



USAID
FROM THE AMERICAN PEOPLE

AFGHANISTAN SMALL AND MEDIUM ENTERPRISE DEVELOPMENT (ASMED)

MONTHLY REPORT: October 2010

October 2010

This publication was produced for review by the United States Agency for International Development. It was prepared by the prime contractor for the Afghanistan Small and Medium Enterprise Development project, DAI.

AFGHANISTAN SMALL AND MEDIUM ENTERPRISE DEVELOPMENT (ASMED)

MONTHLY REPORT October 2010

USAID Contract: 306-C-00-07-00503-00

USAID CTO: Zdravko Šami

**Submitted by: DAI
7600 Wisconsin Ave., Ste. 200
Bethesda, MD 20814**

**Submitted to: Afghanistan Mission
U.S. Agency for International Development
Kabul, Afghanistan**

DISCLAIMER

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

Table of Contents

ABBREVIATIONS	5
EXECUTIVE SUMMARY	7
<i>Component 1: Improving Market Information</i>	<i>7</i>
Highlight: Verona (Italy) Marble Fair 2010	7
<i>Component 2: Improving Business Development and Management Skills</i>	<i>7</i>
Highlight: Afghanbids.com Orientation Session	7
<i>Component 3: Strengthening Business Associations</i>	<i>7</i>
Highlight: Gemstone Training Center	7
receives heaters, air conditioners	7
<i>Component 4: Global Development Alliances & Grants</i>	<i>8</i>
Highlight: Paiman Atlas Group receives cut-and-wash equipment	8
<i>Component 5: Human Capacity Building</i>	<i>8</i>
Highlight: Herat Apprenticeship program results in sustainable jobs	8
MARKET INFORMATION:	9
Verona (Italy) Marble Fair 2010	9
FIELD ACTIVITIES – EAST	9
Kabul International Ag-Fair	9
BUSINESS DEVELOPMENT AND MANAGEMENT SKILL	10
FIELD ACTIVITIES – CENTRAL	10
ASMED audits Tarsian & Blinkley financial status, production	10
FIELD ACTIVITIES – NORTH	10
ASMED employee attends Code of Conduct workshop	10
Preparation for Upcoming Marble Conference	10
FIELD ACTIVITIES – SOUTH	10
Afghanbids.com Orientation Session	10
BUSINESS ASSOCIATIONS	11
FIELD ACTIVITIES – NORTH	11
Gemstone Training Center receives heaters, air conditioners	11
Women World Association grant updates	11
GLOBAL DEVELOPMENT ALLIANCES (GDA) & GRANTS	12
NEW GDAS APPROVED DURING THE MONTH	12
ASMED signs GDA contract with Cashmere Fibers Int. Ltd.	12
FIELD ACTIVITIES – CENTRAL	12
Tajiran-e-Jawan Youth Entrepreneurship	12
First-Ever Locally Produced Kaplan Water Turbine Installed on Istalif River	12
Paiman Atlas Group receives cut-and-wash equipment	13
FIELD ACTIVITIES – EAST	13
Pathology Lab Mughul Khan Memorial Hospital	13
FIELD ACTIVITIES – NORTH	13
Pamir Belawr Salt Company Starts Iodine Salt Production in North	13
FIELD ACTIVITIES – WEST	14
Herat Fibers & Textiles Industry Park assessment	14
FIELD ACTIVITIES – EAST	14
Saboor Alokzai Textile & Manufacturing Company’s machinery arrives	14
FIELD ACTIVITIES – NORTH	14
Etefaq Dawlatabad receives carpet looms	14
Takhar Grain Market pavillions installed	14
Women’s Market in Mazari Sharif completed	15
Challenges - North	15
Completion of Meat Market in Puli Khumri City, Baghlan Province	15
Takhar Grain Market MDG (installation of a pavilion)	15
FIELD ACTIVITIES – SOUTH	15

Construction of Nawi Barakzai District Market	15
Construction of Daman District Market	15
HUMAN CAPACITY BUILDING	16
<i>FIELD ACTIVITIES – CENTRAL</i>	16
AWBF Members Association networking event	16
<i>FIELD ACTIVITIES – EAST</i>	16
<i>FIELD ACTIVITIES – NORTH</i>	16
INTERNSHIP GRADUATION CEREMONY HELD FOR FARYAB INTERNS	16
<i>FIELD ACTIVITIES – WEST</i>	16
Herat University Supports 2011 Internship Program	16
Apprenticeship program results in sustainable jobs	17
Internship Program 2010/2011, Herat University	17
ANNEX I PROJECT ACTIVITIES, OCTOBER 2010	18

