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# AFGHANISTAN SMALL AND MEDIUM ENTERPRISE DEVELOPMENT (ASMED)

QUARTERLY REPORT – JULY THROUGH SEPTEMBER 2008

Third Quarter 2008

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**QUARTERLY REPORT JULY THROUGH SEPTEMBER 2008**

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## **DISCLAIMER**

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# ABBREVIATIONS:

ABA	Afghan Builder's Association
AIBM	Afghan Institute of Business Management
AIB	Afghan International Bank
AIRES	Agriculture, Rural Investment and Enterprise Strengthening
AISA	Afghanistan Investment Support Agency
ARFC	Afghanistan Rural Finance Center
AKF	Aga Khan Foundation
ACCI	Afghanistan Chamber of Commerce and Industries
AICC	Afghanistan International Chamber of Commerce
ASMED	Afghanistan Small and Medium Enterprise Development
AWBC	Afghan Women's Business Council
AWBF	Afghan Women's Business Federation
BDC	Business Development Center
BDS	Business Development Services
BDSP	Business Development Services Provider
CSR	Corporate Social Responsibility
CTCC	Construction Trades Training Center
DIAG	Disbandment of Illegal Armed Groups
EDP	Economic Development Program
EPAA	Export Promotion Agency of Afghanistan
GDA	Global Development Alliance
MDG	Marketplace Development Grant
MOU	Memorandum of Understanding
MNC	Multi-national Corporation
NGO	Non-governmental Organization
NSDP	National Skills Development Program
NSP	National Solidarity Program
PMP	Performance Monitoring Plan
PRT	Provincial Reconstruction Team
SME	Small and Medium Enterprise
STTA	Short-term Technical Advisor
TLO	Tribal Liaison Office
VARA	Volunteer Association for Rehabilitation of Afghanistan

# EXECUTIVE SUMMARY

In 2008's 3<sup>rd</sup> Quarter, the ASMED project made significant progress in orienting programming toward activities with proven impact. Nearing the end of project year two, ASMED has had sufficient time to discover the approaches to eliminating non-governmental barriers to private sector growth in Afghanistan that work best. In different regions and under various conditions, ASMED continues to demonstrate the use of these lessons learned to inform programming and implementation decisions.

## **Market Information**

ASMED maintained its support for vendors' participation at regional, national, and international trade fairs in the third quarter of 2008. Eleven ASMED-sponsored vendors from the agriculture and handicraft sectors attended August's AgFair 2008 in Kabul. Although delayed due to security concerns, project staff continued collaboration with the Export Promotion Agency of Afghanistan (EPAA) in the planning of the 2<sup>nd</sup> Afghanistan International Carpet Fair. ASMED developed a detailed survey to determine total revenues generated by this event and at similar trade fairs. Obtaining reliable sales information is important in justifying future investment in trade fair attendance, monitoring vendor performance or market conditions, and in persuading SMEs and associations of the tangible benefits possible with their participation.

In Jalalabad, Shamshad TV aired a series of commercials for local businesses throughout the month of July. Increased business activity for those advertised SMEs was measured with a fact-finding survey, displaying the quantifiable benefits of effective marketing to local businesses.

## **Business Development and Management Skills**

Up until the 3<sup>rd</sup> quarter, ASMED has facilitated the creation of many new BDS firms that fill voids in demand for business services. During the project's second year, ASMED project began to focus on the improvement of these services' delivery to consolidate gains made in the business services market. In August, companies from across the country attended the first, sector-wide meeting of BDS firms to discuss such items as the improvement in quality of services. Aside from the important outcomes from a constructive dialogue, BDS firms decided to formalize their relationship through the creation of an association, the Afghan Consulting Companies Association (ACCA). In Mazar, four BDS firms presented their services to targeted beneficiaries in a roundtable format, which provided the business community with an improved understanding of development services offered, costs, and benefits. Linking to ASMED's GDA component, ASMED engaged three BDS firms to provide business plans to the six, top contestants of Tolo TV's "Dream and Achieve" show. ASMED conducted a study of export facilitation for handicrafts and readiness workshops for the future participation of handicraft SMEs at trade shows. Other significant BDS trainings in the third quarter include GSP trainings in Mazar, Kunduz, and Jalalabad; software training for Custom House Officials in Nangarhar; and, various BDS-led trainings in the new Parwan Business Development Center.

## **Business Associations**

After ASMED's successful facilitation of AICC's merger with ACCI in the second quarter, ASMED supported the holding of ACCI's provincial and national elections in the third. Four BDS firms were contracted to assist in assuring a transparent, democratic process throughout 21 provinces of Afghanistan. ASMED's other major umbrella association counterpart, AWBF, also demonstrated measureable organizational development,

adopting its first strategic workplan that incorporates income-generating programs such as training and exhibitions. ASMED's newly adopted approach to association development, roundtable meetings, continued to produce positive results as 30 new business associations were formed in the third quarter. ASMED has continued to build the capacity of BDS firms in carefully guiding their formation of many of these associations such as new Shoemakers Association in Herat and the Fresh Vegetable and Fruit Wholesalers Association in Kunar.

### **Global Development Alliances and Grants**

Four successfully leveraged, impactful GDAs were completed in this quarter, the Mir Brothers Marble Mine, Dried Fruit Exporter Association Box Factory, Tarsian & Binkley (T&B) Apparel Factory, and the "Dream and Achieve" television series. This range of GDA's demonstrates the different types of positive outcomes that can be achieved in different sectors through different interventions, all based on the same basic public-private partnership model. For example, through the GDA mechanism, Kandahar-produced cardboard boxes provide SMEs nationwide with a cheaper, safer way of exporting their goods. Under the same mechanism, a newly equipped T&B factory now provides technical training to hundreds of Afghan women while continuing to accept large orders from discerning, international buyers. This versatility, creativity of application, and demonstrated, broad-based impact will continue to guide ASMED's proposal of new GDAs in such areas as the One Laptop Per Child (OLPC) program, the silk sector, and the domestic insurance industry.

In furtherance of ongoing program objectives, the ASMED project issued new grants, continued ongoing grants, and completed grants during the last quarter. Significant marketplace development grants (MDGs) were awarded to the Municipality of Balkh for trash collection and removal, to the district of Batikot for the installation of market stalls, and the city of Kandahar for the installation of latrines at a fresh fruit market. Value chain improvement grants were awarded to a shipping company, Hali Weavers, a ready-mixed concrete firm, RWA, and the Craft Carpet Co. of Jalalabad. Meanwhile, a similar carpet cut and wash facility grant was approved in Mazar as an association grant to improve association services available to local carpet producers and offer a value-added, bottleneck easing service to the carpets sector. Association grants like this one are used to bolster the activities of supported groups that have demonstrated a market need, and a commitment to financial sustainability and member services.

### **Human Capacity-Building**

Both the internship and mentorship programs have surpassed project targets, reaching hundreds of promising Afghan's across the country. To date, over 400 Afghan's have completed the internship program and nearly 300 Afghans have completed the mentorship program. ASMED has built the capacity of private business institutes and BDSPs like AIBM and Afghan CNN by contracting them to implement regional internship programs. The mentorship program has strengthened ASMED's relationship with partner associations like AWBF and government agencies like AISA, who are able to contribute the participation of senior business executives.

# MISSION STATEMENT

ASMED is a three-year development assistance program providing technical assistance and financial support to the very important small and medium enterprise (SME) sector and the organizations that support SMEs throughout Afghanistan. ASMED's activities have national reach – headquartered in Kabul, there are also three regional offices in Herat, Nangarhar, and Balkh, and partner activities in Helmand, Kandahar and Badakshan.

With an overarching goal to increase opportunities for trade, employment, and investment in Afghanistan, ASMED's activities fall into five main components, as detailed below. The indicators described under each component will measure the success of the project.

## **Gathering, analyzing and disseminating Afghanistan market information on 12 sectors:**

- Leading to 1275 SMEs that will have added value and or diversified into higher value products or services in response to market demand, and a 72% increase in sales of participating SME in targeted sectors.

## **Developing 135 strong business services providers;**

- Resulting in the support of 6,000 businesses.
- Leading to the creation of 800 new SMEs and 20,000 jobs.
- Helping 30 SMEs access bank loans/equity and 3,500 firms invest in improved technology.

## **Strengthening and increasing the numbers of business associations:**

- Resulting in the establishment of 295 business associations in target provinces, 4,500 new members in business associations, and an 146% increase in membership of project-supported associations.
- Reaching and supporting 225 existing business associations in targeted provinces.

## **Creating public-private sector alliances;**

- Bringing about 37 private-public partnerships (GDAs) that will leverage \$5.4 USD.

## **Building the capacity of an Afghan private sector workforce:**

- By creating 900 internship opportunities in Kabul and elsewhere and placing 450 participants in the Professional Learning Mentorship Program.

The following pages provide highlights and details of the ASMED project's work over the last quarter in these component areas. The narrative touches on some of the events that occurred during the quarter while the tables summarize all the activities.

# MONITORING AND EVALUATION (M&E)

**TABLE 1: Summary of Progress Towards Indicators - Regional Breakdown**

PMP Ind	PERFORMANCE INDICATOR  (source of information)	Region of Coverage	Qtr 03 08			Cumulative (2007 - Sept 2008)			PROJECT Totals		
			Target	Ttl	%	Target	Ttl	%	Target Committed	Project to date	%
<b>I. ACCESS TO MARKET INFORMATION</b>											
Sub Intermediate Result: Increase access to and use of market information among private enterprise											
1.1	<b>12 market assessments completed with help from local partners.</b> (Copies of Assessments)	<b>Afghanistan-wide</b>	<b>0.5</b>	0	0%	<b>9.5</b>	12	126%	<b>12</b>	<b>12</b>	100%
<b>II. BUSINESS DEVELOPMENT AND MANAGEMENT SERVICES</b>											
Sub Immediate Result: Improve Business Development and Management Services											
		<b>TOTAL</b>	<b>25</b>	10	40%	<b>120</b>	58	48%	<b>135</b>	<b>58</b>	43%
		<b>Central</b>	<b>8.75</b>	2	23%	<b>35</b>	27	77%	<b>40</b>	<b>27</b>	68%
2.1	<b>135 Business Development Service Providers operating</b>	<b>Eastern</b>	<b>6.25</b>	8	128%	<b>35</b>	13	37%	<b>35</b>	<b>13</b>	37%
		<b>Western</b>	<b>5</b>	0	0%	<b>35</b>	4	11%	<b>30</b>	<b>4</b>	13%
		<b>Northern</b>	<b>3.75</b>	0	0%	<b>5</b>	13	260%	<b>20</b>	<b>13</b>	65%
		<b>Southern</b>	<b>1.25</b>	0	0%	<b>10</b>	1	10%	<b>10</b>	<b>1</b>	10%
2.2	<b>6,000 businesses supported.</b> (BSP Reg Forms)	<b>TOTAL</b>	<b>725</b>	1084	150%	<b>3075</b>	2614	85%	<b>6,000</b>	<b>2614</b>	44%
		<b>Central</b>	<b>187.5</b>	38	20%	<b>562.5</b>	421	75%	<b>1,600</b>	<b>421</b>	26%
		<b>Eastern</b>	<b>175</b>	583	333%	<b>825</b>	954	116%	<b>1,450</b>	<b>954</b>	66%
		<b>Western</b>	<b>175</b>	224	128%	<b>825</b>	660	80%	<b>1,450</b>	<b>660</b>	46%

		<b>Northern</b>	<b>125</b>	239	191 %	<b>525</b>	552	105%	<b>1,000</b>	<b>552</b>	55%
	(Enterprise and Association Reg forms)	<b>Southern</b>	<b>62.5</b>	0	0%	<b>337.5</b>	27	8%	<b>500</b>	<b>27</b>	5%
		<b>TOTAL</b>	<b>75</b>	45	60%	<b>375</b>	345	92%	<b>800</b>	<b>345</b>	43%
		<b>Central</b>	<b>18.75</b>	9	48%	<b>56.25</b>	25	44%	<b>150</b>	<b>25</b>	17%
		<b>Eastern</b>	<b>18.75</b>	6	32%	<b>106.25</b>	19	18%	<b>200</b>	<b>19</b>	10%
		<b>Western</b>	<b>18.75</b>	1	5%	<b>106.25</b>	9	8%	<b>200</b>	<b>9</b>	5%
2.3	<b>800 new SMEs created.</b>	<b>Northern</b>	<b>12.5</b>	29	232 %	<b>62.5</b>	292	467%	<b>150</b>	<b>292</b>	195%
	(Enterprise Reg forms)	<b>Southern</b>	<b>6.25</b>	0	0%	<b>43.75</b>	0	0%	<b>100</b>	<b>0</b>	0%
2.4	<b>30 SMEs accessed bank loans/equity as a result of USG assistance.</b>	<b>Afghanistan-wide</b>	<b>2.5</b>	0	0%	<b>17.5</b>	18	103%	<b>30</b>	<b>18</b>	60%
	(Enterprise Survey DB, Reg. and Survey Forms)										

### III. BUSINESS ASSOCIATION

Sub Immediate Result: Formalize and strengthen business associations to create economic reform and maintain sustainability

		<b>TOTAL</b>	<b>10</b>	43	430 %	<b>70</b>	100	143%	<b>100</b>	<b>100</b>	100%
		<b>Central</b>	<b>3</b>	0	0%	<b>9</b>	7	78%	<b>18</b>	<b>7</b>	39%
		<b>Eastern</b>	<b>2</b>	31	1550 %	<b>18</b>	40	222%	<b>24</b>	<b>40</b>	167%
3.1	<b>100 business associations established</b>	<b>Western</b>	<b>2</b>	8	400 %	<b>16</b>	28	175%	<b>22</b>	<b>28</b>	127%
		<b>Northern</b>	<b>2</b>	4	200 %	<b>21</b>	18	86%	<b>27</b>	<b>18</b>	67%
	(Association Reg forms)	<b>Southern</b>	<b>1</b>	0	0%	<b>6</b>	7	117%	<b>9</b>	<b>7</b>	78%
3.2	<b>225 existing business associations supported</b>	<b>TOTAL</b>	<b>26.25</b>	63	240 %	<b>143.75</b>	167	116%	<b>225</b>	<b>167</b>	74%
		<b>Central</b>	<b>6.25</b>	0	0%	<b>18.75</b>	42	224%	<b>50</b>	<b>42</b>	84%
		<b>Eastern</b>	<b>6.25</b>	57	912 %	<b>48.75</b>	82	168%	<b>50</b>	<b>82</b>	164%
		<b>Western</b>	<b>6.25</b>	1	16%	<b>43.75</b>	24	55%	<b>50</b>	<b>24</b>	48%

	<i>Northern</i>	<b>5</b>	5	100%	<b>20</b>	11	55%	<b>50</b>	<b>11</b>	22%
	<i>Southern</i>	<b>2.5</b>	0	0%	<b>12.5</b>	8	64%	<b>25</b>	<b>8</b>	32%
3.3	<i>Afghanistan-wide</i>	<b>375</b>	1442	385%	<b>2125</b>	13115	617%	<b>4,500</b>	<b>13,115</b>	291%
		<b>4,500 new members in business associations as a result of USG assistance</b>								
		<i>(Association Reg forms)</i>								
		<i>(Association Survey)</i>								

#### IV. PUBLIC-PRIVATE SECTOR ALLIANCES - GDA

Sub Immediate Result : Establish private-public sector alliances to strategically invest in enterprises

4.1	<b>37 private-public partnerships (GDAs) formed as a result of USG Assistance</b>	<b>TOTAL</b>	<b>3</b>	2	67%	<b>17</b>	12	71%	<b>37</b>	<b>12</b>	32%
		<i>Central</i>	<b>0.75</b>	0.4	53%	<b>4.25</b>	2	56%	<b>9</b>	<b>2.4</b>	27%
		<i>Eastern</i>	<b>0.75</b>	0.4	53%	<b>4.25</b>	1	33%	<b>9</b>	<b>1.4</b>	16%
		<i>Western</i>	<b>0.75</b>	0.4	53%	<b>4.25</b>	2	56%	<b>9</b>	<b>2.4</b>	27%
		<i>Northern</i>	<b>0.5</b>	0.4	80%	<b>2.5</b>	3	136%	<b>6</b>	<b>3.4</b>	57%
		<i>Southern</i>	<b>0.25</b>	0.4	160%	<b>1.75</b>	2	137%	<b>4</b>	<b>2.4</b>	60%
			<i>(GDA Agreements)</i>								
4.2	<b>\$5.4 million leveraged through Private-Public partnerships (GDAs)</b>	<b>TOTAL</b>	<b>\$393,750</b>	\$1,740,000	442%	<b>\$2,106,250</b>	\$9,351,797	444%	<b>\$5,375,000</b>	<b>\$9,351,797</b>	174%
		<i>Central</i>	<b>\$93,750</b>	\$348,000	371%	<b>\$531,250</b>	\$1,375,987	259%	<b>\$1,375,000</b>	<b>\$1,375,987</b>	100%
		<i>Eastern</i>	<b>\$93,750</b>	\$348,000	371%	<b>\$531,250</b>	\$1,010,380	190%	<b>\$1,375,000</b>	<b>\$1,010,380</b>	73%
		<i>Western</i>	<b>\$93,750</b>	\$348,000	371%	<b>\$531,250</b>	\$1,414,670	266%	<b>\$1,375,000</b>	<b>\$1,414,670</b>	103%
		<i>Northern</i>	<b>\$62,500</b>	\$348,000	557%	<b>\$312,500</b>	\$3,960,380	1267%	<b>\$750,000</b>	<b>\$3,960,380</b>	528%
		<i>Southern</i>	<b>\$50,000</b>	\$348,000	696%	<b>\$200,000</b>	\$1,590,380	795%	<b>\$500,000</b>	<b>\$1,590,380</b>	318%
			<i>(GDA Agreements)</i>								

