

Rebuilding Agricultural Markets Program (RAMP) Afghanistan

Quarterly Progress Report For October 1 – December 31, 2004



Submitted by:

Chemonics International, Inc.

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FROM THE AMERICAN PEOPLE



USAID Contract No. 306-C-03-00-00502-00 to provide services to the Rebuilding Agricultural Markets Program (RAMP) in collaboration with the Islamic State of Afghanistan

Subcontractors: Shorebank Advisory Services, International Fertilizer Development Center
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ACRONYMS

ACRONYMS	
ADB	Asian Development Bank
AED	Agriculture Extension Department
AFC	Afghanistan Finance Corporation
AIB	Afghanistan International Bank
The Fund	Afghanistan Renewal Fund
Chemonics	Chemonics International Inc.
COP	Chief of Party
CTO	Cognizant Technical Officer
CO	Contracting Officer
DCOP	Deputy Chief of Party
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
GIS	Geographic Information System
GOA	Government of Afghanistan
GPS	Global Positioning System
GUI	Graphical User Interface
Ha	Hectare
IP	Implementing Partner
IR	Intermediate Result
IRA	Islamic Republic of Afghanistan
JO	Job Order
Km	Kilometer
Kg	Kilogram
LOP	Life of Project
M&E	Monitoring and Evaluation
MAAH	Ministry of Agriculture and Animal Husbandry
MEIS	Monitoring and Evaluation Information System
MISFA	Microfinance Investment Support Facility Afghanistan
MIWRE	Ministry of Irrigation and Water Resources
MOC	Ministry of Commerce
MOF	Ministry of Finance
MOU	Memorandum of Understanding
MRRD	Ministry of Rural Rehabilitation and Development
MT	Metric Ton
NGO	Non Governmental Organization
PASA	Participatory Agency Service Agreement
PMP	Performance Management Plan
PPSD	United Nations Partnerships for Private Sector Development
PRA	Participatory Rural Assessment
PRT	Provincial Reconstruction Team
RAMP	Rebuilding Agricultural Markets Program
SME	Small and Medium Enterprises
SO	Strategic Objective
UN	United Nations
UNDP	United Nations Development Program
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
VBSE	Village-Based Seed Enterprise
VFU	Veterinary Field Unit
WOCCU	World Council of Credit Unions

Executive Summary

The last quarter of calendar year 2004 was a very busy time for Chemonics International and its RAMP Implementing Partners (IPs). Many of the specific activities launched months ago started to bear tangible fruit. The project is in the process of linking the efforts of individual IPs to improve and strengthen selected value chains across the targeted provinces. Given the challenges that post-conflict Afghanistan presents, this is a significant accomplishment and bodes well for the future of the project and the rebuilding of Afghanistan's agricultural sector.

Critical Contract Deliverables

During this quarter the project's Cognizant Technical Officer issued his formal acceptance and approval of two critical deliverables: the Contract Implementation Strategy and the Life of Project Work Plan. Combined these two documents present a clear roadmap of where this enterprise is headed. In addition, the project received provisional approval of its detailed 2005 Work Plan. That document sets the targets against which this and subsequent quarterly reports will measure progress. Finally, the Monitoring and Evaluation Unit had the opportunity to review with the RAMP CTO the compendium of technical documents it has prepared over the life of the project. These technical analyses have provided the foundation upon which the RAMP/Chemonics team has made critical decisions about the commodity groups and value chains to target to generate the most impact over the project's three year life.

Significant Value Chain Developments

As the activities undertaken by implementing partners months ago begin to generate results, the project management team is now focused on getting different partners to work more closely together to develop synergy and enable combined efforts to have a more significant impact across targeted value chains. There are several good examples of this.

Strengthening the Wheat Value Chain in Kunduz Province

In Kunduz Province the collective efforts of several partners, including ICARDA, the Grain Industry Alliance (GIA), and the Afghanistan International Bank (AIB) are strengthening the wheat value chain. ICARDA's demonstration farms and village-based seed enterprises are helping farmers produce wheat more productively. GIA has established a chain of marketing centers that reinforce the post-harvest handling chain. As a result the infrastructure is in place to help move wheat from farm gate to market more efficiently. AIB has provided funding to an Afghan entrepreneur who is building a flour mill. When it comes on-line, the mill will expand the demand for wheat across Kunduz and neighboring provinces. Supporting these efforts are on-going infrastructure projects to improve the province's network of farm-to-market roads. The next contribution will be the construction of a bridge over the Kunduz River. It will improve marketing efficiency by shortening the link between the Qasemali Agricultural Production Area, five RAMP-funded Market Centers and the regional markets along the Kunduz-Kabul Road.

Developing the Fruit and Vegetable Value Chains in the Shomali Plains

South of Kunduz in Parwan Province is the heart of the Shomali Plains, which extends from the northern portion of Kabul Province into Kapisa Province. RAMP-funded activities are making significant contributions to accelerate the development of fruit and vegetable value chains. With support from RAMP, Development Works Canada was on the verge of bringing its vegetable dehydration plant on line as the quarter ended. In addition to creating employment for more than 400 Afghans, mostly women, the plant will provide an expanded market for the region's vegetable growers. The plant will provide a market for 1,400 farming families in the Shomali Plains. Showing the importance of taking a market-driven approach

to agricultural development, the plant had a signed order for a container of dehydrated cauliflower before the equipment had been installed.

In the fruit sector, Roots of Peace was able to help its partners cut a new channel of distribution to the Indian grape market. Although this trial export was small, it is a harbinger of expanded exports that should result in the coming crop year.

The project's efforts to rehabilitate critical portions of the irrigation system is bringing water to fields to improve yields, make more land productive and bring new, higher value crops into cultivation. Shomali farmers can now increase the quantity and improve the quality of the crops they produce, as well as transport crops more readily on improved farm to market roads.

Helping Farmers in Southern Afghanistan Identify Alternatives to Poppy

This quarter, the RAMP/Chemonics team launched a major effort to focus more of the project's on-going resources to help farmers in Helmand and Kandahar Provinces identify and take advantage of crops that offer an alternative to poppy cultivation. This overall effort included the launching of an \$18 million cash for work initiative, over \$8.5 million in infrastructure rehabilitation, and over \$11 million in job orders under the project's agricultural technology and market development component.

The cash for work activities provide rural inhabitants of Helmand an alternative to reliance on poppy employment and income. By cleaning drains and repairing irrigation systems, this effort will also improve the productivity of the province's farms.

The infrastructure rehabilitation work covers repairs and improvements to several major canals and drains, expanded use of drip irrigation, and improvements to critical farm-to-market roads. RAMP/Chemonics will subcontract a significant portion of this work to local companies. On a related job order, Development Alternatives Inc. is working to develop water users' associations so that the irrigation improvements are sustainable over the long term and that there is greater local control of scarce and valuable water resources.

Six different partners - CADG, DCA, GIA, ICARDA, IFDC and RoP - are working across 12 districts in Helmand and five in Kandahar to identify the crops that will offer farmers the best return on investment and a licit alternative to poppy production. Armed with lessons learned from the efforts of this current crop cycle, the project will empower farmers across the region to produce these alternative crops on a massive scale to during the 2005-2006 crop-cycle.

These are three brief examples of how RAMP/Chemonics is building on past accomplishments to develop important agricultural value chains across Afghanistan. Subsequent quarterly reports, as well as interim reports, will expand on these and focus on other efforts underway in the livestock sector and nut sub-sector.

Change in Command

With this quarterly report, my duties as the Acting Chief of Party come to an end. It has been my great pleasure to serve in this capacity for most of the reporting period. I have enjoyed working closely with Dan Miller, the RAMP/CTO and his staff, and the RAMP/CO Margaret Kline. I have learned a great deal by working closely with the extremely competent and committed employees of Chemonics International who are achieving much under difficult conditions. It has also been a rewarding professional experience to get to know and collaborate with many of our implementing partners. In addition, my colleagues and I welcome the changes that His Excellency Obaidullah Ramin brings to a restructured Ministry of Agriculture, Animal Husbandry and Food. The foundation is in place for a much more fruitful and productive working relationship between the Ministry and the project.

I look forward to returning to my role as the home office project supervisor and working closely with the incoming chief of party, Louis Faoro. RAMP/Chemonics is headed in a positive direction and will continue

to make important contributions to the rebuilding of Afghanistan's agricultural sector over the next eighteen months.

Timothy J. Mooney
Chemonics International, Inc.

Management Reports:

Agricultural Technology and Market Development

Accomplishments this Quarter

The agricultural team worked hard throughout the quarter and is continuing its efforts to integrate its broad set of agricultural technology and market development activities to make selected value changes more efficient. Whereas the focus during the initial stages of the project was to manage individual subcontracts, this quarter the emphasis began to focus more on promoting collaboration and cooperation between implementing partners (IPs). Working through these IPs the project accomplished much. Among other accomplishments, the project facilitated pilot shipments of fresh fruits, dried fruits, and nuts to new export markets, working closely with producers, processors, exporters, buyers, the Ministry of Commerce officials, and other marketing agents.

Identifying Potential Export Markets for Targeted Products

The project undertook several important activities to identify export markets for Afghan fruits, nuts and vegetables. RAMP/Chemonics staff helped the Director of the Export Institute (Ministry of Commerce) and the rest of the Afghan delegation make a strong showing at the 24th India International Trade Show held in Delhi in November. This included setting up and operating a booth to display Afghan dried fruit and nuts, which attracted over 500 potential customers. Many buyers are attracted by the fact that Afghanistan's fresh grapes are available from August through October, when they are not able to procure locally.

As a result of its participation in Delhi, the RAMP/Chemonics team and Afghan delegation learned that wholesale margins for both bulk and packaged dried fruit and nuts in the Indian market are very favorable and offer Afghan wholesalers an opportunity to export products that meet the market's requirements for quality. At least one Afghan participant, a processor/exporter, signed contracts with several Indian customers during the trade show. As the quarter ended this exporter was preparing shipments for India. Participation in the trade made it evident to both the Director of the Export Institute and other participants that the Indian market offers significant opportunities for properly packaged dried fruit and nuts. This is a value added product Afghanistan has the potential to produce abundantly.

Test shipments of grapes and pomegranates to Dubai and Singapore also met with success. Buyers in both markets were pleased with the quality of the fruit and the manner in which it was packaged. Working through several different IPs, RAMP/Chemonics provided direct assistance to private marketing agents in the harvesting, sorting, cooling, packing, and shipping of the fruit. These demonstration shipments generated additional orders for Afghan grapes and pomegranates from satisfied buyers.

In late December a Roots of Peace staff member organized and participated in a trade mission to Kuwait with officials from the Ministry of Commerce. The trade mission was an initial effort at opening up trade between the two countries. The Afghan delegation provided an overall view of Afghan agricultural exportable products, including samples of Afghan dried fruit and nuts, to the Kuwaiti Ministry of Commerce and industry stakeholders.

The agriculture team will use this critical market information gained from its participation in India and Kuwait and test shipments to Dubai and Singapore to focus the efforts of its IPs working in these value chains to take advantage of this market window.

Improving the Quality of Export Products

On previous overseas trips, project activities have noted serious deficiencies with many products Afghan exports send overseas. International standards for cleanliness and phyto-sanitary standards present a challenge for many potential exporters. The project took specific steps to address this issue during the quarter. It imported laboratory equipment to test for aflatoxin, which it installed at the Export Institute and organized a training program for 15 chemists/technicians from the private and public sector. In the near future the project will install laboratory equipment to conduct microbiological testing for Salmonella, Listeria and other contaminants.

In addition to introducing this testing equipment, the project made major strides during the quarter to improve the post-harvests marketing infrastructure in several targeted value chains. To maintain the quality of grapes and other fresh fruits destined for the export market, several IPs imported cold storage units to be installed in producer and/or exporter association warehouses in Parwan, Kabul, Kandahar, Helmand, and Kunduz. RAMP is now assisting many processors and exporters to buy additional cold storage units.

Several Implementing partners are active importing packaging equipment and the sorting and grading equipment to streamline the processing and packaging of dried fruit and nuts by the private processors.

Developing Stronger Marketing Organizations

To enable more Afghanistan producers to take advantage of opportunities in both the domestic and export markets our IPs are actively involved with producer, trader, and exporter associations. They are working with these important groups of farmers and marketing agents to make them more cohesive and well coordinated organizations. In Parwan, Kunduz, Kandahar, Helmand, and Nangarhar provinces, RAMP IPs have helped empower and strengthen associations by getting storage, processing, and packing centers strategically placed so that the agricultural products can move more and better quality product effectively and efficiently along the supply chain (including collection centers, storage/processing/packing centers, and cold storage units) while at the same time adding value to the products through sorting, grading, storing, cooling, processing, and packaging.

Farmers are receiving or will receive higher prices for their products by having improved the quality of the product sold and by having taken a share in the product processing (for example, milling, tomato sauce production, jam preserving, vegetable drying, or oil pressing). For example, Roots of Peace and the Grain Industry Alliance installed and assisted in operating a cold chain near grape farmers' fields in Parwan that gave some farmers the opportunity to market their higher quality grapes for double the price of what they would otherwise have received.

As a second example, implementing partner, Development Works Canada, has constructed a dried vegetable processing plant in Parwan province that will provide farmer associations with not only a reliable market for their vegetables but also a share in the profits that are made in selling the dried vegetables to European buyers.

In Kunduz, the Grain Industry Alliance (GIA) constructed 6 storage and processing warehouses in various districts in Kunduz province. The warehouses are owned by producer and/or trader associations and are being used initially to assemble, grade, store temporarily, and then deliver to the new Kabul flour mill that will be milling all the wheat that these associations can put through their warehouses.

GIA, has provided a great deal of technical assistance to an Afghan entrepreneur who is returning from Pakistan to establish a flour mill in Kunduz. GIA helped him complete his business plan and prepare a

loan application to the Afghan International Bank, another RAMP IP, which resulted in a loan for \$350,000. The entrepreneur will use the proceeds to complete construction of his mill and for working capital to procure wheat from farmers using warehouses GIA constructed to store their harvest.

Supporting the Livestock Sector

During the quarter the project's on-going efforts to improve the livestock sector continued. The Veterinary Field Units (VFUs) that the Dutch Committee for Afghanistan (DCA) continues to support have administered over 2.3 million vaccinations and medications. With the regional offices in Mazar, Herat, and Kabul supplying the vaccines and medicines to the VFUs, the DCA has been effectively meeting the growing demand for animal health treatments in Afghanistan.

The FAO women's poultry project, continues to train and equip rural women (over 3,500 so far) in poultry production technologies. The women, formed into Producer Groups, are also providing on-going technical assistance in their village by the women who trained them. During the past period, over 15,000 – two-month old chickens plus coops were supplied to trained women. In addition, over 23,000 chickens were vaccinated against Newcastle's Disease.

Improving Extension Services for Farmers

The extension of agricultural technologies continues to make a significant impact on the level of best practices adopted by farmers in the five priority regions. As the summer crop demonstrations were harvested and the winter crop demonstrations were planted, an estimated 30% of the farmers who have been contacted by extension agents and who participated in the field days, have expressed their plan to or have already adopted and used some of the best practices that were shown to them by the extension agents. Over 400 winter crop demonstrations (including wheat, canola, flax, and potato) have been planted and farmers are being assisted by over 100 extension agents supported by USAID/RAMP.

ICARDA was very successful in producing potatoes during the autumn in Helmand. Potatoes had never been produced before in the autumn in Helmand. This production opportunity gives the producers of Helmand a profitable crop and contributes to the provision of alternative livelihoods. Potato production activities in Nangarhar include the production of virus-free seed for storage and distribution in Helmand and other provinces during the autumn.

Seventeen village based seed enterprises (VBSEs) have developed business plans for carrying out their seed business activities. Many of the VBSEs had productive and profitable seed growing and marketing experiences during the past quarter.

ICARDA's protected agriculture project continued to train farmers to construct and operate greenhouses using improved and efficient technologies. A fabrication workshop to manufacture the construction materials needed for the greenhouses was established and metal workers were trained.

The Central Asia Development Group (CADG) is very effective in developing trellis and drip irrigation demonstrations and demonstrating to farmers new technologies for modern, more profitable enterprises.