ABBREVIATIONS

ABA	Afghan Builder's Association
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
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
TLO	Tribal Liaison Office
VARA	Volunteer Association for Rehabilitation of Afghanistan
HUDDO	Hewad United Development Organization
MDG	Market Development Grant

AICB	Innovative Consulting Bureau
CEFE	Competency Based Economies through Formation of Enterprise
ESDC	Entrepreneurship Skills Development Center
AWAA	Afghan Women's Agriculture Association
SPWA	Seed Producer and Wholesaler Association
FAO	Food and Agriculture Organization
PRT	Provincial Rehabilitation Team
MOU	Memorandum of Understanding
WPCO	Women's Public Call Offices
OLPC	One Laptop Per Child
NGO	Non-Government Agency
TMF	Turquoise Mountain Foundation
SIP	Structural Insulated Panels
RHL	Remote Hydro-Light
ANTCC	Afghan Norway Tueter Construction Company
ANI	American Nuristani Import International
ACCW	Afghan Craft Carpets Weaving and Processing Company
ASFPC	A Sail Food Products Company
CCI	Chamber of Commerce and Industries

EXECUTIVE SUMMARY

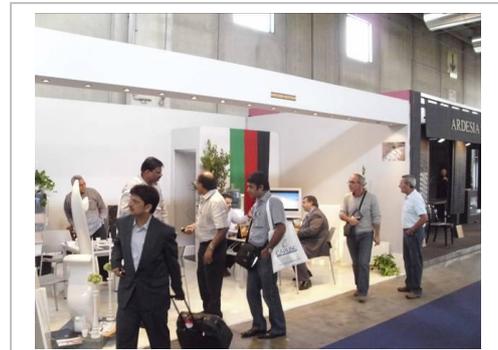
Component 1: Improving Market Information

Building market linkages through participation in trade fairs is a key priority for ASMED. Direct contact with buyers and agents, particularly from distant end-markets, not only provides valuable learning opportunities for Afghan SMEs, but generates significant economic growth.

Highlight: Verona (Italy) Marble Fair 2010

Verona Fair is one of the most important and largest fairs in Italy and has exhibitors/buyers from all over the world.

ASMED's delegation, Sayed Abid Akbary, technical assistance coordinator and Paul Lamoureux, stone consultant, attended the fair Sept. 29-Oct. 2 to help reinforce, build and continue the relationship established with equipment manufacturers, buyers, investors, and suppliers over the past years. Equity Capital Mining and Chesht Marble Processing companies represented the Afghanistan booths during the event.



Verona Marble Fair 2010
USAID/ASMED

Component 2: Improving Business Development and Management Skills

BDS providers are critical for sustained and efficient private sector growth. ASMED continues working with consultancy firms, local associations and universities to develop and expand trainings for SMEs in improved management practices, new investment and expansion, the introduction of new products and services, and the improvement of business productivity and profitability.

Highlight: Afghanbids.com Orientation Session

ASMED successfully conducted a training session Oct. 6-7 for 53 participants from various sectors, NGOs, agencies and implementing partners on the usage of Afghanbids.com the “e-procurement” website in Kandahar City.



Afghanbids.com Orientation Session
USAID/ASMED

Component 3: Strengthening Business Associations

ASMED continued targeting smaller, locally based associations across the regions in improving its services, representation skills and financial sustainability in October. Consolidating nascent associations into effective organizations is a top priority for ASMED, working with each organization to define services and products that meet the needs of its members.

Highlight: Gemstone Training Center receives heaters, air conditioners

ASMED procured four air conditioners and six gas heaters for the Gemstone Training Center in October. This was the final deliverable of an association grant for \$30,260 in which ASMED supported the Jewelers Guild in Kunduz City to purchase tools and equipment for the center improving product quality, conducting skills training in gemstone cutting, polishing and jewelry manufacturing. This is a joint project with GTZ.



Air conditions and gas heaters procured for
Gemstone Training Center in Kunduz
USAID/ASMED

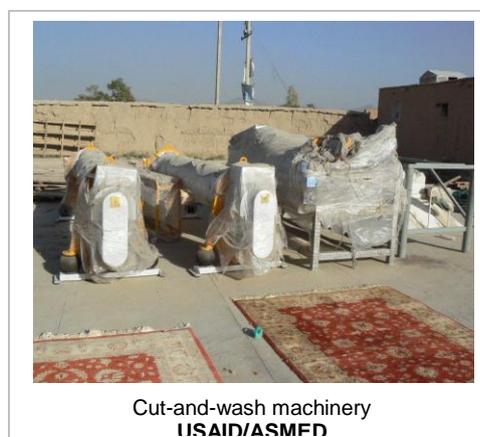
Participants in the trainings pay fees providing income and ensuring the sustainability of the Guild. The training improves participants' business opportunities and provides job opportunities for these family businesses and young people who enter this profession.

