targeting a convoy returning from the Lashkar Gah airstrip to the PRT resulting in two fatalities, a fourth suicide bomb on the same day targeting the ANA and a fifth suicide bomb in late March targeting the Afghan National Police resulting in five fatalities besides the bomber. The operating environment effects project implementation in other important ways, restricting movement to and from project sites, in and out of Helmand, Kandahar and Uruzgan provinces, and determining the willingness of local stakeholders to collaborate with ALP/S.

QUARTERLY RESULTS

I. AGRICULTURAL CLUSTER DEVELOPMENT

ALP/S's agricultural activity during the quarter focused on providing services and inputs to remote areas of Helmand and Kandahar. During the last quarter ALP/S took significant steps toward the development of a livestock cluster and finalizing a focused approach to agricultural activities. Feed for cattle, sheep and poultry became available in January 2007. Seeds and fertilizers for the spring planting season became available by the end of March 2007. Activities continued at a rapid pace and are being achieved through local professional staff and employing contracted local staff working in an environment where insurgents occupy many areas. ALP/S also continued implementing emergency repair and rehabilitation of vineyards, irrigation systems, and raisin drying facilities in Kandahar in the wake of Operation Medusa in Panjwai and Zhari districts in Kandahar Province.

LIVESTOCK CLUSTER DEVELOPMENT

In accordance with the Year Two Work Plan ALP/S made continued progress on its livestock cluster activities. Concurrently, ALP/S introduced integrated value chain activities to increase and improve meat and milk production by focusing on nutrition management (i.e animal husbandry and health), breed improvement, processing, and marketing of livestock products. ALP/S hired two new local field DVMs in order to support the program strategy, which will allow for a wider impact as the project progresses.

ALP/S has developed a closer working relationship with the Ministry of Agriculture, Irrigation, and Livestock (MAIL) that has enabled it to establish a business network with private cattle, poultry, sheep, and Kochi producers (nomadic farmers). Partnership with these groups will allow ALP/S to implement activities as scheduled for the Year Three Work Plan including: 1) Forage and feed grain production and sale, 2) Commercial poultry production and sale, and 3) Commercial meat and milk production, processing, and marketing.

Furthermore, the Agribusiness team is collecting more precise and up-to-date survey data on livestock production and market information from more than 2,517 farmer producers throughout six districts close to Lashkar Gah City in Helmand. The sample under analysis covers a daily production of 54,000 liters of milk from 11,300 cows; as well as 195,000 kg of wool and 14,100 kg of mohair produced yearly from 53,400 sheep and 14,000 goats.

FEED DISTRIBUTION ACTIVITY

ALP/S has completed animal feed distribution activity in Kandahar and the remaining five hundred metric tons (MT) will arrive in Helmand for distribution during the next reporting period (see table below). This will conclude the distribution of livestock feed, as the completion date of this contract is August 10, 2007. In all, ALP/S distributed 4,632.9 MT of

ruminant and 132.1 MT of poultry feed to Helmand, which translate to approximately 10,295 beneficiaries and 4,496.5 MT of ruminant and 210.7 MT of poultry feed to Kandahar, which translate to approximately 9,991 beneficiaries.

LIVESTOCK FEED
(All figures in Metric tons)

Provinces	Quantity Received		Quantity Distributed		Quantity Remaining	
	Ruminant	Poultry	Ruminant	Poultry	Ruminant	Poultry
Helmand	4,632.87	253.30	4,632.87	132.143	0	121.157
Kandahar	4,849.89	210.69	4,496.47	210.69	(353.42 sent to Helmand)	0
Total	9,482.76	463.99	9,129.34	342.83	353.42	121.157
Target	9,732.75	500	9,732.75	500		

ALP/S will transfer and distribute the ruminant feed during the first two weeks of July as well as 106 MT of poultry feed. Fifteen MT of poultry feed will remain in storage by the middle of July.

VETERINARY SERVICES

During the quarter, ALP/S continued livestock health education activities through implementing partner the Afghanistan Veterinary Association (AVA). The training program has been a great success, and in high demand. Due to the program’s overwhelming popularity, AVA has had to reject some applicants due to limited availability for each training course. This quarter, ALP/S has created ten of the fourteen planned Veterinary Field Units, representing an achievement of 71.4 percent of the target. Currently, ALP/S is in the process of updating the training program and curriculum offered through AVA by modifying their subcontract to introduce more focus on production through courses such as feed management, husbandry practices, and breed improvement.

In May, ALP/S held a graduation ceremony for fourteen paravets who completed a five-month training course. They were provided with a set of medicines, vaccines, veterinary instruments, and solar refrigerators to provide livestock health services in eleven of the forty-two targeted districts.



In June, another fourteen paravets graduated from the program, trained in the latest technological advances in Artificial Insemination (AI). Each received an AI Kit consisting of liquid nitrogen thermo, straws, AI guns, and a motorcycle to assist them in their work.

This quarter, the Basic Veterinary Workers (BVW) course graduated seventy-seven students, thirty-one of whom were women. Fifteen Kochis (nomadic farmers) from Helmand also participated in this course. The BVW’s are now providing animal health services in more than sixty-four villages. Consequently, the demand for services continues to increase at both the

district and village levels. Based on the success experienced this quarter, ALP/S is confident it will reach its target of one-hundred and twenty total BVW workers by the end of the base period of the program.

During this quarter, the cumulative achievements in health care services provided through VFUs included 369,614 vaccination doses; livestock producers received 642,412 doses of medication, and 29,248 other veterinary services, mainly surgical procedures. It is difficult to estimate the number of surgeries that will be performed as most are in response to emergency calls. The frequency of surgical cases attended by paravets in this reporting period is lower than what was initially projected based upon earlier trends in demand. ALP/S will continue to supervise emergency call services and animal surgeries.

AVA developed draft bulletins on livestock health, production, and marketing are currently under technical review and will be finalized in the next quarter.

In April, AVA shared its success stories with the 60,000 visitors at the AgFair in Kabul. Through its subcontract with ALP/S, AVA improved privately-owned technical veterinary services and delivery of supplies. This wide-scale project in animal health will improve food security and quality of life for 80,000 families.

HORTICULTURE CLUSTER DEVELOPMENT

ALP/S initiated three major horticulture projects this quarter: 1) the Chili Production Project; 2) the Helmand Horticultural Project in Helmand Province, and 3) the Kandahar Orchard Project (KOP) in Kandahar Province. The Chili Production Project is being implemented by subcontractor Development Works Canada (DWC) and aims to develop chili plots and to promote the harvesting, shipping, processing, and marketing of dried chili products. The second project is being implemented by the Central Asia Development Group, (CADG) and aims to introduce modern horticulture techniques - including tunnels and drip irrigation - and to provide extension support and training to workers and farmers. KOP is being implemented by Fair Acre Farms (FAF), which provides support to the production, marketing, processing, and sale of important horticulture crops from Kandahar that include pomegranates, apricots, and grape-raisin value chains. The horticulture cluster development project has the potential to benefit 5,000 to 10,000 farmers.

CHILI PRODUCTION PROJECT

During this quarter ALP/S signed a subcontract with implementing partner Development Works Canada (DWC) for the production, processing, and marketing of chilies. This project builds off of the success of the chili plot trials over the past year. Since initiation of activities, ALP/S constructed sixty-three hotbeds, which grow habanero, anchio, malaga, jalapeno, long red cayenne, and pasilla bajo chili varieties. Unfortunately, due to high temperatures, some of the habanero seedlings were infected with disease, and only 50 percent survived. To address this problem, ALP/S is replacing the seedlings in an attempt to identify those chili varieties that are able to withstand the high temperatures common to Helmand during the summer months. Furthermore, ALP/S has prepared 250 jeribs of land (plowing, tilling and fertilizer application) allocated by Helmand MAIL. Once the seedlings are ready, ALP/S will distribute them to selected private farms for cultivation. Then, the program will identify two-hundred and fifty farmers to receive seedlings over the next 1-2 week period. Meanwhile ALP/S is in the process of procuring a demonstration solar pump in Kandahar, allowing for a more cost-effective method of irrigation.