RAMP continues to coordinate with and build the capacity of the Ministry of Agriculture, Animal Husbandry, and Food. The heads of all the provincial extension services participated in a project-sponsored three-day Extension Workshop in Kabul and worked closely with personnel from each of IPs that have extension activities. The workshop provided an opportunity for the IPs to provide the MAAH's extension personnel a summary of their projects, the measures they are taking to encourage farmers to adopt new agricultural technologies, and the impact of their efforts.

Challenges Encountered and Remedial Actions

There are many barriers to trade and exporting fresh and dried produce from Afghanistan to regional markets that hamper the competitiveness of Afghan products. By coordinating with the Ministries of

Agriculture, Animal Husbandry, and Food; Commerce; Foreign Affairs, some of these barriers have been eliminated. However, more exist and more work is needed to reduce or eliminate those.

Farmer associations are generally weak and need more support and capacity building for them to contribute meaningfully in the supply chains of high value crops. RAMP's IPs are bringing together private investors/processors to form a shared value added processing approach to getting quality products marketed both for import substitution purposes and for export.

To combat the continued problem of locust and Sunn pest, especially on wheat, the FAO locust control project has been extended to include the emergency control of both pests.

The quality of fertilizer and other inputs imported and used in Afghanistan continues to be a problem. IFDC will concentrate more of its efforts at training the dealers and the farmers in RAMP's priority and other provinces to supply and use only quality inputs.

Looking Ahead

RAMP/Chemonics will provide more technical assistance to farmer associations in purchasing and installing sorting, grading, and processing equipment and machinery in their packing and processing centers in the priority provinces.

Implementing partners will continue delivering extension services to farmers. Private investors and processors/exporters will be assisted in installing cold storage, processing equipment and machinery, and in product quality control measures.

Aflatoxin and microbiological testing equipment will be used on Afghan agricultural products at the Export Institute. Diagnostic laboratory equipment will be installed and used for diagnosing plant pests and disease at the Plant Protection Department at the Ministry of Agriculture, Animal Husbandry, and Food.

The RAMP/Chemonics agricultural team and implementing partners will work closely with Afghan processors and exporters will be involved in trade shows where samples of Afghan products will be displayed and buyers identified.

Crop demonstrations will be monitored by IPs' extension agents and field days will be organized to extend the best practices to many farmers. Adoption rates of best practices of farmers will be surveyed regularly.

Chemonics and its IPs will work with the various ministries of the Islamic Republic of Afghanistan in order to get many trade barriers reduced or eliminated so that more Afghan products can be competitively exported.

The locust emergency control program will start in February with the Sunn pest program will commence in March.

DCA has initiated plans to open a regional office to cover the southwest provinces of Helmand and Kandahar. The integration of these provinces into the overall coverage will have an impact on yet another region of the country.

DCA will also establish a cold chain for the storage of vaccines and medicines in Kabul to the VFUs in the districts.

Physical Infrastructure Rehabilitation or Repair

Accomplishments this Quarter

During this reporting period 88 kilometers of farm-to-market roads were constructed along with 20 market centers in five provinces and the dredging of drains and reconstruction of irrigation systems continued in Nangarhar and Helmand provinces. Drain dredging was begun by IF Hope in the canal command of the Nangarhar Valley Development Authority (NVDA) and by DAI in the Darweshan and Shamalan canal commands of the Middle Helmand area. Work continued on irrigation and flood control projects along the Kunar River and in the tail area of the NVDA of Nangarhar Province.

Farm-to-Market Roads and Structures

Road construction in Nangarhar Province has commenced with the construction of more than ten kilometers of road in the Kama-Ghosta area and now is continuing to the second ten kilometer increment of this road segment. The Governor of Nangarhar Province visited the site during December to observe progress. A second 5-kilometer segment of road is under construction.

Contract documents were prepared and advertising for competitive bids has been initiated for rehabilitation of 40 kilometers, in four segments, of farm-to-market roads in a major grape and pomegranate growing area of Kandahar Province.

Even though weather has turned cold, particularly in the north and central regions of the country, and precipitation has occurred throughout the quarter, construction progress has been good with the construction of 30 kilometers of road in Balkh, 7 kilometers in Parwan, 23 kilometers in Ghazni, and 18 kilometers in Kunduz, a total of 78 kilometers.

Advertising for competitive bids for the construction of the Qasemali Bridge on the Kunduz River has been initiated.

Irrigation and Drainage

Data collection and preliminary design work by CRS/World Vision for rehabilitation of the Injil and Guzara canals (120 kilometers long), serving about 35,000 hectares of land near Herat City, has been concluded and the project will now transition to one of design and build by construction contractors during the coming quarter.

IF Hope concluded engineering studies for the dredging of some 114 kilometers of drains in the Kama/Ghosta area and in the command of the Nangarhar Valley Development Authority (NVDA) on the right bank of the Kabul River (13,700 hectares). Dredging was undertaken initially in the area of the NVDA.

DAI has undertaken the dredging of the major drains of the Shamalan and Darweshan canal commands of the Middle Helmand area. Cleanup work continues in the area of the Marja Drains.

Work by RSSA at the tail of the Nangarhar Valley canal system has essentially been completed for all but two components of this project for the rebuilding of flood damaged canals and for the construction of flood control works. Yet to be completed is a village self-help flood protection dike that will protect a village of the Shinwari tribe. The project will provide gabion bags and train the villagers to construct a gabion dike and to conduct essential maintenance measures. The dike will divert water away from the village into an escape channel that flows through countryside that has no development. A second measure yet to be constructed is a four kilometer long canal that serves an area of high productive capacity in this soon to be restored project that will return 6,000 hectares of area to production.

STAAR has completed work at the Shigee Intake and canal. Work continues at the Koti Tarran canal. Under construction are diversions and other works that serve some (18,600) hectares from the Kunar River.

Buildings and Market Centers

RAMP/Chemonics completed construction of a factory building at Charikar for vegetable dehydration and export and processing equipment has been installed by Development Works Canada (DWC), the sponsors of the project. The facility is to be dedicated by the U. S. Ambassador and the Ambassador of Canada early during the first quarter of 2005.

Some 20 market Centers were constructed; eight by GIA in Parwan and Kunduz provinces, two by Madera in Nangarhar Province, and eight by CADG in Kandahar and Helmand provinces.

Challenges Encountered:

It has been observed that overloaded trucks driving at high speeds are using a number of the RAMP constructed roads. Even though these farm-to-market roads are being built to high standards of quality, such unregulated traffic, tends to shorten the period until major maintenance will be required.

RAMP/Chemonics is initiating a review of designs and is planning to coordinate with PRT and provincial authorities to review the selection of road segments that are appropriate to gravel construction.

Looking Ahead:

It is programmed that construction will begin under new contracts for the following:

- Four to six segments of roads in Nangarhar Province that will total some 150 kilometers of length;
- Forty kilometers of farm-to-market roads in four segments in Kandahar Province;
- The Qasimali Bridge and ten kilometers of connecting road in Kunduz;
- Three to five networks of secondary drains in the Middle Helmand area;
- Canal dredging in the Middle Helmand.

Rural Financial Services

During this quarter the rural financial services team filled out the continuum of the activities that have been under development throughout 2004. The Microfinance Investment and Support Facility Agency (MISFA) has added an additional three microfinance institutions to their portfolio. These institutions primarily will target the rural population and expect to disburse over 50% of their loans to the agricultural sector. RAMP/Chemonics's banking partner, Afghanistan International Bank (AIB), approved two more loans during the quarter. The leasing company, Afghanistan Finance Company, started building its framework with the development of a business plan and the drafting of its operating policies and procedures. The equity fund, Afghanistan Renewal Fund, completed its deliverables and is poised to have their first closing in early 2005. Lastly, the Business Mentoring Services, provided through UNDP, have identified and recruited the consultants who will direct and provide the services to the business clients and are ready to begin mentoring clients in January 2005.

Accomplishments this Quarter

The penultimate accomplishment for the quarter was the approval for a no-cost extension for MISFA. The extension for MISFA was granted to allow another six months of operations for the institutions to continue their momentum in developing appropriate agricultural lending products for micro borrowers. RAMP/Chemonics' commitment to MISFA will carry forward through July 2005 and will allow for further impact in infusing capital into micro sized businesses involved in the agricultural sector.

Through MISFA's microfinance institutional partners, the outreach to rural and agricultural borrowers has increased during the quarter. The increase has come from both a specific program initiated by BRAC that concentrates specifically on agribusinesses and, also, three new microfinance institutions. The program, Agriculture & Livestock Development and Credit Support Program (ALDSCP), disbursed their first loans late in the quarter. This concentrated agricultural loan program is separate from BRAC's overall microfinance program so it can be easily tracked for the impact to micro agribusinesses. The newest members of MISFA are the microfinance institutions of Madera, ACTED¹, and DACAAR. Each of these institutions will be focusing their microfinance lending in RAMP priority provinces including Parwan, Ghazni, and Nangahar. They also will outreach to some northern and western provinces.

In mid-December the World Bank sponsored a conference entitled Rural Finance in Afghanistan and the Challenge of the Opium Economy. Most of the microfinance institutions under MISFA were represented at the conference to provide their position on how their methodologies could counteract the credit sources for opium debt.

With regards to the small and medium sized lending, our bank partner, Afghanistan International Bank (AIB) approved loans to two more borrowers during the quarter. One of the borrowers, a flour miller, was identified by another RAMP agricultural technology partner, Grain Industry Alliance. The financing for this miller demonstrates a perfect example of adding value to an agricultural product such that the mill will buy wheat from the farmers and process it into flour that can then be sold to a bakery for further processing. The other borrower is a company that retails and wholesales water pumps and, also, has equipment to dig wells.

The finance company, the equity fund and the Business Mentoring Services activities were just taking off as the quarter ended; thus, their accomplishments were predominantly in setting up their operations and building frameworks for their business models.

Constraints Encountered

The time required for negotiations, set-up and implementation of the rural finance activities have generally been underestimated. Each of the activities has taken an additional 2-3 months more than expected to actually start operating and demonstrating results. This has led to a slow turnaround time for having impact on the start-up or growth of agribusinesses. All of the activities are on-going and ready to provide financing and business mentoring services to micro, small, medium and large agribusinesses at the start of the New Year.

As each of these activities comes on-stream, the RAMP/Chemonics Rural Finance team will be more insistent on timely reports for each of the subcontractors. Thus far, the subcontractors have not been regular in submitting their monthly reports by the deadlines.

The outreach of the microfinance institutions through the provinces has not been coded properly by the GIS tracking system. Thus far, each institution has been plotted on the maps based on the coordinates for the provincial and/or district capitals which is appropriate but not completely accurate. Based on discussions with some of the MFI's, they understand the importance of collecting information about

¹ Both ACTED and Madera are already subcontractors of the USAID/RAMP program for agricultural technology and infrastructure.

branch offices so they can be mapped. It is just a matter of setting a schedule to collect this information from each of the microfinance institutions.

Looking Ahead

The first quarter of 2005 will include monitoring and tracking the performance of the BRAC agricultural loan product. There could be some synergies between agricultural related RAMP subcontractors and the BRAC loan clients. This linkage should be explored to ensure that BRAC's clients receive the technical assistance needed in order to make their repayment obligation to BRAC. The new microfinance institution members of MISFA should also be reviewed to determine if they have any technical assistance needs.

Expectations are very high for the bank to lend \$1M by the end of the first quarter in 2005. Based on the pipeline of deals, this target appears attainable. The Finance Company is expected to be active and disburse its initial leases before the end of the quarter. The Equity Fund should have its first closing within the first quarter.

Each member of the UNDP consultant team will provide pre- and post- technical assistance to an assigned number of agribusinesses.. Based on the due diligence analysis of the current borrowers, there is a tremendous need for these borrowers to receive assistance in basic bookkeeping. Through UNDP, the borrowers will be eligible for assistance in overcoming this limitation.

Quarterly Report Q4 FY04

Rural Financial Services Microfinance Investment Support Facility for Afghanistan (MISFA) Life of Project: 18-Dec-03 to 1-Jul-05 Provinces: Nationwide				
<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#1-0003-MISFA	18 Dec. 2004	Frances Toomey	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$5,000,000	\$1,891,197	\$2,870,784	\$0.00	\$2,129,216
Project Description: MISFA is an umbrella microfinance facility which funds microfinance institutions that use a diversified range of products and methodologies and reach various geographic locations specifically targeting an array of clients. This is a 24-month grant of \$5,000,000 to the Ministry of Reconstruction and Rural Development to channel funds to the Microfinance Investment and Support Facility Afghanistan (MISFA). MISFA will finance a mix of organizations that implement a varied range of microfinance approaches in order to test their applicability to Afghanistan and support the development of a diverse and competitive microfinance sector. This is a World Bank supported activity.				
Expected Results (by end of project): <ul style="list-style-type: none"> • Total loan portfolio: \$4,000,000 • Approximately 15,000 loans • Target number of institutions disbursing loans: 11 nationwide 				

During this quarter, USAID/RAMP granted MISFA a no-cost extension due to the delay in the microfinance institutions starting their operations combined with their strong interest in developing agricultural lending products. This extension of an additional six months of their grant will allow the microfinance institutions to continue their momentum in the initiatives they have begun and leverage much higher results and have greater impact on clients' livelihoods and that of their households.

Accomplishments this Quarter:

BRAC decided to embark on a full-fledged agricultural program, the Agriculture and Livestock Development and Credit Support Program (ALDCSP), using its experience in Bangladesh and its current lessons learned with its agricultural clients here in Afghanistan. The funding was approved in August and all preliminary activities such as training and systems set-up have been put in place. The first loans were disbursed in December. This program is extremely critical to USAID/RAMP's success in microfinance because BRAC follows a very aggressive growth strategy, has the agricultural experience and practice from Bangladesh, and is treating this program completely separate from the other microfinance activities, which will facilitate the tracking of the financial performance. In addition, there is a wide geographic outreach planned for after year 2.



The 9,000 afghanis (US\$200) micro-loan Fahima received went for a cow. She milks the cow daily and her son sells the milk at the local bazaar.

Ariana Financial Services Group (AFSG)/Mercy Corps – A new Program Director began her work in late November. Her main task is to get the portfolio back on-track and control the arrears in the portfolio. As AFSG returns to normalcy, they will begin discussions again with FAO to implement a poultry loan product. Mercy Corps has started their plans for initiating operations for a branch network in Kunduz.

Aga Khan Development Network (AKDN) developed a proposal to design new loan and leasing products for the rural areas for farmers and agricultural traders. The proposal is currently being reviewed by MISFA. One of the products will consist of microleasing for small agricultural equipment (such as threshers, electrical saw, milk cans, small processing equipment). Also, AKDN is promoting a reconversion loan to farmers to dissuade them from producing poppy.

CHF – During the first part of the quarter all disbursements were on hold due to previous mismanagement of the loan program funds. A new manager was installed for the program towards the end of the quarter. CHF plans to work on re-engineering their loan products into a standard loan without a specific focus on agricultural products. It is expected that a new agricultural product will be designed and pilot tested in upcoming quarters due to the nature of the economic activities in their target province of Bamiyan.

Madera – funding was approved by MISFA for loan capital of \$200,000 and, also for operating expenses. The loan capital is planned to comprise 80% agricultural loans. Madera will provide financial services where it already has deep community connections in the eastern provinces of Nangarhar, Laghman, and Kunar.

ACTED – funded was approved by MISFA for loan capital of \$755,000 and, also, for operating expenses. The loan capital is planned to be 50% targeted to the agricultural sector. ACTED will concentrate their lending in the Shamali Plain, Kabul District 3, and Faryab Province.

DACAAR – funded was approved by MISFA for loan capital of \$250,000 and, also, for operation expenses. The loan capital is planned to be 60% related to the agricultural sector. DACAAR provides microfinance services in six provinces - Paktia, Ghazni, Laghman and Wardak in eastern Afghanistan and Herat and Badghis in the west.

Agriculture Loan Survey – The results of the agricultural loan survey completed by Altai Consulting was shared with the microfinance institutions involved in the survey, AFSG, BRAC, and CHF. The results of the survey will more accurately account for the loans disbursed to micro entrepreneurs involved in agricultural-related activities. Henceforth, MISFA will add an adjustment to the monthly loan disbursements to fully report their loans in this sector.

