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AFGHANISTAN SMALL AND MEDIUM ENTERPRISE DEVELOPMENT (ASMED)

QUARTERLY REPORT – APRIL THROUGH JUNE 2008

Second Quarter 2008

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QUARTERLY REPORT APRIL THROUGH JUNE 2008

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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

The Afghanistan Small and Medium Enterprise Development (ASMED) project's 2nd quarter demonstrated broad reach and increasing scale of impact of its assistance activities, in the face of an uncertain security situation. Accomplishments in each of ASMED's five components reflect this recurring theme, each in different ways.

Market Information

ASMED participated in the largest carpet show held in the Gulf Region in May of 2008, Domotex Dubai. Twelve ASMED-sponsored carpet producers attended the show, displaying their products, making direct sales, and linking to international markets through the negotiation of future contracts. Other ASMED beneficiaries attended regional agricultural fairs and an Afghanistan-Pakistan Trade Conference. These kinds of public events are crucial avenues for the provision of national and international market access to Afghan SMEs. ASMED also conducted a large market research survey in order to identify opportunities for women-owned businesses as they contribute to the economic empowerment of women in Afghanistan.

Business Development & Management Skills

ASMED welcomed a new Senior Advisor for Business Development Services (BDS) and Business Associations in the second quarter of 2008. Catherine Johnston's arrival provided the project with an opportunity to analyze progress made in this component while also developing a strategy to guide future activities. This new strategy uses a value chain model to guide interventions within targeted sectors that are also supported by ASMED's other technical components. For example, ASMED identified eight, existing BDS firms in Kabul and used data collected under the market information component to link them to local business associations interested in obtaining their services. The BDS component has strengthened BDS providers in this quarter through the facilitation of regional roundtable discussions, SME training seminars, and other forms of direct technical assistance that enable BDS firms to respond to market demand. ASMED also assisted in the creation of new BDS firms, like BMDC in Herat, that are able to meet both the quality and quantity of business services demanded across Afghanistan, as dictated by market conditions.

Business Associations

This value chain approach to project activities means that ASMED will work with associations in targeted sectors to maximize impact. During this quarter, ASMED also moved from a "seed grant" mechanism of association creation to an "Association Roundtable" approach in the second quarter. By bringing together groups of SMEs with common interests, roundtables are an effective way of forming associations. The establishment of ten rural craftsmen associations in Kunar province in this quarter is indicative of the immediate results possible with this approach. In building the capacity of BDS firms, ASMED approved four such companies to establish 45 associations in 2008. The ASMED project also assisted larger, nationwide associations like the Afghanistan Chamber of Commerce and Industries (ACCI) who held its first provincial elections in June. Another national association supported by ASMED, the Afghan Womens Business Federation (AWBF), drafted a strategic plan in the second quarter, outlining future activities to better serve its members while also generating a sustainable income stream.

Global Development Alliances and Grants

The GDA team used the 2nd quarter to hold a number of important meetings with USAID, potential partner companies, and other stakeholders in the pursuit of new GDAs. These meetings included the exploration of licorice processing, Carbon Credit, and silk value chain GDAs. Ongoing GDAs also made strides like in the placement of 19 new Women Public Call Offices across Kabul, Nangarhar, and Badakshan provinces. During this quarter, the Tofa.af site became fully operational as Tofa became the first Afghan merchant to accept web-based credit card transactions. Significant value chain improvement grants were issued to the Shaharyar Plastic Recycling plan in Jalalabad, the AWBF, and the Turquoise Mountain Foundation, an Afghan handicraft organization.

Human Capacity Building

In collaboration with the Afghan Institute of Business Management (AIBM), ASMED's internship training program continued in Kabul, with the offer of a qualifying exam to over 450 applicants in the second quarter. ASMED selected the AJEER Business Management Institute and the Afghan Consulting National Network (CNN) to conduct similar trainings in Mazar and Kandahar, respectively. Balkh University agreed to begin an extension of this internship program during this quarter as well. The AWBF conducted its second and third mentorship seminars at Kabul University in this quarter, with Nangarhar Public University holding similar seminars in Jalalabad. The Afghanistan Investment Support Agency (AISA) conducted its first mentorship seminar on 26 May in Kabul. AISA and ASMED signed an MOU on 2 April to educate 200 young professionals from Kabul, Herat, Mazar, and Kandahar.

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 success of the project will be measured by the indicators described under each component.

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 FOR QUARTER 2, 2008

PMP Ind	PERFORMANCE INDICATOR		PROJECT Totals								
	Indicator <i>(source of information)</i>	Region of Coverage	Qtr 02 08			Cumulative (2007 - June 2008)			Target Committed	Project to date	%
			Target	Ttl	%	Target	Ttl	%			
I. ACCESS TO MARKET INFORMATION											
Sub Intermediate Result: Increase access to and use of market information among private enterprise											
1.1	12 market assessments completed with help from local partners. <i>(Copies of Assessments)</i>	Afghanistan-wide	0.5	0	0%	9	12	133%	12	12	100%
		TOTAL	81.25	22	27%	312.5	205	66%	1,275	205	16%
1.2	1,275 SMEs that have added value and/or diversified into higher value products and services in response to market demand. <i>(Enterprise Survey DB, Reg and Survey forms)</i>										
		Central	25	12	48%	50	27	54%	300	27	9%
		Eastern	18.75	5	27%	87.5	25	29%	350	25	7%
		Western	18.75	2	11%	87.5	5	6%	350	5	1%
		Northern	12.5	2	16%	50	138	276%	175	138	79%
		Southern	6.25	0	0%	37.5	10	27%	100	10	10%
1.3	72% increase in sales of participating SMEs in targeted sectors. <i>(Enterprise Survey DB, Reg. and Survey Forms)</i>	Afghanistan-wide	6%	23%	368%	23%	23%	102%	72%	23%	32%

PMP Ind	PERFORMANCE INDICATOR		PROJECT Totals								
	Indicator	Region of Coverage	Qtr 02 08			Cumulative (2007 - June 2008)			Target	Project to	%
			Target	Ttl	%	Target	Ttl	%			

									Committed	date	
	(source of information)										
II. BUSINESS DEVELOPMENT AND MANAGEMENT SERVICES											
Sub Immediate Result: Improve Business Development and Management Services											
		TOTAL	25	21	84%	135	48	36%	135	48	36%
2.1	135 BDS providers operating in five target regions.	<i>Central</i>	8.75	7	80%	17.5	25	143%	40	25	63%
		<i>Eastern</i>	6.25	0	0%	47.5	5	11%	35	5	14%
		<i>Western</i>	5	0	0%	45	4	9%	30	4	13%
		<i>Northern</i>	3.75	13	347%	12.5	13	104%	20	13	65%
	(BSP Reg Forms)	<i>Southern</i>	1.25	1	80%	12.5	1	8%	10	1	10%
2.2	181% increase in number of clients of BDS providers.	Afghanistan-wide	13%	31%	248%	50%	25%	50%	181%	25%	14%
	(BSP Survey)										
		TOTAL	725	362	50%	2350	1529	65%	6,000	1529	25%
2.3	6,000 businesses supported.	<i>Central</i>	187.5	25	13%	375	385	103%	1,600	385	24%
		<i>Eastern</i>	175	2	1%	650	366	56%	1,450	366	25%
		<i>Western</i>	175	258	147%	650	435	67%	1,450	435	30%
		<i>Northern</i>	125	76	61%	400	313	78%	1,000	313	31%
	(Enterprise and Association Reg forms)	<i>Southern</i>	62.5	1	2%	275	30	11%	500	30	6%
		TOTAL	75	64	85%	300	300	100%	800	300	38%
2.4	800 new SMEs created.	<i>Central</i>	18.75	1	5%	37.5	16	43%	150	16	11%
		<i>Eastern</i>	18.75	0	0%	87.5	13	15%	200	13	7%
		<i>Western</i>	18.75	3	16%	87.5	8	9%	200	8	4%
		<i>Northern</i>	12.5	60	480%	50	263	526%	150	263	175%
	(Enterprise Reg forms)	<i>Southern</i>	6.25	0	0%	37.5	0	0%	100	0	0%
2.5	20,000 jobs created (new employees in assisted enterprises).	Afghanistan-wide	2000	3602	180%	6000	5459	91%	20,000	5459	27%
	(Enterprise Survey DB, Reg. and Survey Forms)										
2.6	30 SMEs accessed bank loans/equity as a result of USG assistance).	Afghanistan-wide	2.5	1	40%	15	18	120%	30	18	60%

(Enterprise Survey DB, Reg. and Survey Forms)

2.7	3,500 firms investing in improved technology as a result of USG assistance.	Afghanistan-wide	300	75	25%	1400	328	23%	3,500	328	9%
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(Enterprise Survey DB, Reg. and Survey Forms)

PMP Ind	PERFORMANCE INDICATOR		Qtr 02 08						PROJECT Totals		
	Indicator <i>(source of information)</i>	Region of Coverage	Qtr 02 08			Cumulative (2007 - June 2008)			Target Committed	Project to date	%
			Target	Ttl	%	Target	Ttl	%			

III. BUSINESS ASSOCIATION

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

		TOTAL	30	16	53%	100	52	52%	295	52	18%
3.1	295 business associations established in target regions.	<i>Central</i>	7.5	0	0%	15	7	47%	55	7	13%
		<i>Eastern</i>	7.5	1	13%	27	7	26%	72	7	10%
		<i>Western</i>	6.25	10	160%	22.5	16	71%	70	16	23%
		<i>Northern</i>	6.25	4	64%	27.5	14	51%	75	14	19%
		<i>Southern</i>	2.5	1	40%	8	8	100%	23	8	35%
	<i>(Association Reg forms)</i>										
		TOTAL	26.25	8	30%	117.5	103	88%	225	103	46%
3.2	225 existing business associations supported in target regions.	<i>Central</i>	6.25	0	0%	12.5	44	352%	50	44	88%
		<i>Eastern</i>	6.25	0	0%	42.5	20	47%	50	20	40%
		<i>Western</i>	6.25	6	96%	37.5	22	59%	50	22	44%
		<i>Northern</i>	5	2	40%	15	6	40%	50	6	12%
		<i>Southern</i>	2.5	0	0%	10	11	110%	25	11	44%
	<i>(Association Reg forms)</i>										
3.3	4,500 new members in business associations as a result of USG assistance	Afghanistan-wide	375	1442	385%	1750	13115	749%	4,500	13,115	291%
	<i>(Association Survey)</i>										

PMP Ind	PERFORMANCE INDICATOR		PROJECT Totals								
	Indicator <i>(source of information)</i>	Region of Coverage	Qtr 02 08			Cumulative (2007 - June 2008)			Target Committed	Project to date	%
			Target	Ttl	%	Target	Ttl	%			