To date, ALP/S has trained forty-two workers and laborers on the Central Bolan Farm in the following topics:

- Hotbed construction, preparation, planting, and maintenance
- Hotbed irrigation schedules
- Proper usage of shade in preventing seedling damage from extreme direct sunlight during the hottest part of the day
- Fertilizer dosage within hotbeds
- Land preparation for transplanting

As the quality of the chili production and processing continues to increase; the likelihood of accessing high value export markets to the Middle East, United States, and other parts of Asia such as India and Pakistan also increases.

HELMAND HORTICULTURE PROJECT

The horticulture assistance program in Helmand province began in earnest this quarter. Start-up activities include the procurement and delivery of inputs, as well as production assistance focused on perennial crops, short cycle crops, marketing information, and assistance to Helmand Department of Agriculture.

KANDANHAR ORCHARD PROJECT (KOP)

The Kandahar Orchard Project (KOP) provides direct support to farmers, traders, and their associations, the Union of Fresh Fruit Growers (UFFGK) and the Dried Fruits Exporters Association of Kandahar (DFEAK) in the production, marketing, processing, and sale of horticulture crops. These include pomegranates, apricots, and grape-raisin value chains. Since signing the subcontract in May, FAF has accomplished the following:

- **Project Administration.** FAF established its office facilities and hired technical and marketing staff. ALP/S hired twenty local staff for implementing the KOP program and conducted site selection surveys in districts of Panjwai, Zhari, Daman, and Argandab.
- **Association Development.** ALP/S signed a Memorandum of Understanding with DFEAK to improve their institutional capacity through KOP as the lead association for dried and fresh fruit exports.
- **Production Support.** The ALP/S KOP team submitted a recommendation for forty vineyard rehabilitation projects for vineyards from Panjwai and Zhari districts damaged by heavy rainfall. By the end of June, twenty-three vineyards were rehabilitated and seventeen are currently under construction. Vineyards covering twenty jeribs will produce an estimated supply of thirty tons of grapes after a period of three years. The development and rehabilitation activity includes land leveling, building up compound and trellis walls of mud, and developing irrigation ditches.
- **New Production:** The KOP team identified twenty sites for a survey of a pomegranate orchard and is awaiting quotations for well drilling, water storage construction, land leveling, and irrigation piping.
- **Marketing:** Market consultants conducted a research report for Dubai and neighboring countries on demand, supply, pricing, and re-exports of fresh and dried fruits; which will assist in planning marketing strategy in future.
- **Agreement Signed:** DFEAK and YME Kuiper B. V., a company from the Netherlands signed a two-year marketing agreement for purchase of red and sultan raisins. Quantity and pricing will depend on market conditions and quality of raisins. DFEAK will supply raisins in accordance with packaging sizes as indicated by the

importer. This represents an impressive opportunity for increasing the sale of agriculture products in regional and international markets.

- **Technical Support:** KOP established contacts with cumin seed processing equipment manufacturers in India, and scheduled a trip for the second week of July to test the equipment.
- **Post Harvest:** Reed mats are being procured for improved drying methods of red raisins for export. UFFGK and DFEAK will distribute these mats to raisin-producing farmers every year. Utilization of reed mats will assist in manufacture of red raisins from grapes without mud or dust sticking to them. Grape drying will begin by the end of July 2007. Reed mats will be distributed in approximately fifty villages in order to demonstrate their utility on a commercial scale.

Factors that have affected project progress include heavy rains in Kandahar Province, which have delayed the construction of a DFEAK common facility that will house equipment used for processing cumin, packaging, and licorice grinding. Rains have also led to the destruction of grapes in Argandab, Zhari, and Panjwai districts. Rehabilitation is under way, however; this development may lead to a low supply of grapes for the fresh market and/or converting them into raisins, thus affecting the export targets. The security situation, particularly in Zhari and Panjwai districts seems to be deteriorating – this will also affect project progress. To address the security concerns, ALP/S is currently attempting to improve and deepen the relationships with regional and tribal councils in the area.

SPRING SEED AND FERTILIZER DISTRIBUTION

Distribution of seed and fertilizer is ongoing and nearly complete in Helmand, Kandahar and Uruzgan. Based on recommendations received from the Helmand Governor and Helmand Director of Agriculture due to ongoing security concerns in Charchinu, the seed and fertilizer (1.5 MT seed and 45 MT of fertilizer) originally destined for Charchinu was diverted and distributed in Tirin Kot in Uruzgan. ALP/S will complete seed and fertilizer distribution program next reporting period.

SEED AND FERTILIZER (Figures in Metric Tons)

Provinces	Quantity Received		Quantity Distributed		Quantity Remaining	
	Seed	Fertilizer	Seed	Fertilizer	Seed	Fertilizer
Helmand	64.694	1,950	64.618	1,921	0.076	29
Kandahar	67.831	1,509	67.831	1,509	0	0
Uruzgan	14.197	1,290	13.214	1,170	0.983	120
Total	146.722	4,749	145.663	4,600	1.743	149

II. IMPROVED ACCESS TO PRODUCTIVE INFRASTRUCTURE

Well maintained productive infrastructure is vital for regional economic growth. Infrastructure activities, such as road repair, irrigation-system rehabilitation, and rebuilding the electrical substation and distribution system in Lashkar Gah all contribute heavily toward improving the economy in Helmand Province and Southern Afghanistan as a whole. These activities demonstrate the GOA's and USG's partnership and commitment to developing visible economic assets that many local residents consider of great value in improving their economic opportunities.

During this quarter, ALP/S focused on completing irrigation projects in Helmand Province with high potential for promoting licit economic development. ALP/S collaborated with provincial and community leaders and with the Helmand and Arghandab Valley Authority (HAVA) in Helmand Province to identify irrigation projects that are a high priority for the region and contribute to economic growth to the farm community. Activities included: drain cleaning, canal cleaning, and emergency projects to help restore other irrigation infrastructure. ALP/S implemented these projects principally using local construction contractors based in Helmand. In addition, ALP/S supplemented infrastructure development via cash-for-work activities in the area from Girishk to Kajaki in upper Helmand. In Uruzgan and Kandahar Provinces, the project used cash-for-work activities to rehabilitate irrigation systems and roads.

During this quarter, ALP/S and HAVA placed particular emphasis on identifying and assessing future irrigation project needs, identifying and developing preliminary budgets for more than 70 activities. In close collaboration with HAVA and villagers throughout Helmand Valley, ALP/S sorted the respective activities into as High, Medium, and Low priority.

ALP/S grouped these activities into four categories according to the type of work required: drain cleaning, canal cleaning, karez cleaning, and flood protection. Activities were further classified by five geographic area: Lashkar Gah; Nahri Saraj; Nawa; Marja and; Garamser. Two other categories were identified based in information collected by RAMP. These were grouped into two more classifications to basically concentrate on repair or replacement of approximately 120 gates and concrete works that include about 42 canal ancillary structures. Further selection will be done next quarter based on the approved project budget and work plan for the period through the end of the project.

Key activities and accomplishments during the quarter include:

- Continued progress on main drain cleaning
- Rehabilitation of Lashkar Gah's electrification system
- Structural design of the DFEAK building in Kandahar
- Creation of Community Action Projects
- Initiating work on the Three Villages and Recreational Parks projects

IMPROVED CAPACITY TO MANAGE THE IRRIGATION AND DRAINAGE SYSTEMS

MAIN DRAIN CLEANING

Given the importance of agriculture in Helmand Province's economy, rehabilitation of its irrigation and drainage system is crucial. Removal of silt and sediment from drains and canals allows for a less restrictive flow of water, and allows for a greater volume of cleaner water to reach crops more quickly, and desalinate the soil. The project continued its work to clean and rehabilitate canals and drains during this quarter: ALP/S completed the cleaning of drains in Shamalan, Nawa and waste drain #56 in Nad-i-Ali. ALP/S cleaned 11% of Darweshan Drain D, which spans 13.12 kilometers and has cleaned 39 of 46 kilometers of

additional Darweshan drains. The project conducted emergency work in Naraj Saraj, Lashkar, Gah and the Shamalan Canal to rebuild eroded embankments and construct flood barriers.