Challenges Encountered and Remedial Actions Taken

- **End date of Pilot** – USAID/RAMP agreed to fund the initial pilot of MISFA through December 2004. The microfinance institutions needed time to develop their capacity and set-up systems and were unable to absorb the loan capital available through USAID/RAMP resources. Thus, a no-cost extension was granted to MISFA so the momentum that has begun through USAID/RAMP's donation to MISFA will continue through July 2005.
- **Save the Children** – At the end of December 2004, Save the Children took the necessary and appropriate steps to discontinue their microlending program in Andkhoy as it was not a sustainable operation and did not have the potential to become sustainable.
- **Microfinance Agricultural Specialist** – a Specialist was recruited in early 2004 and worked, not quite full-time, with MISFA to oversee USAID/RAMP's interest in increasing the access that Afghans had to micro-loans for their agribusiness activities. The Specialist completed her assignment in mid-December 2004. Upon her departure, another specialist has been recruited who will follow-on with the specific needs of the microfinance institutions listed above.

Looking Ahead

During the next quarter, MISFA will use short-term specialists to provide monitoring and oversight of the USAID/RAMP grant funds. The specialists will provide the needed technical assistance to the institutions based on their requests made during this quarter. Specifically, MISFA will:

1. Monitor the upcoming USAID Alternative Livelihood Program that has a rural finance component to assess how this program can build on the microfinance activities MISFA has cultivated to-date.
2. Monitor the results of the BRAC ALDCSP, review the financial reports and make visits to the field to report on success stories.
3. Follow through with the AKDN on their plans to develop a micro leasing product and, also, reconversion loans for poppy producers.
4. Ensure that the new product development by CHF is suitable for agricultural enterprises.
5. Support ACTED in establishing linkages with potential producer's associations.
6. Follow-up the research conducted by Altai Consulting which verified the percentage of agricultural loans within the MFIs portfolios and coordinate with the USAID/RAMP Rural Finance Advisor on further research that may be needed.

Project Manager Comments

USAID is poised to launch a new Alternative Livelihoods Program (ALP) that has a substantial rural finance component. This component will have an impact on the capital available for microfinance loans and services. MISFA needs to coordinate with the ALP to reduce duplications of efforts. Also, MISFA can work with the microfinance institutions in their absorption capacity to utilize these funds.

To-date most of the MFIs operating in Afghanistan have had at least one year of experience. There are a few institutions new to the MISFA umbrella including Madera, ACTED and DACAAR. The seasoned institutions have had a chance to learn the Afghan environment and adapt to it with appropriate loan methodologies. The newer institutions will need several months to train their staff, set-up their operational systems and build a clientele. With the number of institutions providing micro-credit, there should be an increase in the breadth and depth of outreach to clients involved in the agricultural sector.

The no-cost extension will enable MISFA to utilize the technical assistance resources and loan capital, earmarked specifically for micro agrobusinesses, to achieve the targeted number of clients defined by USAID/RAMP.

There will be a change in the management of MISFA as a new Project Director is being recruited. This personnel change should not have any impact on the MISFA grant from USAID/RAMP.

Quarterly Report Q3 FY04

Kandahar Check Dams Central Asia Development Group (CADG) Life of Project: 15-Oct-03 to 15-Aug-04 Provinces: Kandahar and Helmand				
<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#2-0002-CADG	Oct. 15, 2003	James Huddleston	Dan Miller	Kyle Newkirk
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$706,915	\$0.00	\$66,732.50	\$63,539.40	\$576,643.10
Project description: Water retention structures are to be built for some 19 villages. CADG has constructed two check dams, Islam Dara II and Tangriz, to store the flow of rainwater runoff, to recharge aquifers and karezes. Additionally a series of gabion structures will be built to temporarily retain water on a broader area of the outwash than do check dams.				
Expected Results (at end of project): Enhanced Livelihood – Improved water supply to two villages from check dams and to several more villages after construction of gabion structures.				

Accomplishments this Quarter:

Completed construction of the Tangriz Dam

Challenges Encountered and Remedial Actions Taken

It has been determined that detention dams of gabions can be built to achieve equal results at considerably less cost.

Looking Ahead

Resources will be used in future to directly fund village beneficiaries who will construct these more simple structures to the extent that perhaps as much as 75 percent of funding will flow directly to them.

**Irrigation Rehabilitation for the Char Dara, Bala Doori and Darqad Systems
Development Alternatives, International (DAI)
Period of Performance: 17-Feb-04 to 30-Jun-06
Provinces: Kunduz, Baghlan, Helmand**

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#3-0002-DAI	21-Oct-03	Ibrahim Sultani	Dan Miller	Kyle Newkirk
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals</i>	<i>Balance</i>
\$3,779,028	\$0.00	\$1,538,818.88	\$1,625,683.20	\$614,526
<p>Project Description: This contract encompasses 6 separate rehabilitation activities in two productive agricultural regions – the Kunduz and Helmand River basins.</p> <p>Phase One: Rehabilitation of the Char Dara, Bala Doori and Darqad Irrigation projects, on the Kunduz River, Kunduz and Baghlan Provinces – these were completed March 2004.</p> <p>Phase Two: DAI started work on 2 of the Phase II activities in March 2004. These activities were the Marja Drain Cleaning Phase II in Helmand and the Bala Doori Canal Structures Activity in Baghlan Province. Work on the third activity, the Dand-e-Gehuri Road Rehabilitation Activity, also in Baghlan Province, began on 1 June 2004. A fourth activity, the Shamalan S10 Lateral Canal Bank Repair activity was postponed and subsequently cancelled.</p>				
<p>Expected Results (by end of project):</p> <p>Phase One – 48,000 Hectares receiving improved irrigation; 35,600 farm families with increased productivity; and 482,000 person days of employment.</p> <p>Phase Two - These activities are benefiting 13,000 families or 78,000 people, and a total of 28,200 hectares of agricultural land.</p>				

PHASE ONE

Projects 100% Complete

- **Afghan farmers employed by Char Dara, Bala Doori and Darqad - 4,400**
- **Total investment in Char Dara, Bala Doori and Darqad – \$1,335, 804 and the total amt spent was \$1,287,036.**
- **Kilometers of canal rehabilitated by these three projects – 111**
- **Implementing Partner: Development Alternatives, Inc., (DAI)**



Mirab Sher Alam of Baghlan, surrounded by community members at the Darqad irrigation project site

In Kunduz and Baghlan provinces, Development Alternatives Inc., has rehabilitated three rural irrigation systems and returned more than 300,000 hectares of cultivated land to full irrigated production under the Rebuilding Agricultural Markets Program (RAMP) funded by the United States Agency for International Development (USAID). This includes de-silting and widening irrigation canals, repairing and replacing water intakes, canal banks, protection walls, turnouts, and sluice gates. In general, providing a reliable source of water for irrigation has the effect of doubling crop yields.



The **Char Dara Irrigation Project** in Kunduz employed 2700 Afghan farmers in removing silt from 60 kilometers of irrigation canals. This system dates back to 1891 but lack of proper maintenance resulted in canal and irrigation structures that were no longer capable of delivering the volumes of water for which the system was designed. Of the 36,000 hectares of land served by the system, 10,800 (30%) were totally unproductive because they received no water and 60% were only partially productive because water was only available sporadically and only 10% received the quantity of water needed. Sixty kilometers of canal have been de-silted and repaired.

Local farmers working to de-silt the Darqad canal

The **Bala Doori Irrigation System** runs through Pul-e-Khumri in Baghlan Province. DAI employed 1,000 Afghan workers to de-silt and clean out 30 kilometers of canal. This system was built in the 1930's and served the community well, irrigating 3,000 hectares in the past, but had deteriorated to serving just 2,000 hectares.



Digging out the Bala Doori as it passes under a road

Due to illegal intakes and water theft upstream, the **Darqad Irrigation System** had been unable to provide an adequate water supply to the region for 25 years. Seven hundred Afghan farmers worked to clean 21 kilometers of canal, commencing at the intake on the Kunduz River.

The Governor of Baghlan, Engineer Omar, commented that "I have been on field visits to areas with no water and now there will be plenty of water. When the people see me, they are very happy. I am proud of the support that I have given this project. If I balance these activities with those of other NGO's and the aid community, these projects are more important than all of them put together....I hope that this is the not the end of your work in Baghlan, but just the start."

The Char Dara, Bala Doori and Darqad irrigation projects were completed in March 2004, in time for the spring planting season. The rehabilitation of these irrigation systems has been a community building endeavor. Thousands of local farmers were employed on the projects.

The local Irrigation Departments and Mirabs (irrigation water oversight) were involved in each step of the planning and implementation process. As a result, the community learned what is necessary to maintain their irrigation systems, the employment opportunities injected cash into the local economies and farmers get the water they need to improve their yields and income.

The Bala Doori Irrigation System

- 30 km of canal desilted and widened
- 74,000 days of paid wages for Afghan workers
- 37 community members trained in canal management
- 1,000 hectares of land receiving new water for irrigation
- 2,000 hectares of land gaining an additional cropping cycle



The Bala Doori Canal rehabilitation activity had two major components: de-silting and widening the canal and building 300 meters of protective wall to prevent the banks of the canal being

Engineers measure a stump indicating the level of silt that has been removed from Bala Doori

eroded by the Kunduz River. From its intake to the south of Pul-e-Khumri, the Bala Doori flows through the middle of the town until it eventually reaches its command area to the north of town. The canal branches to form two loops. The two loops and the main canal are a total of 30km long.

Significant portions of the Bala Doori run right through the heart of the Pul-e-Khumri. This caused two problems. First, people living in the city dump trash and sewage directly into the canal because it is the only real option they have. Sediment from natural sources compounded the problem so that the Bala Doori Canal was virtually full of solid material leaving very little room for it to carry water. Second, a number of Pul-e-Khumri residents who live adjacent to the canal extended their properties up to and, in some cases, over the canal. The result is that the small volume of water that passes over the silt and through the city is terribly polluted by the time it reaches the farmers the canal had been designed and built to serve. For want of an alternative, farm families have for many years been forced to use the filthy water not only for irrigation but also for bathing and, in many cases, for drinking as well. Urban encroachment made removing sediment from the Bala Doori difficult.

Excellent relationships with city officials and the Governor of Baghlan Province provided the support needed to negotiate with the encroachers. Because the residents of the city of Pul-e-Khumri depend almost entirely on agricultural produce irrigated by water from canals like the Bala Doori, it is their incomes and those of the farm communities downstream that make this a potentially prosperous economy.

Repairing and rehabilitating irrigation systems has tight seasonal limitations. The availability of large numbers of farmers to do this labor-intensive work is confined to the winter months. Most cleaning and structural work on irrigation and drainage systems must be completed by early Spring when *mirabs* open the canal gates to provide water for irrigating the crops and to handle flooding from the spring run-off.

The Darqad Irrigation System

- 12 km of canal desilted and widened
- 37,775 paid labor days for Afghan workers
- 80 community members trained in canal management
- 1,000 hectares of land receiving new water for irrigation
- 600 hectares gain an additional cropping cycle



15 August 2003 – before work began



6 January 2004 – during intake construction

The Darqad project is providing new irrigation to 1,000 hectares of land and an additional cropping cycle to 600 hectares in Baghlan, at the northern end of Pul-e-Khumri. The Darqad intake is located on the Kunduz River. The canal rehabilitation activities had two major components - de-silting and widening 12 km of canal and re-constructing the primary diversion weir and intake structures. The Darqad project employed a daily average of 620 workers and injected \$91,000 dollars into the community in wages paid.

Whereas laborers did all the de-silting work, RAMP implementing partner, Development Alternatives Inc. (DAI), used a combination of manual labor and heavy equipment on the diversion weir and intake. Heavy equipment was used to excavate, prepare foundations, deliver construction materials to the site and divert the Kunduz River, and laborers were employed to mix concrete and lay stone masonry. To ensure sustainability at the project's completion, 80 members of the community received training in canal management.

The Char Dara Irrigation System

Impact and Beneficiaries

- **60 km of canals de-silted, repaired and widened**
- **56 water diversions repaired and constructed**
- **35,400 hectares of agricultural land benefit from reliable source of water**
- **10,800 hectares receive an additional cropping cycle**
- **241,000 days of paid work for 1,100 Afghan workers**

The years of war, drought, local conflicts, flash floods and landslides have led to irrigation canals on the Kunduz River being silted with some parts totally destroyed. This particular irrigation system dates back to 1891. Maintenance of the system has been neglected either because it has been too dangerous or because human and financial resources have not been available.

As a result, the canal itself and the irrigation structures on it no longer functioned properly and were no longer capable of delivering the volumes of water for which the system was designed. Of the 36,000 hectares of land served by the Char Dara system, 10,800 hectares (30%) were totally unproductive because they received no water, 21,600 hectares (60%) were only partially productive because water was only available sporadically, and only 3,600 hectares (10%) received the quantity of water needed to maintain full productivity.

This highly productive region provides high value crops to the nation including: wheat, cotton, rice, melons, watermelons and potatoes. Rehabilitation of the Char Dara Canal has restored the system to its full carrying capacity and returned the entire 36,000-hectare command area to full agricultural productivity.

PHASE TWO

Accomplishments this quarter:

Phase 11 – original activities:

- Marja Drain Cleaning – Phase II - Helmand
- Bala Doori Canal Structures - Baghlan
- Dand-e-Gehuri Road Rehabilitation - Baghlan
- Shamalan S-10 Lateral - Helmand

The three activities under Phase II of Job Order #3:

- Remove about 387,000m³ of silt from main drains in the Marja subsystem (to complete work DAI started under a different contracting mechanism);
- Repair or re-build 5 super passages, 20 turnouts and 140 meters of retaining wall on the Bala Doori Canal. All these works have been completed. Some additional work has also been done. These additional works could be seen from the tabulated progress report for Bala Doori Canal Structures.

- Re-surface, grade and provide proper drainage for 38 km of tertiary roads in the Dand-e-Gehuri region of Baghlan Province. In addition to this 45 structures for disposal of water under the roads are also being built.

At 30 June, 2004	Marja Drains Phase II	Shamalan S-10 Lateral	Bala Doori Structures	Dand-e-Gehuri Roads
Province	Helmand	Helmand	Baghlan	Baghlan
Target volume of work	387,000 m ³ of silt to be removed	2.90 km canal bank to repair	1,775 m ³ stone masonry & concrete	38 km to be resurfaced
Volume of work completed at 30 June 2004	324,217m ³	See Section 4	1,490 m ³	7.70km
% of volume remaining	16%	100%	0 % ²	80%
% of time remaining	20%	See Section 4	0 %	50%
Total budget ³	\$548,317	\$634,555	\$124,937	\$476,179

Marja Drain – DAI is utilizing 6 draglines for the wider deeper sections and manual laborers for the smaller, narrower sections.

S-10 Shamalan Lateral– While waiting for the canal gates to be closed so that work can continue, DAI is pouring 490sq.meters of concrete blocks to use as bank riprap.

Dand-e-Gehuri roads – this district is associated with the Darqad irrigation project. The roads being repaired include the Darqad canal road, the Jue Naw road and the Mangal Ha road, all of which link prime agricultural areas to the main road between Pul-e-Khumri and Mazar-e-Sharif. Work began in May, no report on km of progress yet.

Challenges Encountered and Remedial Action Taken:

Suitable stone for the S-10 was not available locally – so DAI is pouring concrete blocks as a more economical solution for riprap to prevent the fill material from washing away. Plans were to complete work by end of March 2004, but the Helmand Valley Authority released water into the canal earlier than expected, washing away some of the fill and delaying work until the gates can be closed and the canal drained. They are working with Mirabs and the Authority to schedule closures and complete the task.

Looking Ahead:

- Marja Drain - continuation of desilting and widening
- S-10 Lateral – recommence backfilling and riprapping, subject to agreement with the Helmand Valley Authority and farmers on a schedule for closing the gates and draining the canal.
- Dand-e-Gehuri – Conduct a GPS survey and publish accurate maps of the alignments of the 3 roads. Develop a work plan and begin work.

