



Community Development Agriculture Program in Paktia, Paktika, Khost and Southeast Ghazni



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VEGA Afghanistan: Community Development Agriculture Program in Paktia, Paktika, Khost and Southeast Ghazni (CDA-P2K)

Quarterly Report July – September 2008

LEADER WITH ASSOCIATE AGREEMENT (LWA)
EEM-A-00-04-00002-00

Associate Cooperative Agreement
306-07-023

Prepared for the United States Agency for International
Development (USAID)

October 20, 2008

Implementing Organizations:



Grand Council of Kuchis

Table of Contents

Commonly Used Acronyms

1.	Executive Summary	1
2.	Program Overview	2
	2.1 CDA-P2K Background	2
	2.2 Project Goal and Objectives.....	2
	2.3 The VEGA Alliance Team	3
	2.4 Implementation Strategy	3
3.	Quarterly Results	3
	3.1 Objective 1 – Identify and Exploit Markets	3
	3.2 Objective 2 – Increase Production and Improved Quality	6
	3.3 Objective 3 – Mobilize Services and Supply Industries.....	11
	3.4 Objective 4 – Rehabilitate Irrigation and Market Infrastructure	13
	3.5 Objective 5 – Establish Support Institutions	16
4.	Program Management and Administration	17
	4.1 Staffing	17
	4.2 Facilities	18
	4.3 Security	18

ACRONYMS

ADP East	Alternative Development Program East
ADT	Agribusiness Development Team
ASAP	Accelerating Sustainable Agriculture Program
AVA	Afghan Veterinary Association
CBO	Community Based Organization
CDC	Community Development Council
CNFA	Citizens Network for Foreign Affairs
GAGA	Gardez Apple Growers Association
GCK	Grand Council of Kuchis
GPFA	Global Partnership for Afghanistan
LWA	Leader with Associates
MAIL	Ministry of Agriculture, Irrigation and Livestock
M&E	Monitoring and Evaluation
NGO	Non-Governmental Organization
NRM	Natural Resource Management
NWFP	Northwest Frontier Province
P2K	Paktia, Paktika, Khost and Southeast Ghazni
PRT	Provincial Reconstruction Team
RFA	Request for Applications
SME	Small and Medium Enterprises
USAID	United States Agency for International Development
USG	United States Government
VEGA	Volunteers for Economic Growth Alliance
VFU	Veterinary Field Unit
VSBE	Village Based Seed Multiplication Enterprise

I. Executive Summary

The VEGA Alliance concluded a Leader with Associate Agreement (LWA) EEM-A-00-04-00002-00 (Associate Cooperative Agreement 306-07-023) with the United States Agency for International Development (USAID) November 16, 2007 for the Community Development Agriculture project in Paktia, Paktika, Khost and Southeastern Ghazni provinces (CDA-P2K). Since project launch, the operating environment has changed significantly and the security situation has deteriorated. This has resulted in a change in implementation strategy in some cases, and a delay of activities in others. Personnel changes have presented additional challenges. The project has leased office facilities in Gardez and Khost, and operates from PRT Gardez while the Gardez office is being finalized.

During the reporting period, the CDA-P2K team reviewed activities and operations to develop a more consolidated approach that will achieve significant impact going forward. This resulted in a revised year one work plan that was submitted to USAID for approval. The team also reviewed administrative procedures and processes, with the support of short-term accounting and contracts specialists. Significant recruitment activities also took place, which will be completed in the upcoming quarter. Due to the changing project environment and the need to establish linkages in Kabul, the team will also identify and lease a Kabul liaison office.

Achievements during the reporting period include the following:

- Apricot drying conducted successfully and techniques established for dissemination and expansion into additional fruit crops
- Gardez office procurement completed
- Revised year one work plan submitted to USAID for approval
- Two Farm Stores investors identified and support in the development of business plans
- Recruitment activities conducted for 15 positions
- Five Requests for Applications (RFAs) developed and submitted to USAID for approval. Activities include support for: fruit tree nurseries, orchard management, wheat seed production, agro-forestry activities and protected cropping infrastructure and vegetable production.
- Appropriate locations for ten demonstration cold storage cellars identified

2. Program Overview

2.1 Background

The project implementation zone of Paktia, Paktika, Khost (P2K) and Southeast Ghazni province is an area of challenging opportunity for agricultural development in Afghanistan. Positioned in the southeast portion of the country and bordering Pakistan’s Waziristan Region, the mountainous area is composed of independent and isolated rural tribal communities. This region remains a safe-haven for insurgent attacks on coalition forces. In addition, there is a considerable presence of Government of Afghanistan agents and non-governmental organizations (NGOs). In this environment, CDA-P2K supports increased productivity in key sub-sectors, market-led production of higher-value products and improved technologies that lead to greater production of commodities at lower cost per unit.