Sarkar Canal: flood protection wall



Naraj Saraj Canal: flood protection wall for erosion control

REHABILITATION OF LASHKAR GAH ELECTRICAL SUBSTATION AND DISTRIBUTION SYSTEM

The electrification component of ALP/S consists of the rehabilitation of the electrical substation at Lashkar Gah, procurement and installation of two new 20 MVA transformers, and rehabilitation and upgrade of the city's distribution system. ALP/S sent an engineering team to Lashkar Gah in May 2007 to conduct on the ground verification of the final GIS images used to complete the bidding process for materials procurement and installation planning.

During the quarter the team accomplished the following:

1. Distribution Component

- Staked 30 percent of digital pre-designed urban primary lines (approximately 28 kilometers);
- Performed detailed design of Helmand River Crossing;
- Identified prospective local concrete pole manufacturers;
- Updated 20 kV construction standards (80% of total required updates).



Staking crew taking a look ahead (ALP/S June 2007)

2. Substation component

- Power transformers: ALP/S completed the bidding process and awarded the contract to manufacturer in Italy;
- Materials Supply and Installation: The Request for Proposal (RFP) was issued on June 24 with bids scheduled to be submitted by August 24.

Electrification Activity Summary Table: The following is a summary of staking, through June 25.

Description	Location	Staking performed (in meters)	Percent Completed
Feeder "A", Double circuit (AB)	Road 601 (to Kandahar), east end	253	100
Feeder "A", Single circuit, 3-phase	Road 601 (to Kandahar)	6,604	33
Feeder "A" – 1-phase Branch 1	Road 601 (to Kandahar), east end	404	8
Feeder "B", Double circuit (AB)	From substation to Governor's compound	253	100
Feeder "B", Single circuit, 3-phase	Governor's compound area	3,694	65
Feeder "B", 3-phase taps	Air strip	203	25
Feeder "B", single phase taps	Air strip road	212	265
Feeder "C", double circuit (CD)	Substation to Governor's compound	2,239	140
Feeder "C", single circuit, 3-phase	South of substation and North area (PRT compound)	2,744	15
Feeder "D", double circuit	Substation to Governor's compound	2,239	140
Feeder "D", single circuit, 3-phase	Central and North area	1,274	10
TOTAL		17,627 (Approx. 440 stakes)	23
TOTAL PROJECT			100

COMMUNITY ACTION PROJECT (CAP)

The ALP/S Communication Action Projects serve to develop cooperation and goodwill with the communities in which they operate and to enable skilled and unskilled laborers to earn an income and provide a benefit to their community. The local community, in turn, can make strides to help improve the local economy. At the project level, CAP performs necessary small-scale infrastructure-rehabilitation work through intense manual labor that supports important and large scale agriculture and infrastructure projects. Currently there are three main projects under the CAP: an \$8.6 million cash for work program (CFW) in Kandahar, Uruzgan, and Helmand provinces; the Lashkar Gah Parks and Recreation project, and the "Three Villages" CAP aimed at supporting agricultural activities in Qala-i-Bost, Aynak, and Karez. The first two projects are underway; the Three Villages CAP will begin in earnest in the third quarter of 2007.

HELMAND

ALP/S completed one project in Helmand this quarter. Three are currently underway, and two are suspended temporarily due to security concerns. The subcontractor is working with the local shuras to address and resolve security concerns and once this is achieved, the projects will begin again. A new project, a spur dike near the city of Grishk, was approved and commenced on 17 June.

In late June, David Van De Carr, CFW manager for Helmand Province, spent one week in volatile Sangin District surveying the damage to the town and neighboring areas resulting

from the heavy fighting between ISAF and the insurgents. Mr. Van De Carr is currently working with the CAP Director Richard Breitenstein to determine a strategy for developing and implementing CFW activities to reconstruct these areas. These activities will support and not duplicate other reconstruction efforts being designed and implemented by other donor agencies, NGOs and military entities. Work is expected to begin in late July of 2007, depending on the security situation.

The table below shows the approved activities as of June 30th.

Activity #	District	Type	Status
301	Nahre Sarraj	Bridge	Started
303	Nahre Sarraj	Bridge	Started
306	Nahre Sarraj	Karez	Pending
305	Nahre Sarraj	Karez	Pending
302	Nahre Sarraj	Bridge	completed
307	Nahre Sarraj	Dike	Started

URUZGAN

ALP/S completed 17 projects in Uruzgan this quarter. An additional 14 projects are underway and 14 are on hold, pending the security situation. The subcontractor will begin another four projects within the first weeks of the third quarter. In late June, a request for assistance was given to ALP/S to expand CFW and agriculture in Chora district recently damaged by heavy fighting between insurgents and coalition forces. Mr. Breitenstein has requested the project to develop a plan of action for addressing the needs in Chora district which, when approved, will begin early in the third quarter of 2007.

Activity #	Location	Type	Status
201	Charchina	Flood Protection	Pending
221	Chora	Flood Protection	Pending
222	Dehrawood	Dike	Pending
223	Dehrawood	Dike	Pending
231	Tirin Kot	Dike	Pending
213	Tirin Kot	Karez	Completed
224	Tirin Kot	Canal	Completed
225	Chora	Canal	Completed
226	Chora	Canal	Completed
237	Tirin Kot	Flood Protection	Completed
233	Tirin Kot	Canal	Completed
234	Chora	Flood Protection	Completed
206	Tirin Kot	Flood Protection	Started
207	Tirin Kot	Flood Protection	Started
209	Tirin Kot	Flood Protection	Started
217	Chora	Flood Protection	Started
220	Chora	Flood Protection	Started
227	Dehrawood	Karez	Started
228	Tirin Kot	Karez	Started
229	Dehrawood	Karez	Started
230	Dehrawood	Karez	Started
232	Tirin Kot	Canal	Started
235	Dehrawood	Karez	Started
236	Dehrawood	Karez	Started

KANDAHAR

CFW in Kandahar is progressing according to plans despite pressure from insurgents that is preventing workers from completing certain activities. ALP/S is working with local shuras to resolve the security concerns that are preventing the project from completing these activities. At the end of the second quarter of 2007, four projects are in progress, four remain temporarily suspended and one project has been completed. CADG is implementing these activities in eight districts and they consist of various aspects of irrigation system and water control measures.



Project 124 Nosh-e-Jam Culvert Project. Diversion The picture above shows the partially completed rebar

Activity #	Location	Type	Status
109	Talukan	Canal	Suspended due to the volume of water in the canals
111	Thaktapool	Karez	Completed on 24 June 2007.
112	Dand	Canal	Suspended due to the volume of water in the canals
113	Khakrez	Karez	Ongoing. The activity in Sirposh completed on June 18, and the rest are ongoing.
120	Zhari	Wash	Ongoing: the activity began on May 22, and is expected to finish on schedule.
121	Arghandab	Wash	Completed: All three activities for the village of Nesar Abad are done, but have been damaged due to flash floods caused by unseasonal rains. The project surveyed the damage and will conduct a repair.
122	Maywand	Karez	Suspended due to deteriorating security
123	Maywand	Karez	Suspended due to deteriorating security.
124	Dand	Culvert	Work started on 22 May 2007

LASHKAR GAH PARKS AND RECREATION PROJECT

The purpose of this eight-month \$300,000 project is to reconstruct and rehabilitate 12 recreational parks in the city of Lashkar Gah. This project develops community relations and improved social capital within the municipality and is based upon discussions with the mayor of Lashkar Gah and the Governor of Helmand on the municipal needs of the area. This project began with initial survey and design work by ALP/S engineers. ALP/S is developing a memorandum of understanding with the mayor's office to further define ALP/S's responsibilities and deliverables.