IV. PUBLIC-PRIVATE SECTOR ALLIANCES – GDA

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

		TOTAL	3	0	0%	14	10	71%	37	10	27%
4.1	37 private-public partnerships (GDAs) formed with \$5.4 million leveraged.	<i>Central</i>	0.75	0	0%	3.5	2	57%	9	2	22%
		<i>Eastern</i>	0.75	0	0%	3.5	1	29%	9	1	11%
		<i>Western</i>	0.75	0	0%	3.5	2	57%	9	2	22%
		<i>Northern</i>	0.5	0	0%	2	3	150%	6	3	50%
	<i>(GDA Agreements)</i>	<i>Southern</i>	0.25	0	0%	1.5	2	133%	4	2	50%
		TOTAL	\$393,750	\$0	0%	\$1,712,500	\$7,611,797	444%	\$5,375,000	\$7,611,797	142%
4.2	37 private-public partnerships (GDAs) formed with \$5.4 million leveraged.	<i>Central</i>	\$93,750	\$0	0%	\$437,500	\$1,027,987	235%	\$1,375,000	\$1,027,987	75%
		<i>Eastern</i>	\$93,750	\$0	0%	\$437,500	\$662,380	151%	\$1,375,000	\$662,380	48%
		<i>Western</i>	\$93,750	\$0	0%	\$437,500	\$1,066,670	244%	\$1,375,000	\$1,066,670	78%
		<i>Northern</i>	\$62,500	\$0	0%	\$250,000	\$3,612,380	1445%	\$750,000	\$3,612,380	482%
	<i>(GDA Agreements)</i>	<i>Southern</i>	\$50,000	\$0	0%	\$150,000	\$1,242,380	828%	\$500,000	\$1,242,380	248%

PMP Ind	PERFORMANCE INDICATOR		PROJECT Totals								
	Indicator <i>(source of information)</i>	Region of Coverage	Qtr 02 08			Cumulative (2007 - June 2008)			Target Committed	Project to date	%
			Target	Ttl	%	Target	Ttl	%			

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	900 internship opportunities provided to interns in each region.	TOTAL	100	48	48%	300	278	93%	900	278	31%
		<i>Central</i>	20	0	0%	60	63	105%	180	63	35%
		<i>Eastern</i>	20	48	240%	60	115	192%	180	115	64%

	<i>Western</i>	20	0	0%	60	65	108%	180	65	36%
	<i>Northern</i>	20	0	0%	60	35	58%	180	35	19%
	<i>Southern</i>	20	0	0%	60	0	0%	180	0	0%
	TOTAL	50	159	318%	150	234	156%	450	234	52%
	<i>Central</i>	10	58	580%	30	108	360%	90	108	120%
	<i>Eastern</i>	10	0	0%	30	25	83%	90	25	28%
	<i>Western</i>	10	52	520%	30	52	173%	90	52	58%
	<i>Northern</i>	10	0	0%	30	0	0%	90	0	0%
	<i>Southern</i>	10	49	490%	30	49	163%	90	49	54%

(Internship lists)

5.2 **450 participants in Professional Learning Mentorship Programs.**

(Participant lists)

PROGRAM COMPONENT 1:

MARKET INFORMATION

MARKET LINKAGES

- The ASMED project supported 12 carpet producers' participation in the largest Gulf Region flooring and carpet show, Domotex Dubai, in May 2008. The show provided the opportunity for participants to sell their products as well as to create market linkages with other international carpet companies and to negotiate future contracts with foreign buyers. Ninety-five percent of the carpets shown were sold, for an estimated value of \$200,000. Although firm contracts were limited to an additional \$20,000, more revenues are expected through contacts established at the show.



ABOVE: Images from the Domotex Middle East carpet and flooring trade show.

- In early June, ASMED's Communication Coordinator met with various business-related entities in Istanbul to explore the possibilities of furthering trade relations between Afghanistan and Turkey, particularly in the marble and carpet sectors. A major finding from the meetings is that Afghan carpets have a large potential market in Turkey and beyond its borders to Europe. However, the carpets are smuggled into Turkey, or are exported from Pakistan. To export directly, it is vital that an Afghan carpet business delegation meet with key executives from Turkey to establish direct linkages.
- ASMED supported a survey on women owned and managed businesses that was conducted by Synergy Consulting Company in Kabul, Balkh, Badakhshan, Nangarhar, Kandahar, and Herat provinces during the 2nd quarter. The main objective of the survey, which was gathered information on 40 businesses in Kabul and on 75 businesses in the regions, was to identify women-owned businesses and their role in women's economic development in Afghanistan. Currently, ASMED is analyzing the data collected from these surveys, and it will be used for generating specific, strategic plans for future interventions in sectors that offer women the opportunity for economic empowerment.

- The project facilitated six female Baharak-based entrepreneurs, and 18 members of the Baharak Honey Producers' association to participate in the second Badakhshan Agricultural Fair, hosted by Afghanistan's Ministry of Agriculture, Irrigation and Livestock (MAIL) and funded by USAID. Attendance at this event gave the participants a valuable opportunity to raise their own awareness of their products' positions in the local market (and to the guests from USAID and Government departments), as well as providing an excellent sales opportunity. In addition to providing logistical and marketing assistance for the participants, the project focused on developing the participants understanding of the benefits from attending such events. This assistance included coaching the participants' evaluation of the costs vs. sales, thereby identifying the profits obtained. Combined profits recorded by all the participants we recorded to be USD \$1027.
- ASMED supported a one-day Afghanistan-Pakistan Trade Conference in Jalalabad on June 12. The event was attended by 100 traders, 60 Afghans and 40 Pakistanis. Other than traders, the Pakistani delegation also included Mr. Haji Mohammad Asif, President of the Sarhad Chamber of Commerce and Industry, Mr. Farooq Ahmad, General Secretary of Pak Afghan Transit Trade, Mr. Roozi Khan Baraki, Collector of Peshawar Custom House. The Afghan delegation included, Mr. Jalil Jebrani, General Director of Custom Houses of Afghanistan, Mr. Gul Agha Sherzai, the Governor of Nangarhar Province, the Deputy Governor for the province, and the Director for Nangarhar Custom House. Participants discussed various regional issues hindering trade relations and ended the conference with a joint declaration aimed at facilitating trade and transit between the two countries. The next round of the conference is planned to be held in Peshawar, Pakistan.
- ASMED supported the participation of seven Afghan SMEs from Mazar, three carpet producers, one seed company, one dry fruit trader and two business women from the Hadya Handicraft Association at the Kunduz Agricultural Fair, from June 19-21. Also in attendance were two enterprises and three associations from the East. The AgFair was hosted by Afghanistan's Ministry of Agriculture, Irrigation and Livestock (MAIL), and funded by USAID/ASAP. Participation in this event gave SMEs a valuable opportunity to showcase their products, taking advantage of networking and sales opportunities in the local marketplace. The audience included private sector participants, guests from USAID and Government departments, and 45 visitors from Tajikistan. In addition to providing logistical and marketing assistance for the participants, ASMED provided other assistance including coaching the participants to evaluate the costs of participation vs. sales made in order to identify the profits obtained. ASMED also assisted the participants to maximize future sales by developing their mechanism for securing further business, such as order books, business cards, and brochures.

PROGRAM COMPONENT 2:

BUSINESS DEVELOPMENT & MANAGEMENT SKILLS

FIELD ACTIVITIES - NATIONWIDE

During this period, the position of Senior Advisor for Business Development Services was filled with the arrival of Catherine Johnston. Therefore, during this quarter the staff of the BDS component invested time in reflecting on the prior year's activities, analyzing the cumulative impact of ASMED's ongoing or completed activities, and developing a strategy to guide future activities.

Expanding the role of BDS firms

ASMED has primarily used BDS firms for conducting trainings and research. In this quarter, the BDS Component staff have sought new ways to use the skills and resources of the BDS firms with whom we have developed strong partnerships, and have sought out new partners to provide a wider array of BDS services.

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 three to four different groups. Total participation has ranged from 50 to 250 SMEs. BDS firms have conducted 30 roundtables in the second quarter.

New Actors as BDS Providers: 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 approaching our SME and association work with a value chain approach. ASMED has defined a set of target sectors including silk, saffron, cashmere, marble, food processing, handicrafts/carpets, and dried fruits and nuts. Support services to these value chains might include technical firms, transportation, storage, export facilitation, trade facilitation, and quality control. ASMED's GDA and Market Information components focus on identifying market linkages that can drive the growth of these value chains. The BDS Component will work to develop the BDS capacity to enable that growth, and support producer, processor, or industry associations that can dynamically respond to market demands in the value chain and promote the sector.

During the second quarter, ASMED took several steps towards implementing this approach.

- Partnership with ASAP to develop Agribusiness Brokerage Services (trade facilitation)
- Parwan Business Development Center to include trade facilitation services and warehouse space
- Afghan Saffron firm providing post harvest processing training to saffron producer associations
- GSP training for potential exporters in target value chains

New BDS Firms: In the start-up phase, ASMED identified eight BDS firms operating in Kabul, many as nongovernmental organizations. ASMED immediately began to grow the market for BDS by hiring these firms as implementing partners and promoting the benefits of local BDS to business association members and other donors, encouraging the use of skilled

local consultants rather than relying solely on internationals. Early on, we began discussing business management consulting and training as a viable for-profit opportunity. ASMED has now awarded over US\$1,000,000 in purchase orders for training and consulting services, and there are at least 45 BDS firms based in Afghanistan, most of them private enterprises. In the second quarter, several additional firms were established or expanded throughout Afghanistan:

- A newly established Herat BDS provider called "BMDC" conducted a three-day workshop on "Principles of Accounting."
- Pioneer Consulting established a branch office in Herat, and conducted a three-day workshop on "Sales & Marketing" for ASMED.
- Newly established Northern Region Consulting Services developed a brief business plan for a cut and wash facility in Aqcha.
- Kawosh BDS held a grand opening for its new office in Herat
- A new BDS provider, Taavon Researching & Advisory services for Development of Trade Enterprises (TRADE)
- CEFE-ESDC, a longtime ASMED partner, established the AJEER Afghan Business Management Institute in Kabul, and enrolled 300 private sector, fee-paying clients. AJEER is also carrying out the ASMED Internship Program in Bamiyan.
- AIBM expanded their business-training institute to Khost province.

FIELD ACTIVITIES – CENTRAL

To build the capacity in the Afghan private sector and respond to the needs of the business community in Kabul, ASMED's BDS component organized trainings that included subjects such as micro business administration, business plan writing, business management, basic accounting and market management skills development. Details on some of the trainings are as follows:

- The training on the Generalized System of Preferences (GSP) tax regime for imports to the US and US Import Standards was held from May 25-29. Thirty-five participants from industry associations, private sector businesses, and the Afghan government attended. Key sectors for which the GSP applies include dry fruits and nuts, fresh fruit, medicinal plants, carpets, handicrafts, and gemstones. This training will be held in five additional regions over the next three months.
- The micro-business management training trained 15 women entrepreneurs from April 9 - 14. The program covered topics such as entrepreneurial behavior, production management, financial management, and marketing.
- Pioneer Consulting Company trained participants from 30 SMEs in Business and Office Management from April 28 – May 3.
- Twenty-four women entrepreneurs received training on micro business administration.
- The training on basic accounting included participants from 20 SMEs. CEFE ESDC BDS conducted the training from April 28 to May 6.
- The Afghan Women Business Federation conducted a 5-day training to trainers from ACTED on April 13.