CDA-P2K confronts significant challenges in the targeted region. In other Afghan provinces, activities are well underway to build high-value horticultural markets. The P2K region, however, has not received the same level of attention and resources and consequently is less developed with regard to these efforts. A key concern is the instability of the security environment, which disrupts farm and business development as well as staff travel and program activities. Thus, the project team must identify high-value markets in which P2K products can be competitive and provide support to local farmers. Proximity to Pakistan via Khost and to Kabul via Gardez is an advantage, assuming that improved production can occur and be sold at competitive prices. With rehabilitation of irrigation facilities, market research, training, improved production and post harvest treatment, there are excellent opportunities for the increased sale of fruits, vegetables, ornamental plants, livestock products, non-timber forest products and agro-forestry products.

2.2 Project Goal and Objectives

The goal of CDA-P2K is to generate increased income, employment and sales of agricultural products for communities in the region. To achieve this goal, the CDA-P2K program will undertake activities to accomplish the following five specific objectives:

- Objective 1:** Identify and exploit markets that can be profitably served by the agricultural enterprises in the P2K region
- Objective 2:** Increase production and improve quality of horticultural, livestock, and agro-forestry products through improved genetics, management practices and use of inputs
- Objective 3:** Mobilize the services and supply industries to create opportunities for enterprises in P2K
- Objective 4:** Rehabilitate community irrigation and market infrastructure to support improved production, handling and marketing of horticultural, livestock and agro-forestry products
- Objective 5:** Establish associations and other agricultural support institutions to provide services and support to agribusiness in P2K

2.3 The VEGA Alliance Team

Each partner in the VEGA Alliance team has a specific program description, and together they provide a cohesive approach to implementation:

- As the lead, **ACDI/VOCA** is responsible for overall program management and implementation, technical support to agricultural production activities, the project's grants program, logistics, operations, and security.
- **Citizens Network of Foreign Affairs (CNFA)** develops Farm Stores and related services for input supplies to farmers and rural enterprises, supports the development of Veterinary Field Units (VFUS) and the Ministry of Agriculture, Irrigation and Livestock's (MAIL's) agricultural extension delivery, and contributes to the overall development of the horticultural and livestock value chains.
- **Winrock International** provides support for community-based natural resource management, as well as advisory services for gender issues and community relations.
- **GCK** is responsible for community engagement, tribal liaison activities, and advising project staff on safe operation in the P2K area.

2.4 Implementation Strategy

The CDA-P2K team develops initiatives with individual community and tribal stakeholders, associations and enterprises. Activities include training, technical assistance, improved inputs and agricultural techniques, post harvest treatment and initiatives to support increased access to markets. The program includes a focus on private sector involvement, as well as a cross-cutting emphasis on support for women, youth and the disadvantaged. To build a sense of ownership, the CDA-P2K team involves target groups in the planning process. The design of each intervention takes into account local conditions, and support is conditional on a commitment to the project by target groups and communities.

Through its grants program, CDA-P2K maintains the flexibility to take calculated risks to identify and test potential income-generating activities, and provides assistance directly to community based organizations (CBOs), CSOs, NGOs, cooperatives, associations, processors and suppliers. Grants provide an effective and competitive means of adding value through services, training, technical assistance, and technology that expands business linkages and market opportunities for producers, suppliers, processors and agribusiness.

3. Quarterly Results

Quarterly progress is described in the following sections. Information is presented by objective, and within each objective by technical area or project type.

3.1 Objective 1 – Identify and Exploit Market Opportunities

3.1.1 Overview

The main focus of agricultural production in the project area is food security. Wheat is the staple crop, and maize, beans and fodder are also produced. Crop by-products are used for livestock

feeding. Some areas produce vegetables, many households have fruit trees and there is some production of nuts. Fruit, particularly apples, is sold primarily to Pakistani traders at harvest with no value addition activities. Onions and potatoes are also sold mainly to Pakistani traders at harvest. While there is little empirical evidence, a review of the situation on the ground suggests that post harvest losses are high. The population in the P2K area conducts some sun drying of fruit, particularly apricots and grapes, for home consumption or for sale in local bazaars. The quality of this dried fruit is generally poor. Pine nuts are harvested from the Jerghoza pine (*Pinus gerardiana*) and are mostly exported to Pakistan in unprocessed form. Livestock is sold mainly for local consumption, and livestock by-products (hides and offal) are mostly exported unprocessed.

3.1.2 Goals

The goals under this objective are to identify and develop:

- Markets for products that are already being produced in the area while identifying value addition activities that render the produce suitable for the identified markets
- Market opportunities for produce with potential in the area but not yet being produced in commercial quantities

3.1.3 Main Activities

Apricot Drying

In the past, Afghanistan had a major share of the world market for dried fruit and nuts. Much of that has been lost but there is considerable anecdotal evidence that the Afghan product is still highly regarded and there has been recent progress made in winning back market share.