THREE VILLAGES COMMUNITY ACTION PROJECT

This project supports the CADG Horticulture and DWC Chili projects by providing small infrastructure rehabilitation projects and other community projects such as potable water, agro-forestry, health, education and social infrastructure, Qala-i-Bost ruins preservation in villages targeted for horticulture sector development. We have budgeted \$2 million for this project.

DFEAK BUILDING DEVELOPMENT

ALP/S completed the structural design of the DFEAK Building in Kandahar this quarter. The building is a 40x15-meter reinforced concrete structure which will house the DFEAK Almond and Cumin Processing Plant. The design was reviewed and revised by a qualified local structural engineer. The DFEAK Processing Plant Compound was placed in a depression in the natural drainage of the area. ALP/S also conducted a hydrology evaluation to determine the runoff for the design of surface ditches. ALP/S will continue construction of the DFEAK building in the next quarter.

III. BUSINESS DEVELOPMENT SERVICES

During this quarterly reporting period, ALP/S re-established the lapsed BDS Department and designed several initiatives which are now being implemented. These initiatives include the development of the Agricultural Park adjacent to the Bost Airfield, a Business Training Program, and preparations for an Agricultural Fair to be held in Helmand Province.

BUSINESS SKILLS FOR LOCAL ENTREPRENEURS

Most Afghan entrepreneurs are not familiar with current business concepts and practices and so cannot access the essential management tools that can help make their businesses grow. For example, few can construct business plans or prepare financial statements and their inability to prepare these essential business documents can act as a constraint in accessing much needed credit. ALP/S has released an RFP for a major business training program to be made available to all ALP/S beneficiaries. The package will be available as a complete 10 module / 2 week certified program or in individual component modules that can deal with stand alone topics like marketing, basic bookkeeping and financial analysis or production planning. ALP/S has also provided considerable capacity building to national implementing partners who will respond to the RFP.

AGRICULTURAL PARK

Foremost amongst the BDS initiatives has been the decision to develop an Agricultural Park in Lashkar Gah. Following last year's feasibility study ALP/S conducted an additional location analysis of a variety of sites around the City. USAID finally opted to locate it within the perimeter of the Bost airfield. The Park, as proposed, will occupy 25 hectares; an adjacent 15 hectares is being set aside for a demonstration / experimental farm.

ALP/S has facilitated land title, which is being held in trust by the Ministry of Agriculture. According to the World Bank's Doing Business survey land titling procedures in Afghanistan are amongst the most difficult and complex in the world involving at least 11 different procedures and normally take an average of 252 days to complete. ALP/S Senior Afghan Advisor, Mr. Haji Habibullah played a major role in bringing the delicate and complicated titling negotiations to a successful conclusion. ALP/S is currently setting up a board of interested national, regional and local parties to assess applications from interested investors.

The Afghan Investment Support Agency and the Deputy Minister of Agriculture, Mr. Mohammed Sharif organized a joint delegation to travel to Lashkar Gah to meet with local participants in the titling process. The delegation enjoyed two days of ALP/S hospitality and took the opportunity to visit not only the proposed site of the Agricultural Park but view other ALP/S projects.

Additionally, ALP/S developed and released a clearance works RFP to select a contractor to prepare the site for the Agricultural Park. ALP/S is in the process of completing site topographic surveys and geotechnical samples and tests. A dedicated expatriate engineer for the project will be in Lashkar Gah by the end of July. Clearance works are programmed to start at the beginning of August and building works to commence in September. The Park is due for completion by the end of December.

IV. STRATEGIC ACTIVITIES, GENDER INTEGRATION AND PUBLIC INFORMATION & COMMUNICATION

FORMATION OF THE STRATEGIC ACTIVITIES DEPARTMENT

During this quarter ALP/S established its Strategic Activities Department. This department houses two cross-cutting activity units, each of which supports ALP/S in meeting its goal of promoting a licit, agriculturally-based economy in Southern Afghanistan. The Strategic Activities department is comprised of the Gender Integration Unit and the Strategic Activities Unit. The ALP/S Strategic Activities Department is also managing Public Information & Communications activities until the arrival of new team leaders.

INVOLVING WOMEN IN REGIONAL DEVELOPMENT

This quarter ALP/S pursued some of its short-term program goals for women's capacity building, such as targeting women-owned and managed businesses, supporting local women leaders at the district and provincial levels and integrating gender into program components. Additionally, ALP/S also successfully identified key partners for future activities in Year Three of the program. Key achievements in the reporting period include:

- Support for the successful development of the Kandahar Treasure's brand and website for domestic and international markets.
- Design for a future partnership with Kandahar Treasure, through which the organization will formally establish itself as a registered and recognized for-profit business.
- Participatory design of activities and investments for the upcoming Year Three Work Plan, including alliance building with regional and national stakeholders and implementers.
- Reformulation of strategic partnership for community midwifery education (CME) program.

SUSTAINABLE BUSINESS INVESTMENTS: KANDAHAR TREASURE

During this quarter, ALP/S funded the creation of the Kandahar Treasure (KT) website: <http://www.kandahartreasure.com>, which is currently undergoing USAID branding and approval. Kandahar Treasure is an Afghan woman-owned and operated hand-embroidery business that employs over 400 home-based women artisans. The company started in 2005 as an outgrowth of the income-generating projects of Afghans for Civil Society, a Kandahar-based NGO. In this reporting period Kandahar Treasure successfully completed its first contract with ALP/S, through which it developed a product brand, marketing materials, and conducted market trials and analysis on consumer response to new products and consumer product preferences.

At the end of this quarter, ALP/S co-developed a new scope of work for its future partnership with KT, through which the company will develop a business plan; establish a for-profit organizational structure; hire key management and financial staff; and formally register with key Afghan business entities such as the Afghanistan Investment Support Agency (AISA). This focused assistance package will allow Kandahar Treasure to pursue a sustainable business model, likely making it the largest woman-owned business in Southern Afghanistan.

MEDIUM & LONG-TERM IMPACT: DESIGN OF NEW PROGRAM INVESTMENTS

This quarter ALP/S designed a set of new projects that will further integrate Southern Afghan women into regional economic activities. Activities proposed in the Year Three Work Plan include: developing women-operated vegetable greenhouses, which will be designed as registered business, part of a value-chain approach within the ALP/S horticulture program;

creating resource centers for provincial Women's Affairs departments; supporting the Helmand community midwifery program; creating a regional support network for female business owners, who will be linked to national counterparts. These regional support networks will focus on capacity building and knowledge/skills exchange.

After a series of organizational interviews, ALP/S also successfully identified the World Organization for Mutual Afghan Network (WOMAN) and the World of Women Business Market (WWBM) as key partners for the *Southern Afghan Business Women's Initiative*, a new ALP/S program dedicated to identifying and increasing the business capacity of Southern women entrepreneurs. Through its newly identified implementing partners ALP/S will establish a local NGO that provides social and economic development support to Helmand women. ALP/S will also create a national network of business and knowledge sharing partnerships for southern afghan women entrepreneurs through multi-site study tours to Jalalabad, Herat, Mazar, and other regional hubs.

REDESIGN OF COMMUNITY MIDWIFE EDUCATION PROGRAM

After extensive review of implementation options and following discussions with the Ministry of Public Health (MOPH) and USAID/OSSD & USAID/AD, ALP/S has refocused its involvement in the planned community midwifery education (CME) program from implementation to in-kind and technical support. Ibn Sina, a nationally recognized health services NGO with strong presence throughout Helmand province, recently renewed its commitment to implementing the CME. The eighteen-month training was initially part of Ibn Sina's *Basic Package of Health Services* grant from the World Bank (2003-2008) but had been impossible to implement in past years due to regional insecurity.