#### V. HUMAN CAPACITY DEVELOPMENT

Sub Intermediate Result: Build Capacity of Afghan work force to secure greater income through employment and improve performance of their enterprises

5.1	<b>900 internship opportunities provided</b>	<b>TOTAL</b>	<b>100</b>	179	179%	<b>400</b>	457	114%	<b>900</b>	<b>457</b>	51%
		<i>Central</i>	<b>20</b>	59	295%	<b>80</b>	122	153%	<b>180</b>	<b>122</b>	68%

	<i>Eastern</i>	<b>20</b>	0	0%	<b>80</b>	115	144%	<b>180</b>	<b>115</b>	64%	
	<i>Western</i>	<b>20</b>	0	0%	<b>80</b>	65	81%	<b>180</b>	<b>65</b>	36%	
	<i>Northern</i>	<b>20</b>	60	300%	<b>80</b>	95	119%	<b>180</b>	<b>95</b>	53%	
	<i>Southern</i>	<b>20</b>	60	300%	<b>80</b>	60	75%	<b>180</b>	<b>60</b>	33%	
(Internship lists)	<b>TOTAL</b>	<b>50</b>	49	98%	<b>200</b>	284	142%	<b>450</b>	<b>284</b>	63%	
5.2	<b>450 participants in Professional Learning Mentorship Program</b>	<i>Central</i>	<b>10</b>	0	0%	<b>40</b>	108	270%	<b>90</b>	<b>108</b>	120%
		<i>Eastern</i>	<b>10</b>	0	0%	<b>40</b>	26	65%	<b>90</b>	<b>26</b>	29%
		<i>Western</i>	<b>10</b>	0	0%	<b>40</b>	52	130%	<b>90</b>	<b>52</b>	58%
		<i>Northern</i>	<b>10</b>	49	490%	<b>40</b>	49	123%	<b>90</b>	<b>49</b>	54%
	(Participant lists)	<i>Southern</i>	<b>10</b>	0	0%	<b>40</b>	49	123%	<b>90</b>	<b>49</b>	54%

**Tier II Indicators**

	<b>TOTAL</b>	<b>81.25</b>	22	27%	<b>393.75</b>	205	52%	<b>1,275</b>	<b>205</b>	16%	
A	<b>1,275 SMEs that have added value and/or diversified into higher value products and services as a result of USG assistance</b>	<i>Central</i>	<b>25</b>	12	48%	<b>75</b>	27	36%	<b>300</b>	<b>27</b>	9%
		<i>Eastern</i>	<b>18.75</b>	5	27%	<b>106.25</b>	25	24%	<b>350</b>	<b>25</b>	7%
		<i>Western</i>	<b>18.75</b>	2	11%	<b>106.25</b>	5	5%	<b>350</b>	<b>5</b>	1%
		<i>Northern</i>	<b>12.5</b>	2	16%	<b>62.5</b>	138	221%	<b>175</b>	<b>138</b>	79%
	(Enterprise Survey DB, Reg and Survey forms)	<i>Southern</i>	<b>6.25</b>	0	0%	<b>43.75</b>	10	23%	<b>100</b>	<b>10</b>	10%
B	<b>95% increase in number of clients of Business Development Service providers</b>	<i>Afghanistan-wide</i>	<b>6%</b>	31%	496%	<b>44%</b>	25%	57%	<b>95%</b>	<b>25%</b>	26%
	(BSP Survey)										
C	<b>15,000 full-time equivalent (FTE) jobs created by USG supported activities</b>	<i>Afghanistan-wide</i>	<b>1250</b>	3602	288%	<b>5750</b>	5459	95%	<b>15,000</b>	<b>5459</b>	36%
	(Enterprise Survey DB, Reg. and Survey Forms)										

**3,500 firms investing  
in improved  
technology as a  
result of USG  
assistance**

D

*(Enterprise Survey DB,  
Reg. and Survey Forms)*

**Afghanista  
n-wide**

**300**

75

25%

**1700**

328

19%

**3,500**

**328**

9%

## PROGRAM COMPONENT 1:

# MARKET INFORMATION

### FIELD ACTIVITIES – CENTRAL

- ASMED coordinated with the Export Promotion Agency of Afghanistan (EPAA) to organize the 2<sup>nd</sup> Afghanistan International Carpet Fair in October. This fair was scheduled to occur in August but was postponed due to security concerns. ASMED also prepared a detailed survey to capture total revenues generated by the fair and compare them to revenues from other fairs in the past.
- The ASMED project sponsored a survey on women-owned or managed businesses in six provinces. The survey's findings have identified the following problems hindering women's business development efforts:
  - Lack of understanding the process of legally registering a business;
  - Lack of business development and management skills;
  - Difficulty in acquiring raw material in-country;
  - Difficulty in acquiring technical inputs such as electricity;

The survey demonstrated that professional trainings and business skills development services can help resolve some of the issues curtailing women's business development. Synergy Consultants conducted the survey.

- ASMED visited Charikar City in Parwan to assess the viability and need for building a warehouse in the province. There is a need for an all-purpose warehouse is high and it can ease storage problems there, speeding up business activities in the province.
- ASMED supported 11 vendors' participation in the Agfair 2008 in Kabul. Five of these participants were from Jalalabad, one from Paktiya, and five from Kabul. The vendors were selected from the agriculture and handicraft sectors.

### FIELD ACTIVITIES – EAST

- Shamshad TV aired 30 commercial clips for Jalalabad based businesses throughout July. These clips were part of ASMED's assistance to increase the market linkages of businesses in the eastern region. Each of the clips was aired twice per day without any charge to the companies. Each firm can now work directly with Shamshad TV if they want additional airing.
- ASMED conducted a fact-finding survey on SMEs, for which the Shamshad TV aired commercial clips in July. The aim of this survey was to identify improvements in their business activities. It was learned that the commercial clips were useful and have helped in increasing sales and attracting new business contracts. Shamshad TV produced commercial clips on 30 SMEs in the Eastern region and aired them in July 2008.
- ASMED helped the Laghman Nursery Farmer Association, Agriculture Development Association for Afghanistan, Kunar Fresh Vegetable and Fruit Wholesaler Association, and two SMEs, Mansoor Helmand Co. Ltd. and Hussainzada Improved Seed Productions and Agri-services Company, from the Eastern region to participate in the Kabul International Agriculture Fair. The aforementioned associations and SMEs have reported the AgFair to have been a useful opportunity for expanding market linkages.

## FIELD ACTIVITIES – WEST

- The Kavosh BDS firm completed a survey on industrial companies in Herat province in July. The survey addressed issues of common interest among businesses and examined the challenging conditions for commerce in this region. Deliverables included a questionnaire about the industrial companies, major problems they face, analysis of various industry sectors, product offerings, etc.

## FIELD ACTIVITIES – NORTH

- ASMED helped the Samangan Women's Business Council to organize an exhibition at Aibak, Samangan Province on Aug. 24. The exhibition showed Afghan products produced by members of the council and it was attended by local residents, local governmental agencies and international institutions working in the province.

### PROJECT HIGHLIGHT

The Kabul International Agricultural Fair brought together Afghan producers from across the country to display goods and experience the national and international competitive landscape in their respective sub-sectors. Several BDS firms and export agents were on-site to offer services that could expand and develop business operations. Below: An ASMED supported vendor at the 2008 Agfair.



## PROGRAM COMPONENT 2:

# BUSINESS DEVELOPMENT & MANAGEMENT SKILLS

The third quarter of 2008 saw strong growth and expansion in the BDS activities of the ASMED project. Following the impressive increase in the number of BDS firms, from eight in 2006 to over 45 firms in 2008, ASMED has begun to focus on improving the quality and diversity of services offered by these firms.

## FIELD ACTIVITIES - NATIONWIDE

### BDS Sector Workshops

On August 26, ASMED sponsored the first ever sector wide meeting of BDS firms in Kabul. Seventeen firms participated in the half-day workshop. The workshop provided the opportunity for all the BDS firms to introduce themselves and to network with one another. ASMED also led the group in a SWOT analysis exercise of the BDS sector, followed by a brainstorming session to identify solutions to weaknesses and threats, and innovations to take advantage of strengths and opportunities. ASMED also gathered suggestions for trainings and capacity building needs from the firms, resulting in a list of nineteen most important topics. ASMED plans to carry out a similar workshop in Herat, which is now home to at least 13 BDS firms. Key lessons learned were:

- Need to strengthen and localize donor relationships
- Need to promote BDS sector and services to the private sector
- Need for the Association to promote the industry, provide and maintain standards
- Need for working capital
- Need for direct contact with donors and/or with prime contractors in order to gain long-term subcontracts rather than one-off assignments
- Need for diversification and improvement in the quality of services

A major outcome of the workshop was the decision to form the Afghan Consulting Companies Association. The Association, with 12 founding members, has begun to write by-laws and develop a strategy and priorities for action.

In the Northern Region, the Mazar Regional Office held a round table meeting to promote BDS services to SMEs. There are currently four BDS companies that work in the Northern Region: AJEER Business Management Institute, Balkh BDS Company, Kaweyan and Beacon Consultancy. These firms presented themselves to target beneficiaries, including information on mission statement, business plan, and current activities. This roundtable helped to increase the understanding of Northern Region SMEs and of the capacity and potential of each company.

New BDS firms continued to establish themselves, including:

- Access Business Solutions (Kabul)
- Ahmadi BDS Company (Mazar)

### Business Planning For *Fekr Wa Talosh* Contestants

ASMED engaged three BDS firms to prepare complete business plans for the six top contestants of the *Fekr Wa Talosh* business competition television show, and a business

assessment for one of the top 20 contestants. The BDS firms helped these would-be entrepreneurs to analyze rigorously and plan carefully for their dream enterprises, including a fish hatchery, a jam and sauce processor, a textile factory, a plastic recycling facility, a dairy, and a rice polishing and processing plant. To ensure that the best possible plans were written, ASMED also engaged an international consultant to provide mentoring and assessment of the BDS consultants. ASMED now has a clear set of recommendations for building the capacity of the BDS firms to write clear analytical business plans. While many firms have business plan templates and have been trained to follow them, the analytical and financial analysis skills required for true business planning are quite weak. In the next quarter, ASMED will begin a series of trainings to deepen the business plan writing and financial analysis capacity in the sector. ASMED will also provide additional BDS services to the remaining Top 20 Fekr Wa Talosh contestants.

### **Parwan Business Development Center**

In collaboration with the Afghanistan Municipal Strengthening Program, ASMED has supported the Municipality of Charikar to establish a training center. The training center will be used by ASMED contracted BDS firms to provide business skills trainings and other activities in support of private sector development. ASMED will initiate these services by contracting BDS firms to provide one training per month for the next six months, which will be open to all businesspeople in Charikar/Parwan. ASMED will also use the space to provide other trainings, as requested, in collaboration with business associations, the Municipality of Charikar, and the Parwan/Kapisa PRT.

### **Export Facilitation in the Artisan Sector**

Business development services, including such services as trade facilitation, export facilitation, facilitating market linkages, shipping and logistics are core components of ASMED's approach to private sector development. The lack of knowledge and expertise in exporting, including basics like shipping, order consolidation, and dealing with customs is a constraint to exports in all sectors, and particularly the handicraft sector. ASMED commissioned a study that clarifies the primary constraints and makes recommendations for ASMED activities. The three primary recommendations were:

- Support the creation of a private sector business, which negotiates export logistics, offers warehouse facilities and facilitates airfreight shipping. This enterprise would serve as an export warehouse outside of Kabul and would be designed to deal with all export logistics such as scanning products for drugs and explosives, supplying correct labeling and packing materials, providing refrigeration for perishables and facilitating the mobilization and organization of products. The company would be able to export all types of Afghan products via airfreight, assuming that the company would be able to negotiate forward-shipping agreements with international companies. The design of a business model for this shipping warehouse should have as a primary goal, the provision quality services to all business sectors in Afghanistan, not just the craft sector. Such a model that supports all export sectors would be more sustainable with a broader segment of the export market. This projected volume of products would generate the necessary volume of business to keep it functioning on a profit-based model.
- Support the renewal of the Design Center, which provides training in basic business skills, costing/pricing, export readiness, and quality control in addition to high quality product development, design, and marketing services. These services are essential. When artisan organizations and businesses are prepared to meet buyer demands and product specifications, know how to reach out to new markets and cost/price their work appropriately, existing and new business linkages will continue to grow. Without strong craft businesses that are prepared to export and meet market demands, the creation of a warehouse/shipping company or a shipping guild would be efforts in vain.

- Create a shipping guild to negotiate more reasonable terms with the currently available shippers such as DHL. ASMED consultants negotiated an initial agreement with DHL and have passed on the organization and follow-through to a number of Afghan artisan firms. The main incentives to sharing a DHL account as a group are: receiving discounted prices based on total weight shipped monthly as an export group; avoiding the complicated process of preparing export documentation, and having an exporter's license; receiving an invoice once a month for all shipments, providing 21 days as lead-time for buyers to pay for shipping; creating a track record of monthly shipments in order to record the growth of the export craft sector; strengthening collaboration between craft sector businesses/organizations, thus strengthening Afghan goods' presence in international markets and developing the Afghan brand.

ASMED will begin implementing all of these recommendations in the next quarter.

### **Trade Show Readiness Workshop**

ASMED sponsored a trade show readiness workshop for thirteen participants from the artisan sector. The featured speaker was Marilyn Garson of Zardozi, a key handicraft organization in Afghanistan that has been preparing to attend the New York Gift Show for over three years. Topics discussed included the importance of:

- defining customer market first, then proceeding to identify the correct trade shows to attend
- ability to maintain a long-term relationship with buyers
- ability to develop and produce new products regularly
- competitive strength in own domestic sector
- ability to hold prices for the necessary length of time
- sufficient resources to be able to spend up to six months preparing an order
- ability to maintain communications at the show and after the show in the language of the buyer

ASMED used the workshop as an opportunity to communicate that ASMED is looking to provide long-term support with regard to successful attendance at trade fairs, in two parts:

- ASMED clients need support in product development, which is something that a design center should provide; that provision is a larger undertaking requiring additional funding partnerships.
- ASMED would offer technical support for business skills development and will work with individual agencies to develop a strategic plan, which will enable qualified SMEs to attend the trade shows of their choice.
- Interested agencies should now research gift shows and present their choices for 2009 together with proper justification.

### **Expanding Services to Bamyan and Panjshir Provinces**

The Senior Advisor for Business Development Services conducted two reconnaissance trips to identify needs for BDS (and Association Development) services. In Bamyan, the primary needs expressed were for support to the handicrafts, carpets, wool processing, and agribusiness (potatoes, fruits, dairy) sector. There is also a strong demand for training from women's business associations and the Bamyan chapter of ACCI.

In the Panjshir, the strong agricultural base demands assistance with increasing value addition in the fruit sector, through food processing, sorting and grading, and marketing. The gemstone sector also requires assistance with improved extraction techniques, and value addition such as cutting and polishing.

ASMED will begin programming to address the needs identified in Bamyan and Panjshir in the next quarter.

**GSP Trainings:** ASMED BDS partner firm, Ariana Afghan Business Consulting Group, is conducting a regional training series on the US Generalized System of Preferences (GSP) and its importance for Afghan exports, particularly for key sectors such as dry fruits and nuts. The trainings will take place in each ASMED region. During the third quarter, trainings were conducted in Mazar, Kunduz, and Jalalabad. The training workshop contains an introduction to GSP policies, procedures, and regulations; custom clearance and US port procedures; overview of US Import Standards and FDA regulations; and a description of available transportation and shipment facilities.

**Association Roundtables:** In support of the Association Component, ASMED has used BDS firms to conduct association roundtables. These are gatherings of groups of SMEs in the same sector that express interest in forming an association. Each Association Roundtable may bring together a single industry group, or 3 to 4 different groups. Total participation has ranged from 50 to 250 SMEs. BDS firms have conducted 22 roundtables in the third quarter, resulting in the formation of 30 new business associations.

## FIELD ACTIVITIES – EAST

### Nangarhar Province:

- Construction work has been completed on the Afghan Craft Cut and Wash facility; After importing much of the necessary equipment and installing it, the facility is operating normally. During the last week of September, it washed around 300 sq. meters of old carpet and cut 200 sq. meters of new carpet. A shaking machine has also been installed. Construction of a drying place and wastewater treatment system is in progress.
- By the end of the third quarter, all BDS firms working with the Jalalabad BDC had submitted their reports; clients completed forms as well. All BDS firms in BDC are operating smoothly, but have been advised to accelerate and improve their activities to solidify their image in business community.
- Sahil Marble successfully imported drilling from a Pakistani company. Two of the Sahil's employees will be trained in Pakistan to operate the machinery properly.
- The Sabawoon Poultry Feed Mill has been visited on weekly basis in order to see verify operation and production. The Mill is functional and producing different quantities of feed based on market requirements. According to the owner, the mill was producing 1000-1300 bags/week by the end of September 2008.
- Equipment for the Carpet Weaving Training in Kunar province has been transferred and installation work is complete. Training is in progress, and a second installment has been disbursed.
- From 22 July to 21 August, ASMED trained 20 members of NTAA (National Traders Agents Association) in basic computer skills. A new, different computerized procedure has been introduced in the Customs House. With ASMED support, members of the association learned the new program in order to be able to hold onto their jobs.
- On September 23, ASMED held a meeting with Danny Markus, agriculture advisor for United States Department of Agriculture, regarding honey collection centers in different districts of Nuristan province. During the meeting it was decided that Nangarhar beekeeper association who will manage the honey processing facility, will have a representative in each district of Nuristan who will collect honey from the beekeepers over there and send to the facility in Jalalabad for processing and packaging.