In May 2008, CDA-P2K prepared a draft scope of work for the solicitation of proposals to conduct demonstration of sulphuring and drying of apricots. A rapid survey of the 2008 apricot crop was conducted in the Gardez area and it was found that the yield was very poor due to weather conditions. Supplies of Amiri, an improved variety, were particularly scarce. Examining these factors, the project team did not proceed with the original solicitation, but developed a revised approach that focused on a pilot demonstration. In preparation, the national horticulture production specialist and the farm store provincial manager for Khost, who had previous experience of apricot drying, conducted a field trip to Ghurband district in Parwan Province to study apricot drying. The Gardez office of the Global Partnership for Afghanistan (GPFA) collaborated with P2K on this project.

In July 2008, CDA-P2K, with support from GPFA, demonstrated sulphuring and sun drying of native and improved varieties of apricots to 45 selected apricot growers and 15 university students. Samples of Qasi (local) and Amiri (improved) varieties were used. In addition to demonstrating the sulphuring and sun drying techniques, a number of different drying trays were tested. Some trays performed better than others, which is important because in Gardez it is difficult to keep product free from dust and other debris and addressing this problem will be a critical quality control issue.

Vegetable Production

During the previous quarter, the agricultural team conducted two missions to Khost province to explore potential and capacity for project activities. Following meetings with government officials, farmers, traders and communities it was concluded that there was potential, interest and support for the implementation of a number of projects, and in particular vegetable production. A study conducted by a food safety expert resulted in a recommendation to establish a vegetable and fruit packing house, which would supply directly to an international catering company that indicated willingness to buy produce of acceptable quality and price. Khost province is an excellent location for such a facility. Due to security concerns, however, the CDA-P2K team was unable to travel to the area in the quarter under review to follow-up on these activities.

Jaji Potato Survey

The marketing specialist conducted a one week mission to Jaji province to assess potato production and marketing in the district. Traditionally, potatoes from Jaji have gone to markets in Pakistan’s Northwest Frontier Province (NWFP), and from there to markets further afield. During the 2007 harvest the normal market channels were disrupted by conflicts along the border, and it was reported that losses were high. The situation is similar this year. CDA-P2K planned a mission to attempt to address this issue by linking local traders with traders in Lahore, Pakistan, but had to abandon this due to security concerns.

Market Information Systems

The agricultural marketing specialist undertook a visit to Jalalabad to review the operation of the TAMAS market information system designed and implemented by the USAID-funded Alternative Development Program (ADP) East. There is significant potential for collaboration to extend the TAMAS system to the P2K area, and this will continue to be explored.

3.1.4 Results

Following the successful apricot sulphuring and sun drying demonstration, samples of the dried fruit were taken by the P2K national marketing specialist to traders in Kandahar and Kabul to gauge market acceptance of the product and seek suggestions on product improvement. Traders were pleased with the product and indicated that they would be interested in purchasing large quantities. They also provided feedback for improvement including ideas for adding further value. The P2K team’s marketing specialist also met staff from the USAID-funded Accelerating Sustainable Agriculture Program (ASAP) to inform them of the activity and its results, and show product samples.



Apricot Drying in Paktia

In addition, samples were taken to a food quality laboratory in Pakistan to determine moisture and sulphur content, important quality criteria as defined in the Codex Alimentarius. Analysis indicated acceptable quality. It is important that Afghan produce conform to these standards to gain international acceptance, as it is not feasible to rely on sending samples outside the country for analysis.

3.1.5 Challenges

The small scale of individual production units, lack of technical knowledge, poor infrastructure and weak support institutions make for a challenging development environment. There is little documented information on the availability of raw material, and the fragmented nature of production is likely to make quality assurance difficult. Some form of locally centralized processing may be the answer to this challenge.

Security in the P2K implementation area continues to be a concern, as especially noted in the discussion of activities in Khost. The team is hopeful that the situation will stabilize to an extent that will allow work in the area in the next quarter and beyond.

3.1.6 Plans for Next Quarter

During the upcoming quarter, the CDA-P2K team will build on the experience in apricots to expand commercial activity. Other fruits, such as peaches, can also be dried using the same method. The team will collect detailed information on suitable fruit production areas and identify appropriate interventions to be undertaken in the spring. The team plans to disseminate an RFA in early 2009 requesting proposals from qualified NGOs to commercialize this activity in the P2K area. Indicative activities include:

- Identifying fruit production areas with sufficient quantities of suitable fruits for drying
- Establishing direct linkages between traders in Kabul and Kandahar and producers in P2K
- Providing market information to producers and traders from Kandahar and Kabul
- Building drying frames and providing them to producers
- Strengthening local capacity to test products for sulphur and moisture content

The PRT in Logar province has also conducted some trials in solar drying of apricots and contact has been established with personnel there. Through these contacts, the P2K team will gain knowledge and experience regarding the technology used. In the area of market information, the P2K team will pursue discussions with ADP East to determine the feasibility and cost of extending the TAMAS information system to the P2K area.