Component 4: Global Development Alliances & Grants

The GDA and Grant teams continue implementation of new processing systems and controls, making it possible to process a great volume of activities, while greatly improving oversight and compliance. During this month, one GDA was contracted, and one GDA was approved. For both projects, ASMED's contribution was \$1,348,000, and the partner contribution totaled \$8,145,689.

Highlight: Paiman Atlas Group receives cut-and-wash equipment

Carpet cut-and-wash machinery, funded through a GDA agreement (\$201,793), was delivered to Paiman Atlas Group's compound in Dashti Barchi, Kabul Oct. 17. Carpet is one of Afghanistan's largest export sectors, and the development of this processing provides expanded opportunities for carpet producers to establish the Afghan brand and benefit from duty exemptions in the U.S. and EU by allowing Afghans to produce carpets wholly made and finished in Afghanistan. Installation of the machinery begins after technicians arrive from the cut-and-wash machine manufacturer.



Cut-and-wash machinery
USAID/ASMED

Component 5: Human Capacity Building

Building a professional, qualified workforce for continued private sector development continues to be a key priority for ASMED. Our professional internship programs support practical business training for Afghanistan's private sector leaders of tomorrow. With an extraordinary success rate in securing permanent employment for its graduates, ASMED continues receiving multiple requests for expansion. This month also saw increased growth and potential in apprenticeship programs for unskilled workers to receive training and ultimately find employment.

Highlight: Herat Apprenticeship program results in sustainable jobs

ASMED, in partnership with USAID's Local Governance and Community Development Project (LGCD), supported an apprenticeship scheme for unskilled workers to receive training and find employment in the growing industrial production sector. Through this scheme ASMED and LGCD supported 160 jobless people (30 women and 30 disabled) from Guzara District to receive three months of training with host companies in Herat Industrial Park. The training finished Oct. 27. ASMED's role was to provide business skills training to the apprentices, while LGCD provided program funding, including the salaries of trainees for three months.

The trial project was incredibly successful with 159 of the beneficiaries receiving a permanent job within the host companies. Not only has this been very effective in getting sustainable jobs in an area with high unemployment, but it has had a very strong effect on the optimism of the workers themselves.

"Before, I was working as a shoemaker in Iran, and my earnings were good," said Salmon. "I became sick and damaged a disc of my spinal cord. I walked with crutches when I returned to Afghanistan to continue my previous profession. I was not able to make ends meet. After I participated in this new program, I am now working. I am glad and hopeful to get a fixed salary every month. My family is respecting me more, and I am getting my self-confidence back."

-Salman Ali, apprenticeship training participant

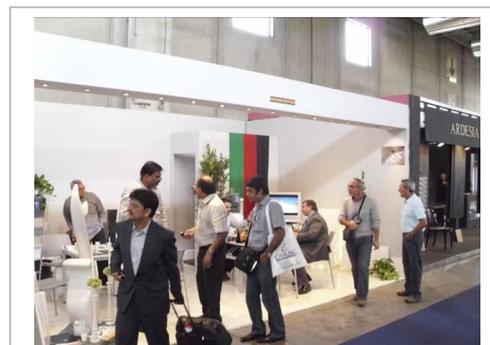
PROGRAM COMPONENT I

MARKET INFORMATION:

Verona (Italy) Marble Fair 2010

Verona Fair is one of the most important and largest fairs in Italy and has exhibitors/buyers from all over the world.

ASMED's delegation, Sayed Abid Akbary, technical assistance coordinator and Paul Lamoureux, stone consultant, attended the fair Sept. 29-Oct. 2 to help reinforce, build and continue the relationship established with equipment manufacturers, buyers, investors, and suppliers over the past years. Equity Capital Mining and Chesht Marble Processing companies represented the Afghanistan booths during the event.



Verona Marble Fair 2010
USAID/ASMED

FIELD ACTIVITIES – EAST

Kabul International Ag-Fair

The Kabul International Agricultural Fair was managed by ASAP on behalf of Ministry of Agriculture Irrigation and Livestock Oct. 6-8 in Kabul.

ASMED introduced nine SMEs from eastern Afghanistan to the fair, where participants exhibited their goods to the domestic and international business community. All SMEs gained the opportunity for immediate sales. They met in business-to-business meetings with local and international entrepreneurs sharing ideas and information and looking for ways to expand their businesses. SMEs developed concepts for product improvement, introduced new techniques and technology, and established linkages for future sales.

ASMED supported the cost of booths (\$4,050) and expenses for nine sponsored SMEs.