- On September 24, ASMED staff visited agriculture incubator to follow up the associations placed over there. The associations are taking forward their activities very smoothly and conducting their meetings regularly.
- Sep 28, held meeting with beekeeper association regarding the procurement of honey processing and packaging machinery. The association has received quotations from different vendors in Pakistan and will order the machinery after the first installment is released.

#### **Laghman Province:**

- In July, ASMED provided computer training to 17 people from different SMEs and government departments through AIBM
- Business English Language Training: Provided business English language training (step 1) to 45 people from different SMEs and government departments through AIBM
- Business English Language Training: Provided business English language training (step 2) to 41 people from different SMEs and government departments through AIBM
- Marketing Training: Provided marketing training to 25 people from different SMEs and government departments through AIBM
- HRM Training: Provided HRM training to 25 people (5 male & 20 Female) from SMEs and government departments through AIBM.



ABOVE: Business English Language Training Course in Laghman

## **FIELD ACTIVITIES – WEST**

BAMSA, Kabiri, SMART, Kawosh and CILAB BDS firms began to implement the ASMED Association Creation strategy of roundtable meetings to establish new associations.

- ASMED has selected Business Management and Development Company BDS firm to provide a 2-month training on Quick Books & Double Entry financial management system to participants from various private sector companies in Herat province. A qualifying test was given on September 11 and 60 persons (including five women) were selected for the program.

## **FIELD ACTIVITIES – NORTH**

#### **Mazar:**

- Beacon Consultancy conducted a training seminar on Business Communication for 30 members of the Ajmeer Beekeeping Association.
- From 18-20 July, Beacon Consultancy conducted a training seminar on Business Leadership for 35 members of the Provincial Council of Crafter/Traders National Union of Kunduz.
- Balkh BDS Company conducted a training on Marketing for 28 members of the Jawjzan Carpet Association, from July 31 – August 2.
- During the period 27 July to 9 August, the Balkh BDS Company conducted a training on Mushroom Cultivation for 30 female entrepreneurs in Balkh.
- On 15<sup>th</sup> to 17<sup>th</sup> of July, at the request of Ajmeer Beekeeping Association, Beacon Consultancy conducted a training seminar for association members, honey producers. The training topic, date and participants were negotiated with Haji Mohaqqiq, Chairman of Ajmeer Beekeeping Association. Ajmeer Beekeeping Association was established in 2007 in central Baghlan of Baghlan Province.
- On 18<sup>th</sup> to 20<sup>th</sup> of July, at the request of Provincial Council of Crafter/Traders National Union of Kunduz, Beacon Consultancy conducted a training seminar for union

members. The training topic, date and participants were negotiated with Farid Ahmad Rahimi, Chairman of Union. The Union was established in 1987 and has 4,200 members in the Northern region.

- From the 30<sup>th</sup> of August to the 16<sup>th</sup> of September, the Balkh BDS Company with technical support of ASMED, conducted a training seminar on Accounting for 32 persons from different SMEs and association members in Mazar-e-sharif, Balkh Province. The training intended to increase the knowledge of accounting for SMEs and Associations. The training subject, date and number of participants were negotiated with the Chairmen of SMEs and associations.
- On the 8<sup>th</sup> of September to the 12<sup>th</sup> of September, the Takhar Women's Handicrafts Skill Association, under a grant agreement with signed with ASMED, conducted a training seminar on tailoring for 60 association members. The training is intended to increase the knowledge on tailoring, clothe design, and support the creation of further employment in the sector. The training subject, date and number of participants were negotiated with the Chairwoman of Association.
- On 13<sup>th</sup> of September to 15<sup>th</sup> of September, the Beacon BDS Company, with technical support of ASMED, started a training seminar on Business Marketing for 30 participants of the Business Women's Association in Baghlan. The training is intended to increase the knowledge on Business Marketing to improve the business of members. The training subject, date and number of participants were negotiated with the Chairwoman of Association.
- From the 16<sup>th</sup> of September to 18<sup>th</sup> of September, the Beacon BDS Company, with technical support of ASMED started a training seminar, on Business Marketing for 30 participants for Marwa Associations in Kunduz. The training is intended to increase the knowledge on Business Marketing to improve the business of members. The training subject, date and number of participants were negotiated with the Chairwoman of Association.
- On 16<sup>th</sup> of September, the Beacon BDS Company with technical support of ASMED started a training seminar on Business English Course for 30 participants from different associations. The training is intended to increase the knowledge on Business English for writing the project proposals. The training subject, date and number of participants were negotiated with Chairmen of Associations.
- On 16<sup>th</sup> of September, the Beacon BDS Company, with the technical support of ASMED, started a training seminar on Business Computer Course for 30 participants from different associations. The training is intended to increase knowledge of Business Computer skills for the writing of project proposals.



Balkh BDS Company's September Accounting Seminar

### **Badakshan:**

ASMED staff and ASMED supported BDS firms provided assistance to 37 individual male and female entrepreneurs in poultry, shoemaking, and honey industry. The technical assistance included financial analysis, strategic planning, needs assessment and technical support.

### **Faizabad:**

- On 22<sup>nd</sup> July, a project supported BDSP visited the shoemaking center in Faizabad. The purpose of the visit was to evaluate the center's performance and identify problems with the aim of providing further support to improve the sector.
- On 6<sup>th</sup> August, a project supported BDSP conducted a counseling session with 12 female entrepreneurs working at the beauty centre in Faizabad. The BDSP evaluated the entrepreneur's business performance, which is demonstrating increasing revenue as a direct result of the enhanced awareness of this service of potential customers.
- On 20 August, the project supported the establishment of three new male operated poultry farms in Faizabad based on the new poultry farm business model, which focuses on encouraging larger-scale ventures. The project provided technical support (and limited financial support to match the entrepreneurs initial investment) for three new poultry farms in Faizabad. The entrepreneurs have established their new farms according to the specifications of this new business model and were supplied with the inputs (Chicks, feeders, etc) for them to start their operations. The project will continue to provide technical and business support to the farmers, who will be encouraged (and supported logistically) to rapidly expand by new growth.

**Baharak:**

- The project conducted a series of counseling sessions with 12 female entrepreneurs based in the Baharak soap-making centre. These sessions provided them with technical assistance in product manufacture, marketing, and business performance evaluation with the aim of identifying gaps and formulating further interventions. The project also facilitated the entrepreneurs to participate on an exposure trip to similar facilities in Mazar and Kunduz. It is expected that the participants will be able to replicate some of the new practices they were exposed to on their return to Badakhshan.
- In July, project supported BDSPs conducted a series of visits and counseling sessions with six (three female) poultry farmers based in Baharak. The aim of the sessions was to evaluate the participants' business performance. In addition, the sessions were used to discuss poultry management systems, which if adhered to could improve poultry farm productivity.
- On 16 July, a project supported BDSPs conducted a counseling session with 45 female tailoring entrepreneurs, based in the Baharak Woman's Business Centre. The purpose of the session was to evaluate their business performance with the aim of identifying their needs to inform further interventions.
- On 22 of July, a project supported BDSP conducted a counseling session with 12 orchard owners from Baharak. The aim of the sessions was to evaluate the participants' business performance and to discuss new technologies, which if introduced could improve their productivity.
- On 5 August, a project supported BDSP conducted a counseling session with 40 female entrepreneurs based at the WBC in Baharak district. During the meeting EDP staff evaluated the entrepreneurs' business performance and identified issues and problems to be addressed. The EDP staff also provided technical support to assist the entrepreneurs in promoting their products in the local market and further develop their business.
- On 6 August, a project supported BDSP conducted a second counseling session with 12 female entrepreneurs working at the soap-making centre in Baharak district. The participants discussed the results of their recent exposure visit to soap factories in Mazar and Kunduz where they acquired new ideas to improve their own business.
- On 13 August, a project supported BDSP conducted a one day visit from four poultry farms based in Baharak district. The aim of the sessions was to evaluate the participants' business performance. In addition, the sessions were used to discuss

poultry management systems, which if adhered to, could improve poultry farm productivity.

- On 14 August, a project supported BDSP conducted counseling session with 25 female entrepreneurs based food processing in Baharak district.
- On 26 August two poultry specialist BDSPs conducted a training session in Baharak for the 11 male entrepreneurs who have recently been supported in establishing their own poultry farms. The session was used as a refresher training to ensure the farmers are still sticking to best practice in poultry management, as well as, providing the participants with an opportunity to discuss any issues that have occurred.
- On 21 - 25 September, two project-supported BDSPs (Abdul Obiad and Ahmahed Faizil) provided technical assistance to eight Baharak based (two female) poultry farmers. The technical support was provided to ensure vaccinations are correctly conducted to keep Badakhshan poultry farms free from disease.

**Jurm:**

- Project supported BDSPs conducted a series of counseling sessions with seven silk artisans operating from the Jurm Silk Center. These sessions were conducted to identify the center's immediate needs, and to enable the center to operate viably without the need for future project support.
- In July, project supported BDSPs conducted a one-day counseling session with 45 female tailoring entrepreneurs, based in the Jurm Woman's Business Centre. The purpose of the sessions was to evaluate their business performance with the aim of identifying their needs to inform further interventions.
- During August, project supported BDSPs conducted a series of counseling sessions with 50 female tailor entrepreneurs based in the Jurm Woman's Business Center (WBC).
- During August, the project supported BDSPs to conduct a series of counseling sessions and marketing training with or 20 female entrepreneurs based at the Jurm district food-processing centre. The purpose of the sessions was to enhance the entrepreneurs' marketing knowledge whilst evaluating the entrepreneurs' business performance.
- On 6 August, a project supported BDSP conducted a one-day poultry management training for three newly selected poultry farmers from Jurm district. The farmers learned new methods on adequate and sustainable poultry management.
- During the reporting period, project supported BDSPs conducted counseling visits with four existing male poultry farmers in Jurm. The aim of the sessions was to evaluate the participants' business performance. In addition, the sessions were used to promote improved poultry management systems.
- On 21 September, a project supported BDSP (Anjila) conducted a counselling session with 5 female food processing entrepreneurs based in the Jurm Women's Business Centre. The purpose of the session was to evaluate the entrepreneurs' business performance with the aim of identifying their needs to inform further interventions.
- On 22 September, a project supported BDSP, Faizullah, conducted counseling sessions with two Jurm based honey producers. The aim of the sessions was to evaluate the producers output at the stage and check for signs of the mite which had previously devastated production. These sessions are evaluating the prevalence of the mite in Badakhshan hives to inform the projects response to ensuring the complete eradication of the parasite, before encouraging the restocking of hives.
- On 22 September, a project supported BDSP (Anjila) conducted a counseling session with 40 female tailors based in the Jurm Women's Business Center.
- On 22 September, two project supported BDSPs (Mohammad Sediq & Ahmad Yama) conducted two counseling sessions with the independently established silk weavers,

who previously operated from the Jurm Silk Center. The sessions were used to assess the business performance of the new business models.

- On 23 September, a project supported BDSP (Abdul Majeed) conducted counseling sessions and provided technical assistance to two Jurm based male poultry farmers. The purpose of these sessions was to evaluate their business performance and to assist with sales techniques now that the farm is a productive entity.

#### **Khosh:**

- In July, a project supported BDSP conducted a one-day counseling session with 40 female tailoring entrepreneurs, based in the Jurm Woman's Business Centre. The purpose of the sessions was to evaluate their business performance with the aim of identifying their needs to inform further interventions.
- During August, the project supported BDSPs to conduct a series of counseling sessions or 20 female entrepreneurs based at the Jurm district food processing centre.
- On 5 August, a project supported BDSP conducted a counselling session in marketing with 45 female entrepreneurs based at the WBC in Khosh district.
- On 5 August, a project supported BDSPs conducted counselling sessions with six (three female) poultry farmers based in Khosh. The aim of the sessions was to evaluate the participants' business performance. In addition, the sessions were used to discuss poultry management systems, which if adhered to could improve poultry farm productivity.
- On 23 September, a project supported BDSP (Faizullah) provided technical support for four honey producers from Khosh. The aim of the support was to assist in spraying the hives in to eradicate them from Viria mites, which are effecting production.
- On 23 September, two project supported BDSPs (Anjila and Ahmd Yamaq) conducted counseling sessions with 64 female tailors based in the Khosh Woman's Business Center. The purpose of the sessions was to evaluate the entrepreneurs' business performance with the aim of identifying their needs to inform further interventions.

#### **Shohada:**

- On 14 August, a project supported BDSPs conducted counselling sessions with four male poultry farmers based in Shohada. The aim of the sessions was to evaluate the participants' business performance. In addition, the sessions were used to discuss poultry management systems, which if adhered to could improve poultry farm productivity.
- On 27-28 August, project supported BDSPs conducted counselling sessions with six female Shohada based honey producers. The aim of the sessions was to evaluate the producers output at the stage and check for signs of the mite which had previously devastated production. The sessions concluded that there are still signs of the presence of the mite and the project should focus on complete eradication, before encouraging the restocking of hives.

#### **Ishkashim:**

- On 19 August, a project supported BDSPs conducted a counselling session with 8 female Tailor entrepreneurs based in the Ishkashim Woman's Business Centre. The purpose of the session was to assist with cost / profit analysis of their products, which they are planning to market soon.
- On 15 September, a project-supported BDSP (Amal Basir) conducted a counseling session with 11 female entrepreneurs based in the Ishkashim Woman's Business Center.

- On 22 September, the project supported the establishment of two new male operated poultry farms in Ishkashim.

## PROGRAM COMPONENT 3:

# BUSINESS ASSOCIATIONS

### FIELD ACTIVITIES - NATIONWIDE

**ACCI:** During the third quarter, ASMED achieved a significant milestone in our work with the Afghan Chamber of Commerce and Industry (ACCI). After the successful merger of the former ACCI and AICC during the last quarter, ASMED facilitated the Provincial and National Board of Director elections. ASMED engaged four BDS firms to implement a transparent, democratic election in 21 provinces. This was followed by the election of the High Council from among the provincial boards of directors. The election highlighted some of the central weaknesses of ACCI, including limited



**ABOVE:** ACCI Elections in Kabul

capacity in the regional offices, susceptibility to intimidation and corruption, poor organization of basic functions like maintaining membership lists, and limited sense of accountability and ownership between the regions and the central office. In two provinces, ACCI by-laws were clearly and consciously broken due to powerful political pressures. Elections were held, however, and there is a sense among the membership that ACCI is ready to move forward under the current elected leadership. So, while Western standards of democracy may not have been attained, a stable transition of power has occurred which will allow ACCI to continue to play its role as a unified representative of the private sector in Afghanistan. ASMED looks forward to collaborating with ACCI in mutually beneficial ways, working with ACCI to implement useful and productive activities that help ASMED and USAID to achieve our goals of private sector development over the next year

**AWBF:** AWBF finalized its 2008 Work Plan based on the organization's strategic plan. An important part of this plan is to design and implement income generating programs such as trainings and exhibitions. In July, AWBF conducted a 5-day report writing training for 12 staff members of NSP. AWBF also has a contract with Women for Women to assist them in developing training manuals. During the quarter, AWBF has generated a total of \$8,828.

As part of its advocacy role, AWBF has conducted several outreach and networking events. AWBF negotiated an agreement with the Embassy of Uzbekistan for cooperation for AWBF members traveling to Uzbekistan. AWBF also sponsored a networking event for AWBF members. The Minister of Culture and Information, Deputy Minister of Commerce, Deputy Minister of Women's Affairs and Mrs. Safia Sediqi Member of Parliament member participated in the event to give their support and collaboration with AWBF. AWBF also conducted an official trip to Republic of Latvia to seek the support and assistance of Latvian government for the Afghan women's business community. A Memorandum of Understanding on cooperation was signed by the women's leadership association "LIDERE" (LATVIA) and Afghan Women's Business Federation.

AWBF's Mazaar office organized a handicrafts exhibition at the Directorate of Women's Affairs on August 22. This was the first event of its kind organized by AWBF in Mazaar.

Members were able to display their products and promote their ability to produce unique items.

AWBF is sponsoring the ASMED mentorship program, working with 10 mentors and 50 mentees. Three new associations have joined AWBF, and 15 have renewed their membership. AWBF also requested ASMED support in completing an external audit. ASMED contracted with Alliot Gulf Auditors to conduct an audit of AWBF from January 2007 to June 2008. The audit results will be available in the next quarter.

**Association Roundtables:** Roundtables are gatherings of groups of SMEs in the same sector that express interest in forming an association. Each Association Roundtable may bring together a single industry group, or 3 to 4 different groups. Total participation has ranged from 50 to 250 SMEs. ASMED sponsored 22 roundtables in the third quarter, resulting in the formation of 30 new business associations.

**Value Chain Approach to Associations:** ASMED works with thousands of SMEs and hundreds of associations. To leverage this enterprise level / association level support into sustained economic development, ASMED will begin using a value chain approach to our SME and association work. ASMED has defined a set of target sectors including textiles (silk, saffron, cashmere), marble, food processing, handicrafts/carpets, and dried fruits/nuts. ASMED's GDA and Market Information components focus on identifying market linkages that can drive the growth of these value chains. The Association Component will support producer, processor or industry associations that can dynamically respond to market demands in the value chain and promote the sector. This will not preclude working with other associations outside of these sectors, but will assist us to target our resources for greatest overall impact.