3.2 Objective 2 – Increase Production and Improved Quality of Horticultural, Livestock and Agro-forestry Products

3.2.1 Overview

Horticultural crops typically produce the highest value per unit area of land. This makes them especially important in areas where the average land holding is small, as is the case in P2K. Most

rural families also own livestock. Among the settled community livestock ownership varies from 80% in Paktika province to >97% in Paktia¹. In addition, a relatively large number of migrant Kuchi herds come to the project area for summer grazing and a lesser number over winter in Khost province. Crop by-products are an important constituent of animal feed during the winter. Animal health and nutrition have been identified as the main concerns by livestock owners²

There are some remaining stands of natural forests consisting mainly of Jerghoza pine (*Pinus gerardiana*), Deodar cedar (*Cedrus deodara*) and oak (*Quercus spp.*) in the project area. Pressure on these forests from animal trespass and cutting for lumber and fuel is intense. Non timber forest products are another potential source of income, but this potential declines as the forest base declines. Hybrid clones of fast growing spp. e.g. poplar and eucalyptus have proven high income potential in the project area.

3.2.2 Goals

Through activities within this objective, the P2K team seeks to increase the incomes of the target population through improved:

- Perennial and annual horticultural crop production
- Livestock management
- Agro-forestry activities

3.2.3 Main Activities

Increase Production of Higher Quality Fruit

Building on information gathered during field visits to nurseries, orchards, vineyards, and cereal and fodder production areas, the CDA-P2K team designed several activities to improve production of agricultural and horticultural crops. Poor quality planting material has particular significance for perennial crop production. Depending on the growing system, fruit trees are expected to crop for 20 to 40 years. If the planting material has low yield potential, farmers are at a disadvantage for that entire period. Increased production costs magnify the effect of this factor.

In response, a priority activity of CDA-P2K is to improve quality of planting material. Towards achieving this objective, the team prepared an RFA to upgrade fruit tree nurseries. Through activities included in the RFA, nurseries will produce planting material for perennial fruit and nut tree crops and grapes of known genetic origin, and demonstrate the technology to other fruit nursery owners. Activities to strengthen the Paktia Fruit Tree Nursery Association are also included. The RFA was submitted to USAID for approval.

While good quality planting material is fundamental in achieving yield and quality, improved management also increases returns. Typically, traditional irrigation practices lead to reduced yields as a result of poor water management and scheduling. Potential irrigated area is also reduced as typically too much water is applied. Most pruning is done by migrant labor from outside of the area.

¹ FAO National Livestock Census 2006

² Ibid.

To address the situation, the CDA-P2K team developed an RFA for improved orchard and vineyard management. Activities to be conducted will focus on enhanced management of existing and newly established orchards and vineyards that will be planted with material of known genetic quality. Demonstrations will include improved flood irrigation and drip irrigation technology, modern pruning methods, alternative orchard layouts and planting systems depending on the planting material used, tree staking and trellising and vineyard trellising. The RFA also includes provisions for training of MAIL staff, university students and farmers, and strengthening of associations. The RFA was submitted to USAID for approval.

Increase Production of Higher Quality Vegetables

In Paktia province, the production of vegetables is constrained by climatic conditions and in particular by the severe winters. Extended season production can be facilitated through the use of protected cropping structures to extend production in the autumn, starting production earlier in the spring and raising seedlings to enable earlier field planting of certain crops. CDA-P2K staff will manage a pilot project with selected farmers to demonstrate this technology. An RFA is being prepared for the construction of ten plastic greenhouses in Gardez and Ahmad Aba districts, and a short-term consultant has been identified to advise on the design and layout of greenhouses for the prevailing climatic conditions. A training program for MAIL staff, farmers and project staff will be designed and implemented by a volunteer organization.

Improved Wheat Production

The production of wheat, the staple food in the area is a major economic activity, and the importance of wheat production to families has grown as a result of the sharp price increases during the past year. Most farmers use seed saved from their commercial crop and varieties are old with low disease resistance and yield potential. In the past, seed multiplication projects were conducted through which seeds were distributed to farmers via MAIL and beneficiaries were required to return seed the following year for redistribution to other farmers. Discussions with beneficiaries reveal mixed results of these projects. In some cases, good quality seed may have been switched out and inferior quality seed supplied to farmers in its place. There was also no way of ensuring that seed returned by farmers would be of good quality.

CDA-P2K proposes to support seed multiplication with a model based on the Village Based Seed Multiplication Enterprise (VBSE) model developed by ICARDA. This model includes the establishment of commercial village based private enterprises that will produce quality seed every year for sale to surrounding farmers. Where conditions permit the capacity of these VBSEs will be expanded to multiply vegetable and fodder seeds. An RFA was prepared for the establishment of VBSEs throughout the project area and submitted to USAID for approval.

Increased Production of Agro-forestry Products

CDA-P2K promotes the protection and regeneration of natural forest resources in the project area through community based forest management and, as an alternative to unsustainable harvesting of timber from natural forests and to generate income for households, the project will

support the establishment of commercial woodlots and forest nurseries. An RFA was prepared for two grant aided projects, one each in Khost and Paktia provinces. These will include the establishment of nurseries, commercial woodlots and reforestation, and training of farmers, MAIL staff and university students. The RFA was submitted to USAID for approval.