LEFT: Dr. M. Alam Hamdard delivers the training at the Generalized System of Preferences training in Kabul.

ASMED also visited Charikar city in Parwan province to identify a suitable location for building a business development center for the local business community there. A few potential places were identified.

FIELD ACTIVITIES – EAST

Nangarhar Province:

- Afghan CNN conducted a month-long training seminar on using QuickBooks accounting software for 10 SMEs in Nangarhar Province in May 2008. The training was held in shorter sessions over a longer period in order to allow time for practice and implementation within the SMEs actual businesses.
- Two new BDS providers started their activities in the eastern region. One is the Export Promotion Agency for Afghanistan (EPAA) and the other one is the Afghan Women's Business Federation (AWBF).

Laghman Province:

- The Afghanistan Institute of Business Management (AIBM) conducted Business English Language Training for members of various SMEs.

Kunar Province:

- Afghan CNN conducted a one-week Business Negotiation training for 30 participants from different SMEs.
- AIBM conducted a Business English Language Training for various SMEs in Afghanistan.
- Afghan CNN conducted a one-week Motivation and Delegation training for 25 participants from different SMEs.
- Afghan CNN conducted a 10-day entrepreneurship training for 15 participants from various SMEs.
- AIBM conducted a 5-day management training for 25 participants from various SMEs.

FIELD ACTIVITIES – WEST

The following training sessions occurred:

- Hamidzay International conducted saffron post harvest training in Pashtun Zhargun district. The workshop trained 40 farmers in proper techniques of harvesting, processing, packaging, and marketing to increase the volume and quality of saffron production.

Two new BDS providers have been established in the Herat area. Kawosh Business Development Services and Taayon Researching and Advisory Services for Development of Trade Enterprises were introduced to ASMED as potential partners and service providers.

- Ferdous Business Management and Development Company (BMDC) conducted a three-day workshop on the Principles of Accounting.



ABOVE: Participants of the accounting principals for non-accountants training in Herat.

- BAMSAs conducted a three-day workshop on Procurement Management in Herat city and another one on Marketing in Kuruch district of Herat province.
- Fadilat Consulting conducted two separate workshops on Common Mistakes of Entrepreneurs and an Introduction to Sales and Marketing Strategy to the business community in Herat.
- Pioneer BDS conducted a three-day workshop in Sales & Marketing.
- BAMSAs conducted a three-day workshop for 35 members of the Afghanistan Women's Business Association in Herat. The topic of the training was New Investment and Management Methods for Women. The women learned various finance and marketing skills that can be applied to their small businesses.
- Kabiri & Partners conducted a three-day Marketing workshop in Karukh district of Herat. Forty women participants from the Handicraft Association were very pleased to have access to ASMED's activities and requested additional training in the future. The women were trained in methods of design, pricing and promotion of their products.

FIELD ACTIVITIES – NORTH

Badakhshan

Faizabad

- Two male poultry farmers, two female entrepreneurs, two female soap producers and two male garment manufacturers, all based in Baharak, were supported to participate in the Faizabad Agriculture Fair on May 27 and 28. The project provided the participants with the required business development services to maximize their 'outreach' and sales from the event. Aside from support in marketing and financial planning for the event, the BDS team also assisted the entrepreneurs to prepare business cards and future order books.
- On 12 April, technical assistance was provided to 30 female entrepreneurs based at the Faizabad Women's Business Center. This session assessed the participants' business performance with the aim of exploring new strategies for them to improve their businesses, as well as, providing further training in marketing and technical assistance in product design.
- On 14 April, technical assistance was provided to 12 female trainees based at the Faizabad Beautician Center. This session began the process of fostering the entrepreneurial skills of the trainees to give them the confidence and drive to establish their own 'independent' enterprises once they have acquired the requisite technical skills. Further sessions will build on this, and will also provide the trainees with the business and management skills they require to operate successful ventures.
- Technical assistance was provided to six male entrepreneurs operating out of the Faizabad shoe-making center. These sessions assessed their participants' business performance with the aim of exploring new strategies for them to improve their businesses, as well as, providing further training in marketing and technical assistance in product design.
- On 20 April, technical assistance was provided to four female poultry farmers based in Faizabad. The aim of the session was to evaluate the business performance of the participants' farms and to provide further advice on good practice in poultry management. In addition, the session was used to discuss improved feed management systems, which if introduced could improve poultry farm productivity.

Baharak

- The project conducted a series of technical assistance sessions with the 17 female entrepreneurs based in the Baharak soap-making center. These sessions focused on product manufacture, packaging, marketing, and business performance with the aim of identifying gaps and formulating further interventions. The business development service providers (BDSPs) also assisted the entrepreneurs to establish market linkages in the local market.
- BDSPs conducted a series of visits and technical assistance sessions with nine (four female) poultry farmers based in Baharak. The aim of the sessions was to evaluate the participants' business performance and assist with financial planning, particularly in recording sales and costs now that egg production has started in earnest. In addition, the sessions were used to discuss improved feed management systems, which could improve poultry farm productivity.
- On 14 May, a BDSP provided technical assistance to a poultry farmer who is operating a poultry hatching unit based in Baharak. The aim of the session was to evaluate the participants' business performance and assist with planning for the sale of his products.
- On 19 May, ASMED supported a BDSP to conduct a needs assessment for 30 female tailoring entrepreneurs, based in the Baharak Women's Business Center. The purpose of the session was to evaluate their business performance with the aim of identifying their needs to inform further interventions.
- In April, technical assistance was provided to ten (three female) Baharak based poultry farmers. The visits were used initially to inform the farmers about the needs and benefits of vaccinating their flocks, and to provide any required technical assistance. As a result of the visits, all the farmers agreed to the vaccination of their flocks. The meetings were used as an opportunity to evaluate the business performance of the participants' farms and to provide further advice on good practice in poultry management. In addition, the sessions were used to discuss improved feed management systems, which if introduced could improve poultry farm productivity.
- A series of meetings and workshops were provided to 30 female entrepreneurs based in the Baharak Women's Business Center. These sessions assessed their business performance with the aim of exploring new strategies for them to improve their businesses, as well as, providing further training in marketing and technical assistance in product design.
- Technical assistance was provided to ten female entrepreneurs based in the Baharak soap making center. These sessions provided them with further technical assistance in product manufacture, marketing as well as evaluating their business performance with the aim of identifying gaps and formulating further intervention to improve the sector. In addition, one session was dedicated to designing new packaging to increase the marketability of their product.
- On 20 April, technical assistance was provided to 12 orchard owners from Baharak. The aim of the meeting was to inform the participants of the benefits they can obtain from effective utilization of fruit storage facilities that was build by the project.

Jurm

- BDSPs conducted a series of technical assistance sessions with 11 (five female) poultry farmers based in Jurm. The aim of the sessions was to evaluate the participants' business performance and assist with financial planning, particularly in recording sales and costs now that egg production has started in earnest. In addition, the sessions

were used to discuss improved feed management systems, which could improve poultry farm productivity.

- BDSPs provided technical assistance to seven silk artisans operating from the Jurm Silk Center. Certain sessions explored expanding their product range, and the introduction of a catalogue and 'order book' to facilitate an expansion of sales. In addition, a BDSP provided training in effective record keeping. A separate session was conducted to identify the center's immediate needs, to enable the center to operate viably without the need for future project support.
- BDSPs conducted a series of one-day counseling sessions with 13 female entrepreneurs working in food processing based at the Jurm 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.
- BDSPs conducted a series of one-day counseling sessions with 30 female tailoring entrepreneurs, based in the Jurm Women's Business Center. The purpose of the sessions was to evaluate their business performance with the aim of identifying their needs to inform further interventions.
- On 8 May, a BDSP conducted a one-day counseling session with 26 (12 female) Honey Producers in Jurm. The purpose of the session was to evaluate their business performance with the aim of identifying their needs to inform further interventions.
- Technical assistance was provided to seven silk artisans operating from the Jurm Silk Center. The purpose of the session was to explore what type of products could be introduced to meet the market demand in Mazar and Baghlan and to help the center expand to reach other markets. As a result, the participants are currently designing new products based on ideas 'brainstormed' from the sessions.
- In April, technical assistance was provided to 13 (three female) Jurm based poultry farmers. Visits were used initially to inform the farmers about the needs and benefits of vaccinating their flocks. As a result of the visits, all the farmers agreed to vaccinate their flocks. The meetings were used as an opportunity to evaluate the business performance of the participants' farms and to provide further advice on good practice in poultry management. In addition, the sessions were used to discuss improved feed management systems, which if introduced could improve poultry farm productivity

Ishkashim

- ASMED assisted in the establishment of a Woman's Business Center in Ishkashim. The center is currently being used to provide six female entrepreneurs with a cultural space to operate their own micro-enterprises in tailoring. The entrepreneurs received counseling in BDS throughout May and were constantly monitored to evaluate their business performance with the aim of identifying their needs to inform further interventions.
- On 14 May, a counseling session was held with two rug-weavers in Ishkashim. The purpose of the sessions was to evaluate their business performance with the aim of identifying their needs to inform possible project interventions.
- On 1 April 2008, a BDS firm evaluated the training of 17 (10 female) potential entrepreneurs at a local cashmere spinning & weaving training centre in Ishkashim. The aim of the evaluation was to assess the potential of the trainees to set up their own

enterprises and what support the project could provide. As a result, the project is exploring the feasibility of establishing a hand spinning SME.

Khosh

- BDSPs conducted counseling sessions with four (two female) poultry farmers based in Khosh. The aim of the sessions were to evaluate the participants' business performance and assist with financial planning, with regards to recording sales and costs now that egg production has started in earnest. In addition, the sessions were used to discuss improved feed management systems, which if introduced, could improve poultry farm productivity.
- BDSPs conducted counseling sessions with 19 (ten female) honey producers in Khosh. The purpose of the sessions was to evaluate the producers' business performance with the aim of identifying their needs to inform further interventions.

Balkh Province:

- Two trainings were held in Mazar-e-Sharif, Balkh province. The trainings were conducted by Kaweyan BDS company. The first training trained participants from 26 SMEs on Business Plan Writing from April 14-17. The second training was on Market Management and 26 SMEs participated in it. It was held from April 12 – 14, 2008.