ASMED team registered the SMEs with USAID/ASAP for participating in this Ag-Fair. The minister of Agriculture Asif Rahimi visited the booths, during his visit he said the MoAIL will provide land on lease to the interested agribusiness SMEs. The Ministry of Agriculture began certification of agricultural products, providing quality control certificates for eligible businesses. Most of the SMEs signed contracts with Supreme Logistics, a company that supplies food items to the NATO/ISAF, coalition forces, and National Police and Afghanistan National Army countrywide.



Kabul International Agricultural Fair ASMED
Staff facilitation
USAID/ASMED

PROGRAM COMPONENT 2

BUSINESS DEVELOPMENT AND MANAGEMENT SKILL

FIELD ACTIVITIES – CENTRAL

ASMED audits Tarsian & Blinkley financial status, production

ASMED signed a Purchase Order with Haqiqi Consulting Company Oct. 10 to audit the financial status of Tarsian & Blinkley Company. The audit ensured a full and accurate accounting, distinguishing between Jalalabad and Kabul offices, along with an integrated set audit for the company as a whole. A Statement of Accounts will be developed for each location and for the enterprise as a whole.



FIELD ACTIVITIES – NORTH

ASMED employee attends Code of Conduct workshop

To enhance the knowledge of the current staff members about NGOs Code of Conduct, ASMED in Mazar sent a staff member to attend workshop at the Agency Coordinating Body for Afghan Relief Oct. 24. For more information on SPHERE see www.sphereproject.org. The workshop increased awareness among NGOs about accepted code of conduct, information exchange about tax law, tax categories and tax payment procedures. SPHERE is the minimum standard operating procedures during the emergencies (how to coordinate efforts during an emergency situation).

Preparation for Upcoming Marble Conference

To coordinate ASMED's efforts for upcoming Marble Conference in Herat (April 2011), the ASMED team in Mazar met with marble processing companies in the north Oct. 25 shared to encourage them to attend the conference. ASMED team is mobilizing SMEs working in the marble sector to use the opportunity to attract investment, joint venture partners, and to market their products.

FIELD ACTIVITIES – SOUTH

Afghanbids.com Orientation Session

ASMED successfully conducted a training session Oct. 6-7 for 53 participants from various sectors, NGOs, agencies and implementing partners on the usage of Afghanbids.com the “e-procurement” website in Kandahar City.



PROGRAM COMPONENT 3

BUSINESS ASSOCIATIONS

FIELD ACTIVITIES – NORTH

Gemstone Training Center receives heaters, air conditioners

ASMED procured four air conditioners and six gas heaters for the Gemstone Training Center in October. This was the final deliverable of an Association grant for \$30,260 in which ASMED supported the Jewelers Guild in Kunduz City to purchase tools and equipment for the center improving product quality, conducting skills training in gemstone cutting, polishing and jewelry manufacturing. This is a joint project with GTZ. Participants in the trainings pay fees providing income and ensuring the sustainability of the Guild. The training improves participants' business opportunities and provides job opportunities for these family businesses and young people who enter this profession.



Air conditions and gas heaters procured for Gemstone Training Center in Kunduz
USAID/ASMED

Women World Association grant updates

USAID/ASMED is supporting the Women World Association financially through an Association grant (\$41,198) and a Market Place Development grant (\$17,560) to renovate the compound and main building of the women's market in Mazar, originally constructed by JICA /UNDP in 2007. Due to a lack of infrastructure such as toilets, drinking water, and financial support, the original UNDP project did not succeed. ASMED provided a grant for the renovation of the market compound and shops. The U.S. Army built toilets and the American and Afghanistan Friendship Fund drilled a well inside the market. All activities under the MDG were completed in October. Future planning under the approved Association grant includes installation of cabinets, shelves, tables, chairs, tools and equipment inside the shops, as well as providing commercial advertisements. The association contracted a carpenter in October to start activities. Twenty women entrepreneurs will benefit from the market shops.



Installation of shelves and cabinets for Mazar Women's Market
USAID/ASMED

PROGRAM COMPONENT 4

GLOBAL DEVELOPMENT ALLIANCES (GDA) & GRANTS

NEW GDAS APPROVED DURING THE MONTH

ASMED signs GDA contract with Cashmere Fibers Int. Ltd.

Cashmere GDA contract was signed between Cashmere Fibers International Limited and ASMED Oct. 10. CFIL representatives visited Herat Textile Company, which has been inactive for the past 20 years. Representatives assessed the possibility of renting the textile company's building for setting up the cashmere equipment. CFIL representatives and ASMED team also met with Deputy Minister of Commerce.

FIELD ACTIVITIES – CENTRAL

Traitex & Cashmere Fibers International cashmere processing GDA

This GDA (ASMED contribution \$1 million, partners contribution \$7,456,689) supports Cashmere Fibers International, Traitex SA & Local Afghan Cashmere Trading Company, to establishing a cashmere processing facility in Herat Province. With support in setting up and training, this GDA provides the only operating facility for machine de-hairing and scouring of cashmere in Afghanistan. This important activity supports thousands of herds manned in the region and creates 100 direct jobs.