Increased Livestock Production

During the quarter, the Senior Agricultural Specialist prepared a livestock concept paper to serve as a discussion document for interventions in the livestock sector. While preparing the paper it became obvious that there was a lack of current information on the Kuchi herd. The paper suggested three main areas where CDA-P2K could implement projects that would improve livestock production:

1. An emergency winter feed program
2. An animal nutrition program that would demonstrate the benefits of improved nutrition, health care and housing/shelter in cold areas
3. Improved fodder production and preservation. There is scope here to collaborate with the VBSEs to multiply improved fodder seeds.

USAID approached CDA-P2K to discuss the possibility of developing a winter feeding program. After significant discussions, this concept evolved into an animal nutrition activity, which will coordinate with other project activities, including Farm Stores, support to the AVA and agronomy activities. The Farm Stores will be part of an animal nutrition network, as will AVA training inputs and the agronomy activities through demonstrations of improved fodder crops and provision of improved seeds.

Other Activities

During the period under review, the Senior Agricultural Specialist met with key individuals and organizations, including:

- The Director of the Afghan Veterinary Association (AVA)
- The outgoing Senior Manager of Flag International who is assuming the position of Regional Director of LGCD in the project area
- The incoming Senior Manager of Flag International
- Staff of LGCD
- Director and staff of Roots for Peace
- Director and staff of Global Partnership for Afghanistan
- Afghanistan Technical Organization
- Accessibility Organization for Afghan Disabled
- Afghanistan Women Association for Rehabilitation and Development
- Hambastagi Foundation
- Tribal Liaison Office
- Gardez PRT Women's Advisory Group

In addition, the Senior Agricultural Specialist attended the briefing with the advance party of the incoming Agribusiness Development Team (ADT) for Paktia that is expected to be on the ground in February or March 2009. Further work included preparing a paper requesting baseline

information on Kuchi livestock numbers, herd management practices and other income generating activities. Through these meetings and collaborative efforts, the CDA-P2K team will identify additional activities and possibilities for leveraging of resources.

3.2.4 Results

The Senior Agricultural Specialist, working closely with a short-term grants and contracts consultant, prepared RFAs for:

- Improved fruit tree nurseries
- Improved orchard management
- Improved wheat seed production
- Improved agro-forestry activities
- Protected cropping infrastructure and vegetable production

The team also prepared a solicitation for expressions of interest for submission of proposals in response to RFAs, which are with USAID pending approval.

3.2.5 Challenges

The lack of NGOs working on agricultural development in most of the project area, combined with the very weak capacity of government line agencies, means that the current technology and knowledge base is very low. Planting material for perennial and annual crops is generally of very poor quality and many suppliers, for example fruit tree nursery owners, are not even aware of this. Poorly developed community based organizations including some cooperatives further constrains the potential pace and scale of project implementation. The security situation in the area has become less permissive and this will impact on the travel of international specialists and may also have implications for the ability of national staff to work or travel in some areas.

3.2.6 Plans for Next Quarter

During the upcoming quarter the main activities will be the procurement of quality nursery material and the selection of service providers to collaborate with CDA-P2K in the implementation of sub-projects in the areas of nursery upgrading, improved orchard and vineyard management, commercial woodlots and forest tree nurseries, greenhouses for vegetable seedling and vegetable production and VBSEs. The team also hopes to renew contact with interested parties in Khost province to further define project opportunities in that area.

CDA-P2K will prepare to field two volunteers to conduct training in Kabul for greenhouse construction and management. The training course will include:

- Greenhouse construction and maintenance of drip irrigation systems
- Greenhouse financial management including operation
- Propagation and production of vegetable seedlings
- Production of vegetables for sale in plastic greenhouses

The trainers will recommend and make available reference material in English for beneficiaries, project agricultural staff and MAIL staff. Training material for farmers will be made available in both English and Pashto.

3.3 Objective 3 – Mobilize Services and Supply Industries to Create Opportunities for Enterprises in P2K

3.3.1 Overview

Activities in this objective focus on developing opportunities that will improve storage, handling and processing of agricultural products. To support farmers in the P2K area, the CDA-P2K team works to identify appropriate interventions that will build the capacity of enterprises and ensure their productive growth. Farm Stores are an integral component of project implementation within this objective, and play a key role in supporting a variety of interventions. Farm Stores are more than retail showrooms where tools, equipment and small-packaged inputs are sold. At the end of CDA-P2K, the stores will be genuine Rural Development Centers that provide integrated assistance to farmers and communities.