TABLE 2: SUMMARY OF COMPLETED AND ONGOING BDS TRAININGS AND SEMINARS IN 2ND QUARTER, 2008

Province	Participants		Types of Participants	Type of Training	Date(s)
	Male	Female			
Herat	40	0	Saffron Association SMEs	Saffron Post Harvesting	5/19-5/21
Kabul	70	0	Artisan Trainees	TFM Basic Business Training	4/1 – 4/30
Kabul	70	0	Artisan Trainees	TFM Basic Business Training	5/1- 5/31
Kabul	70	0	Artisan Trainees	TFM Basic Business Training	6/1- 6/30
Kabul	4	16		Technical Business Trainings	5/15 – 6/29
Kabul	25	0	SMEs in Dry Fruit, Carpet, Gemstone Sectors, Min of Commerce representatives	GSP	5/25 – 5/29
Kunar	300	0	SMEs (various)	Business English (Zero Begin Part B Promoted)	4/3 – 5/1
Kunar	25	0	SMEs (various)	Motivation and Delegation Training	4/5-4/10
Kunar	18	0	SMEs (various)	Computer Training (IT), Ms Office	4/15-5/15
Kunar	25	0	SMEs (various)	Business Communication Training	4/21-4/25
Kunar	200	0	SMEs (various)	Business English Beginner Part C	5/1- 6/10
Kunar	8	0	SMEs (various)	Business English Intermediate	5/1-6/7
Kunar	7	0	SMEs (various)	Business English (Pre-Intermediate)	4/1- 4/30
Kunar	25	0	SMEs (various)	Entrepreneurship	4/12-4/24
Kunar	25	0	SMEs (various)	Management	4/21-4/25
Kunar	170	0	SMEs (various)	Business English Pre-Intermediate	5/1-6/10
Laghman	17	0	SMEs (various)	Computer Training (IT), Ms Office	4/5-7/5

Laghman	8	0	SMEs (various)	English Conversation	4/18-6/18
Laghman	28	0	SMEs (various)	Business English Step 2	4/18-7/9
Laghman	13	0	SMEs (various)	Business English Step 2	4/23-7/10
Laghman	26	0	SMEs (various)	Business English Step 1	4/25-7/8
Laghman	9	0	SMEs (various)	Accounting Training	4/26-8/15
Laghman	14	0	SMEs (various)	Management Training	5/1-5/31
Laghman	5	0	SMEs (various)	Report writing Training	5/1-5/31
Laghman	19		SMEs (various)	Business English Step 1	5/1-7/7
Laghman	4	0	SMEs (various)	Internet Training	5/12-5/26
Laghman	6	0	SMEs (various)	Business English Step 3	5/13-8/3
Laghman	10	0	SMEs (various)	Business English Step 2	5/17-7/17
Laghman	8	0	SMEs (various)	Accounting Training	6/3-9/3
Laghman	4	0	SMEs (various)	Internet Training	6/8-6/23
Laghman	4	0	SMEs (various)	Internet Training	6/9-6/24
Laghman	13	0	SMEs (various)	Ms Office Information Technology (IT)	6/15-9/15
Laghman	6	0	SMEs (various)	Accounting Training	6/17-9/16
Laghman	22	0	SMEs (various)	Business English Step one	6/22-8/22
Laghman	9	0	SMEs (various)	Business English Conversation Class	6/23-8/23
Nangarhar	10	0	SMEs (various)	Quick Book Training	5/13-6/13
Nangarhar	20	0	SMEs (various)	Computer Training (IT), Ms Office	5/21-6/21
Nangarhar	30	0	SMEs (various)	Information Technology Training	4/1-6/30
Nangarhar	0	30	Mid-Career Professionals from selected businesses	Mentorship Program	4/10-6/20
Nuristan	45	0	SMEs (various)	Business English (Beginner) Training	4/10-4/30
Nuristan	18	0	SMEs (various)	Computer Training (IT), Ms Office	4/1-4/30
Nuristan	6	0	SMEs (various)	Human Resource Management Training	4/6-4/11
Nuristan	35	0	SMEs (various)	Business Management Training	4/10-4/30

Nuristan	33	0	SMEs (various)	Business English (level One) Training	4/10-4/30
Total	1414	46			

PROGRAM COMPONENT 3:

BUSINESS ASSOCIATIONS

FIELD ACTIVITIES - NATIONWIDE

During this period, the position of Senior Advisor for Association Development was filled with the arrival of Catherine Johnston in mid-May. The position of Association Specialist was also filled by Atiqullah Nusrat in June. Therefore, during this quarter the staff of the Association component invested time in reflecting on the prior year's activities, analyzing the cumulative impact of ASMED's activities, and developing a strategy to guide future activities.

Association Roundtables:

In the first year of the program, ASMED used the association seed grant mechanism to assist new association formation. While effective, this approach was also costly and time consuming. In the second quarter, ASMED has ramped up the "Association Roundtable" approach to assisting SMEs to form associations. Association 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. This event is extremely useful as a networking and information gathering event for the industries. In most cases, this will be the first time that the SMEs have come together to discuss their common concerns. Local government officials and representatives of commercial groups such as ACCI also attend, providing a direct line of communication for the SMEs to key influential contacts.

BDS firms assist ASMED to identify relevant SMEs and set up a day long seminar. During the seminar, the BDS firm provides an introduction to the concept of a Business Association and explores with the group how an association might benefit them. The BDS firm also facilitates a more detailed discussion with each industry group about the challenges and opportunities facing their sector and the role an association might play in addressing these challenges and assisting the SMEs to take greatest advantage of potential opportunities.

Based on these discussions, the SME groups take a decision about forming an association. In the cases where the group is ready to form an association immediately, time is devoted to discussing by-laws and conducting elections for the leadership. In other cases, the groups are provided with contact information for ASMED staff that can help with either individual SMEs requiring support, or with association formation for the group in the future. During the second quarter, thirty new associations were formed throughout the country in diverse sectors including:

- Rural Craftsmen
- Agricultural Input Dealers
- Print Shops
- Carpet Weavers
- Silk Producers

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 approaching our SME and association work with a value chain approach.

ASMED has defined a set of target sectors including silk, saffron, cashmere, marble, food processing, handicrafts/carpets, dried fruits and 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 second 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, in preparation for some larger industry events to be held in the next quarter.
- Initiating discussions for MOU with Afghan Marble and Granite Producers Association.
- Sustainability strategy developed for Jurm Silk Center.
- Inaugurated a seed storage facility in Behsood District, Nangarhar Province. The facility will be used by 50 members of the Seed Producers Association.

Other Key Association Component Activities:

- ASMED assisted with the formation of ten rural craftsmen associations that will be the preferred source of providing skilled labor (carpenters, plumbers, masons, electricians) for all USAID and PRT projects in the priority districts of Kunar Province. The creation of rural craftsmen associations will also help other NGOs and donor agencies to employ community members while implementing projects in the districts. These craftsmen associations will be the focal points for providing skilled labor.
- ASMED also inaugurated a seed storage facility in Behsood District, Nangarhar Province. The facility will be used by 50 members of the Seed Producers Association. The facility has a capacity of 200 metric tons. This facility will help reduce the need to export seed to Pakistan only for Afghanistan to re-import the seed at a later date and for a higher price.

FIELD ACTIVITIES – CENTRAL

Afghan Chamber of Commerce and Industries (ACCI):

Election Support

International consultant Bob Stapp continued to support Afghan Chamber of Commerce and Industries (ACCI) election preparation. BDS firms that will help implement the election are meeting twice weekly. These election implementation firms are meeting weekly with ACCI senior management and the election task force. The election implementation firms have submitted a list of significant issues for ACCI executive management to bring to the transitional Board of Directors. The election implementation firms have also requested that ACCI clarify their procedure for verifying and validating provincial membership lists. A press release announcing the election, and describing the election procedures, was written and provided to ACCI for approval and release.

Afghan Women's Business Federation:

Strategic Plan

ASMED's Gender Specialist, along with Mr. Stapp, conducted a number of work sessions with the AWBF CEO and staff. He helped the AWBF CEO and staff to work on the key elements for building a sustainable organization and to draft the AWBF strategic plan. The

prepared strategic plan was officially presented to the AWBF executive members on May 28 by the CEO.

Grant Close Out

ASMED awarded a three-month bridge funding grant at the beginning of 2008 for the organization's daily operational expenses and membership outreach activities. The grant was officially closed in the first week of May.

Income Generation Plan

The AWBF grants (both the bridge funding grant and the 2008 grant) require AWBF to design and implement income generating programs such as trainings and exhibitions. For example, AWBF conducted a 5-day gender analysis and development training (3-8 May) for 15 staff members of NSP which generated \$900.

AWBF handicrafts exhibition

AWBF participated in a cultural exhibition organized by the Turkish embassy in collaboration with Ministry of Culture and Information on May 30 in the Afghan Turk School, Kabul. The exhibition was organized to enhance the friendship of Afghanistan and Turkey. Thirteen members of AWBF participated in the exhibition, with booths featuring women made products such as carpets, dry fruits, handicrafts and jewelry.

USAID Economic Growth Office Delegation visit

ASMED facilitated the visit of Ms. Caroline Brearley, Afghanistan Desk Officer at USAID's Economic Growth office to AWBF on May 7. The delegation met with the CEO and was briefed on AWBF activities and future plans. The delegation also visited the newly established show room there and saw Afghan women made products there.

ASMED STTA, Bob Stapp, held a number of work sessions with the Afghan Women's Business Federation (AWBF) leadership to discuss the key elements for building the sustainability of the federation and drafting effective strategic plan.

ASMED assisted the World of Women Sells Services Association (WWSSA) technically to hold its general assembly on April 23. The association elected its executive committee members and approved new by-laws. ASMED has also given a seed grant to the association to establish basic infrastructure and provide trainings to its members.

Susan Phalen, a representative from the office of Laura Bush, visited the offices of the Afghan Women's Business Federation on 16 April with the aim of better understanding the activities and function of this USAID-supported organization. Ms. Susan Phalen discussed ways to help the federation generate greater interest in the handicrafts produced by members of the association. The ISAF military base is one option Ms. Phalen will explore.



ABOVE: Susan Phalen (right) from the First Lady's office, visits the offices of the Afghan Women's Business Federation.

FIELD ACTIVITIES – EAST

Nuristan

The Dairy Farmer Association of Western Nuristan was formed to improve dairy farming and support dairy business in the districts of Western Nuristan. Wakil Ghulam Sakhi was elected as Director and Abdul Samad as Deputy Director for the association.

Kunar Province:

On May 4, a roundtable for craftsmen (carpentry, masonry, mechanics, metal working) was held in Asad Abad, Kunar Province. Over 180 participants from four districts (Manogai, Chapa Dara, Serkani and Marawara) of Kunar province attended the roundtable. Elections were held for Director and Deputy Director of the newly established Craftsmen Association for each of the four districts of Kunar province.