ASMED took several steps towards implementing this strategy during the third quarter:

- Association training in industry specific technical skills in the saffron, food processing, and handicrafts sectors.
- Compilation of market information and contact information for the silk, saffron and cashmere value chains
- Market linkages established between silk buyers in Kabul and producer associations in Badakshan and Herat
- Carpet sector:
  - The project has successfully launched the creation of a cut and wash facility in Aqcha with the Afghan Carpet Knotting Weaving and Export Association. Income from this cut and wash facility will be re-invested in developing a wool dyeing facility.
  - ASMED has also developed a concept for a new Business Information Center managed by the Afghan Carpet Exporters Guild/Northern Region Branch.
  - ASMED will support a wool spinning factory located in Mazar-e-sharif, owned by a member of ACEG/Northern Region Branch, which will provide inputs carpet producers in Aqcha.
- All these project efforts are aimed to:
  - Returning carpet business operations from Pakistan to Afghanistan
  - Increase export of carpets directly from Afghanistan especially in the north.
  - Creation of new jobs opportunities in carpet sector in the region.
- Grant approved and STTA commissioned for the Afghan Marble and Granite Producers Association.
- ASMED's ongoing technical assistance to the Afghan Marble and Granite Processing Association has resulted in improved advocacy for its members and the marble sector. The Ministry of Mines and Industries has agreed to help push forward the following changes:

1. Decrease in marble prices extracted at the mines. Previously, the price for per ton marble varied from 600 - 750 Afs. This has been decreased to 100 - 500 Afs)
2. Elimination of the 3-month advance payment rule for leasing a mine.
3. Removal of the 10% guarantee requirement from the entire contract value.
4. Extension of the contract duration from 1 year to a maximum of 10 years

## **FIELD ACTIVITIES – EAST**

### **Nangarhar Province:**

- On July 3, the Nangarhar Butchers Association held an election to select a new director and deputy director for the association. Haji Hafiz Ahmad was elected as director and Mohammad Usman as deputy director for the association. Deputy mayor for Jalalabad, and a member from provincial council also participated in the election event.
- August 16, 2008, Beekeeper association submitted 200 SMEs registration forms filled out by the association for their members to ASMED office which will be put in TAMIS very soon.
- August 16, 2008, Spin Ghar Poultry Farm Association submitted SMEs registration forms for their members to ASMED office which will be put in TAMIS very soon.
- August 23, Nangarhar Fish Producer Association submitted 160 SMEs registration form filled out by the association for their members.

### **Laghman Province:**

- On July 8, the Laghman Nurserymen association was created to develop nursery business in the province. There are around 100 nurseries in Laghman Province but unfortunately, the import of sapling from Pakistan affects their business. The creation of association will help the members of the association to cope with the problem by conducting meetings with the line ministries and customs
- July 28, ASMED assisted in the registration of the following associations and their bylaws with the ministry of Justice
  - Laghman Beekeepers' association,
  - Laghman Fish Producers' association
  - Laghman fresh vegetable and fruit wholesalers' association
- August 13, 2008, Registered Laghman Nursery Grower/Farmer Association and its bylaw with the ministry of Justice to legalize their activities.

### **Kunar Province:**

- July 27, 2008, registered 4 rural craftsmen associations and their bylaws with the ministry of Justice. These 4 rural craftsmen associations were created in 4 USAID and PRT targeted districts in Kunar Province.
  1. Sarkani district
  2. Marwara district
  3. Chapa Dara district
  4. Manogai district
- July 30, 2008 created Kunar fresh vegetable and fruit wholesaler association to improve and develop the business in the province as well as link the fresh vegetable and fruit traders with the national and international market to get maximum price for their products
- July 30, 2008 created Kunar fresh vegetable and fruit wholesaler association to improve and develop the business in the province as well as link the fresh vegetable and fruit traders with the national and international market to get maximum price for their products

- August 6, 2008, created Kunar beekeeper association to improve and develop beekeeping business in Kunar Province
- ASMED assisted the Kunar Beekeeper Association to register with the Ministry of Justice on September 14. The creation and registration of Kunar Beekeeper Association will strengthen and support beekeeping activities in Kunar Province and will encourage more people to start beekeeping in the province.
- ASMED assisted the Kunar Fresh Vegetable and Fruit Wholesaler Association to register with the Ministry of Justice. The creation and registration of Kunar Fresh Vegetable and Fruit Wholesaler Association will help find local and international markets for vegetable and fruit produce from Kunar Province producers.

**Nuristan:**

- July 2, Held a round table in Doab district of Western Nuristan to Create Western Nuristan pine nuts producer and seller association. As a result of elections Mohammad Safa was elected as director and Haji Sediq and Abdul Baqi as deputy directors for the association. District governor for Doab District also attended the round table and considered it a positive step for economic growth in Western Nuristan
- July 29, 2008 registered Western Nuristan dairy farmer association and its bylaw with the ministry of Justice to legalize their activities
- August 13, 2008, Registered Western Nuristan Pine nuts Producer and seller Association and its bylaw with the ministry of Justice to legalize their activities

**FIELD ACTIVITIES – WEST**

- Approval was granted for the 001-059 Jabrahil Saffron Processors Association seed grant.
- Application for Enjil Wool Processing Association is in process (seed grant).
- First and Second Installment of Dry Fruit Association Seed Grant was released

(Registration of the Association and Purchase of Office Equipment)

- First Installment of Herat Pump Station Association was Released  
(Purchase of Quality Control Equipment, and Office Equipment)
- Informatics International received the first payment for its six month IT and English language course for 25 association members in Herat. The English section teaches vocabulary associated with the Quick Books accounting program. The previous IT training program (by AIBM in 2007) was well received, however the students mentioned that the Quick Books was in English and not local Dari. Many students could not understand the prompts, drop down menus and other aspects of the software. This new course (with a local Afghan IT school) is addressing this issue and will provide better results.
- The following BDS providers are preparing to conduct roundtable discussions and to create 45 associations in 2008:

- |    |        |         |  |
|----|--------|---------|--|
| 1. | Cilab  | Badghis | 10 associations (completed in June)                |
| 2. | Kawosh | Farah   | 10 associations (scheduled roundtables for August) |
| 3. | BaMSA  | Herat   | 15 associations (completed in July)                |
| 4. | Kabiri | Herat   | 10 associations (completed in July)                |

**BAMSA established the following associations in July**

Herat Shoe Makers Assoc	50 Men	July/06/2008
Herat Furniture Makers Assoc	30 Men	July/06/2008
Herat Silk Weavers Assoc	50 Men	July/14/2008

Herat Skills Development Association	40 women & 10 Men	July/07/2008
Herat Dairy association	40 Men	July/16/2008
Injil Milk Collection Association	40 Men & 10 Women	July/17/2008
Herat Poultry Association	30 Men	July/20/2008
Kohsan District Livestock Association	50 Men	July/21/2008
Herat Cashmere Exporters Association	50 Men	July/23/2008

**KABIRI & PARTNERS established the following associations in July**

Ghoryan Gardeners Assoc	50 Men	July/19/2008
Ghoryan Women Handicrafts Association	50 Women	July/19/2008
Agro-Business Association	50 Men	July/24/2008
Herat Women Carpet Assoc	50 Women	July/24/2008
Obey Fruit Dealers Assoc	50 Men	July/16/2008
Obey Livestock Association	50 Men	July/16/2008
Women Fruit Processing Association	50 Women	July/23/2008

- 001-059 Jabrahil Saffron Processors Association is in registration process with Ministry of Justice
- Application for Enjil Wool Processing Association is in process (seed grant).
- Dry fruit association has completed all deliverables and is waiting for the last installment to be released
- Herat Pump Station Association is closed out.
- Informatics International received the first payment for its six month IT and English language course for 25 association members in Herat. The English section teaches vocabulary associated with the Quick Books accounting program. The previous IT training program (by AIBM in 2007) was well received, however the students mentioned that the Quick Books was in English and not local Dari. Many students could not understand the prompts; drop down menus and other aspects of the software. This new course (with a local Afghan IT school) is addressing this issue and will provide better results.

## FIELD ACTIVITIES – NORTH

### Balkh:

- On the 9<sup>th</sup> of July, the Balkh BDS Company, with technical support provided by ASMED, conducted a round table meeting and facilitated in the creation of one association: Faryab Dry Fruits Process and Export Association. The election of Chairman and Board of Directors were conducted at the end of the roundtable meeting. A total of 51 men participated at the meeting. The by-laws and other documents will be developed and provided to associations by the Balkh BDS Company.
- On the 16<sup>th</sup> of July, the Balkh BDS Company, with technical support provided by ASMED, conducted a roundtable meeting and facilitated in the creation of one association: Yadgar Food Processing Association. A total of 61 women participated

in the meeting. The by-laws and other documents will be developed and provided to associations by the Balkh BDS Company.

- On 16<sup>th</sup> of July, the project met with Dr. Email, Chairman of Board of Directors for Balkh Livestock Development Union. During the meeting it was discussed a grant proposal submitted by BLDU for training. It was agreed that BLDU will contact BDS Company for discussion of training needs.
- On the 21<sup>st</sup> of July, the project met with Hairullah, Assistant to Chairman /Weaving and Export Association in Aqcha. During the meeting it was discussed training needs of association. It was decided to contact the BDS Company to identify the training needs.
- On the 30<sup>th</sup> of July, the Balkh BDS Company conducted a roundtable meeting and facilitated in creation of 2 associations in Maimana, Faryab Province. Ninety-five men participated at the roundtable meeting. The by-law and other documents will be developed and provided to associations by the Balkh BDS Company.
- On the 31<sup>st</sup> of July, the Balkh BDS Company conducted a roundtable meeting and facilitated the creation of one association in Maimana, Faryab Province. There were 60 women who participated at the roundtable meeting. The association's by-laws and other documents will be developed and provided to associations by the Balkh BDS Company.
- On the 14<sup>th</sup> of September, the Balkh BDS Company with technical support provided by ASMED, conducted a round table meeting and facilitated in creation of 1 association (Emam Yahya Handicrafts association) in Sar-e-Pul, Sar-e-Pul Province. There were 50 women participated at the roundtable meeting. The by-law and other documents will be developed and provided to associations by the Balkh BDS Company.
- On the 15<sup>th</sup> of September, the Balkh BDS Company conducted a roundtable meeting and facilitated in creation of 1 association (Emam Kalan Rug and Carpet association) in Sar-e-Pul, Sar-e-Pul Province. Fifty women participated at the round table meeting. The by-laws and other documents will be developed and provided to the association by the Balkh BDS Company.
- On the 16<sup>th</sup> of September, the Balkh BDS Company conducted a roundtable meeting and facilitated in the creation of one association (Wahdat Sar-e-Pul Dry & Fresh fruit processing association) in Sar-e-Pul, Sar-e-Pul Province. There were 50 men participating at the roundtable meeting. The by-laws and other documents will be developed and provided to associations by the Balkh BDS Company.

### **Badakhshan Province**

- On 22<sup>nd</sup> of July ASMED held a meeting with 12 members of the Badakhshan Honey Producers' association (unregistered). The session focused on assisting the association members in the preparation of registration documentation (bylaws, etc.).
- On 25 - 30 August, a project supported BDSP conducted a business association formation workshop with 55 members of the unregistered Ishkashim, Zebak and Wakhan Potato Growers' Associations and the Ishkashim Seed Multipliers' association. The workshop completed the lengthy discussions on association formation that have previously been organized and the workshop resulted in the preparation of formal registration documents for all of the associations.

### **Baharak:**

- On the 7th of August, ASMED conducted a one-day business management and marketing training for 18 members of the Baharak Orchard Owners' association (unregistered). The training enhanced the participants' business and marketing knowledge to enable them to increase their profit margins. This session was followed with a session on the 14 August to introduce the association's members to the

benefits on their ventures possible from the use of cold storage facilities. A final two-day session on 19 – 20 August that assisted the group to develop an association strategy and bylaws for them to establish a formal Business Association

#### **Faizabad:**

- On 18 July, ASMED conducted a workshop for 12 members (eight female) of the Faizabad poultry farmers association to discuss the preparation of by-laws and the registration process.
- On 31<sup>st</sup> July, the project facilitated a meeting between the CoC and the Faizabad Honey Producers' association. The aim of the meeting was to introduce to the association the role of the CoC in providing coordination and support to associations to improve general business performance in the region.

#### **Jurm:**

- On 30 July, ASMED conducted a one-day meeting with 40 members of the Baharak Honeybee association. The meeting aimed to evaluate the members' business productivity concerning the penetration of the Varroa mite, which previously destroyed 95% of the regional bee-colonies. The info gathered from the meeting is being used to inform future project interventions.
- On 24 July, ASMED conducted a meeting session with 18 members of the Jurm seed multipliers' association. The aim of the session was to evaluate the association performance with the aim of informing future project interventions.
- On 12 August, ASMED conducted a meeting session with 18 members of the Jurm seed multipliers' association. The aim of the session was to evaluate the association performance with the aim of informing future project interventions whilst informing the association's members to the benefits on their ventures possible from increased marketing.

#### **Ishkashim:**

- On 22 July, the project conducted a meeting with 14 members of the Ishkashim Potato Growers' association. The purpose of the sessions was to assist them with their strategy planning for 2008, and to discuss the preparation of by-laws and the procedure for registration as a business association.
- On 11 & 18 August, a project supported BDSP conducted a counselling session with 12 members of the Ishkashim Potato Growers' Association (unregistered). The sessions aimed in assisting the group to develop an association strategy and bylaws for s for them to submit for formal registration as a Business Association.
- The project has supported the establishment of both the Ishkashim Seed Multipliers' Association and the Zebak Potato Growers' Association. Further support was provided to assist these associations in developing their own 'models of operation' and annual strategies, and compiling by-laws and membership documents. This has assisted these associations as they begin the process of formally registering with the Ministry of Agriculture, Irrigation & Livestock (MAIL) and the Ministry of Justice in Kabul. Once registered, the associations plan to support the memberships' individual enterprises by facilitating marketing and technology exchange, and operating as conduits for the procurement of further BDS. The project will continue to support the association through the provision of further business skills, association management and other training/support.

#### **Khosh:**

- On 23 July, ASMED conducted a counseling session with 12 members of Khosh Honey Producers Association. The aim of the session was to evaluate the association performance with the aim of informing future project interventions.

#### **Wakhan:**

- On 12 August, ASMED conducted a counselling session with 14 members of Wakhan potato grower association (unregistered). The meeting's purpose was to discuss the process of registration and preparation of by-laws.

**Yomgan:**

- On the 28<sup>th</sup> of July, EDP conducted a counseling session with 12 members of the Yomgan Seed Multipliers Association (unregistered). The aim of the session was to evaluate the association performance with the aim of informing future project interventions.

**TABLE 3: SUMMARY OF TRAININGS, SEMINARS AND ACTIVITIES FOR BUSINESS ASSOCIATIONS IN 2<sup>ND</sup> QUARTER, 2008**

Province	Number of Attendees	Type of Attendees	Type of Activity	Dates
Kunduz	3	Association members	Support to attend Kunduz Agfair	06/19-21
Kunduz	100	Carpet producers	Kabul Carpet Guild seminar in Kabul	July
Nuristan	93	Dairy Farmers	Held Round Table for the formation of the dairy farm association	05/29
Nuristan		Gem Stone miners and processors	Formation of the Nuristan gem stone Association	06/19
Jalal-Abad	50	Association members	Construction of seed storage used by the Seed Producers and Wholesalers Association	06/6
Jalal-Abad		Association members	Assisted six associations in six districts (Chaprehar, Khogyani, pacher, Hesarak, Sherzad and Goshta) to register with the Ministry of Justice	May
Jalal-Abad		Association members	Formation of the Poultry Sellers Association	06/16
Jalal-Abad	96	SMEs	Round table for the formation of the Poultry Sellers Association	06/9
Jalal-Abad		Association members	Round table on organizing election for the National Union of Craftsmen and Classes Association	06/22
Jalal-Abad	105	Association members	Round table for the establishment of agri-input dealer association	04/9
Jalal-abad	300	SMEs	Round table to discuss the creation of 6 rural craftsmen association	04/23
Badakhshan	18	Association members	Association Management	05/27-

			consulting	05/28
Badakhshan	2	Association members	Strategy Formation for the agricultural input suppliers association	05/25
Badakhshan	12	Association members	Developed a strategy for the tomato growers association	06/2
Badakhshan	8	Association members	Assist the Faizabad Honey Producers Association with their strategy plan	06/5
Badakhshan	18	Association members	Honey Producers association attends 2 <sup>nd</sup> Badakhshan Agfair	05/27-28
Badakhshan	45	Association members (Faizabad Honey Producers Association)	Association management consulting	30 march to 2 <sup>nd</sup> July
Badakhshan	18	Association members (Ishkashim seed multiplication association)	Association management consulting	04/3
Badakhshan	12	Association members (Ishkashim Potato Growers association)	Association management consulting	04/3
Baghdais		SMEs	Formation of the following associations: Natural Agriculture Association , Livestock Association, Women Dairy Producers Association, Badghis Carpet Dealers Association, Women Carpet Weavers Association, Women Embroidery Association, Women Tailoring Association and Cloth Weavers Association	September
Herat	50	SMEs	Formation of Tahmina Association for handicrafts	06/16
Herat	50	SMEs	Formation of the Women Vegetable process Association	06/22
Herat		SMEs	Formation of the following associations: Herat Women's Artisan Association, Shekeban Women Carpet Association, Herat Women's Tailoring Association and Herat Women's Silk Producers	September

			Association	
Herat	35	Association members (Business women association)	Association management consulting	04/15-17
Mazar	200	SMEs	Formation of the following associations: 1.Balkh Women Entrepreneurs Association 2. Hadya Handicrafts Association	06/11
Mazar`	2	Association members	Supported two members of the Hadya association to Kunduz Afgair to display their products	06/19-21
Baghlan	100	Carpet producers	ASMED helped Carpet Guild organize a Seminar in Kabul	July
Jawzjan	100	Carpet producers	ASMED helped Carpet Guild organize a Seminar in Kabul	July
Kunar	67	SMEs	Formation of Kunar Women Carpet Weavers Association	04/5
Laghman	76	SMEs	Formation of vegetable and fruit wholesaler association	04/19
Kabul	20,000	ACCI members	ACCI National Provincial Elections	July
Kabul		AWBF members	Assistance to AWBF strategic planning	September
Kabul	100	Carpet producers	Carpet Guild Seminar in Kabul	July
<b>Total</b>	<b>21,660</b>			

## PROGRAM COMPONENT 4:

# GLOBAL DEVELOPMENT ALLIANCES AND GRANTS

## GDA's

During the 3<sup>rd</sup> Quarter, the ASMED GDA Senior Advisor supervised the establishment of four important GDAs before his departure, and prepared the way for several additional GDAs, which are in the pipeline. The Base of the Pyramid GDA Advisor took over the role of Senior Advisor in September and will now assume the management of the full GDA portfolio, see table below. In total, 4 new GDAs were approved for the quarter and four were completed.