Marble Quality Lab approved by USAID

The Marble Quality Lab will issue quality assurance certificates based on the industry ASTM and United States and European standards in October. This testing facility (ASMED contribution \$348,000, partners contribution \$698,000) will significantly reduce quality assessment costs, which are currently considerable and time consuming for the Afghan marble mining and processing sectors. The analysis process at the proposed lab will typically take one week for results, consisting of analyzing physical properties of stone and certifying its quality.

Tajiran-e-Jawan Youth Entrepreneurship

Tajiran-e-Jawan (ASMED contribution \$389,000, partners contribution \$305,000) supports youth-started and youth-owned businesses in Afghanistan, working to promote a culture of entrepreneurship that will sustain and feed the country's economy as it grows and changes. The program manager and one administrative assistant have been hired. Interviews and candidate screening for the master trainer, and Finance & Administrative officer are being conducted. Both positions will be filled by Oct. 31

A majority of the TJ team's time has been invested in developing and designing a localized curriculum. Fazilat Consulting Group has established agreements with the International Finance Cooperation's Business Edge and with The National Foundation for Teaching Entrepreneurship, New York, for the use of material for training purposes

First-Ever Locally Produced Kaplan Water Turbine Installed on Istalif River

ASMED and Remote HydroLight (RHL) celebrated the first successful production and installation of a locally-produced Kaplan-style turbine Oct. 10.

RHL has been operating in Afghanistan for the past five years, producing micro-hydro turbines and importing and manufacturing parts for turbines made and installed by other Afghan SME's that RHL helped establish. The business has effectively enabled the production and installation of more than 1,000 micro-hydro plants across the country, nearly all in rural areas with no access to grid power.

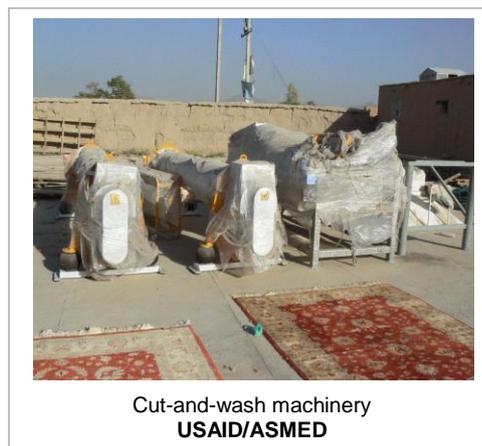


The 12kw Kaplan-turbine installed on Istalif River
USAID/ASMED

ASMED contributed \$200,000 of the \$500,000 total GDA USAID approved Nov. 1, 2008. The first prototype with a capacity of 12KW electricity was installed in Istalif. The second turbine is shipped to the Norwegian University of Science and Technology, Trondheim, Norway for test. The current prototype installed on Istalif River produces 12kw electricity, and 20 households in the area benefit.

Paiman Atlas Group receives cut-and-wash equipment

Carpet cut-and-wash machinery, funded through a GDA agreement (\$201,793), was delivered to Paiman Atlas Group's compound in Dashti Barchi, Kabul Oct. 17. Carpet is one of Afghanistan's largest export sectors, and the development of this processing provides expanded opportunities for carpet producers to establish the Afghan brand and benefit from duty exemptions in the U.S. and EU by allowing Afghans to produce carpets wholly made and finished in Afghanistan. Installation of the machinery begins after technicians arrive from the cut-and-wash machine manufacturer.



Cut-and-wash machinery
USAID/ASMED

FIELD ACTIVITIES – EAST

Pathology Lab Mughul Khan Memorial Hospital

Dr. Arturo Mendoza, Medical Director of SHARP Mary Birch Pathology Laboratory, and his associates from the San Diego Rotary Club traveled to Jalalabad Oct. 25 to assemble the Pathology Lab equipment and provide training to the doctors of Mughul Khan Memorial Hospital (MMH) in how to conduct biopsy analysis. This is the first pathology lab in the region, and the equipment and training enables MMH to become the primary provider of this service. Currently all tissue samples are sent to Pakistan for processing. Training will continue through Nov. 3.

FIELD ACTIVITIES – NORTH

Pamir Belawr Salt Company Starts Iodine Salt Production in North

Pamir Belawr Salt Company started production of iodized, filtered salt at its new state-of-the-art factory in Mazar-e-Sharif in October. Through a GDA agreement (\$150,200), ASMED supported Pamir Belawr Salt Refinery Company. ASMED financial support for this project included quality check laboratory equipment, a 600kw generator, and electricity transformer. Consultancy services will also be provided. Prior to the agreement, the company was producing salt which was not iodized or refined. The company is now the only company in northern Afghanistan to produce this high-quality product. The company will market its product to the nine Northern provinces. The production capacity of the company is 10 tons/hour and there are 160 personnel working in two shifts.