Project Manager Comments:

DAI has constructed 35 kms. of Jui Naw, Darqad and Mangalha roads and these roads were dedicated to the people of Afghanistan on 31 August 2004. These roads together with irrigation projects were the first investment projects instigated in this area after a gap of almost 20 years. These roads provide service to a population of 92,804, out of which 59,940 are from the catchment area of the road corridor and the remaining 32,900 reside outside the catchment area, but depend on the road for their services. These

² The volume remaining is shown as 0 %. This is less than contractual target, but that is because we originally overestimated the volume of work required to build and repair the structures. The number and types of structures we have built exceeds the number and types targeted, even though the volume of work is less than the target by some 285 m³.

roads have provided the fundamental base for the socio-economic transformation of the population, and are an indicator of peace, security, prosperity and better future of the area.

Quarterly Report

Q2 FY04

30-Jun-04

**Kunduz Road and Khanabad Irrigation System Rehabilitation
Kunduz Reconstruction Agency (KRA)
Period of Performance: 10-Oct-03 to 31-Aug-04
Provinces: Kunduz**

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#4-0002-KRA	20-Oct-03	Saroj Basnyet	Albert Merkel	Andrew Holland
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$508,671	\$102,000	\$457,000	\$0	\$51,671

Project Description: KRA will upgrade 24.5 km of tertiary roads, and repair the Khanabad Dam Irrigation System by building a protection wall to prevent erosion from destroying the dam. The protection wall for the Khanabad Dam was completed March, 2004

Expected Results (at end of project):

Enhanced Livelihood – 21,621 farm families with increased access to markets; 10,300 Hectares receiving improved irrigation; and 34,000 farm families with increased production.

Accomplishments this quarter:

Nek Pai & Boin 24.5km tertiary road rehabilitation

- 1- The compaction, removal of large stones, compaction of road sides and watering is ongoing for Nekpai 13km and Tarnab 11.5km roads.
- 2- A market produce collection center has been completed on both roads.
- 3- A small, vibrating compactor is in use on both sides of the roads as work progresses.
- 4- Materials are being purchased for the culverts on both roads.

Traffic is steadily increasing, particularly with transport of melons and watermelons to Kunduz and Kabul markets, which will continue until October.

The market produce collection center
10m X 3m

Nek Pai (13km) (90% complete)

Total Road Graveled:	12km
Total Sub grade:	13km
Stones procurement for culverts:	509m ³
Culverts Installed:	48
Culverts under construction:	2

Boin (11.5km)

Total Road Graveled:	0km
Total Sub grade:	11.5km
Stones procurement for culverts	410m ³
Culverts Installed:	4
Culverts Under Construction:	14



Workers on the Nek Pai Road

Constraints Encountered and Remedial Actions Taken:

Gaining access to the rights-of-way for widening the road required extensive dialogs with the landowners and input from local leadership. Sometimes, owners need reimbursement for rebuilding a wall that needed to be moved, etc.

Looking ahead:

Work continues on compaction of the sub-grade and gravel on both roads with the expectation of completion at the end of August. KRA staff are also in the process of collecting data on the impact of road building activities and the benefits to farmers.



Comments:

KRA had shown financial commitment for the construction of farm to market road projects by purchasing a 13 MT roller and a 1 MY hand operated roller. The width of the road has been increased from the existing 4 to 6 meters through the residential area. Communities have donated their land, compound walls and sections of their buildings. After several incidents of sub-standard construction, KRA is now performing according to program specifications for quality. They have removed several road sections and are crowning, watering and compacting the sub-base to ensure that the structural properties of earth sub-base is satisfactory before rolling out a layer of gravel.

Quarterly Report Q4 FY04

Development of Rural Poultry Production Activity				
Food and Agriculture Organization (FAO)				
Life of Project: November 3, 2003 – June 30, 2006				
Provinces: Nangarhar, Kunduz, Helmand, Parwan, Ghazni				
<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#5-0004-FAO	19-Oct-04	Daad Mohammad Amir	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$3,599,239.00	\$372,350	\$672,350	\$0	\$2,926,889
Project Description: FAO will provide training in improved poultry care and production to 25,000 village women as well as introducing poultry income generating activities to open new markets for the surplus eggs.				
Expected Results (by end of project):				
1. Enterprises Developed: 5 feed processing centers established to produce and sale poultry feed				
2. Enhanced Livelihood: 25,000 women trained and supported to establish poultry farms; 25,000 families benefit from improved nutrition and supplemental income				

Key accomplishments this report:

The activities for the training of 3,543 selected women in Kunduz, Parwan and Nangarhar is continued. New Poultry Producer Groups were established (99) and the activities with the previously established groups (192) continued. Material for the trained families have been distributed and been completed. Distribution of pullets to the named families has been completed. Few families in Kunduz location will receive their pullets next season.

Vaccination of about 23,546 birds was done through the Poultry Producer Groups, which also treated about 2,826 birds and sold about 10,612 MT of poultry ration.

The Project STA visited the project sites in Nangarhar province, while the NPPP for Kabul has visited project activities in the different villages of Kunduz, Nangarhar and Parwan Provinces.

Letter of Agreements (LoAs) for starting the project activities in Ghazni and Baghlan provinces have been signed respectively with two new Implementing Partners (IPs): Agricultural Foundation and Construction (AFCA) and Darwaz Rehabilitation & Services Association (DRSA). Preparation for training and recruitment of technical staff for these areas has been taken. In addition, the LoAs with the Afghanistan Development & Cultural Organization (ADCO) and the Agency for Building a New Afghanistan (ABNA), IPs respectively for Kunduz and Parwan, have been renewed.

Tasks completed during the reporting period:

Procurement and Distribution of Material
15,016 pullets of 2 months (as averaged) have been distributed to Nangarhar and Parwan provinces. Distribution of the pullets for the beneficiaries has been almost



completed, though less than few families in Kunduz will receive their pullets when the weather condition allows.

In addition to the pullets' distribution, 661 feeders, 661 drinkers, 10,572 Kg of poultry ration and 1,637 meters of wire mesh have been distributed to the trained families in Parwan and Nangarhar provinces.

Training of Staff

- To upgrade the technical knowledge of the women trainers, 18 technical classes for the women technicians (in-service training) were organized by the NPPPs of the Project in the Kabul, Kunduz and Jalalabad centers. Poultry Group Leaders trained for using the Disease Chart of the

Training Village Women

Organized 493 technical classes (on average one hour each) for the 3,543 selected village women in 10 districts (121 villages) of Nangarhar, Kunduz and Parwan Provinces. Follow up and input supplies against full cost have been continued with the former groups of trainees, whose training was completed during the past months. In addition to the above-mentioned selected trainees about 743 other interested village women have also attended the classes at their own initiative. 7,239 visits were made by the women trainers (practical training) to the houses of the village women under training.

Organizational works

Organized 16 meetings for technical staff members to exchange experiences and to solve field problems. The VPPGs organized 25 meetings in which more than 605 village women participated. They discussed about issues of common interest like vaccination, revolving fund and service delivery. The Village Group Leaders (VGLs) made 2,557 visits to the houses of other families and gave necessary advice and assistance.

Poultry development works

The chicken coops of 936 selected families were completed.

More than 23,546 birds have been vaccinated (against Newcastle Disease) by the Group Leaders.

The Group Leaders have treated 2,826 sick birds for some common bacterial diseases and external parasites.

The Group Leaders sold 10,612 Kg of balanced ration to the villagers.

The Village Group Leaders have marketed 11,098 eggs.

Looking Ahead:

- Continuation of training with approximately 3,543 selected women beneficiaries in villages of Parwan, Kunduz and Nangarhar Provinces. It is estimated that about 600 interested village women will also participate.
- Vaccination of more than 70,000 birds by the Village Group Leaders.
- Treatment/health service delivery by the Village Group Leaders for about 2,000 birds
- Selling of 38,000 Kg feed by the Group Leaders.
- Organizing 12 technical meetings in Parwan, Kunduz and Nangarhar provinces for the women trainers.
- Organizing 12 technical classes for the women technicians to upgrade their working knowledge in Parwan, Kunduz and Nangarhar Provinces.
- Organizing 18 meetings for the Village Group Leaders in the three target Provinces.
- STA and Senior Poultry Adviser to visit project sites in Kunduz.
- Monitoring of the progress of work.
- Train 8 new poultry trainers in Baghlan province.
- Train 8 new trainers in Ghazni province.
- Train 4 new trainers in Parwan province.
- Train 4 new trainers in Nangarhar province
- Train 7 new trainers in Kunduz province.

Challenges encountered and remedial action taken:

No major difficulties have been faced in the three Provinces where the Project is operating at the moment. The only problem for the UN staff to travel to Ghazni is that they have to travel with two UN cars and two armed escorts, which creates problem. Special arrangements have been made to solve this problem so far.

Project Manager Comments:

Poultry production is almost exclusively a women's activity in rural areas in Afghanistan. USAID/RAMP is providing an imperative support through a sustainable approach for village poultry production system in Afghanistan, which developed and tested by the FAO Programme over a wide range of locations and has good and positive results. The goal of this Project is to improve food security and increase rural household incomes by using this successful model and introducing new methods of village poultry production to more than 25,000 rural women in 25 districts of the Ghazni, Baghlan⁴, Kunduz, Nangarhar and Parwan Provinces.

The Project will train the women in improved poultry husbandry and will provide improved pullets, a starter kit of supplies and equipment for poultry production. The trained village women will be organized in 500 Poultry Producers Groups which will provide follow-up services in the fields of input supply with vaccines, medicines, poultry feed and poultry equipment. To serve the Producer Groups, the Project will also establish a supply system for these inputs on a provincial basis.

We are sure that through implementation of this project village women will involved with poultry production and the productivity will increase. The Project will encourage and support the marketing of surplus eggs to the urban centres, which is especially attractive for the poorer families. In addition to the direct effects on production, the Project will also enable large numbers of village women to come together, discuss issues (not only poultry) and find a way of learning and communicating with each other which does not currently exist for women in many locations of Afghanistan. This will help to increase self-confidence of many village women who have never had any kind of formal training before in their lives.

⁴ The original project intended to initiate rural poultry development activities in Helmand province. However, due to security reasons, the STA and the donor funding agency representatives agreed on 13/12/2004 to start rural poultry development activities in Baghlan province instead of Helmand province.

Quarterly Report

Q4 FY04

Potato Seed Distribution and Technical Assistance

International Center for Agricultural Research in the Dry Areas (ICARDA)

Period of Performance: 10-Nov-03 to 30-Jun-06

Provinces: Ghazni, Nangarhar, Helmand, Parwan, Kunduz

Job Order No.	Date of Award	Project Manager	USAID CTO	USAID CO
JO#6-0004-ICARDA	10-Nov-03	Abdul Qahar Samin	Dan Miller	Margaret Kline
Ceiling Price	Quarter Expenditures	Cumulative Expenditures	Accruals to Date	Balance
\$746,899	\$42,616	\$179,578	\$51,406	\$515,915

Project Description: ICARDA and its subcontractors shall provide technical guidance in needs assessment, machinery and equipment needs, purchase of start-up inputs, and training for virus-free potato seed production, multiplication, storage and marketing.

Expected Results: An operational in vitro based seed production laboratory and screen houses established; seed produced through tissue culture available to specific seed farmers.

Capacity Building - 1,000 farmers trained as commercial seed producers; 24 on-farm storages built and used by potato seed growers, resulting in a reduction of seed storage loss.

Enhanced Livelihood - 10,000 farm families with increased production and incomes from using virus-free potato seed.

Key Accomplishments this report

- Forty-five farmers and 5 extension agents received training in Integrated Crop Management in Helmand.
- Sixty-five farmers were trained in Integrated Crop Management (ICM) in Jalalabad on 19th October



Potato ICM Training

- A tissue culture training course was held at Badam Bagh in Kabul on December 20-24, 2004.
- In Helmand, the unprecedented, autumn planting of clean seed potatoes proved successful as the harvest and marketing boosted farmers' incomes.
- Farmers using the virus-free seed potatoes achieved an average yield of about 23 mt/ha in Ghazni where Kufri Bahar, KCM, Desiree, K. Pukhraj and K. Badshah gave average yields of 58.4, 54.1, 52.5, 49.8 and 39.8 mt/ha, respectively. Nine of 57 farmers that planted seed potatoes were, however, affected adversely by the drought conditions in Ghazni.
- A monitoring team of Ministry of Agriculture and Animal Husbandry (MAAH) and RAMP visited

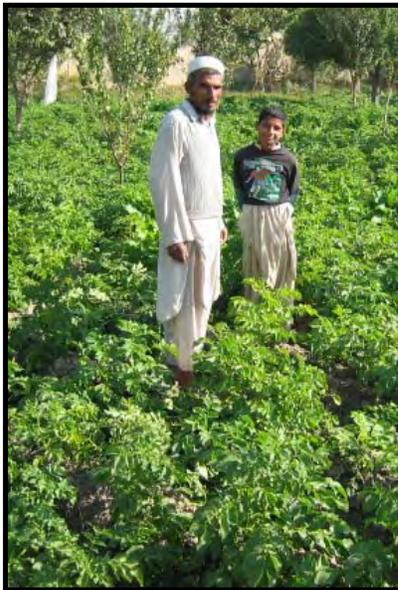
project fields in Surkhrud, Behsud, Kama districts, and research station Sheesham Bagh. The team reviewed the work done by the ICARDA project team and discussed the progress of work and its impact with the Director of Agriculture of Nangarhar, farmers and extension workers. The Director of Agriculture remarked that if ICARDA/CIP would continue the way it is working, farmers in Nangarhar will not have any (potato) problem in years to come. He also expressed deep desire to expand the area of the project beyond the current target districts of the province

Provincial reports on Monitoring Seed Potato Production, Storage, and Marketing

Nangarhar Province

Behsud, Surkhorud, Kama, Khewa and Batikot Districts

- Weeding completed and urea applied at all sites
- Second irrigation was applied
- Earthing up remained in progress
- Varietal demonstrations were planted
- Signboards were prepared for each site
- Second rouging was completed and aphid population monitoring continued
- Fields were monitored and farmers were advised on frost hazards and protection measures
- Necessary precautionary steps were taken to control the late blight
- Data collection on varietal demonstrations continued



Khogiani District

- ICARDA staff visited fortnightly the three country stores (built by ICARDA) in Karam Khiel where farmers have stored potatoes.
- An average of 10 farmers (total) visited the seed potato stores each day; a total of 900 farmers during the quarter
- Signboards were installed at country stores
- Started selecting sites for the spring season planting of seed potatoes

Ghazni Province

Center, Khwaja Omari, Jaghuri, Nawar and Qara Bagh Districts

- Seed potatoes were harvested and farmers were extended guidance on grading and storage of the seed potatoes

Cleaning and sorting of seed before storage

- About 50 mt quality seed potatoes were procured for farmers to cultivate in Helmand, Kunduz, and Parwan provinces

- Bags, tags, and boric acid procured for the seed potatoes
- Farmers sold extra large and small-sized seed potatoes at attractive prices
- ICARDA organized a meeting of potato traders, extension workers, Cooperatives and farmers in the ICARDA office in Ghazni to facilitate linkages among farmers and traders. Farmers, traders, and NGO staff visited country stores
- Kufri Bahar variety of potato performed the best (58.4 mt/ha) in the demonstrations, KCM (54.1 mt/ha) was second, and Desiree (52.5 mt/ha) was third of the five varieties of seed potatoes demonstrated.
- Aphid population monitoring data completed for the 2004 growing season
- The cost-benefit ratio in producing the potatoes is being calculated
- About 73 mt of the KCM variety of seed potato was procured from the farmers. ICARDA's project team graded about 15 mt of the seed, treated the seed with boric acid and dispatched the seed to Kunduz. From the 15 mt of seed, 5 mt will be used for demonstrations (Job Order # 08-00) and 10 mt for clean seed production
- Seed potato was graded and taken to Helmand for planting there. The treatment of the seed potatoes with boric acid was stopped because of low temperature

Parwan Province

Center-Parwan, Jabal Saraj and Bagram Districts

- Data on varietal demonstrations was processed and submitted
- Bags, tags and boric acid were procured for the seed potatoes
- Some farmers sold seed potato as ware crop
- Five country stores were used by farmers and members of VBSEs'
- ICARDA Project staff visited stores fortnightly
- Approximately 10-15 farmers visited stores every day; a total of 1200 farmers visited the five stores during the quarter
- Aphid population monitoring data was completed for the 2004 growing season
- Five hundred bags were sent to Miadan Wardak to procure seed potatoes from farmers who were supplying the seed for spring planting in Kunduz.