In its revised strategy, ALP/S proposes to purchase essential medical equipment that will help Bost Provincial Hospital become a nationally certified provider of emergency-obstetrical care; and support the creation of safe motherhood advocacy and behavior change communication systems in Helmand province. The community midwife training program will create nearly 90 year-round jobs, including posts for approximately 20 community midwives that will provide life saving safe motherhood services throughout Helmand Province. Through its support to this innovative investment in the health of women and families, ALP/S will improve the ability of Southern Afghan households to engage in productive alternative livelihoods.

PUBLIC INFORMATION & COMMUNICATION

This quarter ALP/S drafted a new Public Information and Communication Strategy to complement the upcoming Year Three Work Plan. Other accomplishments during the period include:

- Creation and distribution of new printed materials. ALP/S revised its *Investment Opportunities* brochure, reproducing it also in Pashto; and created a new, bilingual *Livestock Program* brochure. During the ASAP Agricultural Fair in Kabul, ALP/S distributed nearly 20,000 copies of these three materials.
- Implementation of a camera-usage training course—ALP/S trained six staff members in the use of digital photography for project reporting and communication purposes.
- Development of new success stories—ALP/S wrote one horticulture program success story (currently under review) and identified an additional seven success stories for future development.

- Designed a radio program for social change—ALP/S began working with local radio stations to design a variety program (part drama, part informational) focused on regional economic development. The program will use an entertainment-educational approach to subtly promote alternative livelihoods in Southern Afghanistan, while simultaneously educating farmers, livestock producers, community leaders and women about key technical issues and market trends. ALP/S will draw on a number of resources to develop this program, including scripts and concepts from the Developing Countries Farm Radio network.

Upcoming plans for establishing a strong public outreach and communications for social change portfolio include developing a program website, along with a comprehensive set of print and multi-media public relations tools for use with both client and community groups.

STRATEGIC ACTIVITIES

The Strategic Activities Unit within the department manages cross-cutting project alliances and staff training. Most of the work for this department is planned for the coming Year Three; however, two key achievements of the past quarter include:

- Successfully organizing ALP/S's participation in the National AgFair.
- Design and implementation of a basic computer literacy course for Lashkar Gah clients.

SOUTHERN AFGHANS PARTICIPATE IN THE NATIONAL AGFAIR

From April 16²³ ALP/S sent a forty-person delegation of clients and staff to Kabul to participate in the first annual Agricultural Fair, sponsored by the Ministry of Agriculture, Irrigation & Livestock and the USAID/Accelerating Sustainable Agriculture Program (ASAP). The two-day fair provided a networking opportunity for a wide variety of agricultural interests including farmers/cooperatives, agricultural product processors, exporter/importers and investors. ALP/S extended the benefits of this event by organizing a week-long series of professional development activities for its clients.

Members of the ALP/S delegation included the Dried Fruit Exporters Association of Kandahar; a female member of Kandahar's Provincial Council; staff from Kandahar Treasure; Directors of the Helmand and Kandahar Departments of Agriculture; Helmand's Kochi and Artificial Insemination representatives; female basic veterinary workers; and farming cooperatives. ALP/S sponsored booths for both DFEAK and Kandahar Treasure, which were for display and sale, respectively. Kandahar Treasure earned approximately \$900 in sales during the two day event, while DFEAK and KT expanded their potential client bases exponentially through business card exchange, brochure distribution and the use of information sign-up sheets. One Helmand farmer made a regional cucumber export sale as a result of a contact he gained in the ALP/S *Investment Opportunities* tent, a space set aside for client networking during the AgFair.

ALP/S conducted post-AgFair client debriefs sessions to collect client impressions of the trip. While participants generally approved of each activity, they overwhelmingly found greatest value in the day-long professional development and networking skills workshop.

STRENGTHENING LOCAL INSTITUTIONS THROUGH COMPUTER TRAINING

During this quarter ALP/S successfully concluded its five-week intensive basic computer literacy (BLC) program, which ran from May 1 to June 7. The BCL program complemented the 2006 ALP/S *Internet Access* activity, through which ALP/S provided new computers, software and one year of internet service to a series of Helmand government offices.

Approximately forty students participated in the BCLP, increasing their professional capacity in their current jobs.

Class topics included an introduction to basic Microsoft Office applications, MS Word and Excel (e.g., typing simple letters and using formulas in excel spreadsheets) and using the World Wide Web (e.g., setting up e-mail addresses for new users). Students attended classes for 1-2 hours per day, six days a week for five consecutive weeks. ALP/S conducted both pre- and post-course written computer knowledge assessments, as well as an end of course practical examination. Students also gave written course feedback midway through the course.

On June 7th, BCLP students, local press and family members attended the combined graduation ceremony for the Department of Agriculture, Governor's Office and the Department of Women's Affairs, held at the Women's Affairs compound. Graduates were extremely pleased with the new job-focused computer skills they gained from the course and have requested that ALP/S offer more computer training in the future.



**BCLP Graduation Ceremony at Women the Affairs,
7th Jun, 07.**

V. PROGRAM MANAGEMENT

OPERATIONS

STAFFING

ALP/S experienced significant, largely positive changes in its team composition this quarter. During the quarter the staff departures included Director of Agriculture, Michael Schwartz, and IT Director, David Mark. Meanwhile, additions to staff include Business Development Specialist Paul Bell, who joined the project in April, a long term Monitoring and Evaluation Specialist Sonnya Valencia, who joined the project in mid April 2007. In June, Project Financial Controller, Ousmane N'Diaye, Communication Action Projects Director Rick Breitenstein and Project support Accountant Ricardo Diaz joined the project.

During the period Gordon Bremer arrived from the Home Office as a short term BDS Consultant. Additionally, teaming partner, NRECA fielded a three-person staking crew (Oscar Salinas, Jorge Ponce and Zenobio Gomez) for the design and staking of the new electrical distribution line. Fielded through teaming partner, LBG Carlos Gandarillas had a short term assignment as Irrigation Specialist. Additional short term consultants included John Shinn, Field Accounting Auditor and Penelope Poole, Public Information Specialist. ALP/S continues to recruit for the positions of Infrastructure Director, Public Information Specialist and Director of Communications. During the next quarter the posts for the new BDS team will be filled and an operative team will be in place. ALP/S has identified candidates for the Financial Analyst and Marketing (Value Chain) Specialist positions, which are now in the hiring process. ALP/S is still welcoming suitable candidates for the Business Training Manager post.

To support the expanded level of expatriate staff and increased level of activities, ALP/S added a few long term local professional staff to the project; these include two Field Officers and two International Trade Representatives to support the KOP project in Kandahar and a Public Information and Communication Manager. A total of 29 local support employees were also hired to support operations during this quarter.

Also during the quarter, the Lashkar Gah Office Manager resigned and was replaced by the Administrative Officer. The IT Manager was released from his post and we are recruiting for an expatriate to fill this position as we have found that it is extremely difficult to recruit and retain an experienced local professional. The Department of Logistics and Facilities were merged and as a result the Facilities Manager was also released from his position.