- The Kunar Carpet Weaver Association was registered with the Ministry of Justice.
- The Kunar Trader Association was registered with the Ministry of Justice.
- The Kunar Carpenter Association was registered with the Ministry of Justice.

Laghman Province:

- A roundtable discussion was held for beekeepers in Laghman Province to discuss improving beekeeping in the province. The newly established association would like to provide professional and skill building training for beekeeping and honey businesses, assistance in solving problems with the local governmental authorities, and the establishment of a honey processing and packing facility. Mr. Sardar Mohammad was elected as Director and Mr. Ghulam Nabi as a Deputy Director for the association.

- A roundtable and open discussion was held in Laghman province to discuss the improvement of fish farming there. The newly established association discusses the creation of a hatchery,

additional technical training on fisheries, and access to credit for fish farmers.

- A Painters Association was created in Jalalabad City. Sher Rahman was elected as the Director and Ihsanullah Lodin as the Deputy Director of the association.
- A Printing Companies Association was created in Jalalabad. Dr. Hamdard was elected as the Director and Mr. Hashmi as the Deputy Director of the association.
- A Mobile Set Dealers Association was created in Jalalabad City. Mr. Tahsil Khan was elected as the Director and Mr. Taza Gul as the Deputy Director of the association.

Nangarhar Province

- On April 9, the Agriculture Input Dealer Association was established in Jalalabad city.
- A roundtable gathering discussed various obstacles and the establishment of the Nangarhar Craftsmen Association with the craftsmen from six districts of Nangarhar province. The craftsmen identified potential professional and technical development trainings, and requested help in purchasing new machinery to improve their businesses.

Laghman Province

A roundtable gathering with members of the Fresh Vegetable and Fruits Traders in Mehtarlam city, Laghman province on Saturday April 19, fostered discussion of the fresh vegetables and fruits business in the province. Provincial Directors of Economy, Agriculture, Irrigation, and Livestock, and Women's Affairs, USAID/PRT representatives, and private fruit/vegetable traders attended the discussion. The traders requested help in establishing a wholesale market for their products, purchasing new machinery, and establishing a cold storage facility. At the end of the meeting, the Vegetable and Fruit Wholesaler Association was established. Mr. Amanullah was elected as the director and Mr. Bakhtyar as the deputy director of the association. The association will register with the Ministry of Justice within next two weeks.

Kunar Province

A roundtable gathering in Kunar province with members of Women Carpet Weavers Association discussed the potential of establishing a market, a carpet-weaving center, an



ABOVE: Beekeepers elect a board for their newly formed association in Laghman province.

office for the association, purchasing new machinery, and conducting trainings for new designs. The Provincial Director of Women Affairs, Afghan Women Builder Association from Nangarhar Province and women members of the Provincial Council also participated in the roundtable.

FIELD ACTIVITIES – WEST

- ASMED conducted a competitive bidding process to select BDS providers to fulfill ASMED's mandate to create new associations. Four BDS providers were selected to carry out association establishment activities in Badghis, Farah, and Herat.
- The Kabiri & Partner Consulting Company conducted a roundtable for participants from various handicraft producers including tailoring, carpet weaving, clothes weaving, and embroidery. Two members of the new association submitted ideas for future activities. The owner of Zarnagar carpet weaving company requested ASMED's assistance in supporting a business center for women carpet producers. She will submit a budget for various equipment and technical training. The Social and Cultural Services Development Association requested assistance in marketing women's products throughout Herat. They will conduct an assessment to identify stakeholders and viable products such as carpets, embroidery, and handicrafts.
- Informatics International began a six-month IT and Business English language course for 25 association members in Herat. The English section will teach vocabulary associated with the Quick Books accounting program.
- The following BDS providers have received approvals to conduct roundtable discussions and to create 45 associations in 2008:
 1. Cilab: Badghis, 10 associations
 2. Kawosh: Farah, 10 associations
 3. BaMSA: Herat, 15 associations
 4. Kabiri : Herat, 10 associations
- Informatics International received approval to conduct a six-month IT and English language course for 25 association members in Herat. The English section will teach vocabulary associated with the Quick Books accounting program. Although the previous IT training program, by AIBM in 2007, was well received, some students mentioned that Quick Books was in English, 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) will address this issue, translate learning materials, and provide better results.

FIELD ACTIVITIES – NORTH

Badakhshan Province

- On 3 - 5 May, a BDSP conducted meetings with a group of 72 female entrepreneurs in Baharak to assist them in forming a business association. The association members currently operate their own individual enterprises, some home based and some operating out of Women's Business Centers. The association will support its membership by producing a 'brand,' under which all the members can produce. The association will also act as a wholesaler, bulk input purchaser, and marketing support provider. The project will continue to support the association by assisting it to become formally registered and through the provision of further business skills, association management training/support.

- ASMED worked with 15 members of the Baharak Honey Producers' Association to prepare registration documentation (bylaws, etc.). A second session focused on assisting the association in developing a label and improved packaging for their membership's products, which will eventually enable the products to be marketed under a single 'brand.'
- In addition, 18 male members of the Baharak Honey producers' association were sponsored to participate in the Faizabad Agriculture Fair on May 27 and 28. The project provided the members with the required business development services to facilitate them to maximize their 'outreach' and sales from the event. As well as support in marketing, and financial planning for the event, this activity resulted in the entrepreneurs preparing business cards and future order books.
- During May, ASMED supported the Ishkashim Seed Multipliers' Association with strategy planning for 2008, and with the preparation of bylaws and the procedure for registration as a business association.
- On 13 April, the Economic Development Program (EDP) held a follow-up session with 15 male poultry farmers from Baharak, Faizabad, and Jurm to discuss the formation of a provincial poultry based association. The session discussed on how to proceed with formation of association, bylaws, and registration process.
- On 24 April, technical assistance was provided to 20 members of a Honey Producers Association (unregistered) from Faizabad. The main purpose of the meeting was to evaluate the participants' performance in preparation of association documentation (bylaws and registration documents).
- On 23 April, technical assistance was provided to 18 members of the Khosh Honey Producers Association. The aim of the meeting was to discuss the continued use of best practices in bee management systems and the resulting positive impact on the honey producers' businesses.
- On 21 April, ASMED provided technical assistance to 12 members of the Yomgan Seed Multipliers Association (unregistered). The aim of the meeting was to evaluate the association's business performance and discuss further the process of registration.
- On 14 & 20 April, technical assistance was provided to 15 members of the Baharak Honey Producers Association (unregistered). The initial meeting focused on assisting the association members in preparation of registration documentation (bylaws, etc.). The second session focused on assisting the association in developing a label and improved packaging for their membership's products, which will eventually enable the products to be marketed under a single 'brand.'



Above: Baharak Honey Producers Association at the Badakshan Agricultural Fair; see next page

- On 10 & 14 April, technical assistance was given to 13 male members of Zebak Potato Growers Association (unregistered). The purpose of the initial session was to assist the association members with their operation of a storage facility, to maximize its revenue potential. The second session concentrated on discussing how to prepare by-laws and the procedure for registration as a business association.
- On 2 April, technical assistance was delivered to 13 male members of Ishkashim Seed Multiplication Association (unregistered). The session concentrated on discussing the how to prepare by-laws and the procedure for registration as a business association.
- On 3 April, technical assistance was provided to 12 members of the Ishkashim Potato Growers Association (unregistered). The purpose of the session was to assist them with their operation of a storage facility to maximize its revenue potential.
- On 3 April, ASMED offered technical assistance to 17 members of the Wakhan Potato Growers Association (unregistered). The purpose of the session was to assist them with their operation of a storage facility to maximize its revenue potential.

PROJECT HIGHLIGHT

The Badakhshan ASMED team facilitated six (two female) Baharak based entrepreneurs, and 18 members of the Baharak Honey Producers' Association (pictured above) to participate in the second Badakhshan Agricultural Fair, hosted by Afghanistan's Ministry of Agriculture, Irrigation and Livestock (MAIL) and funded by USAID. Participation in this event gave the participants a valuable opportunity to raise the awareness of their products in the local market (and to the guests from USAID and Government departments), as well as providing an excellent sales opportunity. In addition to providing logistical and marketing assistance for the participants, the project focused on developing the participants understanding of the benefits from attending such events. This assistance included coaching the participants to evaluate the costs versus sales of attending and therefore identifying the profits obtained. The project also assisted the participants to maximize future sales by helping them develop their mechanism for securing further business. This included supporting the participants to produce order books, business cards, etc. The combined profits recorded by all the participants we recorded to be \$1,027.

TABLE 3: SUMMARY OF TRAININGS, SEMINARS AND ACTIVITIES FOR BUSINESS ASSOCIATIONS IN 2ND 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	April
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 association 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 consulting	05/27-05/28
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 nd Badakhshan Agfair	05/27-28
Badakhshan	45	Association members (Faizabad Honey Producers Association)	Association management consulting	30 march to 2 nd April
Badakhshan	18	Association members (Ishkashim seed)	Association management consulting	04/3

		multiplication association)		
Badakhshan	12	Association members (Ishkashim Potato Growers association)	Association management consulting	04/3
Badghais		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	June
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 Association	June
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	April
Jawzjan	100	Carpet producers	ASMED helped Carpet Guild organize a Seminar in Kabul	April
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	June
Kabul	100	Carpet producers	Carpet Guild Seminar in Kabul	April
Total	21,660			

PROGRAM COMPONENT 4:

GLOBAL DEVELOPMENT ALLIANCES AND GRANTS

GDA MEETINGS

During this quarter, ASMED held a series of meetings with potential partners to identify opportunities for GDA developments. Some important ones are described as follow:

- ASMED senior advisor for GDAs met with the project's Cognizant Technical Officer (CTO) on May 25 to present an overview of the Carbon Credit GDA concept in development. The meeting concluded with preliminary agreements to move forward on an SOW for a pre-feasibility study.
- On May 20, Alan James, the ASMED national branding consultant, held a meeting to proposing a GDA concept that would market consistent producers of high-quality, high-value food products in Afghanistan through the Whole Foods network of supermarkets in the United States. Alan will continue to develop this in June and would include this GDA as a portion of the scope of work for upcoming phases of his ongoing work.
- The senior advisor met with Sharna Nolan of Skateistan and Tareq Azim of the Olympic Committee of Afghanistan on May 19 to discuss their collaboration in securing land donation for Skateistan's skate park, merchandise outlet and manufacturing facility. The land search continues at present; GoA officials have encouraged further development of the business and recreational facility.

Skateistan is an NGO that will partner in a GDA with Areeba/MTN and USAID/ASMED to create a for-fee skate park using the design team that created the skate park for the Beijing Olympics. Skateistan will combine a business component with a training program for Afghan youth that have access to roughly \$20,000 in donated equipment (to date) and a team of professional skateboarders who will visit the skate park on a regular basis. The goal of the GDA is to create positive social environment for Afghan youth by offering them access to hobbies and activities that can build self-esteem, offering them a productive channel for their energies, and to help reintegrate them into a modern world by building commonalities that transcend cultural differences.