Siagerd and Surkhe Parsa Districts

- Roguing and dehaulming was completed and crop was harvested
- ICARDA's project team provided technical assistance on storage to farmers who were using the country stores to store their potatoes
- About 7 mt seed potato (var. Kufri Chandramukhi) was purchased from farmers of Surkh-e- Parsa district and stored in the country storage facility.

Kunduz Province

Center Kunduz, Ali Abad, Chardara, Archi, Imam Sahib and Khan Abad Districts

- Supervision of stored potatoes in Khinjan and Dara Ki-yan
- Project staff visited stores fortnightly
- Sites and farmers were selected for the 2005 planting season
- Seed potato (15 mt) received from Ghazni was distributed among farmers for fall planting
- 20 mt of potato seed were arranged from farmers (who were taught how to grade potatoes by ICARDA) in Maidan Shar in Wardach province for planting in the spring in Kunduz and in Parwan.

Helmand Province (in five targeted districts)

- Seed potatoes were planted and monitored in ten farmers' fields; germination and seedling growth was good. Autumn planting of potato is a completely new approach in Helmand that is attracting many farmers' attention
- Earthing up and weeding was done
- Fields were regularly monitored for any disease or aphids
- Potatoes were harvested in December and sold by farmers at a time when market prices were favorable

- An Integrated Crop Management (ICM) training course was organized on 1st November 2004. The course was inaugurated by the Provincial Director of Agriculture, Mr. Mian Ghulam Habib. He expressed high hopes that potato can provide alternative livelihood to the farmers who currently are engaged in opium poppy cultivation. A total of 61 participants (44 farmers, 10 staff of MAAH and representatives of FAO, CADG, RRD, RAMP, NGOs and members of media) attended the course. After a classroom training session, participants were taken to potato fields and improved agronomic practices were demonstrated. Mr. Moeen ud Din Siraj, Project Coordinator, Mr. Mia Kher Mohammad and M.Sharif Sharefi, site coordinators in Helmand were the resource persons

Publications

An 8-page brochure entitled, "Package of Improved Agronomic Practices for Informal Seed Potato Production" was published in Pashto, and distributed to 65 participants of ICM training course held in Jalalabad. An additional 100 copies were prepared to distribute among other farmers

Tissue Culture Laboratory

ICARDA is developing and strengthening micro-propagation facilities of basic seed production. Three-phase electrification was completed and equipment, such as, an autoclave and water distillation unit, were installed. The doors of the screen house were fixed and the seed bed was prepared.

Looking Forward

Nangarhar

- IDM training
- Continue data collection on aphid monitoring
- Provide plant protection measures where needed
- Monitor third and last rouging and dehulling activities

Ghazni

- Procure and transport 12 mt of seed potatoes to Helmand
- Regularly supervise the stores of potatoes
- Arrange for more farmer visits to stores
- Training in seed potato marketing. Encourage enhanced linkage between traders, farmers and cooperatives

Parwan

- Monitor storage of seed potatoes in country stores
- Transport procured seed from Maidan Shar farmers
- Arrange for more farmer visits to stores
- Training in seed potato marketing. Encourage enhanced linkage between traders, farmers and cooperatives

Kunduz

- Distribution of seed potato to farmers
- Spring planting of potatoes
- ICM training
- Transport procured seed from Maidan Shar farmers

Tissue Culture Laboratory & Screen House

- Procure fine mesh net, organic fertilizer and loamy soil for screen house
- Train MAF technicians on tissue culture techniques

Challenges Encountered

Kunduz

ICARDA does not consider Kunduz a proper place for potato seed multiplication. High temperature during the growing season leads to insect multiplication and virus infection. Similarly, the potato cannot be stored for long periods. Shifting the seed potatoes to country stores located in cooler places (e.g., Khinjan) adds transportation costs making the production non-competitive

Nangarhar

Frost injury is expected in mid-December, therefore, farmers were asked to irrigate the fields before frost occurs.

Ghazni

Large quantity of seed has been produced that is much more than the capacity of existing potato stores.

Project Manager Comments

- The training in tissue culture techniques needs to be started as soon as possible in order for the technicians to have the necessary technical assistance available from ICARDA to carry out the procedures effectively and sustainably
- Farmers need to be encouraged to construct storage for seed potatoes. ICARDA should provide the necessary technical assistance and training to meet the project deliverables, that is, the targeted number of farmers that establish seed potato stores
- ICARDA needs to more actively assist the farmers that are producing seed potatoes in marketing and promoting the quality seed.

Quarterly Report

Q4 FY04

Crop Demonstration Best Practices Project				
International Center for Agricultural Research in the Dry Areas (ICARDA)				
Period of Performance: 10-Nov-03 to 30-Jun-06				
Provinces: Nangarhar, Kunduz, Helmand, Parwan & Ghazni				
Job Order No.	Date of Award	Project Manager Contact	USAID CTO	USAID CO
JO#8A-0004-ICARDA	10-Nov-2003	Abdul Qahar Samin	Dan Miller	Margaret Kline
Ceiling Price	Quarter Expenditures	Cumulative Expenditures	Accruals to Date	Balance
\$1,899,058	\$155,949	\$194,175	\$330,727	\$1,374,156
Project Description: ICARDA will develop demonstration plots in farmer's fields throughout the 5 RAMP target provinces to facilitate the rapid diffusion and adoption of new technologies, improved and adapted varieties, improved field irrigation management practices, and appropriate crop management.				
Expected results: : It is expected that about 25% of the farmers observing the crop demonstrations and understanding the improved technologies will adopt best practices. The adoption of best practices by farmers will lead to productivity increases of 25-35%. Farmers adopting the best practices are expected to realize higher net incomes per hectare of cultivation of an average of approximately 20%.				

Accomplishments This Period

The summer crop demonstrations were completed in the 5 provinces. The crop yields of the demonstrations were compared with the local yields. Cost-benefit ratios of the demonstrations were calculated. Average yield of paddy rice (improved varieties) in demonstration plots in Kunduz was 6.8 mt/ha as compared with the 4.7mt/ha of local paddy rice produced in farmers' fields. Similar results were obtained with paddy rice demonstrations in Nangarhar province. The unprecedented (October to December (fall) production of potatoes in crop demonstrations in Helmand province was very successful with farmers receiving reasonable yields and market prices for their crop. Mungbean variety Nayab-92 gave an average yield of 2.32 mt/ha in crop demonstrations in Nangarhar province. The demonstration yield was much higher than the local yields, as a result, over 100 farmers expressed interest in obtaining seed of Nayab-92.



Mr. Shir Ahmad, owner of onion demonstration plots in Miana Guzar and Jabul Saraj villages in Parwan

A representative example of an impact assessment made in each of the provinces is the impact assessment made in Ghazni Province. The assessment revealed that for wheat, potato, tomato and onions

- about 22-35% of farmers are interested in adopting improved varieties introduced through the ICARDA crop demonstrations
- about 19-23% farmers are interested in adopting the best practices (agronomic techniques) demonstrated
- the cost-benefit ratios for potatoes, tomatoes, and onions were 1:5.8, and 1:3.6, and 1:6.6 respectively. The average net income from the potatoes, tomatoes, and onions produced on demonstration plots was 100%, 31%, and 88% higher than the average net income from the crops produced in the farmers' fields in the same area.

The 2004-05 crop demonstration plan was developed over a number of meetings of the ICARDA Management Staff, ICARDA Regional Coordinators, MAAH&F Extension Department Head and Advisor,

MAAH&F's Provincial Directors of Agriculture, and RAMP Agricultural Staff. Various issues were discussed including the market opportunities for the crops demonstrated, the availability of quality seed of the improved varieties of the demonstrations and for farmers adopting the best practices, and the selection of participating farmers for demonstrations (farmers are selected jointly by Extension workers of the target districts and ICARDA personnel). The final meeting focused on the alternative livelihood project in Helmand and Kandahar provinces and the need for more crop demonstrations in these two provinces. To accommodate this need, ICARDA increased the number of potato demonstrations to 30 in Helmand province. The crop demonstration plan of the 2004-05 season is given below:

2004-'05 Plan Crop	Province					Total
	Nangarhar	Parwan	Kunduz	Helmand	Ghazni	
Wheat	18	30	18	30	24	120
Rice	8	0	12	0	0	20
Potato	12	10	12	30	8	72
Tomato	6	5	6	5	0	22
Mungbean	5	4	12	10	0	31
Okra	5	4	12	0	0	21
Cotton	0	0	12	0	0	12
Peanuts	0	0	12	5	0	17
Onion	6	5	6	5	4	26
Total	60	58	96	80	36	341

The ICARDA regional coordinator responsible for each of the five provinces has developed a demonstration plan for each crop in each district.

One-hundred and twenty wheat demonstrations have been planted in Kunduz, Parwan, Nangarhar, Ghazni, and Helmand provinces. Because the yields of the improved varieties of wheat used in last year's demonstrations were very good compared to the locally produced varieties of wheat, and because the farmer's are adopting these improved varieties this year, the same wheat varieties in the crop demonstrations will be used.

Preliminary adoption rates of improved wheat varieties and/or best practices in this year's wheat planting campaign are coming in at about 30% of those farmers that have been contacted by extension agents and/or have participated in field days.

ICARDA funded the Sunn Pest (over-wintering) Survey conducted by the Plant Protection Department of the Ministry of Agriculture, Animal Husbandry, and Food. The Survey was conducted in those provinces (from Herat west to Samangan and Helmand) where the sunn pest population was reported to have reached significantly high levels and/or where significant damage to the wheat crop was experienced last year. Results from the survey will be used to plan the sunn pest emergency control program in 2005.

ICARDA supplied 40 metric tons of quality seed wheat (cleaned and treated) to USAID for the Nangarhar Seed Wheat Distribution Program. ICARDA also was involved in the distribution of the seed to farmers in various Districts in Nangarhar province.

Looking Ahead

- Monitor the progress of the wheat demonstrations
- Continue provision of extension services to farmers in targeted districts in the five provinces
- Maintain an accurate record of the number of farmers that are visiting the demonstrations
- Continue the farmer survey of adoption rates on best practices demonstrated.
- Get the quality seed ready for the summer crops

- Coordinate project activities with other RAMP-Implementing Partners (including CADG, IFDC, GIA) and the Provincial Agricultural Directors and Extension Heads in the five priority provinces
- Develop field day plan for each target district in each province
- Conduct field days to exhibit best practices to a large number of farmers
- Develop demonstrations of nurseries (tomato and onion) using the tunnel method

Challenges Encountered and Remedial Action Taken

- Monitoring the number of farmers visiting the demonstrations. Farmers who are involved in the demonstrations need to assist ICARDA in obtaining objective information on the number of farmers visiting. Extension agents working with these farmers need to ask for this information and understand how the farmers are reacting to the best practices
- Representatives of the Ministry of Agriculture, Animal Husbandry, and Food (MAAH&F) accompanied by Dr. Qahar Samin, Senior Production Agronomist of RAMP, conducted an assessment of the impact of RAMP projects, including the crop demonstration project of ICARDA, on farmers. Provincial Directors of Agriculture and Extension reviewed the progress of ICARDA's demonstrations and extension. Members of the delegation expressed their satisfaction on the overall progress and achievements of the ICARDA project. However, the MAAH&F has expressed concern with the cost of the demonstrations when the ICARDA administrative and management costs are added in. Once the adoption rate survey is completed in all provinces, the results need to be presented to representatives of the MAAH&F to show what the impact of the work has been.
- Many farmers have asked for seeds of the improved varieties of the crops demonstrated. However, because there is insufficient multiplication of these seeds, many farmers are unable to access the desired seed. ICARDA's Village Based Seed Enterprises will need to produce more seed for these farmers.
- Security of staff remained a major concern in Khogiani district

Project Manager Comments

- ICARDA has been advised to coordinate their activities with more RAMP Implementing Partners. For example, with IFDC on field days, so that farmers and extension agents can discuss with IFDC and agricultural-input dealers the need for and availability of quality inputs.
- Many farmers attended the field days and most of them were interested to get the quality seeds used in the demonstrations.
- The wheat planted in the crop demonstrations had good percentage germination.
- The farmers that observed the tomato demonstrations learned how to get improved tomato seed for themselves.
- Potato was planted for the first time in Kunduz and Helmand provinces and the farmers were very impressed by its yield and quality.
- The Directors of Agriculture in the provinces were pleased with ICARDA activities.

Quarterly Report Q4 FY04

Direct Seeding Agriculture Project**International Assistance Mission****Life of Project: October 19, 2004 – October 19, 2006****Provinces: Kabul and Kunduz**

Job Order No.	Date of Award	Project Manager	USAID CTO	USAID CO
JO#8B-0004-IAM	19-Oct-04	Dr. Abdul Qahar Samin	Dan Miller	Margaret Kline
Ceiling Price	Quarter Expenditures	Cumulative Expenditures	Accruals to Date	Balance
\$62,470.00	\$0.00	\$0.00	\$0.00	0.00

Project Description: The project aim is to examine the use of a John Deere direct seeder for dry land wheat production through trials in Kabul and Kunduz provinces of Afghanistan.

Accomplishments

- Introduced the project to relevant Kunduz government officials, NGOs, and farmers
- Protocol with the Ministry of Agriculture, Animal Husbandry, and Food was in progress
- Farm equipment (drill, etc.), machinery, and various inputs were transported to Kunduz
- Safe storage for machinery and seed was identified
- Visits were made to Kunduz province for identifying farmers for zero tillage trials and contracts were signed with these farmers.
- After planting, equipment was transferred back to Kabul province
- A total of six wheat trials and demonstration plots were identified and planted
- USAID signs put up at trial site

Challenges Encountered and Remedial Action Taken

- On-going efforts to finalise government protocol through discussions with relevant government officials
- The planned approach to accommodation in Kunduz was to use a guest house but the information IAM had previously received is no longer accurate. It is now likely that we will rent two rooms in a yard, which, with a guard, will be more expensive (about \$3600 for this year). IAM still expect to keep costs within this year's budget since the vehicle costs will probably be \$2000 less than expected.
- Vehicle registration has been difficult to complete, the project hired a vehicle from another project area.
- The extensive nature of dry land farming including large fields and low yield potentials made the planned 2 jerib demonstration plots unattractive for farmers. As a result, larger areas were considered appropriate and planted.

**Abdul Waheb (Government extension worker), Islam (labourer), Yousif (farmer) and Latif (DSAP tractor driver) stand in front of the project's direct drill.**

- IAM aims to fulfil our labor requirements by cooperating with farmers and existing structures such as the government's extension service.

- This approach enables us to build capacity into the most relevant places rather than risk undermining government input; it also encourages openness and an understanding of our work.
- In Khanabad District, IAM hired Islam Khan as a laborer. He had been forced out of school at grade 4 when his young father died and he had to support his family by working. Despite his lack of formal education his intelligence and ability and willingness to work hard was quickly apparent. He was soon able to carry out the important tasks that required commitment to detail such as weighing out seed lots for trials as well as the physically demanding tasks. IAM hired him for the laying out of further trials and he was keen to understand the experiment process and suggest ideas for further work.

Looking Ahead

IAM will be monitoring the germination and the growth of the trials as the winter season progresses.

Project Manager Comments

The IAM Project and the planting of crop trials have remained on course.

Quarterly Report Q4 FY04

Introducing Protected Agriculture in Marginal and Water Deficient Areas

International Center for Agricultural Research in the Dry Areas (ICARDA)

Life of Project: November 10, 2003 – June 30, 2003

Provinces: Nangarhar, Kunduz, Helmand, Parwan & Ghazni

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#9-0004-ICARDA	10-Nov-03	Abdul Qahar Samin	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$1,624,845	\$56,239	\$194,729	\$69,386	\$1,360,730

Project Description: ICARDA is introducing protected agriculture for cash crop production in marginal and water deficit areas of Afghanistan. The project is promoting the adoption of affordable and sustainable protected agricultural systems to produce high value crops, using marginal or otherwise non-productive lands and water more efficiently, by establishing a central demonstration and training site within Kabul and by installing simple greenhouse structures at selected pilot sites with participating farmers.