OPERATING ENVIRONMENT

TRANSPORTATION

In response to the volatile security environment, ALP/S continues to use armored vehicles on a daily basis for the transportation of staff to meetings within Lashkar Gah and between its guesthouse facilities within the city as well as to locations outside the city limits of Lashkar Gah. During the quarter security conditions allowed for road movements between Lashkar Gah and Kandahar. With eradication efforts underway and stepped up offensive by AGEs, road movements between Lashkar Gah and Kandahar were curtailed. With the build up of activities in Kandahar and increased demands on transportation due to program needs four armored vehicles, two in Lashkar Gah and two in Kandahar have been leased until the newly procured armored vehicles can be delivered to the project. These leased vehicles will allow for the repair of vehicles that have been damaged by the severe operating conditions and service imposed by the region. Delivery of the four new armored vehicles was expected by the middle of May. These four vehicles slated for the program are in Kabul awaiting the completion of necessary documentation and official registration before deployment to ALP/S

in the South. As a result of the delay, there currently exists a shortage of armored vehicles in Lashkar Gah. This armored vehicle shortage has caused mission cancellations and/or rescheduling. Consideration should be taken that the existing armored vehicles may need to be replaced in the next year and re-ordering of new vehicles should be planned early. To date this armored vehicle procurement process has taken 17 months since ALP/S received Contracting Officer consent to subcontract with the DOS-approved vendor, illustrating some of the operational challenges and consequences of working in this environment.

OPERATIONS

During this quarter, numerous improvements were achieved in the residential, office space and storage facilities. During this period, a third guest house, the Villa, has been remodeled for improved residential and restroom facilities, providing for a more comfortable living environment for nine additional expatriate staff working in Lashkar Gah. This included remodeling nine bathrooms, redistribution of piping, and the design of a new water supply system in the residence. The Operations team has modified the lot adjacent to the Villa to include a fully concreted vehicle storage area as well as roundabout, a fully functional working space for ALP/S logistics department as well as a suitable mechanics workshop and pit for vehicle maintenance. Storage containers were added for supplies and furniture.

In other renovations to facilities, the Annex underwent modifications to the exterior to include two cash for work warehouses to better secure the inventory of supplies and equipment. The office/palace compound underwent substantial remodeling to accommodate the quickly growing number of personnel and provide space for vehicles. The Palace Compound has expanded into the neighboring compound enabling the upgrade of access control into the compound. There is now an entrance dedicated for pedestrian and bicycle traffic only in addition to the vehicle access entrance. Expansion also included demolishing of existing structures on the lot, concreting of the entire premises, make-ready improvements to a small building inside the adjacent premises (currently used as office space for the Infrastructure, Agribusiness and Engineering Departments) and the required security upgrades to the premises. To accommodate required HESCO barriers for improved security of personnel and assets, ALP/S redid the external drainage systems for all residences and compounds. A new accommodation compound has been retained by and for ALP/S. Security measures are currently underway on the property in preparation for the opening day.

The ALP/S Kandahar Compound is currently being expanded with the inclusion of an adjacent compound and another small local national accommodation compound close by.

SECURITY

Through its security services provider, GLOBAL, ALP/S has been able to implement and monitor program activities and interact with the local community.

At the request of USAID, the CTO security team has been expanded by three expatriate team members. The following is an update on the security situation in Helmand and Kandahar, and how it impacts program implementation.

HELMAND

The security situation in Helmand Province remains assessed as volatile. Military operations have been ongoing throughout the quarter in the districts of Garmser, Nahri Sarraj, Sangin and Kajaki and to a lesser extent in Lashkar Gah, Nawa-I Bara, Naw Zad and Musa Qala.

Operation Achilles and two smaller supporting operations commenced in the Sangin Valley in mid March and are currently undergoing a phased withdrawal. The operation was intent upon stabilizing the Sangin Valley which stretches through Nahri Sarraj, Sangin and Kajaki Districts. The area is far from stable with incidents against ISAF and local security agencies occurring daily. Police check points and ISAF logistics convoys are regular targets. The LBG

road construction camp situated on the ring road, approximately 35 km from Grishk, experiences frequent indirect fire and IED attacks. An issue of concern has been the high rate of civilian casualties caused by air operations and insurgent actions alike. ISAF intends to turn the valley over to ANA and ANP to maintain 'stability'; however experience has shown that insurgents will most likely again infiltrate into the area just as they have in Panjwayi (Kandahar) and other districts after ISAF have withdrawn.

Lashkar Gah

In sharp contrast with the previous quarter, there has not been a significant security incident inside of Lashkar Gah City since March 27 when the police Head Quarters were attacked by a suicide bomber. A factor to consider is the expansion of the police force and placement of additional checkpoints on main arteries and supply routes into the city. The city and security chiefs of police have again been replaced. Both new chiefs are originally from Helmand and seem to be received well by the local community thus far PRT reports that a police training team is about to commence a training program in Lashkar Gah which is well overdue and will without doubt benefit the city and the immediate surrounding areas.

Kandahar

Security incidents in Kandahar city have increased significantly over the reporting period. Although the program has not been directly affected, security planning and operations have been adjusted after lessons learned from incidents which have affected various agencies. Of note, a route which has been regularly used when traveling to the Kandahar Airfield has been targeted three times by insurgents during the reporting period. Local intelligence sources had warned of planned attacks on internationals on this route. Two weeks later, the first attack occurred against a UNOPS convoy causing fatalities. Two smaller attacks have occurred since then. ALP/S road moves to the KAF have subsequently been tactically redesigned with regard to configuration, timings and routes taken. There has been a reshuffle of high ranking police personnel over the reporting period.

Road Missions

381 road missions were carried out as logged below. (272 missions last quarter)

Road Missions			
	April	May	June
Lashkar Gah	47	106	62
Kandahar	28	45	23
CTO	18	19	41

AIR TRANSPORTATION

While much of this quarter was characterized by the smooth running of all ALP/S operations, the uncertainty of PRT flights to Lashkar Gah throughout the quarter continues to present numerous challenges to ALP/S staff both in Lashkar Gah and its support office in Kabul. The PRT periodically discontinues all flights into Lashkar Gah due to concerns over securing the airfield or more recently the threat of surface to air missiles. None of the aircraft currently flying in and out of Lashkar Gah are equipped with anti-missile countermeasures. ALP/S has been relying more on air service provided through CADG but that may become a less reliable option in the future. Poor air service reliability has an impact on the ability of the project to plan and carry out all necessary work that may require in-country travel or travel to Lashkar Gah by consultants. Additionally, this lack of reliability can have a serious effect on ALP/S personnel security and the ability to relocate rapidly should the situation so dictate.

ALP/S has been investigating alternatives for air transportation service due the unreliability of PRT travel schedules. These alternatives have included using CADG transportation services, special charters, and at times helicopter transport from the PRT in Lashkar Gah to KAF in Kandahar in order to connect with reliable air service to/from Kabul. ALP/S continues to investigate what are hoped to be more reliable air transportation service options including charters, leasing, cost sharing or other alternatives.

MONITORING AND EVALUATION

Following a discussion with USAID in April the M&E Department reviewed the set of GeoBase indicators on which ALP/S usually reports. ALP/S began developing an M&E Plan template to be used in gathering data from all ALP/S projects. The M & E representative then tailors the template to each department/project in consultation with the Project Manager. The document defines the specific indicators that apply to each contract, the support documents for the data and when the project is expected to report progress on each indicator. The M&E Plan constitutes an integral part of the Subcontract legal document.

During this period ALP/S developed M & E plans for the Horticulture Project, the Chili Cluster Project and the Kandahar Orchard Project. The M & E department will provide technical support and training sessions on the use of the templates.

For projects in implementation, M & E has developed an Activity Tracker file to serve as a management tool to Project Managers, to the subcontractor and to M&E department. The objective of this tool is to identify the areas where the project is showing weakness or strengths and use the information to make decisions on time towards the successful implementation of the project. The project with AVA was used as a pilot to design and test the applicability and functionality of the Activity Tracker. Livestock team found it very helpful for project management purposes and will be sharing it with AVA team through working sessions in Helmand and Kandahar with the support from M&E Department.

During this period, the M&E team dedicated a significant portion of their time providing support in the preparation of the following USAID's reports.