3.3.2 Goals

Through activities conducted within this objective, the CDA-P2K team will:

- Identify opportunities for Farm Stores and engage owners
- Expand farmer, market and supply linkages
- Establish and upgrade VFUs

3.3.3 Main Activities

Farm Stores

During the reporting period, CDA-P2K staff interviewed six potential farm store investors, who were selected after extensive interviewing and vetting. The project team is now working closely with two investors in Paktia, who have developed business plans for Farm Stores in Zurmat and Gardez. As the last month of the reporting period coincided with Ramadan, it was difficult to go forward with plans to meet investors or hold an investors meeting to introduce the Farm Store concept to a larger group of potential participants. These participants have been identified in the three provinces and a meeting is planned for the last week of October.

Also during the quarter, the CDA-P2K team was approached by two doctors of veterinary medicine, from Khost and Sharana in Paktika, respectively. These individuals, who are not part of the AVA system, have proposed “veterinary stores” as potential activities. The veterinarian from Khost developed a proposal for consideration and submitted it to CDA-P2K.

Potato, Apple and Onion Cold Storage

The CDA-P2K team has identified ten sites for demonstration cold storage cellars based on the CNFA supported design for potato cellars built in Bamyan and Wardak provinces in 2005. A local construction company will build the cellars, and will train local artisans in the construction to ensure sustainability and that the knowledge remains in each community. The cellars will provide storage for 25 metric tons of potatoes, and can also be used for onions or apples. The use of storage technology will allow farmers, communities and traders to keep commodities on-site or near the farm for an extended period of time for local consumption or to market at a later date when prices are higher. This will ensure a higher return on produce than is currently possible. The norm in P2K is to sell at harvest time, before crops begin to spoil. In Paktia the price of potatoes can double from the time of harvest to mid-winter when demand is high and supply low. Apple prices suggest a similar pattern. The design of these cold storage cellars is effective and low cost and is appropriate for economic conditions in P2K. Current plans are to complete the cold storage cellars before winter.



CNFA Potato Storage in Wardak Province

Support to the Afghanistan Veterinary Association

After multiple meetings to discuss possible areas of support, the AVA presented CDA-P2K an unsolicited proposal to implement a 12 month activity to improve services and capabilities of 24 Veterinary Field Units (VFUs) in targeted districts of P2K. The proposal contains measures designed to improve animal health through a variety of interventions, thus bolstering livelihoods and family earnings from animal products. Proposed interventions include supply of cold chain equipment, transport, AI, training of Para-vets and Basic Veterinary Workers at village level, and community training in animal nutrition and information systems as well as provision of diagnostic equipment to VFUs. CDA-P2K asked the AVA to prepare a more detailed proposal based on written questions and budget including benchmarks, a timeline for implementation, sustainability plan, beneficiary selection methodology, monitoring and evaluation (M&E) plan and reporting schedule and a staffing plan.

3.3.4 Results

In this quarter, the CDA-P2K team:

- Interviewed potential Farm Store investors
- Identified two Farm Store investors and supported them in the development of business plans
- Identified appropriate locations for ten demonstration cold storage cellars

3.3.5 Challenges

Traders and business owners expressed reservation at meeting with CDA-P2K in Gardez, and were hesitant to enter the PRT. Khost and Gardez were easier to access, but most of the businessmen interested in developing Farm Stores were in the construction business. The only actual agriculture dealer to approach CNFA in P2K is from Zurmat, arguably the most insecure town in Paktia. The opening of a liaison office in Kabul will increase the ability of the CDA-P2K team to liaise with potential Farm Store investors and business owners.

3.3.6 Plans for next quarter

During the upcoming quarter, the CDA-P2K team will:

- Hold Farm Store meeting for potential participants
- Open one or more Farm Store in the project area
- Construct ten demonstration cold storage cellars
- Review the “veterinary stores” concept and determine its feasibility
- Continue support program for the AVA and VFUs

3.4 Objective 4 – Rehabilitate Irrigation and Market Infrastructure

3.4.1 Overview

Irrigation

In meetings with District Shuras, District Development Shuras, farmer organizations, individual farmers and informal farmer groups, improved irrigation is mentioned as the most important issue. This underlines the dependence of most of the project area on irrigated crop rather than rain-fed production.

Afghanistan has a long history of irrigated crop production, and earthen canals and karezes have been the main system used for water distribution. These require regular maintenance, usually annually, and traditionally carried out by a group consisting of one member of each family that benefited from the particular irrigation infrastructure. During the years of unrest, up to 90% of the population was displaced. As a result, traditional maintenance was discontinued and consequently much of the irrigation infrastructure has fallen into disrepair. The extent of the necessary rehabilitation is significant and would require a very high contribution from the communities. There are now also a number of deep wells equipped with pumps that are usually diesel powered. The P2K staff have not encountered any solar or wind powered pumps.

The traditional method of on-field water distribution is flood irrigation, the scheduling of which is controlled by water masters. The system is time based rather than based on actual crop water requirement. When water is available the result is usually over-watering, which results in waste of water or alternatively a reduction in the area irrigated and leaching of nutrients that usually lead to a reduction in yield. On pumped systems there is a significant increase in costs due to the cost of fuel and if irrigation efficiency is only 25% UP TO 70% of fuel may be wasted.