Expected results (by end of project):

Capacity Building - Establishment of one private sector plastic greenhouse fabrication shop; Establishment of 25 independent greenhouse enterprises.

Enhanced Livelihood – At least five fold increase in the production of cash crops compared to open field production system; 1.2Ha land under greenhouse technology; Farm families participating in the greenhouse systems of production will experience at least a three-fold increase in annual net returns on a per hectare basis.

Accomplishments this report

Training

In November, the first Farmers Field School was organized at the Protected Agriculture Center (PAC) at Badam Bagh. Participants were exposed to production techniques for different crops. The pilot greenhouse (GH) owners discussed their problems and constraints in general and about fertigation and greenhouse heating in particular. Growers were trained in maintaining the plastic cover and crop supporting structures. Mr. Khalili, and Mr. Manan demonstrated the benefits of protected agriculture to participants with special emphasis on high productivity and water economy of protected agriculture. Participants were impressed by the yield and quality of cucumbers under cultivation at that time.

In December, three training programs were held, including

- the second Integrated Production and Protection Management (PPM) – Train the Trainers course - 20 Ministry of Agriculture, Animal Husbandry, and Food extension agents, NGO technicians, researchers and others attended
- the second Farmers' Field School – 25 farmers involved in the greenhouse development project attended
- the Manufacturer's Workshop Training – 6 metal workers from Kabul and Nangarhar attended.

The IPPM course taught by Dr. Ahmed Moustafa (Protected Agriculture Specialist), Eng. Ahmed Shahbander (Crop Management–IPPM Specialist), and Eng. Abdul Fattah Tarsha (Crop Management–IPPM Specialist). The training focused on

- Greenhouse environmental control and mechanical protection
- Crop management during the vegetative and production stages
- Irrigation and fertilizer requirements and scheduling
- Safe and efficient use of agricultural chemicals
- Biological control of pests and diseases
- Soil sterilization including solarization
- Identification of major pest and diseases

At the Farmers' Field School, the farmers were trained by the above trainers in

- Preparation of soil and plant nursery
- Seed and plant propagation, plug trays, irrigation and fertigation, crop protection, plastic house management, pre- and post-harvest techniques
- Planting schedule and cropping calendar
- Marketing of crops
- Training on plastic house maintenance

At the Manufacturer's Workshop, the metal workers were trained by Mr. Abdul Wahab Kabani (Greenhouse Fabrication Technician) and Mr. Ismail Shukriin (Protected Agriculture Technician) in the fabrication techniques involved in construction of the plastic greenhouses (the structures are made of galvanized pipes and covered with polyethylene sheets). With the bending equipment that is imported in by the ICARDA project, a Metal Worker's or Manufacturer's Workshop set up by the Project in Kabul will be able to make the necessary metal struts for the shell of the greenhouses.

PAC Greenhouse Management

The ICARDA project team (including technicians from the Ministry of Agriculture, Animal Husbandry, and Food at Badam Bagh) harvested 5,500 cucumbers (1,703 Kg) from one of the greenhouses at the PAC. The cucumbers were sold at off-season prices for a total of \$1,467. A cost-benefit ratio of 1: 2.7 exhibited a strong potential for cash crop production using protected agriculture technology. Tomatoes, sweet peppers, and lettuce were cultivated in the main beds, and onions, radishes, chive, and mint were cultivated in the border areas of the greenhouse.

Two simple saw-dust stove heaters were installed at the PAC greenhouses to provide suitable temperature during the nights. The heaters are locally manufactured, therefore, are easily available and economical. Preliminary results showed that one heater/GH would increase the temperature by 5 degrees Centigrade. Two heaters were installed per GH. Economic analysis of using these heaters will be carried out at the end of the season

The manufacturing workshop equipment has been installed in the assigned building at the PAC. A Metal Tube Scroller Machine for shaping GH structure has been located in China at a reasonable price and in compliance with the technical specification.

In order to complete the necessary facilities at PAC, a heavy duty spraying machine, seeding trays, insect proof netting, peat moss, perlite, and min-max thermometers were brought in and installed.

Lettuce was grown in two GHs at the PAC. Tomatoes and sweet peppers have been trained and supported to the wires. Plant protection measures were taken for tomatoes and sweet peppers in greenhouses at PAC

Farmer Greenhouses

The five GHs of the farmers were completed with plastic doors. Cucumbers and other crops were planted in the GHs. The PAC staff visited all five farmers' greenhouses on a weekly basis and provided technical advice. Cucumbers growing in farmers' greenhouse at Char-Asiab (Kabul Province) showed symptoms of iron deficiency. The problem was solved through spraying with iron-chelate.

Surveys

Wholesale price data was collected daily from the Kabul vegetable and fruit market. Finalization of the bench mark study on five pilot farmers was in progress.

Presentations

Mr. Khalili, local coordinator attended a workshop on "Agricultural New Technologies" that was organized by the Ministry of Agriculture, Animal Husbandry, and Food. Mr. Khalili emphasized on the importance and potential of Protected Agriculture for agricultural development in Afghanistan

Looking Ahead

- Completion of GH Manufacturing Workshop
- Visit the farmers' GHs on regular basis for technical back stopping and technology transfer
- Data collection on production of cash crops at the PAC
- Continued study on heating system and data collection on GH temperature, fuel consumption, and cost of running heaters
- Monitoring of crops in GHs and maintenance of PAC
- Continued daily data collection from the main fruit and vegetable market
- Custom clearance for the imported equipment
- Necessary arrangements to train a local fabricator in GH manufacturing at the PAC. Arrange for on-the-job training of 6 Afghans. The course will be held at Agriculture Research Center, Ministry of Agriculture and Fisheries, Oman.

Challenges Encountered and Remedial Action Taken

- ICARDA must import some construction materials for greenhouses for farmers in the provinces. The greenhouses need to be constructed in January/February to take advantage of the GH technology and the early crop season
- The company that is sending the Metal Tube Scroller Machine did not accept the payment through the banking system (cash against documents or letter of credit) and asked for total cash payment before shipment to Kabul. As this was the first time to deal with this company it was not considered safe to make 100 % advance payment. After several rounds of discussions over the phone and through e-mails, it was agreed that the machine would be transferred to the Chinese city of Urumqi located close to Afghanistan border. The machine reached to Urumchi and was ready to be shipped to Kabul. Mr. Khalili (local counterpart for the project) is waiting for required documents and invitation from the Chinese company to get his visa and proceed to Urumqi to check the machine, finalize the payment, and to manage its shipment to Kabul
- Security and protection of GHs at farmers' fields is a serious concern

Project Manager Comments

- The yield of the vegetables in the green houses in Kabul and similar areas is economical up to the end of December because no heating system is required during that time and market prices are reasonable
- ICARDA is required to have established one greenhouse with a farmer in each of the five provinces during the first year. So far, greenhouses have been established only in Kabul province. Greenhouses (three) must be established in each of the provinces this winter to take advantage of the early crop season.
- ICARDA must implement an especially ambitious greenhouse development program in Helmand province where additional developmental emphasis has been organized by RAMP.
- ICARDA needs to coordinate its activities in greenhouse development with CADG, IFDC (for the GH inputs), and other RAMP IPs
- The training materials that ICARDA hands out to the trainees are in Persian. As a result, the Dari speakers are unable to recognize some of the words used in the materials. The materials need to be checked and changed into Dari.

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Shamali Plains Road Upgrade Agence d'aide a la Cooperation et au Developpement (ACTED) Period of Performance: 01-Dec-03 to 28-Feb-05 Provinces: Kabul, Kapisa, Parwan				
<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#10-0002-ACTED	01-Dec-03	Saroj Basnyet	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$729,255	\$0	\$307,961	\$272,675	\$148,619
Project Description: ACTED is rehabilitating the Main Shakh and Canal roads and the Nahri Charikar canal irrigation system in Shamali Plains to reduce the transport cost of commodities to urban centers and to increase cropping by providing a reliable supply of water. Expected Results: Rehabilitation of 21.4 kilometers of roads and 12 km of canal along with an improved water supply to irrigated areas.				

Accomplishments this report:

Infrastructure rehabilitation of the Shamali Plain is divided into two complementary components: rehabilitation of the road network in the project area and improving the condition of the Nahri Charikar canal. Roads are being rehabilitated for reducing the transport cost of crops exported from the agricultural areas of the road corridor to urban markets, and the canal is being rehabilitated to improve amount of hectares served with a reliable supply of irrigation water to fields for improving the yield of crops. Transport and irrigation are prerequisites for improving the comparative advantage of the farmers of the Shamali Plains.



Road Rehabilitation

The rehabilitation of Main Shakh Road started in April and has been completed. Construction started on the Canal Road during May and is continuing. The following table illustrates the number of kilometers rehabilitated during this reporting period.

The laborers employed on the roads are from the local communities and their on-the-job training programme is related to different aspects of road maintenance.

The Nahri Charikar Canal

The Nahri Charikar Canal provides irrigation facilities to an estimated 7,000 hectares in 6 valleys. It is fed by Ghorband River and flows from the Bamyán Valley.

MAIN SHAKH ROAD	Work completed in km	Previous Work (km)	Total Work (km)
Drainage	2.44	7.16	9.60
Compaction of gravel	1.72	7.88	9.60
Road Completed	1.72	7.88	9.60
CANAL ROAD	Work completed (km)	Previous Work (km)	Total Work (km)
Compaction of Gravel	0.2	5.49	5.69
Road Completed	0.2	5.49	5.69

Cleaning and Widening the Canal

The bed of the canal was cleaned and was widened by 1 meter throughout its length. The table below sets out the quantity of different works completed.

Nahri Charikar Canal		Cleaning of Canal	Widening of Canal	Removal of Earth
Work completed	(m)	8,500	8,500	n/a
	(m ³)	34,070	n/a	6,900
Work completed previously	(m)	4,200	4,200	n/a
	(m ³)	13,930	n/a	8,450
Total Work Completed	(m)	12,700	12,700	n/a
	(m ³)	48,000	n/a	15,350
Total Work To Be Completed	(m)	18,000	18,000	n/a
	(m ³)	70,000	n/a	25,817

Canal Retaining Walls

145 meter of retaining walls will be constructed in required locations. The larger retaining wall is intended to stop the Nahri Charikar canal from breaking through the existing flimsy wall, sweeping into the Ghorband Valley, and flooding the area with water in addition to stones and silt. This event has occurred in the past. Smaller retaining walls are being constructed along the total length of 100 meter of the canal.

Retaining Walls*		Foundation Excavation	P.C.C.	Stone Masonry	Pointing
45m Retaining Wall	Reporting period	0	0	0	0
	Previous Months	580	28	771	430
	Total Work Completed	580	28	771	430
100m of Retaining Walls	Reporting period	50	5	30	120
	Previous report	195	17	335	220
	Total Work Completed	245	22	365	340

Construction of Water Outlets

The construction of two water outlets started in July and continued through the reporting period. The diameters of these outlets are 1 and 0.5 meter respectively.

Water Outlets		Foundation Excavation	P.C.C.	Stone Masonry	Pointing	R.C.C Slab for outlet
Outlets of a width of ½ meter	Reporting period	40	17	72	0	2
	Previous Months	555	39.4	398	611	25
	Total Work Completed	595	56.4	470	611	27
Outlets of a width of a meter	Reporting period	230	21	140	280	6
	Previous Months	190	13	135	120	4
	Total Work Completed	420	34	275	400	10



LEFT – Building a water outlet on the Nahri-Charikar Canal

RIGHT – Widening the Nahri-Charikar Canal in Parwan

Looking Ahead:

Rehabilitation work (cleaning the bed, widening the canal, constructing retaining walls and water outlets) will continue on the Nahri Charikar Canal. The canal should be completed before 15 February 2005.

Project Manager Comments:

ACTED had adopted labor-intensive construction technologies and is providing employment opportunities to farmers from the influence area of the road corridor. The compacted thickness of the gravel base in different locations is greater than the required 20 centimeter. The results of the California Bearing Ratio tests indicate that the results are higher than the required 60 percent indicating that the structural properties of gravel base are satisfactory.

Kanday Road Reconstruction
Mission d'Aide au Developement des Economies Rurales en Afghanistan (MADERA)
Period of Performance: 15-Dec-03 – 25-Jun-04
Provinces: Kunar

Job Order No.	Date of Award	Project Manager	USAID CTO	USAID CO
JO#11-002-MADERA	15-Dec-03	Khodaidad	Dan Miller	Kyle Newkirk
Ceiling Price	Quarter Expenditures	Cumulative Expenditures	Accruals to Date	Balance
\$448,131	\$44,841	\$403,290	\$44,841	\$0

Project Description: MADERA has rehabilitated a collapsed section of the Kanday road, connecting Jalalabad and Assadabad, and constructed a stone masonry protection wall, diversion canal and a combination of dumped rock and gabion dike to prevent erosion of the road during flood periods.

Expected Results (at end of project):

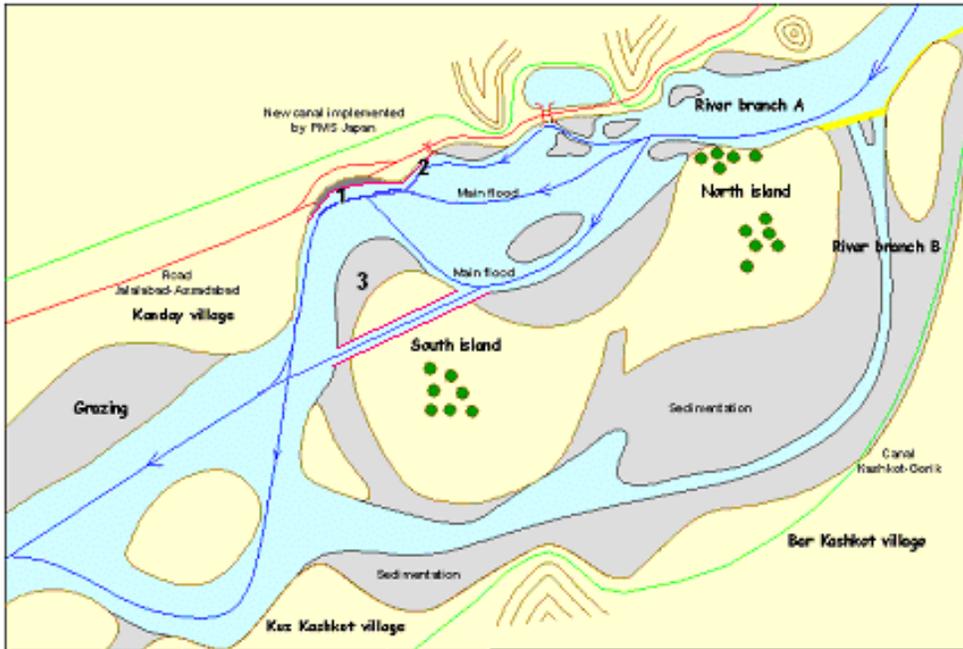
Enhanced Livelihood – 500,000 farm families with improved access to markets; 5,100 hectares receiving improved irrigation; and 6,850 person-days of employment.