GDA partner visits China to procure carpet machinery

Haji Bawoodin Bori, chairman of Olum Wool Spinning Company, traveled to China (paid through ASMED GDA) in October to look for wool washing and spinning equipment to be purchased under the Wool Spinning & Dyeing GDA (ASMED contribution \$124,745, partner contribution \$411,200). Olum Wool Spinning Company, located in Acqcha District of Jawzjan, currently buys imported wool and dyes and sells it to the local market. By helping the company procure this equipment, an important part of the wool/carpet value chain will be brought back into Afghanistan - allowing the wool to be spun and dyed here rather than importing from outside markets. This also reduces cost of inputs for hundreds of local carpet producers.

Challenges with Saadat Tomato Paste Consultancy

As part of this GDA project includes consultancy by a local Beacon BDS company to conduct an initial needs assessment, train company staff on marketing, administration, finance, and develop and implement a marketing strategy. In October, the consultancy successfully completed the needs assessment and provided a report to ASMED with its recommendations and findings. However, the consultancy project has now been postponed due to a lack of cooperation with the partner. ASMED has tried several times to meet with the partner to resolve this problem, but Sadat Company has been unresponsive.

FIELD ACTIVITIES – WEST

Herat Fibers & Textiles Industry Park assessment

ASMED conducted an engineering assessment of the Ministry of Commerce and Industry (MoCI)-owned Aria Textile Mill facilities in Guzara District Herat Province Oct. 23. ASMED, with GDA partners Cashmere Fibers International and Traitex, conducted the assessment to gauge the feasibility of supporting the MoCI to develop a natural fibers processing “cluster” in Herat Province by renovating the existing textile mill into a specialized facility offering rental “housing” for a number of industrial textile companies. To achieve this, it is proposed the facility be converted into 10 established rental units, leased to companies investing in natural fibers and/or textiles processing facilities. ASMED is preparing a proposal to submit to the MoCI.

GRANTS

FIELD ACTIVITIES – EAST

Saboor Alokozai Textile & Manufacturing Company’s machinery arrives

Through a Value Chain Improvement grant (\$27,120), ASMED supported the purchase of machinery for SATMF. This grant expands textile production and helps the company achieve a significant share of the textile market in eastern Afghanistan, as well as increase Kabul sales. SATMF’s equipment arrived at Jalalabad Customs in October.

FIELD ACTIVITIES – NORTH

Etefaq Dawlatabad receives carpet looms

Under the Value Chain Improvement grant (\$28,400), ASMED supported Etefaq Dawlatabad Carpet Weaving Company. The company has a weaving center in Dawlatabad district of Balkh Province. There are approximately 20 weavers inside the weaving center. There are 100 women weavers. ASMED supported the company to purchase 595 square meters of carpet looms. The carpet looms were handed over Oct. 31. The company is going to distribute the looms among the weavers in the villages. A total of 220 carpet weavers will benefit from this project. Future activities under the grant include procuring benches for the weavers, a 10kw generator, and printing posters and brochures.



Takhar Grain Market pavillions installed

This medium-sized grain market is the only market in the area. There are 50 shops in the market, each employing three personnel. The unpaved pavilion in the market is an obstacle for the SMEs, as their flour and wheat are affected by inclement weather during the year.

ASMED awarded a Marketplace Development grant (\$14,954) for the construction of pavilions Oct. 5. Implementation of the project supports local business in the area, creates job opportunities for local communities and strengthens the relationship between the community and the government.

Women's Market in Mazari Sharif completed

Construction is now completed on the Women's Market in Mazari Sharif. This grant (\$17,560) enhanced the physical rehabilitation of 20 shops, including providing electricity and a large gate, and playground equipment, benches, umbrellas and chairs. The MDG activities are 100 percent complete. Some activities remain under a separate Association grant, including carpentry work within the shops and procurement of equipment for shopkeepers. This grant will contribute to women employment in Balkh Province.

Challenges - North

Completion of Meat Market in Puli Khumri City, Baghlan Province

Although ASMED's contribution (\$14,927) to this project (installation of mosaic inside the meat market and construction of a septic tank) was completed several months ago, the close-out of the project has been delayed for several reasons. The security situation made it difficult to visit the project to perform a final assessment and evaluation. In addition, the local municipality has been slow in delivering its final report. Finally, shopkeepers of the meat market in Puli Khumri say they cannot fulfill their contribution (installation of ceramic inside the shops), but are now looking to Mercy Corps for support to provide their contribution.