- From May 5-7 the senior advisor attended the OPIC Middle East Investment Opportunities conference in Dead Sea Jordan. The conference featured a detailed exploration of the ASMED licorice processing GDA, in which Afghan Growth Finance is a partner (they are supported by OPIC funding). This occurred in their session specific to SME development. The Insurance Corporation of Afghanistan executives and consultants were also in attendance (another ASMED GDA partner) as representatives of the rapidly developing financial sector in Afghanistan.
- A tour of the Zarif Designs manufacturing facilities and the Salee Mohammed silk processing facility (both in Kabul) was conducted on May 18. Both businesses will be components in a silk value chain GDA involving three businesses (Azana silk scarves will

be the other business involved). This GDA will increase the production capacity of the largest silk thread producer in Afghanistan in general and will allow the business to include double-ply threads (which are not currently produced in Afghanistan and are required for most fine silk garments accepted in the international market). The principal aim of this business expansion will be supplying two garment manufacturing businesses with a unique ability to market themselves internationally. They both have standing orders in international markets and similar needs. The collective impact of the augmented capacity of these three businesses will begin to establish fine Afghan silk garments in a way not yet achieved outside of trade fairs and small boutiques in Afghanistan. It will include aggressive marketing, online sales capacity and increasingly larger volumes of sales in the international market and 100% Afghan-made branding.

- A series of meetings was held with the prospective partners of the Carbon Credit GDA currently in development. Land has been secured, the technical assistance plan has been developed and a short-term consultant has been identified to guide the Detailed Development Plan required by the UN for carbon credit award process. Partners in this GDA will include USAID/ASMED, the land owner, CSR funds from a major MNC, CSR funds from a local partner and an investment banking firm that is part-owner of the Global Carbon Exchange, among others (which may include the World Bank). This would be the second forestry deal ever created under the Clean Development Mechanism worldwide. It will be a major step in creating livelihoods for thousands of Afghans in rural parts of the country and in re-foresting the country.
- The Dried Fruit Processing GDA concept in development was discussed in detail with AFRC and one of the two other partners. AFRC will be contributing a \$600,000 loan to the project, which will be a critical source of working capital. This is expected to be approved and released by mid-May.
- Inaction on the investment front on the part of the original partners in the Cargo Transport Vehicle Fleet Leasing GDA has prompted discussions with a replacement partner capable of structuring a deal with ITEC and mobilizing investment capital immediately. This partnership replacement should be finalized in May.
- A series of meetings were held with the Baghlan Mining, Gem Cut and Polish GDA currently in development. The mining rights are secured for a large quantity of land in Baghlan. Equipment is being priced for pre-mining sample processing along with cut and polish equipment for greater vertical integration and value chain capture. The pre-mining equipment will process earth and generate samples of saleable content in the mine that allows for more precise and more productive partnership discussions with major international mining companies. This mine will employ hundreds of Afghans and will entail a training component to build local capacity in cutting and polishing of precious and semi-precious gems.
- The Wet Blue Hide Processing GDA develop is nearly complete. The partner, a leather processor based in New York, with operations in Ecuador and China, will visit Kabul in June to finalize investment plans and obtain business permits for hide processing. Currently, Afghans sell raw hides and capture very little of the leather value chain. Raw hides are not recognized on the world market as a saleable commodity. Hides must be processed to a state referred to as Wet Blue at a minimum before international buyers will accept animal hides. Nearly 100% of the value created by this process is currently captured by Pakistani processors purchasing raw hides from Afghanistan. This

Afghanistan-based business will offer hundreds of Afghan traders a significant premium over the current market price of raw hides in order to secure stable supply lines.

- A presentation was delivered to 30 US military personnel at Bagram Military Base, including three Generals. The presentation was a general overview of the investment climate in Afghanistan, an evaluation of the merit of an investment in a juice processing business by a major US corporation being developed by one of the Generals and an overview of ASMED's programmatic tools and options that will allow for expanded areas of collaboration with PRTs going forward.

ONGOING GDAs

- On May 5, ASMED discussed possible modifications to the Etebar GDA (that will not require additional funding) and reviewed possible strategies for addressing the usual start-up challenges that occur with any business (and are occurring with Tofa.af, including feedback from customers and improvements in general efficiency).
- Prima Solutions was selected by the Insurance Corporation of Afghanistan as their IT and software package supplier in May meetings.
- The Women-Public Call Office (W-PCO) project is in progress. So far seven W-PCOs have been established in Kabul, seven in Jalalabad, and 12 in Badakhshan province. Each WPCO owner has received technical training, in terms of telephone set usage and record keeping of the calls, before they received the PCO set. While monitoring one of the established W-PCO in Kabul it was found out that there are still a number of issues to resolve, including:



ABOVE: A woman in Kabul is shown how to use her new phone as part of her public call office.

- Poor functioning of the telephone charger
- The absence of promotional materials such as billboards and posters
- An owner who does not know how to keep records of income

The resolution of these issues will allow this and other WPCO owners to operate their businesses more smoothly, generating more revenue.

- On May 14, ASMED participated in a conference call with Nestle Pakistan executives and Altai Consulting representatives to discuss the findings of Altai's crème usage study in Kabul, Jalalabad, Mazar and rural Balkh. They estimate that in these target markets total market size is as follows:
 - Kabul = 287,920 households totaling \$16,955,236 annually
 - Jalalabad = 30,642 households totaling \$1,273,459 annually
 - Mazar = 40,362 households totaling \$2,327,236 annually
 - Balkh = 104,687 households totaling \$4,782,275

Badakhshan Province:

Ten WPCOs were established by Afghanaid in Faizabad for the Roshan WPCO GDA.

Balkh Province:

A construction firm was selected for the Licorice Processing GDA and the first payment was made (35% of total GDA contract, \$64,834) to initiate factory refurbishment.

Kabul Province:

The Tofa.af website became fully operational after terms and conditions of the merchant account of Tofa were finalized. The establishment of a merchant account allows for processing of web-based credit card transactions; this achievement marks a breakthrough for Afghan businesses. It is the first such account to be established by a business based in Afghanistan and will create a precedent that will benefit a large number of web-based Afghanistan businesses in the future.

Five WPCOs were established by Kaweyan BDS for the Roshan WPCO GDA.

Partnership discussions between Etebar and a credit profiling company based in the Dominican Republic, Datacrédito, are underway. This would allow Etebar to expand its projected product lines and gain from years of expertise and experience in the credit profiling business offered from an international partner operating in similarly challenging commercial and political environments.

Nangarhar Province:

Seven WPCOs were established by ADA in Jalalabad for the Roshan WPCO GDA.

BOP ACTIVITIES

New streamlined business model and management of WPCO Roshan GDA project.

The Roshan W-PCO GDA has been slow to attract/retain rural women entrepreneurs because the current program design with Roshan requires the women to be trained, and then obtain a registration card and apply for a loan, and then pay it back each month by delivering cash to a limited number of collection points. Under the new scheme, developed with one of Roshan's main dealers, all W-PCO's will be extended credit by the dealer directly, similar to a "hire-purchase", as part of the initial sign up and training. Subsequently the re-payments will be deducted each month automatically by the dealer and the dealer will be incentivized to reach the targeted number of W-PCOs and to maximize usage by the network. New partnerships with ministries, municipalities and universities will be managed by the dealer to grow the number of outlets.



ABOVE: One of the contestants on the Feker wa Tallosh TV series shares his business plan – to purchase looms to produce larger silk products.

Development of new GDA to increase GSM rural access and lower operating costs for all operators

A GDA concept note was submitted to establish a "shared infrastructure operator" which will buy/build telecom towers and share space for all operators, significantly reducing operating costs and enabling cost effective development of the telecom network in remote/risky areas. Meetings were held with different operators and ATRA to develop a strategy and an initial plan was proposed to develop 130 towers in targeted shared locations using community based security and also testing renewable energy power supply.

Development of Agreements and Implementation plan for OLPC.

The OLPC project stalled somewhat with ownership of equipment and the project management between Roshan and the government counterparts. OLPC is essentially required to work directly with the MoE while Roshan requires some control and oversight in order to be satisfied that the project will achieve the desired objectives. Extensive negotiations between all parties seem to have resolved the major stumbling blocks and a final MOU is now being circulated for approval. Concurrently a representative from the MoE and from Paiwastoon attended a three-day global workshop at OLPC in Boston and worked together with managers from other country programs to develop an implementation plan for Afghanistan. Shipping commitments for 50 units now, 500 by August and 5,000 by year end were secured with OLPC.

Development of GDA Pipeline

Several new GDA concepts are in development, including potentially supporting Tolo TV applicants for GDAs in pharmacy retail improvement, energy efficiency, community radio and low cost housing. Also a promising new initiative is being explored with MoICT to develop an e-government portal for access to various online services, and link this to the OLPC and Internet access GDAs.

Tolo TV series launched and conducted outreach and auditions in provinces.

Outreach was conducted with ASMED partners in Kabul and the provinces to encourage and invite applicants for the Feker wa Tallosh TV series on Afghan entrepreneurs. Posters, application forms and FAQs were distributed widely and then actual training meetings were held with members of AWBF, Craft and Trader's Union, EPAA, AISA, ACCI, GTZ and many other groups. Several hundred applicants have been registered for the Kabul auditions and approximately a hundred each for Kunduz, Mazar, Herat, and Jalalabad. Educational books on starting and growing your business in Dari and Pashtu were printed and distributed to participants and several sessions were held with the judges and Tolo crew to provide training in business evaluation and to review and improve the content of the shows. This process is ongoing as the 2nd round contestants are finalized and linked to ASMED BDS resources and planning is ongoing for providing BDS services, judging finalists, awarding prizes and the final award dinner on August 10.

COMPLETED GRANTS

Grants completed and closed out in April 2008:

Grantee: Afghanistan Furniture Companies Association

Location: Kabul

Grant Amount: 9,960 \$

Type of Grant: Seed Grant

The grant was provided to assist the Afghanistan Furniture Companies Association to register with the Ministry of Justice, to purchase basic office equipments and furniture, and to conduct trainings for its members. In addition, the grant helped to finance a seminar on discussing challenges and opportunities in the furniture business in Afghanistan.



ABOVE: Members of the AFCA in a training session.

Grants completed and closed out in May 2008:

Grantee: Shaharyar Plastic Recycle Ltd

Location: Jalalabad City, Nangarhar
Grant Amount: \$65,000
Grant Type: Value Chain Improvement Grant

The ASMED grant was used for the procurement, installation and commissioning of machinery. The total cost of the project is \$264,000 and ASMED contributed \$65,000 or 25% of the total cost. The main market for the products of the factory will initially in the Jalalabad area and whole Eastern Region. As the company develops, it will expand its market to include the remainder of Afghanistan. An alternative market for the recycled beads would include China and Pakistan.