- Bi Weekly Reports
- Quarterly Reports
- GeoBase Reports
- Helmand PRT
- Coordination Mapping
- Extraordinary Reports

Other significant support provided by this Department is the mapping service for the Infrastructure Department, BDS Department and Agricultural Department. ALP/S' activities is updated in regular basis,

On June 18th Mr. Riaz Zalmai started working with the M&E team bringing his expertise on the use of GIS and his professional experience to strengthen and improve the response capacity to the team. ALP/S is currently seeking to fill the final remaining vacant M & E position represented in the program organizational chart.

The Monitoring and Evaluation System was defined and included in the ALP/S Annual Work submitted on June 1st, 2007.

PLANS FOR NEXT QUARTER

I. AGRICULTURAL CLUSTER DEVELOPMENT

During the third quarter of 2007, the ALP/S agribusiness team will continue its ongoing programs with local implementing partners, including the Afghan Veterinary Association, Development Works Canada (DWC), Central Asian Development Group (CADG), FAF Development Inc., and the Ministry of Agriculture and Irrigation. During the next quarter, ALP/S will:

- Commence an expanded cultivation of that will benefit nearly 4,000 farmers in the 18 months. ALP/S will continue to enter into contract farming arrangements with farmers in Helmand Province to: develop chili nurseries for different chili varieties, provide planting materials and technical guidance for safe cultivation and harvest and to provide drying trays and training for sun-drying chillies.
- Provide technical, business-development, and marketing assistance to the Dried Fruit Export Association of Kandahar (DFEAK) and the Fresh Fruit Export Union of Kandahar (FFEUK) over a long term for export of fresh and dried fruits under the Kandahar Orchard Program. Our assistance will promote In quality management and better packaging methods which will keep fruit fresher and cleaner for a longer period of time.
- Assist in the increased production of pomegranates and raisins through development of new wells and ponds for improved irrigation, as well as and technical training to build capacity to maximize use of the wells for farming pomegranates and raisins.
- Complete preparation of a Livestock Program Action Plan (LPAP) for implementation in the coming year.

II. IMPROVED ACCESS TO PRODUCTIVE INFRASTRUCTURE

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

- Complete the cleaning of Darweshan and other drain systems initiated during Quarter 2.
- Prioritize and begin implementation of projects identified with HAVA through contracting established under an IQC process.

- Complete and sign an MOU with the City of Lashkar Gah and begin rehabilitation and reconstruction of 12 parks within the city as a component of municipal development.
- Increase the pace of CFW projects in Middle Helmand in support of larger road construction efforts by building on the first projects initiated by CADG during the quarter taking into account the security situation in the Province.
- Continue with staking and design process for the electrical distribution system. Completion of staking operation and bidding process for the system is expected to be complete by the end of 2007.
- Receive and evaluate bids and award contract for the Balance of Materials bids for the Lashkar Gah substation in Kabul on July 24.

III. BUSINESS DEVELOPMENT SERVICES

- Successfully plan and execute the first Helmand Agricultural Fair, which will take place on August 22 at the new Recreational Park in Bolan.
- Complete all surveys for the Lashkar Gah Agricultural Park site at the Bost airfield and sign contracts for clearing of the debris and tanks on the site and begin development activities.
- In the next quarter BDS will also focus on the implementation of a new low-spending but high-impact program within Lashkar Gah – the ALP/S Small Business Project. Under the project, ALP/S will recruit local “business scouts,” who will work with potential entrepreneurs interested in setting up new, or developing existing, small businesses in and around Lashkar Gah. The scouts will select a maximum of 10 small businesses who will receive financial support for one year. The businesses identified will be eligible for up to \$75,000 each of financial aid plus additional BDS support (training, mentoring, etc.) from ALP/S for the duration of the project.

IV. PUBLIC INFORMATION & COMMUNICATION

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

- Successfully design and implement the Helmand AgFair promotional campaign.
- Create an ALP/S website for both knowledge sharing and public relations purposes. The website will include program reports, promising practices from various activities, PDF versions of print materials, success stories, along with a host of other engaging and useful elements such as audio files from select ALP/S radio programs.
- Develop and begin broadcasting a radio program for social change focused on regional economic development issues. The radio program will be broadcast on local stations as well as through national channels and will include market pricing information, behavior change communication drama, music and “call-in” competition elements.

- Work with other stakeholders (for example, PEP) to ensure the community understands ALP/S work and the benefits it provides them.
- Enhance the relationship between ALP/S and the local Helmand media, so as to spread the news about ALP/S's initiatives to Helmand residents, and the role that the U.S. and Afghan governments play in supporting them.
- Work with Agribusiness, Infrastructure, Business Development and Strategic Activities components to disseminate information about forthcoming activities including the Livestock Feed Distribution, the Spring Seed Distribution, and the Agricultural Fair to target populations and other stakeholders.
- Hire long-term communications specialist and a public Information specialist to be fielded in Quarter 3.

V. STRATEGIC ACTIVITIES

During the next quarter, the Strategic Activities Department will:

- Establish Memoranda of Understanding with the Helmand and Kandahar Departments of Women's Affairs for the development of 2 women's resource centers. The Strategic Activities Department will also design and build the resource centers during the coming quarter.
- Launch and manage the ALP/S Staff Training Program, in cooperation with technical and support offices. The training program aims to build the professional and program implementation capacity of current and future ALP/S local staff members.
- Establish a Memorandum of Understanding with Helmand Bost Provincial Hospital to provide financial support to the Helmand Community Midwifery Training Program. The Strategic Activities Department, pending USAID approval, will purchase medical equipment for use in essential obstetrical care provision; the Department will also establish a framework for safe motherhood advocacy in Helmand province.
- Establish a Memorandum of Understanding with the Helmand Department of Information and Culture to 1) conduct a Phase I archaeological study and preservation of the Qalai Bost ruins; and 2) develop a recreational park and refurbish operational structures (through the Cash for Work program) at the site of the ruins, promoting tourism and preserving cultural heritage.
- Sign contracts with Afghans for Civil Society and PEACE Carpet Weaving. Through these contracts the Strategic Activities Department will provide financial and technical management support to establish Kandahar Treasure and a woman-run carpet weaving enterprise as nationally registered and recognized business entities.
- Sign contract with WOMAN to establish a women's social and economic empowerment NGO in Helmand province. The NGO will provide handicrafts technical training, Pashto literacy education and other services to Helmand women. Through its contract with ALP/S, WOMAN may also provide support to women in Uruzgan and Kandahar.

- Create a multi-site, woman-owned and operated, independent greenhouse business as part of ALP/S regional value-chain approach to horticultural production.
- Develop a dynamic knowledge-sharing network through study tours focused on a range of economic and business development issues of interest to women entrepreneurs.
- Through the ALP/S Livestock team expand the existing Basic Veterinary Workers training to include a series of detailed technical courses for both male and female BVWs in Helmand and Kandahar provinces.

VI. MONITORING AND EVALUATION

In the coming quarter the M & E Department will operationalize the performance monitoring plan outlined in the annual work plan and adjust it to meet the new portfolio needs within the Strategic Objective framework. Key activities next quarter will include:

- Identifying relevant Impact Evaluations and the right time to develop them.
- Developing and adapting useful field survey tools for use by ALP/S's contractors and grantees.
- 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 on 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.
- Reorganizing the M & E team.
- Defining and implementing a field verification protocol for reported information and achievements and to record the impact generated by the program's intervention.
- Integrating environmental monitoring and Public Information activities into the monitoring and evaluation system.

M&E Department will conduct, in conjunction with Subcontracts, a revision of ongoing projects to adjust their reporting obligations and get them in line with the new system. This activity will include the development of the Activity Tracker for each project.

To strengthen the capacity of our Subcontractors and to improve the data quality, the M&E team will provide training sessions to them in the use and application of formats and tools.

The M&E Organizational structure will be completed before the end of next period.