The P2K strategy for irrigation infrastructure rehabilitation, as outlined in the life of project document, is “to emphasize follow up activities such as minor repair to branch canals, on-field distribution and alternative irrigation models. Where bigger engineering works are required the PRTs will be requested do the job or alternatively small contracts may be awarded. In addition to the actual repairs, the team will establish responsibilities and support functions from community groups, CDCs, local shuras and associations to ensure that ongoing maintenance and support of irrigation facilities is managed in the future. For farmers to realize the benefits of the rehabilitated infrastructure they will need training on irrigation scheduling and modern production methods together with availability of quality inputs. This emphasizes the importance of an integrated approach to implementation with all local, district, provincial and national stakeholders.” This strategy is dictated in part by budget limitations. In Khost province the PRT has carried out a significant amount of irrigation infrastructure rehabilitation while almost no work in this area has been done by the PRT in Paktia province.

Market Infrastructure

Market infrastructure in the project area is inadequately developed. Produce is sold in local markets or to traders from outside, mostly from Pakistan, without any value adding activities. Market centers, where they exist, are largely for retailing of local or imported produce, and do not serve as assembly points for domestically produced produce that is exported to other national markets or more usually to Pakistan. Most surplus produce is purchased by Pakistan traders, their agents or is brought to assembly markets in the NWFP, where it is usually sold to traders from other major provincial markets such as Lahore, Rawalpindi and Islamabad, or re-exported to third countries and in particular to China. Ethnic and religious conflict in border areas results in frequent border closures and disrupts the normal flow of produce to market.

3.4.2 Goals

The goals of work under this objective are to:

- Improve yields and irrigated area as a result of improved irrigation application, scheduling and water management.
- Add value to produce as a result of improved market infrastructure

3.4.3 Main Activities

Irrigation

During the previous quarter the Senior Agricultural Specialist held discussions and a joint site visit to Ahmad Aba district with a view to collaborating on rehabilitating canal intake points for the Aladdin canal and Landai 3 canal. Later on Landai 1 & 2 canals were included. The proposal was well received by the PRT commander and strongly supported by the USDA representative. CDA-P2K invited quotes from five soil laboratories to conduct site testing to ascertain the conditions for foundations, but only received one quotation. Although this activity was highly anticipated, the PRT decided not to proceed pending a regional water study to be conducted by brigade. CDA-P2K will now reassess the situation and depending on the likely cost of intake construction make a decision on whether to proceed further.

A number of karez systems were inspected during field trips to Sayed Karam and Gardez districts. Some of this infrastructure is beyond economic repair or unsafe to repair. Other karez systems were inspected and their rehabilitation would represent good value for money in terms of the area that could be irrigated and the number of families that would benefit. Estimates have been received for repair work and these will be assessed during the next quarter.

Market Infrastructure

The proposed improved orchard and vineyard management project includes demonstration of improved surface irrigation and drip irrigation, irrigation scheduling and water management. Drip irrigation will also be included in the greenhouse project.

A number of requests have been received for assistance to bore deep wells for pumped irrigation systems. This included a request from Baladan Farmers Cooperative for deep well installation. In a preliminary meeting the representatives were told that this request would only be considered if the farmers were prepared to combine it with improved water management. Initially the cooperative members were not prepared to do this but have since reconsidered their position and discussions are ongoing.

During the quarter, CDA-P2K staff continued discussions with the Gardez municipal mayor and representatives of the meat traders regarding the establishment of a slaughter house and cold storage facility. During the previous quarter similar discussions regarding the upgrading of an existing livestock slaughter facility had been held in Khost. In a discussion with an expert in the field, it was determined that a hygienic slaughter house and small chilling facility could be constructed in Gardez and the existing plant in Khost upgraded at an estimated cost of \$150,000 to \$200,000 per facility, excluding land and site development. This would include three month training for meat inspectors and abattoir staff.

3.4.4 Results

The CDA-P2K team:

- Identified karez systems for potential rehabilitation and received estimates for repair work
- Continued discussions regarding the establishment of a slaughter house and cold storage facility

3.4.5 Challenges

The cost of major irrigation or market infrastructure rehabilitation is beyond the current CDA-P2K budget, and the potential to leverage other funds to undertake this work is less certain than appeared earlier. There is reluctance on the part of farmers to invest in improved irrigation equipment and there is an expectation that any improvements will come through donations.

3.4.6 Plans for Next Quarter

Activities to be undertaken during the coming quarter include:

- Karez restoration projects using local labor and cash for work. There will be a requirement that communities give assurances that future routine maintenance will be undertaken by the communities.
- Site selection for demonstration of improved water management, irrigation scheduling and drip irrigation systems
- Site testing and commission engineering designs
- Subject to agreement with selected groups on an integrated approach to irrigation management, sink a limited number of deep wells.