### Completed GDAs:

#### Mir Brothers Marble, Herat

Final review of the marble mine operation has shown that the GDA funds have been used to complete the road and open up the mine to use more efficient diamond saws for cutting blocks instead of wasteful blasting techniques. In the past three months the owners estimate they have extracted an estimated 8-10,000 tons of premium white marble which is a significant gain in productivity and efficiency. Furthermore, the owners have agreed to assist ASMED during the winter by making available the team of mine engineers to visit some other marble mines in the East to train and build capacity for more efficient mining techniques in the Nangarhar region. A final site visit is being planned to take pictures and possibly make a training video next month.

#### Dried Fruit Exporter Association of Kandahar Box Factory

DFEAK completed construction of its factory building in March, equipment installation was completed in August, and production has now begun. A site visit and close out report will be completed next month.



#### Tarsian and Blinkley

A final site visit and interview were conducted with Tarsian and Blinkley (T&B), the machinery purchased has been installed, and over 20 technicians and 100 students have been trained. The acquisition of the more sophisticated machinery has enabled Tarsian and Blinkley to become more competitive and to win several million dollars in new orders

for producing uniforms. The company is now expanding and is planning to train and hire a further 100 women to work in the factory which is still being expanded to support the new business it has gained as a result of ASMED's technical and financial assistance.

### **Tolo TV "Dream and Achieve"**

The Tolo TV nationwide entrepreneur contest was completed on schedule and to wide acclaim, both within Afghanistan and internationally. Dozens of media articles were published following the final episode, notably by Reuters, and newspapers in the US, the Middle East and the International Herald Tribune: <http://www.ihf.com/articles/2008/09/01/business/reality.php> The grand prize winners were selected and announced and the Gala event prize giving finale was played on prime-time and then repeated several times over the following week. Feedback suggests the show was well received by sponsors, partners and the general public and Tolo intends to repeat the show the following year. Several new sponsors have expressed interest and the show received significant positive feedback from Afghan government agencies and other partners. A DVD about the "making of" the GDA will be completed next month for use by USAID and an article about the GDA will appear in USAID's GDA Quarterly newsletter.



The arrival of sewing equipment at T&B.

### **New GDAs:**

#### **One Laptop Per Child (OLPC)**

The MoU required by the OLPC foundation for the OLPC GDA was reworked to meet the requirements of Roshan and the MoE and significant effort was put into the development of the budget and implementation plan. The parties reached a final agreement, which was executed by the Minister of Education in September. The first steering committee meeting was held shortly thereafter. Five hundred machines have also arrived in Kabul and cleared customs (duty free) and are being tested and will be set up in a demonstration lab at the Ministry of Education. Paiwastoon Networking Services has also established a new project office to house the project team of Afghan and international staff which are being recruited to manage the deployment and training required for the initial roll-out planned for December. A project web site has also been established at [www.olpc.af](http://www.olpc.af)

#### **Silk "Value Chain" GDA Partnership**

The silk value chain GDA of three Afghan silk producers/exporters was approved and has been launched. Silk weaving production for all natural silk scarves has been set up by Azana in Karte Char district of Kabul, now employing about 20 women. Zarif design has moved to larger facilities and is expanding production in its new workshop and showrooms. Zarif design has also launched a new marketing development project with boutiques in the US and Europe placing their first orders.



#### **Baghlan Mining**

The Baghlan mining GDA was approved to improve mine safety and productivity using advanced mining equipment in the minerals and gemstone sector.

### **Insurance Corporation of Afghanistan (ICA)**

ICA began issuing policies in March of this year, and with support from ASMED has now established its offices and Afghanistan's first claims processing center with advanced software for managing policy issuance and claims management. The official opening will be scheduled for October 2008.

### **Licorice Processing**

The licorice-processing factory in Mazar was completed and is now operational and the first batches of processed licorice are now being exported.

### **GDA Pipeline:**

Upcoming activities for the GDA department include the 2<sup>nd</sup> Annual Kabul carpet fair and the GDA conference in Jalalabad. Outreach in Jalalabad has generated approximately 25 participants as new GDA opportunities. In addition, technical consultants have been identified as STAs to help with three new GDAs, in pharmaceutical retail distribution, organic food processing, and solar lighting and renewable energy solutions.

## **GRANTS**

The quarterly report has two main sections (Section A and Section B), Section A contains quantitative information and Section B contains qualitative information of the quarter.

### **Section A: Quantitative information:**

#### **A.1. Quarter Highlights:**

- During this quarter, 17 different types of Grants Projects are completed and are ready for the use of local community in various regions.
- During this quarter, 16 different types of Grants Projects were approved and the implementation process has started in various regions.

#### **A.2. Total Grants Projects approved from beginning to September 30, 2008:**

Type of Grant	Number of projects		Total Projects	committed Value	Total Disbursed	Balance
	Closed	Active				
Associations	30	23	53	\$772,166.00	\$ 626,081.00	\$ 146,085.00
MDGs	31	14	45	\$476,993.00	\$ 414,241.00	\$ 62,752.00
Value Chain Improvement	9	7	16	\$1,803,328.00	\$ 1,434,565.92	\$ 368,762.08
Enterprise	1	0	1	\$5,000.00	\$ 5,000.00	\$ -
<b>Grand-Total</b>	<b>71</b>	<b>44</b>	<b>115</b>	<b>\$3,057,487.00</b>	<b>\$ 2,479,887.92</b>	<b>\$ 577,599.08</b>

Pipeline Grants	10	\$166,373.00
Total Grant Line budget		\$4,000,000
<b>Grants Balance to be spent</b>		<b>\$776,140.00</b>

#### **A.3. Grants submitted to USAID and approved during this quarter:**

Grant #	Description	Type	Location	Amount	Status of Grant
002-049	Lalpur District Market	MDG	Nangarhar	\$11,043	Pending for approval

001-044	Afghan Women Agr. Association	Ass/Seed	Nangarhar	\$3,040	Pending for Approval
001-037	Chardara Agro Services Association	Ass/Seed	Kunduz	\$7,800	Pending for approval
001-026	Kandahar Industrial Association	Ass/Seed	Kandahar	\$7,450	Approved
001-036	Nangarhar Bee Keepers Association	Ass/Dev	Nangarhar	\$23,200	Approved
001-022	Provincial Council of Crafter/Trader National Union of Kunduz (PCCTNUK)	Ass/Dev	Kunduz	\$18,180	Pending for approval
001-063	Takhar Women Handicraft Skills Association	Ass/Seed	Takhar	\$7,600	Approved
001-038	Zenith Women Tailoring Embroidery and Beads Weaving Association	Ass/Seed	Kandahar	\$9,950	Approved
001-051	Afghan Marble Association	Ass/Adv	Kabul	\$9,100.00	Approved
001-049	Afghan Carpet Knotting/Weaving and Export Association	Ass/Adv	Jawzjan	\$49,950.00	Approved
001-050	GAGA	Ass/Dev	Paktya	\$13,400.00	Approved
002-048	Want District MDG	MDG	Nuristan	\$15,985.00	Approved
002-056	Faryab Waste Collection System	MDG	Faryab	\$9,400	Pending for Approval
001-052	Faryab Fruit Processing and Exporting Association	Seed Assoc.	Faryab	\$9,850	Pending for Approval
001-053	Afghanistan Bankers Association	Advance/Assoc	Kabul	\$52,001	Pending for Approval
001-054	Faryab Leather Producers Association	Seed Assoc.	Faryab	\$10,000	Pending for Approval
<b>Total 15 Grants</b>				<b>\$257,949</b>	

**Section B. Qualitative Information:**

**B.1. Approved Grants during this Quarter:**

**Grants approved in July 2008:**

**Grant Nr: 001-048**

Grantee: Kandahar Women Carpet Weaving Association (KWCWA)

Location: Kandahar city, Kandahar Province

Grant Amount: \$7,860

Grant Type: Association / Seed Grant

Date Approved: July 05, 2008

**Supported activities:** With ASMED Association Seed Grant, the Kandahar Women Carpet Weaving Association (KWCWA) will register the association with the Ministry of Justice in Kabul and develop by-laws for the association, procure office equipments and furniture to create an operative office and will conduct various trainings on the following topics for members of the association:

- Accounting;
- Marketing;
- Association Management;
- Technical training on carpet new designs;
- Building capacities of association members in Computer Skills.

The association members were beggars from Kandahar city who have now been trained in carpet weaving and will train new membership in Kandahar.

The women will be working in producing high quality carpets to the market and the revenue will be returned to the members, and specific percentage will go to the association for sustainability.

In addition, the women will be trained in literacy, English and computer skills. It is expected that the followings will be achieved:

- Increase in production;
- Improved quality of products;
- Finding markets for products (national & international);
- Maintaining coordination between members of the association;
- Encourage other people to participate in the business;
- Increase membership;
- Association sustainability.

**Grant Nr: 002-045**

Grantee: Waste Collection Cans, Mayor of Mazar-e-Sharif

Location: Mazar City, Balk Province

Grant Amount: \$9,075

Grant Type: Marketplace Development

**Supported activities:** With ASMED Marketplace Development Grant, the Mazar-e-Sharif Municipality will start waste collection in areas where most of the street shops and street vendors are placed. The trashcans will be manufactured by the local workshops. The idea of placing the trashcans around the city comes from the Mayor of Mazar-e-Sharif. The Mazar-e-Sharif Municipality will contribute by cleaning and maintaining the waste collection system. The municipality will charge the fees for waste collection from local shops where trashcans will be installed. The Mazar-e-sharif Municipality has several trucks that collect the waste in the city but does not have enough trashcans.

Mazar-e-Sharif, the capital of Balkh Province, is the largest city in Northern Region. The population of Mazar-e-Sharif is over one million people; it is one of the most populated cities in the country. Like any other city in Afghanistan, Mazar-e-Sharif has a problem with sanitation on the streets. However, the Mazar-e-Sharif Municipality is trying to solve it by placing the trashcans in various locations in the city. Due to shortage of funds, it is only possible to place the trashcans in areas from where the waste is mostly originating. During

the meeting with ASMED/Mazar Office, the Mayor of Mazar-e-Sharif requested for support in the purchase of a truck or providing trashcans. It was decided to propose the installation of trashcans as the city already has garbage trucks.

The trashcans will be placed next to street shops and street vendors in the city where most of the waste originates. Currently, trashcans are placed only around the Shrine (Blue masque), however, that is not enough. It was noticed that sanitary situation around the Shrine has improved after placing the trashcans. However, there are many other places that require the improvement of sanitation. Improving a market sanitary system by placing a number of trashcans will support commercial activities and will help build the relationship of local community and municipality.

**Grant Nr: 001-059**

Grantee: Jebrail Saffron Processors Association

Location: Jebrail District, Herat Province

Grant Amount: \$6,980

Grant Type: Association Seed Grant

Date Submitted to USAID: June 16, 2008

**Supported activities:** The ASMED grant will be used to accomplish the following activities:

1. Registration: Formal registration with Ministry of Justice to make it an independent and legal entity. After registration, the association will start its formal operations and render the required services to members.
2. Equipments: These basic equipments will help the association to set up an office and enable them to do the required reporting, bookkeeping and written correspondence.
3. Marketing and Packaging Training: A BDS firm, in close coordination with the ASMED regional office, will conduct this training for three days. This training will build members' capacity so that they can process better quality Saffron, do better sorting and packaging of Saffron in order to have easy access to the market.

By the creation of this association, 400 women will get jobs, through saffron processing, sorting and packaging. This will also encourage a large number of farmers to cultivate Saffron instead of poppy. Saffron's value gives it the potential to yield better income than poppy.

**Grant Nr: 001-062**

Grantee: Afghan Women Business Council of Samangan

Location: 2<sup>nd</sup> Street of Kart-e-Sulh, Aybak City Samangan Province.

Grant Amount: \$9,800

Grant Type: Association Seed Grant

Date Submitted to USAID: June 16, 2008

**Supported Activities:** The ASMED grant will be used to support the following activities:

- **Equipments:** Association will purchase basic office and sewing equipments in order to have a functioning office
- **The members will be trained** in handicrafts and designs as demanded by the market. About 50 existing trainees and new members will be trained in this business. The training will be focused on the needs and demands of the members. This training will benefit members and help them produce products that will be competitive in the market.
- **Sewing and design training** will be given to the members. This training will be helpful for the members to learn new and modern designs and attract customers. The training will be given in the Association's offices. A sewing designer will be hired for this training.

- **At the end of the project an exhibition will be arranged in Mazar-i-sharif.** This three-day exhibition will be for members to sell their products. The situation in Mazar is suitable and members see better market for their products in Mazar rather than in Samangan.

#### **Grants approved in August 2008:**

##### **Grantee: Lalpura District Market**

Location: Lalpura District, Nangarhar Province

Grant amount: \$11,043

Type of Grant: Marketplace Development Grant (MDG)

Date Approved: August 3, 2008

**Supported activity:** An ASMED grant will be used to build market stalls consisting of 12 individual shops in Lalpura District of Nangarhar. The local community and district authority will contribute land, security, and future maintenance of the project. Lalpura District is situated along the border of Pakistan in the northeast of Afghanistan. The distance between Jalalabad and Lalpura is approximately 65km. It is difficult for the residents of the district to come to Jalalabad for all their procurement of daily and weekly commodities.

This market will play a very significant role in the stabilization of business activities in the local area. The facility will protect the goods/products from rough weather conditions such as rain, dust, sunlight and severe cold while promoting business activities in the district, consequently resulting in the reduction of poverty.

In the short-term, it will provide job opportunities to the local inhabitants, which will provide income and training to construction workers.

##### **Grantee: Chardara Agro Services Association (CASA)**

Location: Chardara District, Kunduz Province

Grant amount: \$7,800

Type of Grant: Association Seed Grant

Date Approved: August 3, 2008

**Supported activity:** CASA is an active association in Afghanistan and has been working in the improvement of quality seed production and marketing. This processed product, like fertilizer, is a vitally needed input to the main agricultural value chains of Afghanistan. Grain is the number one domestic commodity in demand by the striving population of Afghanistan. Prices are rising rapidly as the neighboring countries are decreasing their exports of food products, especially wheat and rice. Therefore CASA has been established to increase the production of food and thereby help to stabilize the market prices for grain. CASA is working hard to train and encourage other farmers through its equipment and experts to help increase the productivity of farmers.

The ASMED grant will support equipment procurement and training for the development and sustainability of the association as follows:

- **Computer and printer:** CASA has 128 active members, working together to process and market their products. There is a need to track scientific information in support of certification and traceability. Computerization will help us in reporting and database recording. We will also store our financial records on the computer.
- **Trainings:** The Association would like to conduct trainings in the field of Association management, seed cleaner and thresher repairing, seed treatment and processing and seed quality improvement seminar for all members. The purpose of the trainings and seminar are:

- Seed cleaner and thresher repair training will guide members in maintaining the processing equipment, as well as better understanding of the quality controls necessary to obtain clean and quality seed.
- Seed treatment training will help in quality seed processing. Seventy-three member farmers will learn the modern method of seed treatment.
- The one-day seminar will clarify the concepts of seed quality improvement for the farmers, NGOs, MAIL staff, etc. This seminar will help to bring the problems of the farmers in one place and all the issues from seed cultivation to seed treatment will be discussed and solved. This seminar will be an excellent opportunity to bring together all key stakeholders to develop a strategy for addressing key problems in the sector.
- The Publications will be distributed among the members. These publications and the above-mentioned trainings and seminars will attract more members to join CASA and introduce CASA services to farmers in the province.

**Grantee: Afghan Women's Agriculture Association (AWAA)**

Location: Daronta, Jalalabad city, Nangarhar Province

Grant amount: \$3,040

Type of Grant: Association Seed Grant

Date Approved: August 3, 2008

**Supported activity:** AWAA (Afghan Women's Agriculture Association) is women based association involved in food processing and food preservation. The main products of the association include pickle, jam, juice, tomato paste etc., which are very tasty and liked by the consumers. Due to lack of a proper packaging system and other equipment, the association faces problems to improve and develop its business. Due to the lack of proper packaging system, the association sells its products in the surrounding areas where the association is located but cannot sell its products in Jalalabad and other big cities of Afghanistan including Kabul. Therefore, in order to improve its business and employ more women, it is essential to provide a packaging system and other equipment necessary for the development of the business.

Currently the association is packing the products in a local way that is surrounding tape around the head of the jar, which is a major constraint in the promotion of their business.

Currently the association produces 1000 bottles of pickle, jam and juice per month by providing proper packaging system and other equipments, it can increase its production more than five times of its current production and can employ more women in the business.

The equipment will be placed in the factory where all members of the association will use the machinery and benefit from them. The net income of the business will be distributed equally among the members, the association will charge some percentage on the total sales of members' products, and that will be used for association operational cost.

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

Location: Kunduz city, Kunduz Province

Grant amount: \$18,180

Type of Grant: Association Development Grant

Date Approved: August 3, 2008

**Supported activity:** This grant has been developed in close collaboration with GTZ, a strong supporter of the PCCTNUK. While GTZ provides operational support to the Union, this partnership with ASMED will focus directly on increasing the Associations services to members and ability to generate revenue. Increasing services will also increase the number of dues paying members, another step towards sustainability.