VII. OPERATING ENVIRONMENT

During Quarter 3, ALP/S will expand residential facilities (Chalet) to provide additional living space for nine expatriates, and increase office space to accommodate up to 40 additional employees. Global will continually re-evaluate all locations and determine the appropriate methods of increasing security. The project will also identify and hire local professional and support staff to support the expanding programs in Kandahar and Lashkar Gah.

APPENDIX II

REQUIRED PERFORMANCE DATA: ACTIVITY LEVEL INDICATORS

Indicator	As of June 30, 2007	
% of cluster (economic area) that meets standards	15 %	
# of ha devoted to licit agricultural production	363,552 ¹	
% change in production of selected high value agricultural products	\$17,851,000 ²	
# of jobs created through the expansion of licit activities	Full time	# of jobs created through the expansion of licit activities
	133	11,418

¹ Per UNODC for Uruzgan, Kandahar & Helmand

² This Annual Report Indicator is being assessed according to the current ALP/S portfolio. Any variation will be reported next quarter.

REQUIRED PERFORMANCE DATA: ACTIVITY LEVEL INDICATORS

Indicator	Unit of Measure	Added	Total to Date (Life of Project)	By Fiscal Year			By Province (Life of Project)								
				Target	FY 06	Target	FY 07	Target	FY 08	HELMAND		KANDAHAR		URUZGAN	
										Target	Actual	Target	Actual	Target	Actual
Kms. of irrigation and drainage canals and karazes	#	306.54	1,970.94	1,492.00	1,642.00	1,792.00	1,847.30	1,752.47	0.00	142.21	27.00	76.26			
Kms. of rural roads repaired in poppy regions	#	4.50	77.30	63.00	200.00	400.00	259.00	30.70	141.00	40.60	0.00	6.00			
Hectares of improved irrigation as a result of ALP infrastructure works	#	0.00	56,595	55,000	65,000	82,000	80,500	55,358	0	0	1,500	1,238			

Indicator	Unit of Measure	Added	Total to Date (Life of Project)	By Fiscal Year			By Province (Life of Project)						By Gender (Life of Project)				
				Target	FY 06	Target	FY 07	Target	FY 08	HELMAND		KANDAHAR		URUZGAN		Male	Female
										Target	Actual	Target	Actual	Target	Actual		
Amount paid in CFW in AL programs	USD	395,019	6,494,949	5,154,880	8,000,000	8,700,000	2,900,000	5,119,233	2,900,000	416,273	2,900,000	959,443	6,494,949	0.00			
Afghans paid through CFW salaries	#	9,125	47,901	37,903	39,000	41,000	13,667	32,264	13,667	5,378	13,666	10,259	47,901	0			
Total labor days for CFW	#	106,519	1,649,180	1,323,323	2,000,000	2,200,000	733,334	1,300,063	733,333	109,333	733,333	239,784	1,649,180	0.00			
Afghans trained in business skills	#	0	687	500	1,000	1,500	800	551	700	136	0	0	414	273			
Farmers trained in agricultural practices in targeted poppy provinces under ALP	#	0	16,758	14,355	16,355	18,355	9,178	5,622	9,176	11,136	0	0	16,758	0			
Farmers receiving seed and fertilizer	#	46,119	80,247	21,000	41,000	41,000	20,500	35,046	20,500	30,111	0	15,090	80,247	0			
Afghans receiving credit through ALP	#	0	0	0	TBD	TBD	TBD	0	TBD	0	TBD	0	0	0			

APPENDIX III

ALP/S AGRICULTURAL ACTIVITIES STATUS AS OF JUNE 30, 2007

Project Name	Location	Province	% Designed	% Implemented	IPs	Activity Start Date	Activity Completion Date	Comments
Chili Trial Plot Activity	Lashkar Gah	Helmand	100%	100%	DWC	May 18, 2006	December 2006	Chilly test results and report submitted.
Kandahar Orchard Project (KOP)	Kandahar	Kandahar	100%	2%	FAF Development Ltd.	May 2007	November 2008	Project implementation has begun with new recruitment and survey of orchards.
Rehabilitation of War affected Horticulture fields	Kandahar	Kandahar – Panjwai and Zeria	Extension of war relief and UFFGK /DFEAK activity	93% implemented, awaiting final report acceptance	Roots of Peace	September 2006	May 2007 (no cost extension requested for reporting information)	Final report received, under review.
Veterinary Field Unit Operation (VFU)	42 Districts	Helmand Kandaha Uruzgan, Nimroz, Zabol	100%	33%	Afghan Veterinary Assoc. (AVA)	August 2006	October 2008	AI course completed and paravet and BVW course in progress
Mini-Feed Mills (grinder / mixer) Pilot production of feed	Helmand/ Kandahar	Helmand Kandahar	0%	0%	Assoc/ Coops	May 2007	August 2007	Pilot production to begin in July to establish feasibility.
Livestock Feeds Procurement and Distribution	Multiple Districts	Helmand / Kandahar	100%	81%	Noor Bros. Group	January 31 st 2007	June 2007	Feed distribution completed Kandahar, & ongoing in Helmand.
Seed & Fertilizer Program	Multiple districts	Helmand / Kandahar / Uruzgan	100%	100%	Noor Agricultural Seeds Co.	February 5 th 2007	June 2007	Completed in Kandahar and Helmand. Distribution ongoing in Uruzgan
DWC Southern Chili Network	Helmand	Helmand	100%	9%	DWC	May 2007	December 2008	Project implementation ongoing with Central farm nearing completion and private farmers being identified..
CADG Horticulture Project	Helmand	Helmand	100%	8%	CADG	May 2007	December, 2008	Program activities commenced in the areas of beneficiary identification and procurement of agricultural inputs.

APPENDIX IV

ALP/S PRODUCTIVE INFRASTRUCTURE ACTIVITIES STATUS AS OF JUNE 30, 2007

Project Name	Location	Province	% Designed	% Implemented	IP	Activity Start Date	Activity Completion Date	Comments
Drain D	Darweshan (13.12 km)	Helmand	100%	11%	HCC	June 1,2007	ongoing	1.4 km is cleaned during reporting period
Drain of spur B	Nawa (3.46 km)	Helmand	100%	100%	PCC	May 29,2007	June 17,2007	3.46 km is cleaned and 0.56 km is cleaned during reporting period
Drain F	Nawa Shamalan (8.838 km)	Helmand	100%	100%	PCC	June 7,2007	19 June,2007	8.838 km is cleaned and 2.838 km is cleaned during reporting period
Drain F1	Nawa Shamalan (2.9 km)	Helmand	100%	100%	PCC	June 16,2007	June 19,2007	2.9 km is cleaned during reporting period
Waste way Drains # 56	Nad-e-Ali (27.06 km)	Helmand	100%	10%	EMCC	April 15 ,2007	June 30,2007	27.06 km is cleaned and 4.96 km is cleaned during reporting period
Darwishan Drains	Darweshan (46.19 km)	Helmand	100%	10%	PEACE	April 29 ,2007	ongoing	39.36 km is cleaned and 16.94 km is cleaned during reporting period
Nahri sarraj Canal Flood Erosin	Nahri sarraj (0.4 km, Gabion wall)	Helmand	100%	10%	NSCC	May 19,2007	June 24,2007	embankment work is completed, 350 m3 stone pitching is completed, 1410 m3 Gabion work is completed
Lashkar bazar Sarkar Canal Flood protection wall	Lashkargah (Gabion works)	Helmand	100%	10%	NNCC	May 22,2007	ongoing	3225 m3 Gabion waving is completed, 300 m3 excavation for foundation is completed, 1300 m3 stone collection and transportation is completed
New Lashkargah Shamalan Canal works	Lashargah (Gabion works)	Helmand	100%	10%	QNCC	May 21,2007	ongoing	2550 m3 embankment work is completed, 1200 m3 stone collection is completed, 825 m3 Gabion waving is completed