Through this grant, 60 jobs were created from which 10 women are employed.

Plastic beads have been imported from China, Iran and Pakistan. However, transportation problems often prevented the importation of the beads. Shaharyar Plastic Ltd. had been importing the plastic beads from Peshawar, but faced many significant issues with bead shortages, transportation, and a low capacity production. With the start of the recycling component in Afghanistan, the aforementioned problems were solved, and the project was able to deliver the beads faster and cheaper since they saved on transportation expenses.

Grantee: Afghan Women Business Federation (AWBF)

Location: Kabul City, Kabul
Grant Amount: \$142,890
Grant Type: Value Chain Improvement Grant

The purpose of this grant was to provide "bridge" funding for AWBF until a longer-term funding solution can be determined. Much of the grant budget supported the continued operations of AWBF including membership outreach, business trainings, marketing events, drafting of position papers, and issue roundtables.

In addition to continuing AWBF's operation activities, this grant funded fundamental association reforms, including but not limited to:

- Moving regional operations to AICC offices to achieve economies of scale on rent and fuel costs
- Established a detailed event schedule focusing on revenue-generating activities
- Reduction of redundant or under-utilized staff
- A reduced board size from 47 to 15.

The AWBF training center trained around 207 women during the period of 3 months. 80% of the participants were AWBF members and 20% were Kabul University students. The training included classes in design, business plan writing and marketing in Kabul, Jalalabad, Bamyán, and Mazar.



ABOVE: The new cotton-pressing machine purchased with a grant by the Nangarhar Cotton Sellers Association.

The AWBF established and inaugurated the show room, which was visited by many high profile officials such as Mrs. Lora Bush's representative Ms. Susan Phalen. The high profile visit gave free publicity to the association.

The Minister of Agriculture and first Vice President visited the AWBF stall in AGFAIR 20 – 22 March in Badam Bagh, Kabul.

ASMED sponsored a two-day seminar titled "Women in Business" for 30 members of AWBF. The seminar was organized and facilitated by American University of Afghanistan.



ABOVE: Ahmad Zia Massoud, First Vice President, and Obaidullah Ramin, Minister of Agriculture, in a visit to the AWBF's stall in the AgFair.

Grantee: Afghanistan International Chamber of Commerce (AICC)

Location: Shash Darak, Kabul

Grant Amount: \$200,000

Grant Type: Open Grant

Afghanistan International Chamber of Commerce (AICC), was provided one year operational support for the period of April 30, 2007 to April 30, 2008. The ASMED grant was used to accomplish the following major activities:

- a) Successfully completed the second General Assembly
- b) Actively contributed to the second phase of the AgFair
- c) Introduction of AICC members to Afghan – US Business Matchmaking Conference
- d) Active advocacy for the Afghan Private Sector at SAARAC 14th Summit
- e) Active advocacy for Afghan Private Sector with some of the Afghan businessmen in Turkey's Investment Promotion Road Show
- f) Signing of the Chambers' Merging MOU with ACCI
- g) Facilitating three meetings between President Hamid Karzai and traders to discuss trade issues
- h) Delivered seminars and conferences on various market economy issues that affect the Afghan private Sector
- i) Facilitating a meeting between the first Vice President of Afghanistan

- j) Facilitating meetings on trade and business issues with security authorities, members of Parliament, and the Economic Council of the Parliament.
- k) AICC BDS Department conducted a Business Plan Training Workshop in Jalalabad, Herat, and Mazar- i- Sharif for AICC members (more than 120 members participated).
- l) AICC BDS Department prepared 15 Business Plans and Proposals for the members and has actively contributed in organizing the Second General Assembly, AgFair and Afghan- US Business Matchmaking Conference.
- m) AICC Membership department recruited 1816 new members.

Grantee: Turquoise Mountain Foundation (TMF)

Location: Shash Darak, Kabul

Grant Amount: \$250,000

Grant Type: Value Chain Improvement Grant

ASMED Grant helped to create commercial opportunities for the Afghan crafts industry by training craftspeople in business skills and product development. This increased the quality of production, linking high quality products to existing client demands predominantly abroad. The grant also supported the skills building effort at the Centre for Traditional Afghan Arts and Architecture, the job creation through our urban regeneration and community development projects, and several studies conducted on private sector development and income generation in Afghanistan in the past five years.



ABOVE: A worker in the woodwork production unit.

The Turquoise Mountain Foundation conducted a survey on the following subjects: gathering Afghanistan market information, developing strong business service providers, strengthening business associations, creating public-private sector alliances, and building the capacity of an Afghan private sector workforce.

The biggest achievement that TMF's business development unit had as a result of ASMED grant is the establishment of woodwork production unit. This production unit today employs a little over 30 women and men and in addition a network of about five subcontractors. TMF generated more than \$100,000 in revenue in the last year excluding current commissions.

Through the ASMED grant TMF achieved the following deliverables:

No.	Activity	Comments
1	One year of business training for students	Business trainer provided by ASMED is doing very well.

2	Launch of the Presidential Gift line	It is already launched and is in service
3	Products website www.turquoisemountainarts.org to promote Turquoise Mountain and other artisans' products	Website is launched and now the products can be viewed by all world and it can be used as one of the better source of market linkage
4	Market research	completed
5	Contracts implemented with woodworking shops and other Afghan artisans *	Contracts for a total of \$23,630 have been implemented
6	Report and database for market research	Data base complete and data entry in the final stage.
7	Turquoise Mountain gift shop and visitor center to promote Turquoise Mountain's and other Afghan artisans' products	Shop has been established and was opened on 7 Dec 2007
8	Support to Sale Fine Silk, Afghan silk producer	Renovation of facilities was completed and training course initiated. Official opening with ASMED participation was held on 29 Jan. Three weeks Ikat training course with Uzbek trainer completed.

Grantee: National Classes/Traders Association

Location: Jalalabad City, Nangarhar

Grant Amount: \$19,900

Grant Type: Association Development Grant

The ASMED grant was utilized mainly in the procurement of office equipment and the first year operation cost. In addition, it was used to establish a functioning, professionally equipped office space. With the new office, the Traders Association became better able to foster the creation of other new associations while improving services to existing association members.

Grants completed and closed out in June 2008:

Grantee: District Mayor

Location: Achin District, Nangarhar Province

Grant Amount: \$9,673

Grant Type: Market Place Development Grant

With an ASMED Marketplace Development Grant (MDG), the NCPCM constructed a small wholesale market building, comprised of 12 stalls along with surrounding wall, which has



ABOVE: A view of the wholesale market building in Achin District, Nangarhar.

sufficient space to accommodate a great number of people in the Bazaar of this densely populated district. The project successfully completed and handed over to the local community for use and to benefit the local people. The obvious problems related to non-availability of a proper small, wholesale market facility will be addressed in the district. The market design will serve both the daily market as well as the weekly bazaar, located on the backside of the main market.

Grantee: Women Entrepreneur Silo Support Association

Location: Road, Kabul City, Kabul Province

Grant Amount: \$9,494

Grant Type: Association Seed Grant

This grant was used to set up offices in Kabul and Wardak provinces. In addition, it was used to procure basic office equipment and furniture. The grant also supported an accounting training that was conducted for members of the association and others interested in the business. Another seminar for exploring business opportunities for women was also organized in Wardak province.

Grantee: Afghanistan International Freight Forwarder Companies Association (AIFCCA)

Location: Herat City, Herat Province

Grant Amount: \$25,200

Grant Type: Association Development Grant

AIFCCA was supported in a one year to improve its activities, provide more trainings to its members and become a member of FIATA for one year. AIFCCA also became officially registered at the Afghan Ministries of Commerce and Transportation. The company organized a number of trainings for members of the freight forwarding companies in Kabul, Mazarisharif, and Herat.

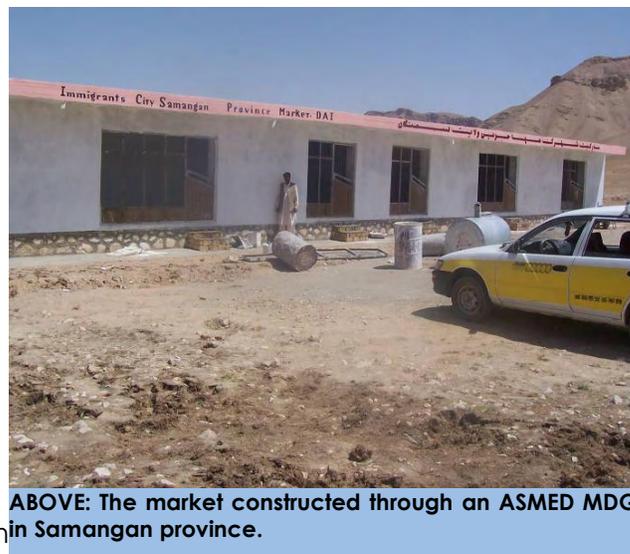
Grantee: World of Women Sales Services Association (WOWSSA)

Location: Silo Road, Kabul Province

Grant Amount: \$10,000

Grant Type: Association Seed Grant

The ASMED grant was provided to create and support the World of Women Sales Services Association (WOWSSA). In addition the grant helped WOWSSA to develop its bi-laws and to register with the Ministry of Justice. In addition, WOWSSA's office was renovated and its brochures were printed.



ABOVE: The market constructed through an ASMED MDG in Samangan province.

Grantee: Hazrat Sultan District Market

Location: Hazrat Sultan District, Samangan Province

Grant Amount: \$9,989

Grant Type: Market Place Development Grant

The grant was used to construct a small market that includes five shops on May 28, 2008. It is estimated that the new market will serve 1000 families and create 40 temporary and 20 permanent jobs. In addition, it will boost commercial activities in the district.

PROGRAM COMPONENT 5:

CAPACITY BUILDING

FIELD ACTIVITIES – CENTRAL

Internship Program

The internship program for 2008 started in Kabul with a qualifying exam given to more than 450 students, including 79 female students, from Kabul University on May 22. One hundred and twenty students, including 40 women, were selected for the program. These students will be trained and placed in two groups. The first batch of 60 students will start their pre-placement training on June 5 at Afghanistan Institute for Business Management (AIBM).



ABOVE: The pre-placement test given at Kabul University.

ASMED has identified implementing partners to provide business training to students participating in ASMED's internship program in Kabul, Mazar, and Kandahar. Afghan Institute of Business Management (AIBM) will train 120 students in Kabul, AJEER Business and Management Institute will train 120 students in Mazar, and Afghan Consulting National Network will train 60 university students in Kandahar.