Develop training center for PCCTNUK that will serve the 4000+ members of the association and provide a focal point for organizing associations and providing capacity building to SMEs and associations. The training center equipment will allow PCCTNUK to improve the service quality and capacity of the Association's training services.

Conducting training, seminar, and workshops for members/nonmembers: Participants will pay fees, which will increase the income of the Union. The training aims to improve their member's businesses and job opportunities. Seminars and workshops for members or non-members and key stakeholders will allow discussion of industry issues and proposed solutions. Groups of craftsmen and traders that are not yet organized into associations will be assisted to form associations.

Extend existing fee-paying internet services to members and non-members. Current demand outstrips availability of computers by over 50 persons per day.

**Grantee: Kandahar Industrial Association (KIA)**

Location: Kandahar city, Kandahar Province

Grant amount: \$7,450

Type of Grant: Association Seed Grant

Date Approved: August 3, 2008

Supported activity: The ASMED grant will be used to support the following activities of the Association and make it legal entity:

Registration of association in the Ministry of Justice: Kandahar Industrial Association was a part of Afghanistan Industrial Association but we were ignored in most of the activities, particularly due to insecurity in Kandahar and nearby regions. The industries in Kandahar decided to have a separate association that could work for the support of the members in Kandahar and surrounding areas. The first step is for the association to be registered in the Ministry of Justice. The registration will also help members to solve their issues with the government of Afghanistan.

Computer and printer: This equipment will meet the basic needs of establishing a new office. All the information regarding the association's activities will be recorded and placed in the computer. The computer will also solve the problem of report writing, and enabling the association to keep both hard and soft copies of data.

Other accessories: A table, fans, cupboard, carpets and a generator will help to establish the association office. The new table will be placed in the association director's office and all the four rooms will be equipped with fans and carpets. The generator will be used to supply electricity to the office.

Training: The other aim of the association is also to provide trainings to the members. The training will contribute to members' career success, motivation and knowledge of business, which will directly contribute to the related organization's effectiveness. Similarly, industrial development training will build the capacity of the members. The 2-week training will cover all aspects of industrial management.

**Grantee: Nangarhar Beekeepers Association (NBA)**

Location: Jalalabad city, Nangarhar Province

Grant amount: \$23,200

Type of Grant: Association Development Grant

Date Approved: August 3, 2008

Supported activity: Beekeeping is one of the traditional and profitable agri-businesses in Afghanistan and many people are involved in this business. Beekeepers not only feed their families but also provide high quality honey to the people of Afghanistan as well as

exporting to other countries. People involved in this business have many problems affecting their business, such as problems with government, lack of honey processing equipment, lack of technical knowledge, etc. With the financial support of ASMED, an association was established to develop and support this business in the country and to solve the problems of beekeepers and their businesses. The association has been established and supported with a well-organized office and office equipment. Therefore, it is able to provide high quality services to its members. In addition, a big step to move the association toward sustainability is to assist the association with honey processing and packaging machinery. This machinery will enable the association to process and package the honey in a standardized way to compete in local and international markets. The facility will help the individual members of the association to process their products in the facility and be able to receive the maximum price of their products.

The capacity of the proposed honey-processing machine is 300kg/day. The total honey production in Eastern Region according to a survey conducted by ASMED and ADAA, is 688kg/day. The price of one kilo of honey without processing and packaging is 120 AFA. The price of one kilo of processed and packaged honey is 170 AFA. The cost for processing and packaging is 20 AFA. Therefore, each kilo of honey sold will increase profits by 30 AFA. If the facility is operated with double shifts, it can cover the production of the whole region.

**Grantee: Takhar Women Handicraft Skills Association**

Location: Taloqan city, Takhar Province

Grant amount: \$7,600

Type of Grant: Association Seed Grant

Date Approved: August 3, 2008

Supported activity: Association has well established office in Takhar Province which has served its members since 2006 in the business of handicrafts and carpet weaving. Recently, 200 new members joined association from Kishim District of Badakhshan province which neighbors Takhar province. TWWSA has intention to establish a new sewing center in Kishim district of Badakhshan province in order to increase association's members, their skills and make sure women participation in handicrafts business as well women production quality. The center will serve new members to be trained in the center and developed their handicraft skills. Association's members will be enabled to get skill in sewing new designated dresses. Association will find local and merely international market for members' product and sell it to a competitive price for increasing its member's income. When members get good income then association will increase membership fee to make association sustainable. Any member who will join sewing center must pay a reasonable amount which will be determined by association board.

The ASMED grant will support the following activities in order to enable association to move toward sustainability:

- Purchasing of Sewing machines, sewing tables, scissors, Iron, sewing meter, Kage machine, desk top computer, electric cutter machine, over lock machine, and generator.
- Sewing training for 15 days.

**Grantee: Afghanistan Marble and Granite Processors Association**

Location: Kabul, Kabul Province

Grant amount: \$9,100

Type of Grant: Association Seed Grant

Date Approved: August 4, 2008

Supported activities: The activities of the Association under this grant and expected outcomes are described as follows:

Newsletter: Since the association was established, the membership has increased from 68 factories up to 101 factories. The Association also inaugurated its sub-offices inside and outside of the country.

In order to publicize its activities and achievements, publicize the products of its members, and convey their messages regarding the challenges they face to the related governmental authorities the Association has planned to publish a monthly newsletter named "MARMAR".

Public Policy Round Table: A one-day conference to discuss the problems and challenges of the marble sector with the related governmental authorities will be held in Kabul. Around 150 participants including Vice-President of Afghanistan, Minister of Mines, Parliamentarians, international stakeholders, the entire membership of the Association, and the media will be invited to this event. The roundtable will contain a panel discussion session in which the main obstacles and the proposed solutions for them will be discussed mutually among the members and the governmental authorities.

The round table will mainly focus on discussing:

- The high prices of marble in the mines set by the government
- The limited contract duration with the Ministry of Mines
- Security concerns in the mines
- Lack of control of illegal export of mines to Pakistan and Iran
- Shortage of power for extraction in the mines
- High taxes on the sector
- Shortage of land for establishing factories

AMGPA's written paper with proposed solutions and alternatives for the above issues will be also read during the round table. ASMED will provide technical assistance to AMGPA to ensure the policy paper is of top quality.

**Grantee: Afghan Carpet Knotting/Weaving and Export Association**

Location: Aqcha, Jawzjan Province

Grant amount: \$49,950

Type of Grant: Association Advanced Grant

Date Approved: August 4, 2008

Supported activity: The ASMED grant will be used to construct a cut and wash facility to serve the members of the Afghan Carpet Knotting/Weaving and Export Association. The grant will also support purchase of basic cut and wash equipment.

**Grantee: Gardez Apple Growers Association**

Location: Gardez, Paktya Province

Grant amount: \$13,400

Type of Grant: Association Development Grant

Date Approved: August 4, 2008

Supported activity: The ASMED grant will support the following activities:

Stairs for fruit harvest: Apples are a popular and nutritious horticultural product of Paktya Province. Consumers demand a high-quality product that is free from bruises, cuts, punctures, physiological disorders, and pathogens. Apples are 84% water and are climacteric, meaning that they produce an increased amount of carbon dioxide as they ripen. During ripening, apples can change color, soften, and become sweeter and less astringent. We harvest our apples before they begin to ripen. It is important to know the appropriate harvest dates for our apple varieties. Apples picked too early are susceptible to shrivel, scald, and bitter pit. They also may not ripen appropriately after harvest. Apples

picked too late may create too much carbon dioxide, which will decrease their shelf life and lead to disorders such as flesh browning and breakdown.

The stairs are needed to solve the problems for fruit harvest on time. All members will use these aluminum stairs during the appropriate harvest of the fruits. These stairs will help to reach to the top of the tree and harvest the fruits in a way that prevents injury to both the apples and the pickers. It is the first step for higher quality post harvest handling.

Plastic baskets: After hand picking, fruits are transferred into bags and then transferred gently into field bins, then transported to packing sheds. At the shed, the fruit is submerged in water, washed, and sorted into fresh-market, processing, and culled fruit. In general, small to medium sized apples keep the longest, while the most mature have the shortest shelf life and are removed from storage first. The apples suitable for storage are placed in the baskets and stored in the cool storage room. All the members will benefit from the plastic baskets equally.

Training: All the members will be trained in post harvest handling, grading and packaging for 5 days. The training will be provided by one of the experts from the MAIL. Most of the members are unaware of the concept of the post harvest handling and its benefits. The members are also not expert in grading and packaging. This training will make the best use of the cold storage unit, as the fruit most likely to store well will be selected for deposit in the cold storage, while the rest of the harvest will be sold immediately in the market.

**Grantee: Zenith Women Tailoring Association**

Location: Kandahar City, Kandahar Province

Grant amount: \$9,950

Type of Grant: Association Seed Grant

Date Approved: August 4, 2008

Supported activities: The ASMED grant will be used to carry out the following activities:

1. Register Association with Ministry of Justice in Kabul in order to have legal rights of working
2. Set up an operational office by providing office equipments
3. Conduct capacity building training in order to better manage the business and have large coverage of marketing
4. Provide some basic tailoring equipment, which will be used to train more people and become members of Association.

**Grantee: Want District Bazaar Interior Road Improvement**

Location: Want District, Nuristan Province

Grant amount: \$15,985

Type of Grant: Marketplace Development Grant

Date Approved: August 4, 2008

Supported activities: The ASMED grant will be used to improve the interior bazaar road by graveling and its drainage system

The Want district is a mountainous and populated area. The district is located in Waygal valley of Nuristan province, approximately 25 km North West of the Nangalam village of Manogi District of Kunar. The people of the said district are economically depressed with many families making subsistence living by farming, raising livestock and operating small shops. The implementation of the said project will benefit the people in the following ways:

1. People will get short term employment.
2. This road graveling will eliminate lots of difficulties of the traders and local residents, particularly in the rainy days.

3. It will improve the health and sanitation (hygiene) in the area.
4. It will extend the services of district administration, representing the local government through transportation.
5. It will improve the means of transportation.

## **B.2. Grants projects completed and closed out during the quarter:**

### **Grants completed and closed out in July 2008:**

#### **Grantee: Fresh Fruits Market Latrines Construction**

Location: Kandahar City, Kabul Province

Grant Amount: \$9,470

Grant Type: Marketplace Development

Date closed: July 7, 2008

Supported activities: The ASMED grant used to construct 10 toilets in Fresh Fruits Market of Kandahar City, two toilets are specifically allocated for women use only. The 10 toilets facilities will serve 300 businesses in the market and large number of customers visiting the market on daily basis.

This project created 72 skilled labor days, 210 unskilled labor days, and more than 500 people benefit from the project on daily basis. In general, the entire business people and the city Mayor are very excited and happy about the mentioned project. In addition, this project also provides clean drinking water to the business people and customers in the market and resolved the lack of water in the market.



Latrines constructed in Fresh Fruit

#### **Grantee: Sarkani District Market Construction**

Location: Sarkani District, Kunar Province

Grant Amount: \$14,592

Grant Type: Marketplace Development

Date Closed: July 9, 2008

Supported activities: With ASMED Marketplace Development Grant constructed a small wholesale market, comprised of 12 enclosed stalls with individual doors to each stall along with surrounding wall that has sufficient space to accommodate a great number of people in the Bazaar of the district.

The Municipality and the community contributed land and annual maintenance for the market place. The project facilitated local inhabitants to do their business in this market, which encourage the investors to construct other market places enabling the local economy to grow.

Direct employment: Around 25 laborers were employed by the SACC in the district town of Serkani district that create temporary job opportunities for the inhabitants of Serkani district. This market created 12 new businesses in the District and will employ 24 persons to run their businesses.

- 1) It will provide a shelter facility to the local merchants and farmers to sell



their food and vegetables in good condition, which will increase their income.

- 2) It will facilitate more local business in the area, to bring their products to the market. A permanent market place will encourage merchants to sell their products several days per week.
- 3) The project will create income for the Municipality in terms of taxes and fees which will enable them to maintain the market.
- 4) It will improve the community relationship with the local government in the area.
- 5) The market will benefit approximately 2000 men and 500 women of the said district

Sarkani District Mayor inaugurated the market

### **Grantee: Aid to Artisans (ATA)**

Location: AWDC, Taimain, Kubul Province

Grant Amount: \$46,588

Grant Type: Value Chain Improvement Grant

Date closed: July 9, 2008

Supported activities: The purpose of this grant was to provide "bridge funding" for ATA for Afghan Women Design Center until a longer-term funding solution can be determined. Much of the grant budget was used to support the continued operations of AWDC for the period of January 2008 to March 2008. The ASMED grant allowed Cristina Hernandez to return to Afghanistan to support the women in fulfilling the orders placed by One World Projects and Charity USA.

During the three-month period of the project's implementation Aid to Artisans (ATA) under the Afghan Women's Design Center dedicated its effort towards the preparation and training of six small producer groups of hand-made goods in the area of export, which included sample development, costing and pricing, receipt of purchase orders, communication with buyers, production, quality control, packaging, creating labels and tags, packing and export document preparation. These small businesses had to be prepared to fulfill purchase orders for the export market for the first time and with little or no experience at all. All six small businesses received considerable orders from the company Charity USA and One World Projects. The six businesses were: Madina Association (jewelry producers), TWARA Association (traditional Turkmen carpet and jewelry producers), Khabar-e-Khosh (embroidered textile and jewelry producers), Nassima Silks (100% Afghan silk scarf producer), the Women and Children's Education Fund (embroidered goods, textiles, children's toys) and the Afghan Women's Carpet and Cattle Network (silver jewelry and carpets).

The following Deliverables/Milestones were achieved during the implementation:

The six businesses, which received purchase orders, were trained to:

1. produce samples according to the buyers' specifications
2. receive purchase orders and provide wire transfer details
3. communicate effectively with the buyers
4. conduct costing and pricing
5. fulfill orders efficiently
6. set and follow quality control procedures during the period of production



Cristina teaches quality control at Afghan Women Design Center

7. package, tag, and do final packing of the orders along with all the necessary documentation needed

When Aid to Artisans closed the Afghan Women Design Center (AWDC) on March 31<sup>st</sup>, 2008, four of the six businesses had completely finished their orders, and two of them had about 50% of their orders finished.

The Afghan Women's Business Federation (AWBF) committed to making sure the export took place once the last two groups finish their orders as the buyers requested all the orders be sent to them together.

**Grantee: Beekeepers Association**

Location: Jalalabad City, Nangarhar Province

Grant Amount: \$8,835

Grant Type: Association Seed Grant

Date closed July 20, 2008

**Supported activities:** The ASMED grant used to set up an office and buy office equipment for the association, as well as for operational support needed to run Beekeepers member activities. After procuring the necessary equipment and set up of office, the association was able to provide better services to its members.



Beekeeping is one of the traditional and profitable agri-businesses in Afghanistan. There are many people involved in this business, which generates sufficient income to feed their families. People involved in this business had many challenges including poor government policy, technical deficiency and lack of markets. In order to extend and develop this business sector, ASMED supported the establishment of an association that provides key services to its members.

The ASMED grant enables the association to provide high quality services to its members. It is now able to hold regular meetings with its members and offer workshops and trainings. Due to the new office equipments, the association is now able to properly automate its financial records and improved its communication by writing computerized letters to its members and as well as to government authorities. Approximately 20 members directly benefitted from this grant.

**Grantee: Agriculture Development Association for Afghanistan (ADAA)**

Location: Jalalabad City, Nangarhar Province

Grant Amount: \$8,986

Grant Type: Association Seed Grant

Date closed July 20, 2008

**Supported activity:** The ASMED grant used to set up an office and buy office equipments for the association, as well as for operational support needed to run ADAA member activities. After procuring the necessary equipment and office set up, the association was able to provide better services to its members.



The association was able to build up the capacity of members through professional training and exchange of marketing and agricultural information in roundtable meetings. The ASMED grant enabled association to increase membership and provide high quality professional services to the existing and new members. Moreover, now the association is able to keep computerized financial records and written correspondence through ASMED's provided IT equipments. In general, the grant had very positive impact and the association members are very excited about overall ASMED support. Approximately 86 men and 6 women benefited from this grant.

**Grantee: Spin Ghar Poultry Association (SPA)**

Location: Jalalabad City, Nangarhar Province

Grant Amount: \$8,762

Grant Type: Association Seed Grant

Date closed: July 20, 2008

**Supported activity:** The ASMED grant used to set up an office and buy office equipments for the association, as well as for operational support needed to run SPA member activities. After procuring the necessary equipment and set up of office, the association was able to provide better services to its members.

The association was able to build up the capacity of members through professional training and exchange of marketing and poultry information in roundtable meetings. The ASMED grant enabled association to increase membership and provide high quality professional services to the existing and new members. Moreover, now the association is able to keep computerized financial records and written correspondence through the IT equipments. In general the grant had very positive impact and the association members are very excited about overall ASMED support. Approximately 120 men and 100 women benefited from this grant.



**Grantee: Eastern Region Fruit Growers Association (ERFGA)**

Location: Jalalabad City, Nangarhar Province

Grant Amount: \$10,461

Grant Type: Association Development Grant

Date closed: July 20, 2008

**Supported activity:** The ASMED grant was used for setting up an office and buy office equipments for the association, as well as for operational support needed to run ERFGA member activities. After procuring the necessary equipment and set up of office, the association was able to provide better services to its members.