Accomplishments this Quarter:

This completed project achieved the goal of construction a protection wall along the Kunar River in Kanday village. The objectives of this project were to protect the local lands, the main road between Nangarhar and Kunar Provinces and a new irrigation canal implemented by PMS (Japanese NGO). This project started on January 2004 and I for a duration of 5 months. The activities defined in the contract were as follow:

- a. Rehabilitation of a 300 meter section of the road between Jalalabad and Assadabad with a minimum of a 20 cm layer of gravel material. The road shall be crowned and compacted with side ditches on both sides of the road and cross irrigation systems installed as necessary.
- b. Construction of a protection wall and gabion dyke. This activity shall include at the minimum 4,750 m³ of material for the gabion dyke and 15,000 m³ of material for filling. (1 and 2)
- c. Construction of a diversion canal, with 4,650 m³ excavated. (3)

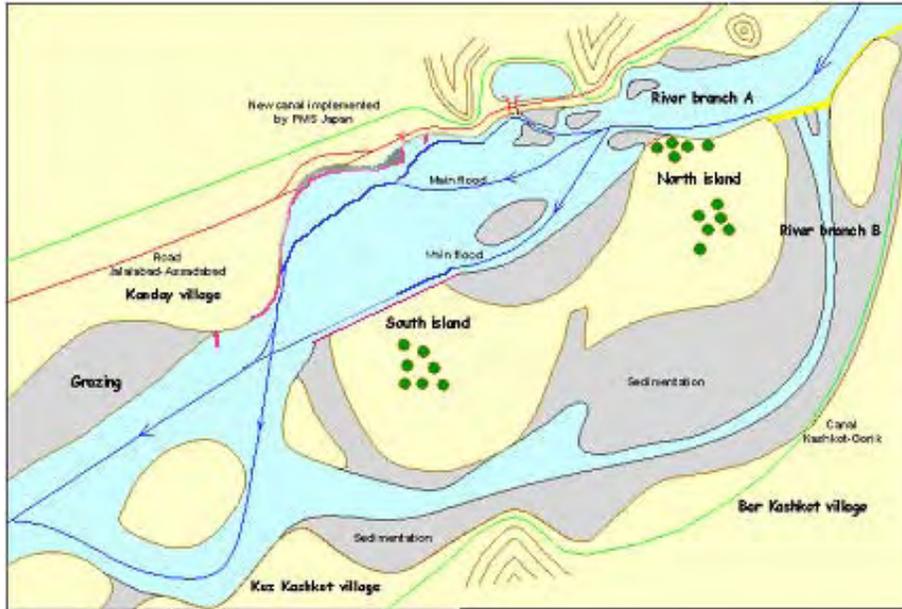
Map below represents the flooding situation before construction of the retaining wall and road. The project has been completed and the performance targets have been achieved for each activity.



Nevertheless, due to technical and hydrological constraints, we had to adapt the design

defined in the concept paper "Kanday Project – November 2003".

After construction of the retaining wall:



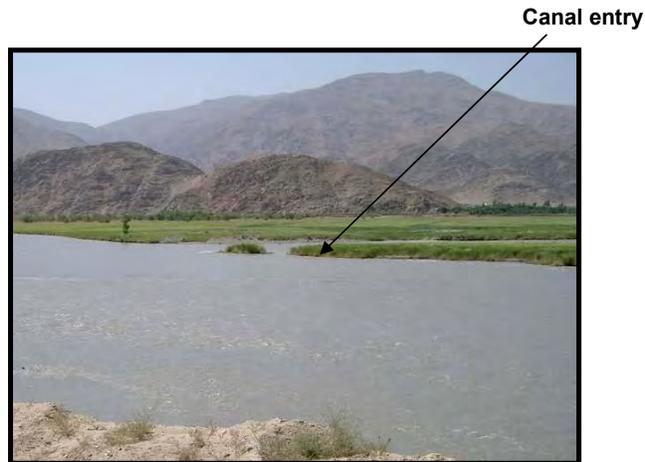
Design adaptations

Channel:

It was initially planned to dig a channel in the island in front of the erosion spot in order to divert the water from the implementation site. This action was to make our work possible and to give a new way for the main flow, diverting it permanently from the curve.

In fact, when the proposal has been validated, PMS, the Japanese NGO, had already started their own construction work. We decided to work together to make it more efficient by its width and depth.

Later, we decided to dig a new channel to facilitate the washing of this sedimentation point.



Gabion set up:

Along an important part of the bank, despite the flow diversion operated by the new dug channel, it was not possible to set up gabions directly on the river bed. As mentioned in a letter dated on 23/02/2004, foundations for the dyke were built using big rocks. These boulders are blocked by each others and are trapping medium rocks inside. This base is approximately 6 m. width and has been used as a road to

unload additional rocks. The whole foundation was continuously compacted by daily trips of more than 30 dumpers (> 15 MT each).

Gabion mattresses:

Later, it was determined to be more efficient and sustainable to replace the mattresses of gabions by a layer (width: 3 m, thickness: 1 m) of rocks in front of the first gabions' layer.

Alignment:

In the proposal, the position of the gabion wall was not defined precisely and one could think that it would follow the bank. It was decided to make it more intrusive in the river bed. This option was chosen because we wanted to divert the flow – whether important or not, towards the middle of the river and so to drive it as much as possible away from the wall. We expected thereby to prevent any digging of the river bed at the foot of the wall and even to have sedimentation along the wall.

Sedimentation due to the construction of the protection wall along the river bank



Spikes:

As another means of diverting the water away from the wall, rocks were used to build up spikes in strategic locations.

4th layer of gabions:

To prevent the wall being over-flow and its back filling washed away, a 4th layer of gabions (of about 100 m. long) were constructed at the upstream end of the wall, the one that is at most under the erosive pressure of the river current.

Results:

This year's flood has been less important even if the water reached the level of last year. As forecasted, the canal has diverted a large share of the water and later has facilitated the sedimentation in front of the gabion wall. The curve of the riverbed has been decreased, distancing the flow from the river bank. The location of the dyke combined with the spikes has resulted in sedimentation occurring in the curve of the river all along the protection wall.



Constructing a spike to divert water-flow away from protection wall

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New branch:

Actually a new branch appeared just at the upstream end of the protection wall. Many assumptions can be made regarding its causes but one has to consider the particularity of the Kunar River. It has, as many mountain rivers, a bed that draws kind of plaits, with multiple branches. During some time, some of these branches are the major ones, while later it changes. Some of these changes are predictable, some others not.

Problem:

The flow in this new branch of the river became quickly very strong and caused sinking of part of the protection wall at its upstream end. To stop this and to prevent any further damage to the rest of the gabion wall, we doubled it by a rock dyke (height: 5 m, width: 4 m, length: 20 m) at the contact point.

Conclusion

Even after implementing many adaptations to the characteristics of the river and the project, the initial objectives have been reached. To increase the sustainability of the whole construction, we forecast:

- A regular monitoring of the dyke and the implementation of a “post-flood” assessment;

A detailed map of the dyke including elevation points has been prepared. We will monitor the elevation of the dyke on a monthly basis to detect any sagging. In the winter, when the water level is low, the protection wall will be surveyed to detect damage or weak points.

Reinforcement of the dyke:

The next challenge will be to transform this artificial bank into a more “natural” one. In this regard, we will discuss with local communities about the opportunity to set tree plantations all along the dyke. The advantage will be double:

- To reinforce the dyke and backfilling through the roots of the trees;
- When the lands will be cultivated, to prevent damage on the gabions by planting trees between them and agriculture plots.

To be sure that plantations are going to be sustainable, Madera intends to approach local communities in a way that they appropriate the project and take care for the trees.

Project Manager Comments: The main objectives of this project were to: straighten the curve of the river on the right bank, push the main flow to the middle, protect two irrigation canals, and halt the erosion of the main road between Nangahar and Kunar/Nooristan provinces. A tree planting program is now under review to reinforce the dike and the river bank.

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Market Based Production Project				
Agence d'aide a la Cooperation et au Developpement (ACTED)				
Period of Performance: 21-Dec-03 to 30-Jun-06				
Provinces: Parwan, Kapisa, and Kabul				
Job Order No.	Date of Award	Project Manager	USAID CTO	USAID CO
JO#12-0004-ACTED	21-Dec-04	Abdul Qahar Samin	Daniel Miller	Margaret Kline
Ceiling Price	Quarter Expenditures	Cumulative Expenditures	Accruals to Date	Balance
\$1,800,000	\$438,056	\$610,089	\$0	\$1,189,911
<p>Project Description: ACTED will work with farmers in the Shomali Plains to rehabilitate orchards and vineyards, establish nurseries, develop fruit processing by constructing innovative low-tech facilities (greenhouses, solar dryers and storage warehouses) as income-generating activities with a priority on women's involvement.</p>				
<p>Expected Results</p> <p>1. Capacity Building: 3 agriculture cooperatives revitalized; The management and technical competency of 90 DCC members, 16 technicians and 10 cooperative members enhanced through sustained training; 3 women DCCs established and 430 women access the coops; 70 women trained in income generating and small business activities; Agriculture best practices spread among 1,500 persons (1,070 men and 430 women)</p> <p>2. Enhanced Livelihood: 385Ha vineyards and orchards revitalized with the provision of rootstocks and saplings; Average fruit productivity increased by 35% and total marketable output by 40%; Input supplied for 1,200 ha of land to plant with cereals and vegetables; Average cereal and vegetable productivity increased, respectively, by 25% and 15%; 1,290 cooperative members double their income; 102 households double their income by constructing greenhouses for seasonal vegetables.</p>				

Accomplishments This Period

Feasibility and Market Studies

Following the direction provided by Chemonics, ACTED has been pursuing activities related to value added food processing in redesigning its RAMP program for Year 2.

- ❖ *Conducted a feasibility study of producing tomato sauce in the Shamali Plains.* The area has significant cultivation of tomatoes and the prices for such produce are severely depleted by a lack of appropriate markets. The result is that tomatoes are sold for prices below the cost of production or are simply "dumped" on the market.

There were a number of advantages identified in favor of the idea of starting to produce tomato sauce in the Shamali Plains:

- There is a sizeable production of tomatoes in the Shamali Plains that is not met by a significant demand.
- Tomato derivatives already have a strong penetration in the Afghan market.
- Tomato sauce could position itself very well in terms of price with tomato paste as the ratios of raw product to output were much higher.
- Tomato sauce requires a considerably lower initial investment than tomato paste.

The conclusions of ACTED's exploration of the idea were altogether more negative, as it became clear that the profitability of the operation in the long term was significantly called into question:

- There was no price positioning that could be envisioned against the Iranian imports that allowed for the processing activity to reach profitability within a 4 to 5 year timeframe.
- The entire marketing strategy behind the product would have to focus on hiding the fact that tomato sauce did not yield the same quantity of useable product as tomato paste.

- Past experience demonstrates that tomato sauce only reaches an audience in developing markets when pasta is a common staple food. Otherwise it is nearly impossible to supplant the dominance of tomato paste.

Given this analysis, it would be difficult for ACTED to recommend this activity.

❖ *Conducted a market study of a pickling plant in the Shamali Plains.* The following conclusions were drawn:

- As a “luxury item,” the market for pickled products (excluding the market for pickled products sold in bulk for low prices) is quite small. It is estimated at only 700 tons / year.
- The consumption of pickled products is very seasonal and focused around the holy month of Ramazan, which present distribution difficulties for any planned marketing of pickled products.
- Price competition from Iranian imports is likely to be fierce and, even under optimistic estimates, will only be able to capture around 4% of the market, with a very high risk since our product will be almost 50% more expensive than comparable Iranian products.

These conclusions call into question the profitability and sustainability of building a pickling plant in the Shamali Plains.

❖ *Conducted a feasibility of processing and packaging dried fruits and nuts.* The activity would mainly consist of the following:

- Purchasing dried fruits and nuts in bulk
- Cleaning of the product
- Packaging of the product
- Marketing of the product to overseas markets

The conclusion of this feasibility study was that this activity may be a favorable course of action for the ACTED / RAMP project, because of the following:

- The chances that the processing activity would become profitable in the medium are quite high.
- The risks are controllable and mostly internal to the enterprise (quality control), rather than external (size of the market).
- The activity can be completed within the context of ACTED’s existing budget

Training

- Trained over 400 farmers in the best practices in production of various crops
- Organized and lead specialized training session on okra cultivation, using established best practices and hands-on training methods. 256 Farmers in Charikar and Kohistan Districts were trained in the best practices of okra cultivation in these two districts. Okra is a high value crop that has established markets in the region. Increased cultivation of this crop and cultivation using better techniques should yield larger incomes for farmers in the Shamali Plains.

Gender Needs Assessment

ACTED’s gender work is highly involved in the strategic analysis that has been shaping ACTED’s activities in the Shamali Plains. ACTED’s Gender Specialist developed a needs assessment survey of rural women in the Shamali Plains. The assessment included:

- Identifying gender roles at the family and village level
- Identifying gender division of labor, notably in terms of economic activity

- Understanding the division of household and community tasks according to gender
- Understanding how much role flexibility by gender is associated with different tasks.
- Assessing gender-based differences in needs for assistance
- Analyzing opportunities in which ACTED can practically and strategically empower women
- Designing specific programs at the village level to empower women and help them reach economic independence

The assessment has not been carried out yet as the Gender Specialist has left the Project.

Greenhouse Management

As GERES (an ACTED partner) is being phased out of the ACTED's program for year 2 of the program, ACTED's own team

- Took over the responsibility of working with the owners of the ten private greenhouses built by ACTED
 - Distributed greenhouse inputs (spinach, red radish and coriander seeds)
 - Provided technical assistance concerning greenhouse production techniques for 4 private greenhouse owners
 - Conducted field trainings with private greenhouse beneficiaries regarding the planting and watering of seeds (and greenhouse maintenance)
 - Monitored and evaluated the current project activities
- Six other greenhouses, built by ACTED on the grounds of the District Cooperative Centers, are serving as demonstration greenhouses. ACTED is testing the feasibility of vegetable production in unheated greenhouse production in the Shamali Plains.

Examples of Yields from Farmers that are Working with ACTED

Farmers that have been working with ACTED and learning from the agricultural extension agents and ACTED's demonstration plots are producing impressive yields in their fields. One example of these impressive yields is from a farmer, in Bakokham village in Kohistan district, who harvested 5,600 kg of onions from a single jerib. He then brought his harvest himself to the Kabul market and sold it at 7 AFA / KG, which made him 39,200 AFA. It is the hope that farmers like Gull Agha will inspire his neighbors to adopt new agricultural techniques and improve their yields also. ACTED is facilitating this process by having farmers visit their neighbors fields and see the results of improved agricultural processes.

Looking Ahead

- ACTED will discuss with RAMP the feasibilities of these value-added processing options (tomato sauce, pickled vegetables, and dried fruit and nut packaging) in the Shamali Plains and determine the direction of the Project.
- Demonstrations will be conducted for two principle activities: the production of vegetables out of the primary growing season and the production and sale of seedlings. The seedlings will be planted in mid-February and ready for transplanting immediately after the last frost date.
- In order to increase the incomes for farmers in the Shamali Plains, ACTED will assist the owners of the private greenhouses constructed in all three districts in growing vegetables out of season in the Shamali Plains.

Challenges Encountered and Remedial Actions Taken

- Redirecting the ACTED project to value added processing will require that ACTED works closely with other RAMP Implementing Partners that have processing and marketing experience to complement that of ACTED's.

- The District Cooperative Centers and the work that ACTED has done in organizing rural women in the Shamali Plains needs to be integrated into the re-directed ACTED project

Project Manager Comments

- The direction of the project needs to be decided immediately in order to prepare for processing high-value crops in the coming crop season.

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Livestock Health, Production, and Marketing Improvement Program**Dutch Committee for Afghanistan (DCA)****Life of Project: January 6, 2004 - June 30, 2005****Province: Nationwide**

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#13-0004-DCA	06-Jan-04	Daad Mohammad	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$7,673,062	\$504,163	\$2,682,075	\$0	\$4,990,987

Project Description: This project will create a national network of private veterinary field units (VFU) capable of providing livestock health services in all 380 districts of Afghanistan. DCA will also train sufficient numbers of para-veterinarians (paravets) to staff and service the national network, and create a livestock health, production, and marketing information system that link this private paravet network with government departments on such issues as disease surveillance, livestock inventories, and trans-border issues.

Expected Results (by end of project):**Capacity Building** – 360 financially sustainable VFUs established; 540 paravets trained**Enhanced Livelihood** – Annual livestock population increased by 10%; 2 million farm families with increased food security.**Accomplishments this report****Output from the Veterinary Field Units (VFUs)**

- VFUs, supported by DCA and its partners, Afghan Veterinary Association (AVA) and Partners in Revitalization and Building (PRB), collectively administered a total of 1,539,089 vaccinations and 760,970 medications, and 44,235 other veterinary services.