Takhar Grain Market MDG (installation of a pavilion)

ASMED's contribution for this Marketplace Development grant (\$14,959) is the installation of a pavilion inside the grain market, in front of existing shops, to protect grain stored outside from the elements. It has been one month since the construction company received its first installment, but the company is unable to start the project activities because shopkeepers won't allow the municipality to empty or clear the selected area of bags of grain. They claim now is the time for selling grain, and would prefer to delay the project by 2-3 months. The governor sent a letter to the shopkeepers ordering them to clear the area.

FIELD ACTIVITIES – SOUTH

Construction of Nawi Barakzai District Market

ASMED, in cooperation with Taj Haleem Construction Company and Nawa District government, started construction of eight market stalls in Nawa Barakzai District, Helmand Province on Oct. 24. Lack of marketplaces is an obstacle for SME start-up and expansion in the area. SMEs lack proper storage facilities and as a result, perishable items spoil quickly. The marketplace will create eight new SMEs, 16 permanent jobs and 10 temporary jobs. ASMED's contribution is \$12,232.

Construction of Daman District Market

Through a Marketplace Development grant (\$13,815), ASMED funded the construction of 12 market stalls in Daman District, Kandahar Province Oct. 24. Taj Haleem Construction Company, in cooperation with Daman District government, will construct the marketplace. Lack of marketplace is an obstacle for SME start-up and expansion in the area. SMEs lack proper storage facilities and as a result, perishable items spoil quickly. The marketplace will create eight new SMEs, 16 permanent jobs and 10 temporary jobs.

PROGRAM COMPONENT 5: HUMAN CAPACITY BUILDING

FIELD ACTIVITIES – CENTRAL

AWBF Members Association networking event

The ASMED team, representatives of USAID Trade and Accession Facilitation for Afghanistan (TAFA), GTZ, other women associations and local media attended the AWBF Members Association networking event Oct 11.

The event was introduced AWBF to multi-media and strengthened the relationship with the government, foreign organizations and embassies, as well as establishing networks between AWBF members associations and major stakeholders.

AWBF also inaugurated a showroom of handicrafts where different hand-made products were displayed.



FIELD ACTIVITIES – EAST

Completion of Nangarhar University Internship Program

Nangarhar University Internship Program was successfully completed Oct. 5, for 75 interns (25 women) from Nangarhar Province.

Of the 75 interns, 22 (eight women) obtained permanent jobs in October with different organizations. In the past ASMED has typically held graduation ceremonies upon completion of its internship programs. However, due to transportation and security issues this past program was concluded without a formal graduation. Certificates were distributed individually.

FIELD ACTIVITIES – NORTH

Internship Graduation Ceremony held for Faryab Interns

In partnership with Faryab University and the Balkh BDS, ASMED has trained interns from Faryab University in accounting, management and marketing and provided work opportunities for 50 students (18 women). The internship program for Faryab started March 6 and ended Sept. 11. Many of the interns have received permanent jobs. An internship graduation ceremony was held Oct. 28. Faryab Province governor, USAID FPO, Directors of Economy, ACCI, Bank-e-Mille Afghan and other government officials were invited to the graduation ceremony. The Governor talked about the importance of the internship programs - especially in business sector - and appreciated ASMED efforts in launching such productive and fruitful programs. The governor also insisted on extending educational, economical and business internship programs for undergraduate students in the future.

FIELD ACTIVITIES – WEST

Herat University Supports 2011 Internship Program

ASMED team met with the Herat University director to discuss the identification of sponsors for internship programs in 2011. The director is supportive of taking over the internship program from ASMED and is working on mechanisms for Herat University to sustainably manage the program in the future.

Apprenticeship program results in sustainable jobs

ASMED, in partnership with USAID's Local Governance and Community Development Project (LGCD), supported an apprenticeship scheme for unskilled workers to receive training and find employment in the growing industrial production sector. Through this scheme ASMED and LGCD supported 160 jobless people (30 women and 30 disabled) from Guzara District to receive three months of training with host companies in Herat Industrial Park. The training finished Oct. 27. ASMED's role was to provide business skills training to the apprentices, while LGCD provided program funding, including the salaries of trainees for three months.