The association was able to build up the

capacity of members through professional training, exchange of marketing and fruits harvesting information in roundtable meetings. The ASMED grant enabled association to increase membership and provide high quality professional services to the existing and new members. Moreover, now the association is able to keep computerized financial records and written correspondence through ASMED's provided IT equipments. In general the grant had very positive impact. Approximately 4500 farmers benefited from ASMED grant

### **Grantee: Eastern Region Fish Producers Association (ERFPA)**

Location: Jalalabad City, Nangarhar Province

Grant Amount: \$9,036

Grant Type: Association Seed Grant

Date closed: July 20, 2008

Supported activity: The ASMED grant set up an office and bought office equipments for the association, as well as for operational support needed to run ERFPA member activities. After procuring the necessary equipment and set up of office, the association was able to provide better services to its members.

The association was able to build up the capacity of members through professional training and exchange of marketing and fish producing information in roundtable meetings. The ASMED grant enabled association to increase membership and provide high quality professional services to the existing and new members. Moreover, now the association is able to keep computerized financial records and written correspondence through ASMED's provided IT equipments. In general the grant had very positive impact.



### **Grantee: Chawkai District Market Stalls**

Location: Chawkai District, Kunar Province

Grant amount: \$14,719

Type of Grant: Marketplace Development Grant (MDG)

Date Closed: July 25, 2008

Supported activities: ASMED grant was used to build 12 market stalls in Chawkai district of Kunar Province. The local Municipality and business community provided land and security to support the project. The market stalls are enclosed with four walls and a front gate. Each stall independently operates with its own door for secure access.

Chawkai district in Kunar province is located off the main road from Jalalabad to Assadabad about 35 km southwest of Assadabad city. The previous market place has approximately 60 shops made from wood and clay. Adding 12 market stalls to the district center increased commerce by 20%; provided opportunities for retail businesses to increase commercial activity. The income will support the local government and community in providing a stable environment for improving the conditions of the local people. New market stalls support several hundred families who shop at this district center on a daily basis. The facility provided:

1. Short term jobs for 25 laborers
2. Long term jobs for 12 vendors
3. Hygienic and safe environment to sell food products
4. Encouragement for new entrepreneurs to set up businesses
5. Increased tax base for the local municipality.
6. Extended services of the district authority, representing the local administration.

7. Improved community relationship with the local government in the area.
8. 1000 men and 200 women benefit from this market on daily basis.

**Grant Completed and Closed out in August 2008:**

**Grantee: Koti Ashro Village Bazaar Generator**

Location: Maidan Shar District, Wardak Province

Grant amount: \$10,000

Type of Grant: Marketplace Development Grant (MDG)

Date Closed: August 24, 2008



**Supported activities:** The project was awarded on June 2008 and implemented through the Mala Khil Koti Ashro Village Shura; the project was implemented through Local Shura under the supervision of District Authority. No registered contractor was used as the primary function of this grant was purchase of 60KW generator with electrical supplies and some building material for a small housing unit using 100% local labor.

This is difficult to measure at this time, but the generator power has allowed for the extension of the bazaar's operating hours, thereby allowing for shops and businesses to remain open for business into the evening hours. In addition to that, it helps the police patrolling during the night in the area and now the residents are very excited about the security, extension of business hours and now the business people can keep the dairy products for reasonable period of time.

The community is very excited about their new generator power, and this project has demonstrated to them that their government is working to improve their lives. Business hours have now been extended, which should lead to improvement in incomes for the small business present.

**Grantee: Waste Collection Cans**

Location: Mazar City, Balkh Province

Grant amount: \$9,075

Type of Grant: Marketplace Development Grant (MDG)

Date Closed: August 28, 2008



**Supported activities:** With an ASMED MDG, the Mazar-e-Sharif Municipality installed waste collection in areas where most of the street shops and street vendors are placed. The trash -cans were made by Pamir Metal Workshop. The idea of placing the trashcans around the city came from the Mayor of Mazar-e-Sharif. The Mazar-e-Sharif Municipality contributed to the cleaning and maintaining the waste collection system. The Municipality will charge the fees for

waste collection used by local shops where trashcans will be installed. The Mazar-e-Sharif Municipality has several trucks that collect the waste in the city but does not have enough trashcans.

Mazar-e-sharif, the capital of Balkh Province, is the largest city in Northern Region. The population of Mazar-e-sharif is over one million people; it is one of the most populated cities in the country. Like any other city in Afghanistan, Mazar-e-Sharif has a problem with sanitation on the streets. However, the Mazar-e-Sharif Municipality is trying to solve it by placing the trashcans in various locations in the city. Due to shortage of funds, it is only possible to place the trashcans in areas where the waste is mostly originating. During the meeting with ASMED/Mazar Office, the Mayor of Mazar-e-Sharif requested for support in the purchase of a truck or providing trashcans. It was decided to propose the installation of trashcans as the city already has garbage trucks.

The trashcans placed next to street shops and street vendors in the city where most of the waste originates. Previously, trashcans were placed only around the Shrine (Blue masque), however, those were not enough. Now the sanitary system of market is improved by installing new trashcans and the business people and Mazar Mayor are very excited about this MDG. They appreciated ASMED and disclosed their hopes for more support and betterment of business areas of Balk Province. This MDG benefit 5000 businesspersons and buyers on daily basis.

**Grantee: Afghan Women Business Council of Samangan**

Location: 2<sup>nd</sup> Street of Kart-e-Sulh, Aybak City Samangan Province.

Grant Amount: \$9,800

Grant Type: Association Seed Grant

Date Closed: August 28, 2008

Supported Activities: The ASMED grant was used to support the following activities:

- Equipments: Association purchased basic office and sewing equipments in order to have well functioning office
- Training: Training was conducted in handicrafts and designs as demanded by the market. Approximately 50 women were trained in handicraft and new designs.
- Three day Exhibition in Mazar-i-Sharif. This three-day exhibition was arranged in Mazar-e-Sharif city in order to introduce association to other potential members, increase members, establish market linkage and introduce association services and members products to Afghan community.
- Job creation: It is reported by association that, around 200 new home based jobs had been created for women
- Beneficiary: The ASMED grant benefited 250 people in the form of training, job creation, and improvement of quality and quantity of products.



**Grantee: Afghan Craft and Carpet Processing Company**

Location: Jalalabad, Nangarhar

Grant Amount: \$100,000

Grant Type: Value Chain  
Improvement Grant  
Date Closed: August 31, 2008

Supported activities: The ASMED grant used to purchase carpet cut and wash processing equipments for the company as there were no such facility in eastern region and the finished carpets were exported to Pakistan for cut and wash and then they were labeled as made in Pakistan. The ASMED supported facilitated the establishment of this facility in eastern regions and all cut and wash will be done here in region and then label as Made in Afghanistan.



The business achieved is a cut and wash facility that would process the unfinished carpets of company existing business and also those of roughly 15 other carpet sellers. Since Company produces only 500 m<sup>2</sup> per month and will have capacity to process 10,000 m<sup>2</sup> per month (using only 5% of his own capacity), the broader carpet market will benefit from the introduction of this business assuming that marketers can source 500 m<sup>2</sup> on average from local weavers (as ASMED research indicates), then this could benefit 19 other sellers, each one of them works with 50 individual weavers on average.

Afghan Craft will work specifically with carpet associations such as the Afghan Carpet Exporters Guild and Eastern Region Carpet Association, giving its members priority access. These associations and other similar groups have agreed to use Afghan Craft to process unfinished carpets. As a result the company will not need to expend significant resources to market their services.

The savings to local producers is substantial and multi-faceted. In addition to a lower service fee (\$1.50 m<sup>2</sup> savings), they will also save the per-carpet \$6 import tax by Pakistani Authorities and \$4 transport costs to Pakistan's processing centers.

### **Grants completed and closed out in September 2008:**

#### **Grantee: Babar Market Shop Keepers –Association (BMSA)**

Location: North of Rawza Sharief, Mazar City, Balkh Province

Grant amount: \$24,970

Type of Grant: Association Development Grant

Date Closed: August 31, 2008

Supported activities:

1. Registered Association with Ministry of Justice in Kabul (including development of By-Laws)
2. Set up an Office for Association with required equipments and furniture.
3. Purchased of Generator and wire for market wiring by Generator power.
4. Toilet repaired as it was burnt completely.
5. Water system installed by drilling of a deep well in front of the market an piping to market

Now the association is able to provide the following services to its members:

- Represent officially the businessmen in the association in any governmental or private sector meeting
- Attempt to solve any problems of the members related to the business
- Solve any dispute among different businessmen in the association
- Facilitate export and import for members.



**Grantee: Haider Jawzjani Market Shop-Keepers Association (HJMSA)**

Location: North of Rawza Sharief, Mazar City, and Balkh Province

Grant amount: \$ 25,000

Type of Grant: Association Development Grant

Date Closed: August 31, 2008

Supported activities: The ASMED grant used to support the following activities:

1. Registration of Association with Ministry of Justice in Kabul (including development of Bi-Laws)
2. Purchasing of 200KVA Generator to supply power to 200 businesses in the market.
3. 200 KVA Generator will be used when city power is not available. This generator will generate income for the association to cover its operational expenses. The main aim will be provide support to its members and to help them their business grow more in the region and they will follows up their best by the generator projects in all seasons of year. Generator project is one of unique project for the market, so there will be create jobs only for one mechanic and one fuel supplier.
4. The project benefited 200 business people and large number of customers visiting the market on daily basis.



**Grantee: Herat Dry Fruits Processors and Exporters Association (HDFPEA)**

Location: District # 8<sup>th</sup> Herat City, Afghanistan.

Grant amount: \$ 8,900

Type of Grant: Association Seed Grant

Date Closed: September 2, 2008

Supported activities: The ASMED grant was used to support the following activities for the association:

1. Registration of Association with Ministry of Justice in Kabul and developed bi-Laws
2. Purchased dry fruits processing and packaging equipments such as 20 tables, press machine, 4 air power machines, 3 small scales and 1 big scale.
3. The association managing staffs and its members were provided marketing training for 3 days in order to supply good quality products to the market and have quick marketing of it.

In the past the association production sorting and packaging was not as good as today, now they can easily sort and package the productions and it is a good help that we can accurately add value and standardize all the sorting and packaging of productions according to the international market standards.

The ASMED grant directly benefited 230 men and 115 women who deal with dry fruits.

**Grantee: Market Stalls Construction-Chaparhar District**

Location: Chaparhar District, Nangarhar Province

Grant amount: \$ 9,370

Type of Grant: Marketplace Development Grant (MDG)

Date Closed: August 24, 2008

Supported activities: ESA constructed a small wholesale market building, comprised of 12 shops, along with surrounding wall, which has sufficient space to accommodate a great number of people in the bazaar of this densely populated district.

By implementation of this project, local inhabitants can do their business in this market now which can encourage the investors to construct other market place there that will make the local economy growth for the district.

The existing market place has over 200 vendors who set up their shops, which logistically created problems for local merchants in the market. Additionally, inclement weather including hot weather hinders an effective and vibrant market place. Hot weather discourages food merchants from bringing perishable items such as fruits and vegetables to the market place. Therefore, by the implementation of this project the above problems have decreased dramatically.

Jobs created through the implementation direct employment are around 40 laborers were employed by the ESA consecution company in the district town of Chaparhar which created a temporary job opportunities for the inhabitants of chaparhar district. And indirect employment higher level of commerce will take place in the area with the inclusion of additional local merchants. This project benefits 850 men and 110 women on daily basis.



### B.3. Disbursement during the quarter:

Grant No	Grantee	Province	Payment Date	Amount
G-001-032	WOWSSA	Kabul	7-Jul-08	\$1,000
G-001-034	Babar Market Association	Balkh	22-Jul-08	\$19,500
G-001-035	Jawzjani Market Association	Balkh	22-Jul-08	\$24,000
G-001-048	KWCWA	Kandahar	8-Aug-08	\$1,200
G-001-040	ANBAP	Kabul	18-Aug-08	\$1,500
G-001-049	ACKWEA	Jawzjan	18-Aug-08	\$12,800
G-001-022	PCCTNUK	Kunduz	18-Aug-08	\$13,240
G-001-008	Afghanistan Builders Asst	Kabul	20-Aug-08	\$4,885
G-001-050	Gardez Apple Growers Asst	Paktya	25-Aug-08	\$7,400
G-001-041	Kandahar Embroiders Ast	Kandahar	25-Aug-08	\$2,800

G-001-062	AWBCS	Samangan	25-Aug-08	\$4,900
G-001-051	AMGPA	Kabul	26-Aug-08	\$3,600
G-001-039	KWBA	Kandahar	28-Aug-08	\$4,600
G-001-034	Baber Market Association	Balkh	4-Aug-08	\$5,070
G-001-046	Kunduz City Laterine	Kunduz	13-Aug-08	\$2,100
G-001-063	Takhar Women Handicraft Ass	Takhar	10-Aug-08	\$3,600
G-001-040	ANBAP	Kabul	7-Sep-2008	\$3,000
G-001-56	Dry Fruit Association	Herat	9-Sep-2008	\$3,000
G-001-057	Herat Pump Stations	Herat	3-Sep-2008	\$7,130
G-001-044	Afghan W Agri Association	Nangarhar	4-Sep-2008	\$1,800
G-001-039	Kandahar Women's Business Association	Kandahar	16-Sep-2008	\$4,360
G-001-049	Establishing a cut wash and dust removing facility	Mazar	17-Sep-2008	\$8,000
G-001-048	Kandahar Women Carpet weaving association	Kandahar	17-Sep-2008	\$1,980
G-001-040	Afghan National Business Association for Peace	Kabul	20-Sep-2008	\$750
<b>Sub-Total Association</b>				<b>\$142,215</b>
G-002-033	Fresh Fruits Market	Kandahar	3-Jul-08	\$9,470
G-002-042	Arghandab Market	Kandahar	17-Jul-08	\$2,997
G-002-035	Tirinkot Local Radio	Uruzgan	17-Jul-08	\$5,000
G-002-043	Koti Ashru Bazaar	Wardak	20-Jul-08	\$10,000
G-002-041	Shah Walikot Market	Kandahar	25-Aug-08	\$2,997
G-002-045	Waste Collection Cans	Balkh	30-Aug-08	\$6,353
G-002-031	Chowkai District Market	Kunar	11-Aug-08	\$2,943
G-002-040	Dawlat Shah Market Const	Laghman	11-Aug-08	\$8,987
G-002-039	Qala-e-Naqil Bazaar Toilet facility	Nangarhar	9-Sep-2008	\$3,370
G-002-038	Market Stalls-Batikot District	Nagharhar	11-Sep-2008	\$2,848
G-002-036	Chaparhar Market Stalls Construction	Jalalabad	16-Sep-2008	\$1,874
G-002-048	Want District Bazaar Rd improvement	Jalalabad	24-Sep-2008	\$4,795
G-002-049	Lalpur District Market	Jalalabad	24-Sep-2008	\$3,314
<b>Sub-Total MDGs</b>				<b>\$64,948</b>
G-003-001	MHHLML	Kabul	19-Apr-08	\$3,000

<b>Sub-Total Enterprise Grant</b>				
G-004-014	Aid to Artisans (ATA)	Kabul	9-Jul-08	\$26,163
G-004-019	AWBF	Kabul	17-Jul-08	\$18,884
G-004-019	AWBF	Kabul	24-Jul-08	\$14,172
G-004-021	Osiyo Hamkarlik	Balkh	24-Jul-08	\$41,515
G-004-017	RWA Ready Mixed	Ghazni	9-Aug-08	\$134,500
G-004-017	Hali Weavers Co Ltd	Kabul	19-Aug-08	\$44,545
G-004-019	AWBF	Kabul	27-Aug-08	\$20,242
G-004-011	Afghan Craft Carpet Co	Nangarhar	30-Aug-08	\$20,100
<b>Sub-Total Value Chain Grant</b>				<b>\$320,121</b>
<b>Grand Total of Disbursement during the Quarter</b>				<b>\$527,284</b>

#### **B.4. Important meetings held during the quarter:**

##### **Meeting in August 2008:**

##### **August 10, 2008**

A meeting was arranged with Mr. Samiullah, Director of Construction and Logistic Supply Co. Mr. Samiullah recently heard about ASMED and was interested in receiving ASMED support for the set-up of well-equipped offices for his Company. The Company operates in Central, Eastern, Northern and Southeastern regions of Afghanistan. They implemented a number of small projects with ISAF in Bagram base. Mr. Samiullah was briefed about the ASMED program and was asked to present his request as a Concept Paper to ASMED for further consideration.

##### **August 20, 2008**

A meeting was held with Iva Smejkalova, Agricultural Advisor at Czech Republic Embassy in Kabul.

The meeting agenda was to discuss the Cold Storages and trainings arrangement for CASAL and John Mcelwaine and Hanifi discussed the following issues with Iva:

1. How many total Cold Storages are considered or approved for CASAL?
2. How many are already constructed and how many are under construction?
3. What is the PRT (Iva) arrangement for CASAL Manager and Store-keepers/guards training as proposed in the grant application?
4. Schedule, trainer (s) and curriculum of training.
5. Any other issue with CASAL and how to coordinate future projects of ASMED with PRT down there.

In the result, Iva updated us on the CASAL and that is, the training arrangement is almost done and she said Global Partnership for Afghanistan is selected as a trainer who has long term experience in this field. In addition, she said PRT under CERF awarded fund for 5 cold storages and 3 of them are already completed and ready for handover to CASAL and the work is not started yet for other two due to change of location.

She was interested to coordinate with ASMED regarding CASAL and other projects in Logar where it possible. John said, I will contact with Global Partnership for Afghanistan for training arrangement in order to set up schedule for training and inform CASAL to nominate the trainees and venue.

Other several meeting was held with potential partners who approached ASMED for start up of business and they were briefed about the ASMED program and its aims with coordination with Roxana Delovy who is responsible for Value Chain Improvement Grants.