Young Professional Program

ASMED's implementing partner AWBF conducted its second mentorship seminar for 41 young professionals on May 3rd. The seminar was facilitated by Ms. Aziza Mohmand, a successful businesswoman, and Mr. Saifudin Saihooon, a lecturer at Kabul University. The seminar discussed topics such marketing, product development, cost and price analysis, business management, organizational infrastructure, and writing a business plan.



ABOVE: Women attend a seminar in Kabul as part of the Young Professional Program.

AWBF conducted its third mentorship seminar on May 30 for 45 young professionals. This seminar was facilitated by Ms. Zarghona Walizada and Ms. Nasima Payman. This seminar discussed topics such how to start a new business, what a partnership in business is and business communication skills.

ASMED's other implementing partner AISA conducted their first mentorship seminar that included 50 young professionals in Kabul on May 26. This seminar was facilitated by two senior mentors Ms. Sima Tabib and Mr. Zakhilwal, President of AISA, and discussed topics such as entrepreneurship, characteristics of the entrepreneur, business leadership, and characteristics of a successful business leader.

ASMED started the selection process for the mentorship program in collaboration with Afghanistan Investment Support Agency (AISA) on April 29. The program is planned to be implemented in four provinces (Kabul, Herat, Mazar and Kandahar). Thus far, 50 young professionals have been identified and the final pool will be finalized next month.

FIELD ACTIVITIES – EAST

Internship Program

The internship program is in progress and running smoothly in Nangarhar province. It includes 27 female and 20 male students.

Young Professional Mentorship Program –

On April 10, Khurasan University, in Nangarhar province, started the second mentorship program, which also includes 30 female participants.

FIELD ACTIVITIES – WEST

Internship Program

The first class of interns finished one month of their practical work experience.

Young Professional Program

- Fifty young professionals (38 men and 12 women) began a six-month mentorship program in the western region. ASMED worked closely with AISA to identify young professionals who demonstrate leadership, professionalism, and an eagerness to develop their practical business knowledge. Mr. Bariz Hosaini, Professor of Economics at Herat University, gave a lecture on Entrepreneurship and Business Management at the first seminar on May 26.
- ASMED is monitoring AISA's progress in coordinating the mentorship program. They are in the process of collecting applications.

FIELD ACTIVITIES – NORTH

After signing a MoU with the Chancellor of Balkh University to initiate the internship program in Balkh province, ASMED has started to implement the internship program in Balkh province. On May 26, a qualifying exam at Balkh University gathered 432 students from the departments of economics, science, agriculture, engineering, law and literature. Out of these students, 120 (including 34 females) were selected for the program. The first batch of 60 students will start their pre-placement training on June 5.

The second group of ten interns completed their internships within AKF programs.

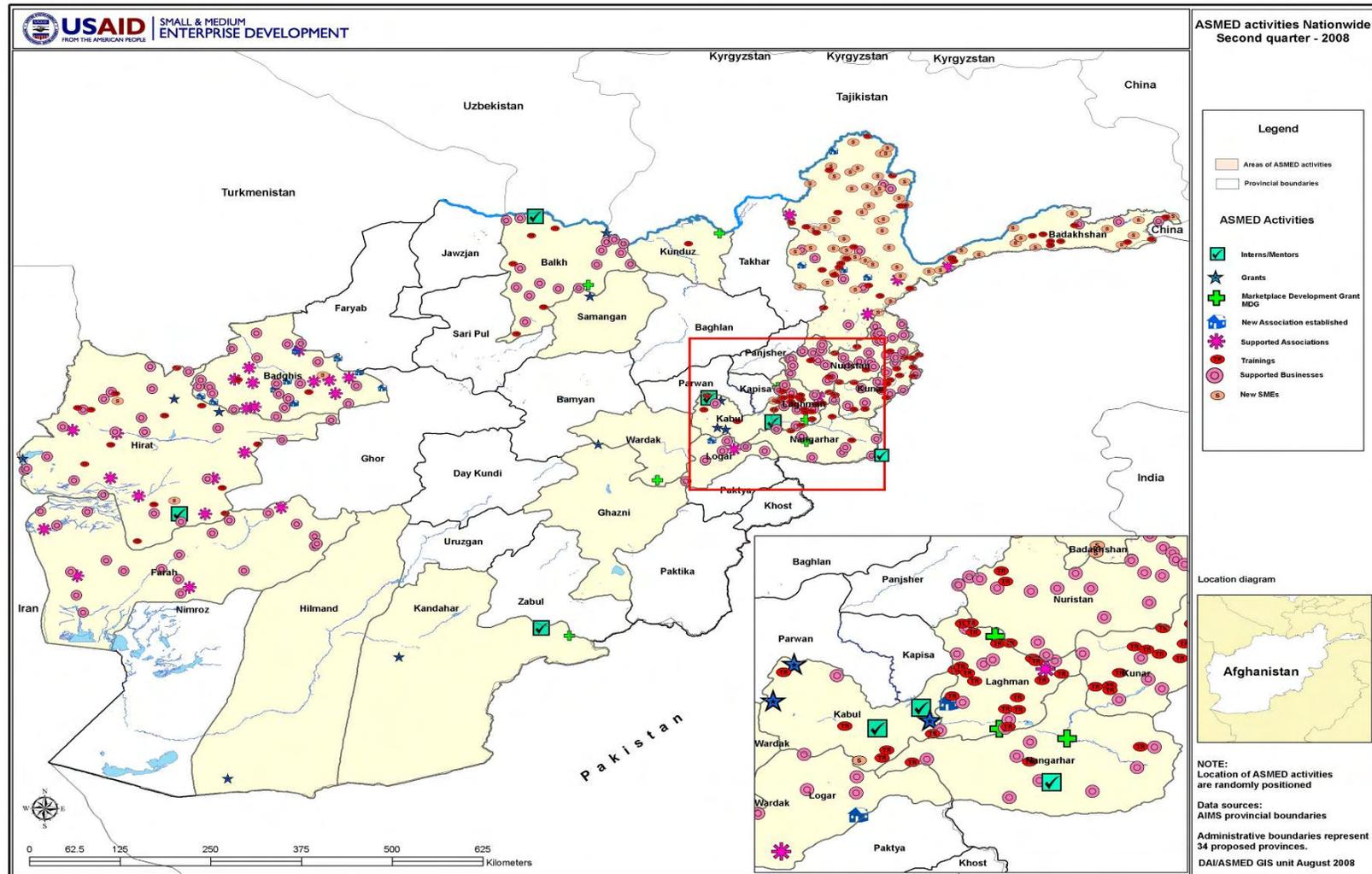
FIELD ACTIVITIES – SOUTH

ASMED extended its mentorship program to the Southern region. The first mentorship seminar was held at Spozhmai Hall in Kandahar province on May 24 with AISA's assistance. This gathering included 47 young professionals and 5 mentors, who discussed topics such as:

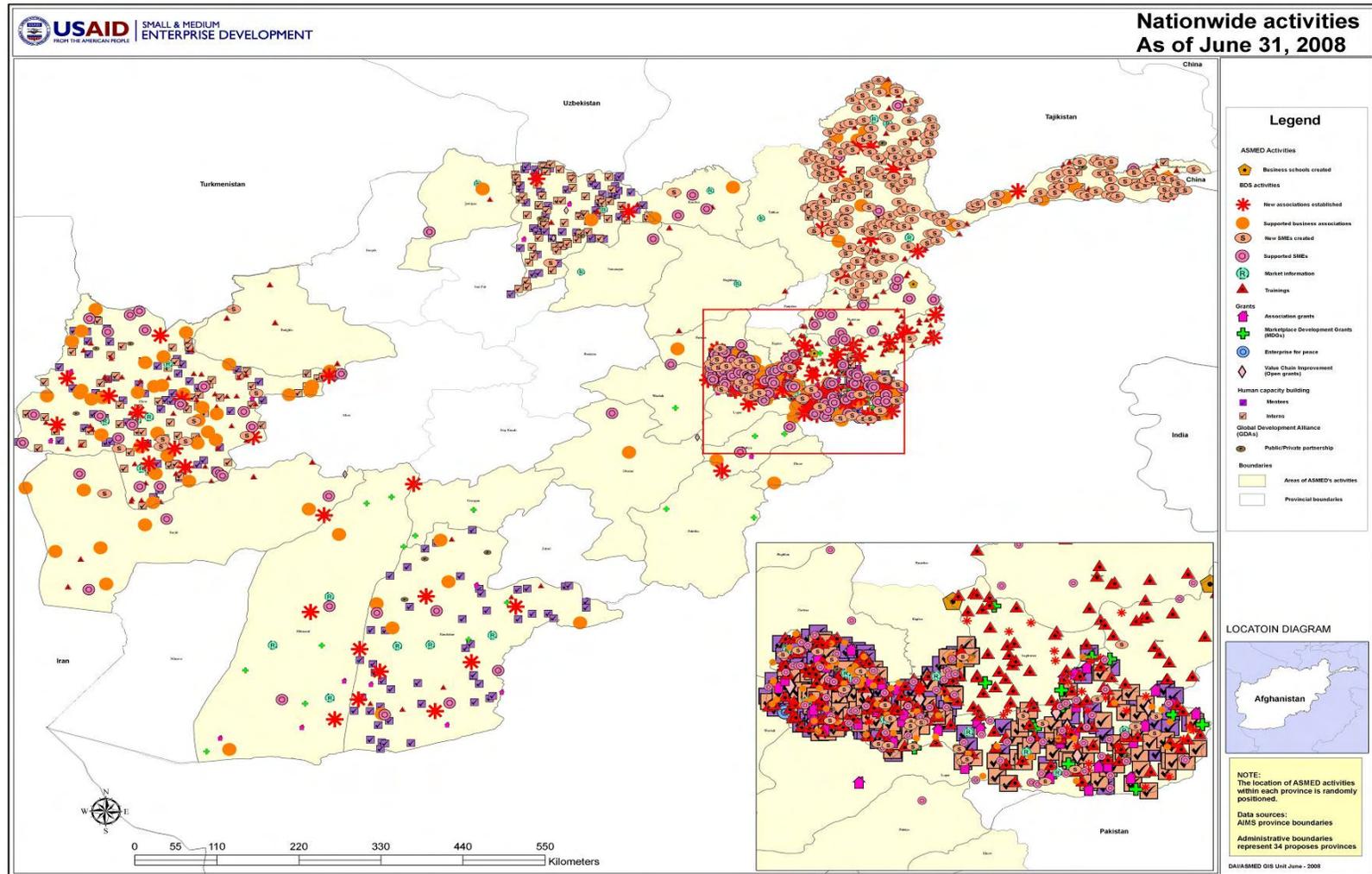
- What is a business?

- How does one start a new business? What are main financial resources available in Afghanistan?
- What should be done before starting a new business?
- What is a credit proposal?
- How does one prepare a credit proposal?
- What are the criteria for an ideal bank proposal?

ACTIVITY MAP 1: SECOND QUARTER



ACTIVITY MAP 2: PROJECT TO DATE



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