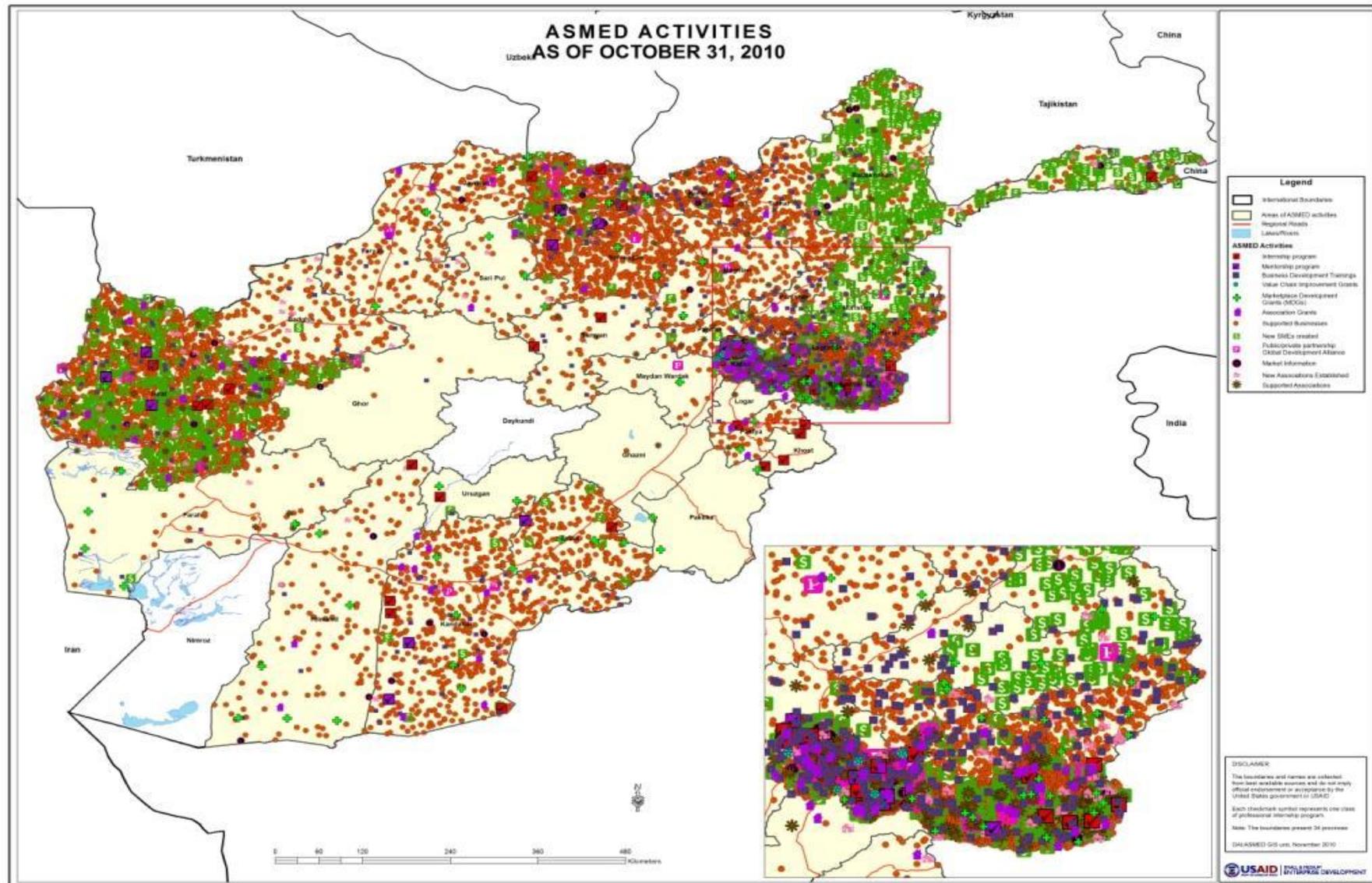
The trial project was incredibly successful with 159 of the beneficiaries receiving a permanent job within the host companies. Not only has this been very effective in getting sustainable jobs in an area with high unemployment, but it has had a very strong effect on the optimism of the workers themselves. For example, one beneficiary Salman Ali is very optimistic for his future.

"Before, I was working as a shoemaker in Iran, and my earnings were good," said Salmon. "I became sick and damaged a disc of my spinal cord. I walked with crutches when I returned to Afghanistan to continue my previous profession. I was not able to make ends meet. After I participated in this new program, I am now working. I am glad and hopeful to get a fixed salary every month. My family is respecting me more, and I am getting my self-confidence back."

Internship Program 2010/2011, Herat University

The internship program implemented by ASMED and Herat University continued with the University of Herat delivering a theoretical business course to the second batch of 27 students. A three-month practical period of internship will help interns get acquainted with actual working environment within companies, learn practical work and practice the knowledge learned during the three-month theoretical training.

ANNEX I PROJECT ACTIVITIES, OCTOBER 2010



**AFGHANISTAN SMALL AND MEDIUM ENTERPRISE
DEVELOPMENT
SHASH DARAK, KABUL
AFGHANISTAN
ASMEDInfo@dai.com**