#### **B.6. Activities planned for the next quarter:**

ASMED's Grants Department is working on number of recently submitted grant applications. These are already identified grant projects for next quarter and more projects will be identified during the quarter.

Proposal Nr	Grant Names	Activity Summary	Province	Grant Program	Amount (US\$)
002-044	Wama District Bazaar Drainage	Drainage system improvement	Nuristan	MDG	\$18,000
002-021	Shahre Safa market	Construction of Market	Zabul	MDG	\$10,292
002-002	Faryab Waste Collection	Waste collection improvement	Faryab	MDG	\$9,400
004-006	Asaill Food Products	Patato Chips	Nangarhar	VCIG	\$24,860
001-003	Faryab Fruit Processing and Exporting Association	Fruit Harvesting equipment	Faryab	Ass/Seed	\$9,850
001-002	Tor Ghondi Latrines	Latrines Construction	Hirat	MDG	\$9,971
001-003	Afghanistan Bankers Association	Training and equipment purchase	Kabul	Ass/Adv	\$52,001
001-004	Faryab Leather Producers Association	Digging of the well and Pipe Procurement	Faryab	Ass/Seed	\$10,000
002	Watapoor District Market Stalls	Construction of 12 Shops	Kunar	MDG	\$10,999
002	Marawara District market Stalls	Construction of 12 Shops	Kunar	MDG	\$11,000
<b>Total Grants in Pipeline</b>					<b>\$166,373.00</b>

## PROGRAM COMPONENT 5:

# CAPACITY BUILDING

## INTERNSHIP

### KABUL:

In August, ASMED placed 59 interns (including 16 females) with various private sector businesses in Kabul to complete a three-month practical internship period. Prior to their placement, the interns completed a 3-month training phase in modern business management skills at the Afghanistan Institute of Business Management (AIBM). The hosting firms include private Banks, Telecommunication Companies, BDS firms and some other private sector businesses.

Following is a list of interns per hosting company:

No	Host Companies /Organization	Number of Interns Accepted
1	Etisalat Telecommunication Company	10
2	Roshan Telecommunication Company	5
3	Afghanistan International Bank	10
4	Paiwastoon Networking Company	3
5	Afghanistan United Bank	2
6	AGF (Afghanistan Growth Finance)	3
7	EPPA (Export Promotion Agency of Afghanistan)	5
8	BRAC Bank	6
10	Lema Network	2
11	Zurmat Construction Company	6
12	ABCD	2
13	Flag International	1
14	Office of Administrative Affairs President Palace	1
15	GTZ (German Technical Cooperation)	2
<b>TOTAL</b>		<b>59</b>

So far ASMED has provided internship opportunities to 59 students ( including 16 females) in the Kabul region under the human capacity building internship program.

### BALKH :

In August, ASMED successfully placed 60 interns ( including 15 females) with 19 private sector firms in Balkh province as well. As the interns in Kabul, this group also completed a pre-placement training phase in Business Management Skills. Following is a list of students per hosting firm:

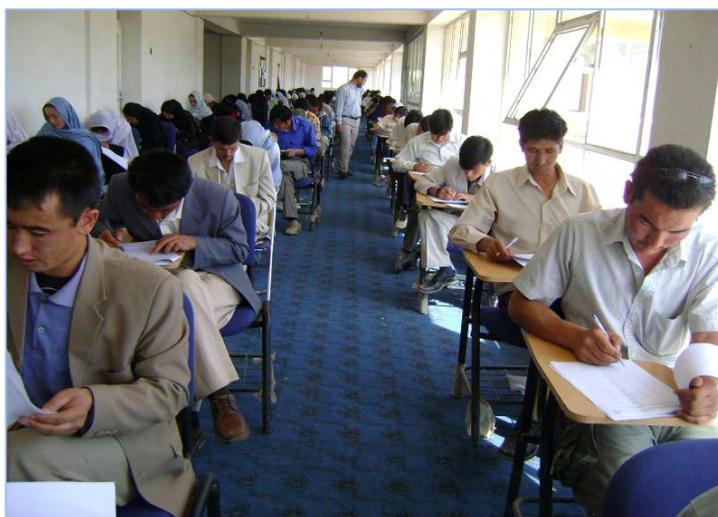
No	Host Companies/Organizations	Number of Interns Accepted
1	Ghazanfar Company	4
2	Green Home Group of business	3
3	Jamshid Ramin Company	1
4	Cultural and Accelerating of Agricultural Org for	4

	Afg.	
5	Aria Private University	7
6	Massoud Educational Foundation	5
7	World Council of Credit Union, Inc.	6
8	Farabi Hospital	4
9	Sina Colleague	3
10	Mawj/Royal ICT Company	1
12	Hadya Association	1
13	Maulana Hospital	4
14	Shamal BDS Company	4
15	Afghan Narway International Construction Company)	2
16	Arzoo TV	6
17	Osiyo Hamkorlik	1
18	Barakat Co Ltd	1
19	Kabul Bank	3
<b>TOTAL</b>		<b>60</b>

So far ASMED has provided internship opportunities to 60 students (including 15 females) in the Northern region under the human capacity building internship program.

#### **BAMYAN:**

On September 6, the ASMED project and Ajeer Institute of Business and Management extended the capacity building internship program to Bamiyan province and gave a qualifying exam to 130 students from the departments of Agriculture and Education at Bamiyan University. Out of this pool, 40 students (including 15 female) were selected for the pre placement-training phase of the program to be conducted by Ajeer.



Bamivan Qualifvina Exam

#### **KANDAHAR:**

On September 19, 58 interns from the Kandahar University completed their pre-placement business management skills training program in Marketing, Modern Accounting and Business Management at the Afghan CNN business services providing agency. After completing the training phase, ASMED helped to place the interns with 17 SME's in Kandahar for their practical internship period. Following is a list of interns per hosting firm:

	<b>Name of company /organization</b>	<b>Number of interns</b>
	IRRA CONSTRUCTION COMPANY (IRRA.C.C)	2
	COMMUNITY CONSTRUCTION (CO)	3

MINISTRY FOR HOUSE BUILDING AND TOWN (MOUD)	2
CENTRAL ASIA DEVELOPMENT GROUP (CADG)	2
PRESIDENCY OF EDUCATION (POE)	5
KANDAHAR UNIVERSITY/AGRICULTURE	6
AFGHAN EDUCATION FOUNDATION	1
KHRIZ COMMUNITY DEVELOPMENT COUNCIL (CDC)	1
UNDP/MRRD	2
NISAY	1
EDUCATION FACULTY	5
AFGHANISTAN VETERINARY ASSOCIATION	2
JOIN PROJECT BETWEEN ARLDF ASIAN RURAL DEVELOPMENT FOUNDATION	1
SAPAND HELMAND COST ROAD & PRODUCING	1
AYUBI HOSPITAL	1
SINA KANDAHAR OFFICE	2
NOOR HEMAT C,C	2
SOCIAL ASSOCAITION FOR DEVELOPMENT OF AFGHANISTAN (SADA)	1
FACULTY OF ENGINEERING	4
ZTE AFGHANISTAN COMPANY	2
ENG.HAYATULLAH CONSTRUCTION UNIT (HCU)	2
SINISY	1
NATIONAL EPI	1
AFGHAN NATIONAL CONSTRUTION (ANCC)	2
KAMIL GARMENTS COMPANY (KGC)	1
AL-WISA CONSTRUCTION COMPANY(AWCC)	1
WATAN CONSTRUCTION COMPANY	1
MOHEEBULLAH ABDALI CONSTRUCTION (MACC)	2
KHILD DURANI CONSTRUCTION	1
<b>TOTAL</b>	<b>58</b>

#### **KHOST:**

During the reporting period, ASMED extended the internship program to Khost province southeastern zone of Afghanistan as well. On July 22, a qualifying exam was given to 95 final year students from the departments of Economics, Agriculture and Computer Science at Khost University. Eighty students were selected for the training phase of the program, which was started on July 27, 2008 by Afghan Institute of Business Management (AIBM).

#### **NANGARHAR:**

During the reporting period, ASMED started the new phase of the internship program on Aug 1, 2008. Afghan CNN (implementing partner) gave a qualifying exam to 135 students (including 36 females) from the department of Economics and Education at Nangarhar University. Forty male and 30 female students were selected for the training phase of the program. The training phase is ongoing and it will be completed in the last quarter of 2008.



**Students taking the qualifying exam at Khost University**

So far, ASMED has provided internship opportunities to 78 students in the Eastern region under the human capacity-building component.

**HERAT:**

On August 31, Kabiri & Partners Consulting Company gave an internship-qualifying exam to 218 students (including 44 females) from the department of Economics, Agriculture and Computer Science at Herat University. One hundred and twenty students (including 40 females) were selected for the program. The first batch of 60 students started their training program on September 10.

So far, ASMED has provided internship opportunities to 65 students in the Western region under the human capacity building internship program.



Internship-qualifying exam at Herat

## YOUNG PROFESSIONAL MENTORSHIP PROGRAM

ASMED's mentorship programs began in all five of its project regions in 2008, initiating a series of group training seminars and one-on-one professional guidance sessions. The chart below summarizes progress to date relative to program targets.

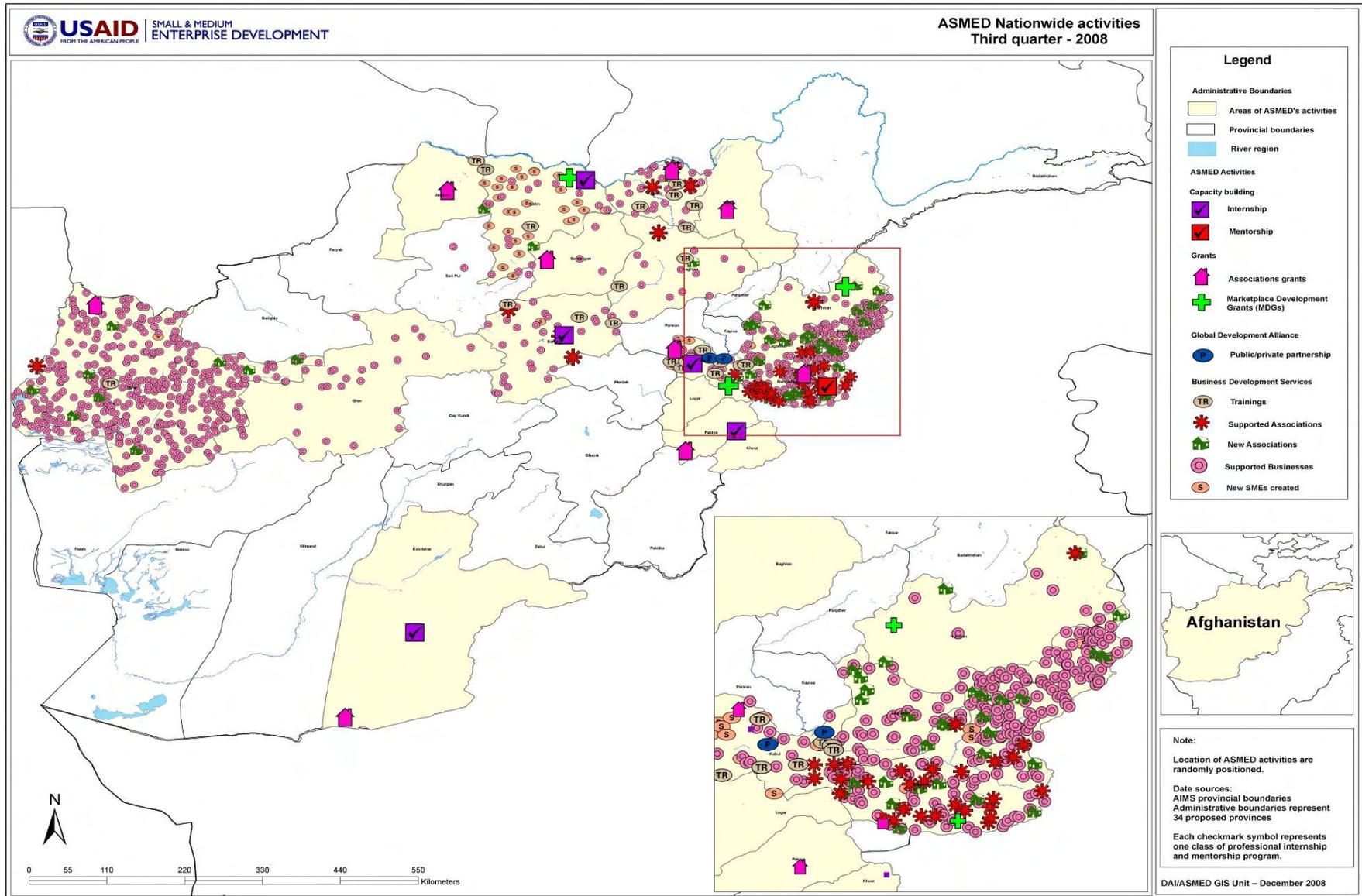
Region of Coverage	Target Committed	Achieved 2007	Achieved 2008	Start Date	End Date	Status of the program along with implementing partner	Remaining Target for 2009
Central	90	0	108	Apr-08	Oct-08	Completed (AISA,AWBF)	Achieved
Eastern	90	0	57	Mar,2008	Oct-08	Completed (Khurasan University)	30
Western	90	0	52	May-08	Oct-08	Completed (AISA)	35
Northern	90	0	49	May-08	Oct-08	Completed (AISA)	35
Southern	90	0	49	May-08	Oct-08	Completed (AISA)	35
<b>TOTAL</b>	<b>450</b>	<b>0</b>	<b>315</b>				<b>135</b>

To date, 315 mentees have completed the mentorship program. They have benefitted from the mentorship of senior executives from such organizations as AIB, AISA, AWBF, AICC, Balkh University, and Kabul University.

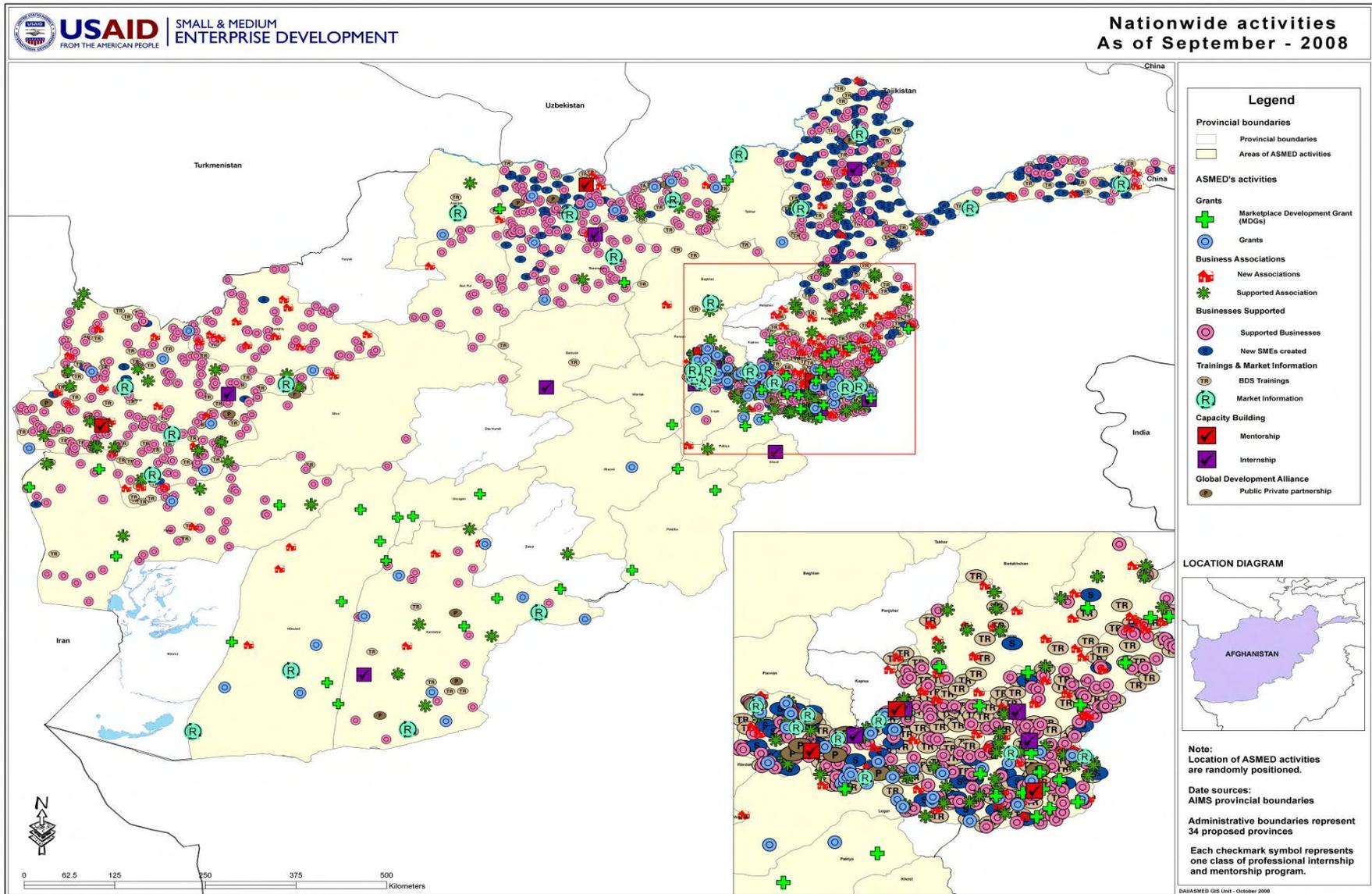


5th Mentorship Seminar in Mazar

# ACTIVITY MAP 1: THIRD QUARTER



# ACTIVITY MAP 2: PROJECT TO DATE





**Afghanistan Small and Medium Enterprise  
Development  
Shash Darak, Kabul  
Afghanistan**