3.5 Objective 5 – Establish Association and Community Outreach to Provide Services

3.5.1 Overview

Fruit tree nursery owners were organized into an association, supported by the Global Partnership for Afghanistan (GPFA). P2K agricultural staff members were involved in the latter stages of this effort and a number of meetings were held with the officer board. The nursery improvement project will be implemented with members of the association and will include an association strengthening and training component.

Agricultural services, anchored through a network of master or lead farmers identified by their peers and in cooperation with associations and grower organizations. In addition to producers, input suppliers (seed, fertilizer, fungicides, insecticides, veterinary supplies, machinery etc), traders (collectors, assemblers, wholesalers and retailers), processors and credit supplier associations help to improve the quantity and quality of produce that is in demand in the market.

3.5.2 Goals

Through activities within this objective, the CDA-P2K team seeks to:

- Establish strengthened associations and cooperatives
- Increase outreach and participation of women and youth in off-farm activities
- Strengthen GCK outreach capacity
- Ensure effective collaboration with other projects to leverage resources

3.5.3 Main Activities

Association Strengthening

A relationship with the AVA was initiated through the receipt of an unsolicited proposal for support to VFUs in P2K during the reporting period. A request for support for the AVA annual conference was also received positively with an agreement to sponsor twenty eight AVA members from the P2K area.

A number of meetings were held with the Gardez Apple Growers Association (GAGA). This association has potential but the attitude to-date has been one of passively accepting handouts rather than showing much willingness to engage in development activities on behalf of their members. Meetings will continue and the improved orchard and vineyard management project that will include an association strengthening component will continue efforts to elicit a more positive response from GAGA in addition to working to develop other associations.

The Baladan Farmers Cooperative was formed and registered four years ago and now has 264 members. The cooperative has been largely inactive as it received no support from MAIL or any other agency. CDA-P2K will continue discussions with the representatives and explore ways to strengthen it and make it more relevant for members. Improved irrigation and a machinery pool were two particular items discussed.

3.5.4 Results

During the quarter the CDA-P2K team continued to identify activities to strengthen associations operating in the project area. This included support to the following associations:

- Fruit tree growers
- GAGA
- Baladan Farmers Cooperative

3.5.5 Challenges

A severe challenge to working with associations is the expectation that the main function of the association is to lobby for and passively receive grants for the members without any counterpart contributions. While the depressed state of the local economy and the deprivation of years of unrest and the activities of other donors may have led to this mentality, there is a need to move from relief to development and the principle of counterpart contribution needs to be established.

3.5.6 Plans for Next Quarter

During the next quarter the main activities will focus on additional activities to support the associations discussed above.

4. Program Management and Administration

4.1 Staffing

During the interim period while ACIDI/VOCA conducted a recruit for a new Chief of Party for the project, technical staff bridged the gap and continued activities. They also focused on recruitment and hiring of national staff, and consolidating project operations to ensure more targeted and widespread impact. Specifically related to hiring, 15 scopes of work were developed and advertised, and multiple candidates were interviewed. This activity will continue in the upcoming quarter to bring staff on board. The general approach to staffing the project is towards “Afghanization,” drawing on a professional class of Afghan human resources available as a result of seven years of the USAID development effort.

An internal review of the financial management of CDA-P2K was executed by ACDI/VOCA during the quarter as well. The results of the review demonstrated that the project team is on target in terms of appropriate procedures and systems that comply with USAID regulations. The review also facilitated the further organization of administrative activities, which will strengthen the team's management of the project going forward.

4.2 Facilities

While the Gardez office and residence is being outfitted, the small expatriate team will continue to operate from the PRT Gardez. Once the Gardez office is finalized, the team will operate from that facility as the security situation allows, and from the liaison office in Kabul. National staff will operate from the Gardez and Kabul offices, and Khost as possible.

4.3 Security

The reporting period saw the continued trend of increased rates of incidents throughout the southeast region. Notably the onset of Ramadan and winter mirrored the historical decline of attacks during this period. Road travel between Kabul and Gardez remains highly insecure as highlighted by the recent deaths of three IRC international personnel. P2K international staff members continue to use USAID Air for transport between locations as a result. Afghan staff members have a larger degree of freedom of movement and conduct their travel through private or public transport.

A high rate of incidents is expected to continue, particularly in the area of Khost where the climate is less severe during winter months. The political situation on both sides of the Afghan border is complex and the area remains porous, allowing anti-government elements to continue to operate with impunity.

Currently, certain areas in the Gardez District are still relatively safe to operate in and implementation activities will be focused there until or if the security environment improves. The CDA-P2K team is looking toward moving off PRT Gardez and having both international and national staff work from its own location within the city. A residence is being prepared for both office and living accommodation. The Kabul liaison office will allow for further collaboration and a more effective outreach. Notably, the security team is in process of identifying appropriate solutions to ensure that costs do not increase even with this expanded presence to Kabul.

Moving toward a more traditional acceptance model as used in other disrupted environments, P2K is anticipating increased implementation activities through the use of national staff and organizations; the comparable freedom of national staff to move around the region and meet with communities is something we will build upon in the absence of secure international personnel movements.