**Activities of the DCA and its Implementing Partners**

Technical Assistance at Regional Offices

- All the regional offices of DCA and their partners AVA and PRB continued their technical assistance and monitoring to the veterinary field units.
- Five new VFUs in Kapisa and Pansjir provinces joined the DCA-RAMP program.
- In the Western Region, DCA Herat continued their field support with less security concerns and less political tension compared to preceding months.
- The DCA regional office in Mazar is continuing to establish a proper vaccine and medicine distribution system. The refurbishment of the new training center continues, while preparations are made to start the small business skill training.
- Three new VFU locations have been identified, while one new existing VFU in Chemtal – Balkh province joined DCA-RAMP.
- The implementing partner, AVA, carries on smoothly in the support to VFU-staff in their working area. Sixty sets of veterinary instruments and materials were distributed to 60 VFU-clinics in the 5 provinces. Every VFU submitted their monthly report on Early Warning of Diseases.
- The implementing partner PRB continued their monitoring and support to all 39 VFUs in the North-Eastern provinces Kunduz, Baghlan, Badakshan and Takhan.

Training

- The 5-month training of 36 newly recruited paravets (from 7 different provinces) continued at the

two DCA Veterinary Training and Service Centers (VTSC) in Herat and Charikar. Parallel to the new-paravet training course in Herat, a BVW (Basic Veterinary Workers) course was completed in Ghurian district with 12 participants.

- A curriculum for training small business skills to paravets and veterinarians is being developed,
- The new practical training and animal housing facilities at the VTSC in Charikar was completed. An additional water storage tank was installed, plus 3 warm water gas boilers for warm bathing for students.
- A new contract was finalized with the three government clinics in Charikar to be used for practical training of students at Charikar VTSC. This reflects improved relations with the provincial government veterinary service and creates a valuable opportunity for better practical clinical training of paravet students.
- At the new DCA regional office in Mazar, preparations continued to refurbish some rooms for training classes and a dormitory. A draft training program is under development for "small business skills" in the form of a seminar/workshop. Full scale training at the Mazar training center is expected to begin in February 2005. New cattle crushes have been purchased and are ready for installation in the clinics in this region. Two additional VFUs signed contracts with DCA in December to participate in the VFU network

Vaccines, Medicines, and Other Materials Supplied

- The DCA Herat office installed 25 of the 30 "trawas" or cattle crushes received for restraining of large animals for treatment. VFU-staff took care of transport from the DCA regional office to their clinics and also took care of installation.
- DCA and its Implementing Partners distributed over 1.5 million different types of animal vaccines to VFUs
- Samples of 5 different vaccines have been given to the Veterinary Department for testing in order to obtain permission for import of these vaccines from Jordan. The samples represented the following vaccines: Sheep/goat pox, Peste de Petite Ruminants (PPR), Enterotoxemia, Newcastle Disease and Gumboro Disease
- The procurement of the new vaccine order continued and the first batches of vaccines arrived from Intervet India: bovine Pasteurellosis and Blackleg vaccines
- An official request came from the Minister of Agriculture, Animal Husbandry, and Food (MAAH&F) for support of their national anti-rabies campaign. DCA-RAMP will provide 10,000 doses of rabies vaccines for vaccination of dogs in areas at risk, plus the required materials like syringes, needles and polystyrene cooling boxes. 650 Doses of rabies vaccines that were still in stock in the DCA Kabul main store were immediately supplied to the Veterinary Department of MAAH&F. This reflects DCA's commitment to strong and positive collaboration with the government veterinary services.
- The first batch of 11 motorbikes was delivered at the DCA Kabul office for distribution as a transport means for VFUs.

Consultancies and New Staff

- David Love, a short-term DCA consultant, completed an evaluation of cold chain facilities for Animal Health Vaccines, including recommendations for improvement of the cold chain system. Three basic principles are needed for doing this successfully: proper cooling/freezing equipment, training/extension and recordkeeping. The consultant's proposed costs for a National Cold Chain system will be US\$800,000 and encourages the use of solar powered refrigeration units at the District VFU level. The evaluation report on the Cold Chain Facilities for Animal Health Vaccines in Afghanistan developed by Dr. David Love was discussed in the VFU Tech Team meeting at 14 December 2004. Some serious omissions were noticed in this report, especially the absence of a freezing system at VFU-district level.
- In December, a short term consultant, Dr. Peter Viertel came to Kabul for DCA. Dr. Viertel made a report on "the Future Supply and Distribution System of Veterinary Medicines, Vaccines and Equipment in Afghanistan". A two-day workshop with the same topic was organized with more than 75 participants of all the different parties involved
- At the DCA main office in Kabul, two new senior staff-members were appointed: Dr. Mohibullah

Halimi as the National Field Program and Extension Coordinator. His main duty is to set up a survey system that will provide the necessary information for making animal health, livestock production, and marketing reports required by the RAMP Livestock Health, Production and Marketing Program. Dr. Halimi will also be responsible for the implementation of an outreach and extension program to Veterinary Field Units within the RAMP project in the DCA Kabul region. The other appointee was Mr. Tariq Salman as Deputy Director Administration, Finance and Logistics

Subcontract Adjustment

- In December, in response to an offer by RAMP to exercise the DCA subcontract option through June of 2006, a proposed contract modification was prepared which included a revised budget and work plan and was submitted to RAMP for consideration.

Meetings with Government, NGOs, and Others

- DCA – MAAH&F Meetings
 - On November 24th, Deputy Minister Jawad of the MAAH&F requested in a meeting with DCA management clarification on certain topics, including the support to the Animal Vaccine Production Laboratory (AVPL), the DCA activities in Mazar region, reporting on the vaccine distribution and the revolving funds. DCA agreed to provide the requested information and most of it has already been provided.
 - Several visits and meetings were held with the Deputy Minister, Mr. Anwar Jawad at MAAH and with the President of the Veterinary Department, concerning the import permission for 5 shipments of vaccines from Spain, the Netherlands, Jordan and India
- ACBAR Animal Health Working group - 3 DCA staff members and 1 PRB staff member (acting chairman of this meeting) attended the monthly meeting. An important topic on the agenda is the coordination in the veterinary field programs run by the different NGOs in Afghanistan.

Looking Ahead

- The monitoring and support to the different VFUs will continue as usual, especially with regard to the refurbishment, distribution of motorbikes, installation of cattle crushes and supply of veterinary equipment. Also the identification of new locations for privatized VFUs and sub-VFUs and candidates to be trained as new paravets will continue.
- A Steering Committee meeting will be held in February to discuss all veterinary related problems that have come up during implementation of the project.
- A start will be made on field data collection for the animal health, livestock production and marketing reports. First of all there will be selection of VFUs and VFU-staff per region for the actual data collection. Secondly to select and train RAMP monitors/extension staff for supervising the data collection by the selected VFU-staff. Finally there will be the start of the first data collection on some retrospective baseline indicators for the year 2004.
- A proposal for budget and work plan adjustments has been prepared and given to RAMP/Chemonics for further discussion and approval relative to exercising the contract option for work through June, 2006. Once the outcome is known, we will proceed as quickly as possible on the implementation of it.
- A follow-up will be given on the consultant's report of Dr. David Love on the Cold Chain Facilities for Animal Health Vaccines in Afghanistan.
- A follow-up will be given on the consultancy mission of Dr. Peter Viertel on "the Future Supply and Distribution System of Veterinary Medicines, Vaccines and Equipment in Afghanistan".
- The new practical training facilities at VTSC Charikar will be made operational for the practical training activities for new paravets.
- From three different sources we have received donations of veterinary journals and books. These will be distributed to the libraries at the Veterinary Faculty in Kabul and in Nangharhar, also to the libraries of the three DCA training centers

Challenges Encountered and Remedial Action Taken

- There were fewer vaccines distributed this month due to the depletion of the present stores, along

with a lower demand from farmers to vaccinate their animals when they are in their winter stables. There is mainly demand for Enterotoxemia vaccines in the winter season. The import of the new vaccines for the coming vaccination season has been delayed by canceling of flights to Kabul because of bad weather conditions and there were administrative problems to get permission for import from the different ministries.

- The communication with and the support from the MAAH&F and the Veterinary Department is not optimal. Several efforts have been made to find the causes of the problems and to look for good sustainable solutions.
- The supply of vaccines and other support to government clinics has become a heated issue of debate between the provincial veterinarians of Balkh and DCA-Mazar
- The VFU support package requires an evaluation and with the goal of increasing the input to the VFU-staff in the field; one-time inputs that will generate more income on long term will be given priority.
- A strong need remains for coordination of clinical service delivery strategies and policies in Afghanistan. Harmonization of clinic locales between government and NGOs needs to be finalized and NGOs which are still paying salaries to their VFU staff need to adopt the privatization, cost recovery strategy as their payment of salaries is not sustainable and undermines the self reliance effort being fostered by RAMP through this project.
- It remains to be seen how anticipated changes in government following the election of the President will affect relationships between RAMP and the MAAH&F

Project Manager Comments

- Through the Steering Committee, the working relationship between the DCA and MAAH&F need to be significantly improved.
- A new veterinary strategy and policy framework needs to be developed by Steering Committee.

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Final Report

Bridge Construction in Aga Khil
Agency for Rehabilitation and Energy Conservation in Afghanistan (AREA)
Period of Performance: 07-Jan-04 to 15-Feb-04
Provinces: Wardak

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#14-0002-AREA	7-Jan-04	Saroj Basnyet	Dan Miller	Kyle Newkirk
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$2,454	\$0.00	\$2,454	\$0	\$0
Project Description: AREA reconstructed the bridge (24 meters long, 3 meters high with 42 culverts) near Aga Khil in Wardak which connected Ghazni-Hazarajat market centers. Also, 42 km of road rehabilitated including 42 washes and culverts. This project was begun under AQIPS and completed under RAMP in January 2004				
Projected Impact: reliable access to markets for families Wardak and Ghazni				

Project Successfully Completed

**Construction of Three Dams for Shamali Plains
Reconstruction Authority for Afghanistan (RAFA)
Period of Performance: 31-Dec-03 31-Jan-04
Provinces: Parwan**

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#15-0002-RAFA	7-Jan-04	Ibrahim Sultani	Dan Miller	Kyle Newkirk
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$2746	\$0.00	\$2746	\$	\$0
Project Description: RAFA has completed the design and reconstruction of three water diversion dams along the Ghorband River. This project was begun under AQIPS and completed under RAMP.				
Projected Impact: 18,000 hectares of land provided with a reliable source of water.				

Project Successfully Completed



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**Rehabilitation of Irrigation Canals in Parwan
Reconstruction Authority for Afghanistan (RAFA)
Life of Project: 01-Feb-04 to 31-Dec-04
Provinces: Parwan**

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#16-0002-RAFA	21-Jan-04	Ibrahim Sultani	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$800,000.	\$106,221	\$336,078	\$76,306	\$387,616

Project Description: RAFA is rehabilitating and constructing six new water diversion dams along the Salang and Ghorband rivers to divert water to six canals that provide water for most of the agricultural land in Parwan.

Expected Results (by end of project)

Enhanced Livelihood:

- 3380ha new land brought into cultivation and a total of 28,670 hectares receiving an improved supply of water
- 28,670 hectares of land benefit from improved water supply

Accomplishments this reporting period:

While cold weather and seasonal rains hampered planned activities, construction progressed at the Barq, Belawdan, Afghan, Ibrahim Khil and Toghbirdy canal intakes. No activities were carried out at the Bakhshi canal Intake structure because of a mine hazard.

At the Barq Canal Intake, work will be resumed during the next quarter after construction of several temporary diversion structures in the main stream. Work had been suspended at this site to account for design changes required to satisfy the Ministry of Power..

At the Belawdan Canal site, RAFA completed the stone masonry wing wall as well as Gabion work of the downstream apron.

At the Afghan Canal site, construction progressed on the main wall and the upstream and downstream gabions for the weir.

At the Ibrahim Khil Canal site, the stone masonry wing wall in the right bank was completed and construction of the main wall and gabions of the weir was in progress.



Looking Ahead

Work will continue under the rigorous winter conditions now prevailing in the area.

Challenges Encountered and Remedial Action taken

During the last week of December a vehicle of a local supplier contracted by RAFA for supplying sand and gravel to the Afghan canal project site, hit a mine. Fortunately there were no casualties. The vehicle was badly damaged. RAFA informed the local authorities of the matter and informed them that the area was not marked dangerous because of the Mine Hazard.

Project Manager Comment:

RAFA has undertaken a new routing for vehicles servicing the Afghan site.

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Road Rehabilitation in Balkh Province
Agency for Rehabilitation and Energy Conservation in Afghanistan (AREA)
Period of Performance: 07-Feb-04 to 31-March-05
Provinces: Balkh

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#17-0002-AREA	17-Feb-04	Saroj Basnyet	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$1,242,867	\$322,599	\$656,007	\$210,550	\$376,310

Project Description: AREA is rehabilitating 96.9 km of rural roads in Balkh province including construction of culverts, drainages, and other structures.

Expected Results (at end of project):

Enhanced Livelihood – 83,000 farm families with increased access to markets; 114,239 person-days of employment.



Accomplishments this quarter:

Local people recall those days before the rehabilitation of roads when, due to inaccessibility to vehicles along the existing road corridor, agricultural products could not find markets, wedding parties were forced to spend the night on the road side, and women did not have access to health centers during delivery, sometimes leading to fatalities.

To date 74.9 out of 96.9 kms. of roads have been rehabilitated. This has reduced the transport cost of commodities substantially for the population from the villages of Rubatak, Moymubarak, Dehrazi and Hesarak who now have access to the urban markets.

A retaining wall on the side of the Chintal road has been constructed in Hesarak village to protect against flooding and road closures.

The following tasks were completed this reporting period:

Road name	Working specification	Worked	Planned
Langarkhana	Crowning, Gravelling and compaction	12.2 Km	20 Km
	Structure construction	11 Km	20 Km
	Drainage digging	13 Km	20 Km

Chimtal	Crowning, gravelling and compaction	16 Km	18 km
	Structure construction	15.3 Km	18 Km
	Drainage digging	16 Km	18 Km
Yang-Arigh	Crowning and compaction	9.2 Km	10 Km
	Gravelling and compaction	9.2 Km	10 Km
	Structure construction	9 Km	10 Km
	Drainage digging	9.2 Km	10 Km
Dehqazi	Crowning, gravelling and compaction	6.7 Km	7 Km
	Structure construction	6.7 Km	7 Km
	Drainage digging	6.7 Km	7 Km
Deragy	Crowning and compaction	12 Km	12 Km
	Gravelling and compaction	8 Km	12 Km
	Structure construction	7 Km	12 Km
	Drainage digging	7 Km	12 Km
Kollambo	Crowning and compaction	11.2 Km	25 Km
	Gravelling and compaction	11.2 Km	25 Km
	Structure construction	10 Km	25 Km
	Drainage digging	10 Km	25 Km

Challenges Encountered and Remedial Action Taken

Challenges encountered during the clearing and widening the road area were resolved through consultative meetings held with local people and their leaders. Due to demand for labor, the local wages have increased from US\$2 to \$3.5 a day, and more efforts were required to assemble laborers from the area.

Looking Ahead

Even though wet, cold weather is slowing work, the capacity and experience of AREA is such that overall, the speed of rehabilitation of good quality roads is faster than before.

Project Manager Comments

AREA has gained substantial experience in the rehabilitation of rural roads. The rehabilitation of Dehbabi, Chemtal, Deh Qazi and Yangi Arigh roads has been completed along segments of the Chemtal and Yangri Arigh roads. However, there are segments along the Chemtal and Yangri Arigh roads where camber and compaction was not satisfactory. AREA is adding gravel and re-compacting these segments.

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Rehabilitation of Irrigation Systems and Water Management Reconstruction and Social Services for Afghanistan (RSSA) Period of Performance: 17-Feb-04 to 1-Aug-05 Provinces: Nangarhar				
<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#18-0002-RSSA	17-Feb-04	Ibrahim Sultani	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$1,853,549	\$391,400	\$1,056,377	\$268,000	\$529,172
Project Description: RSSA is rehabilitating channels, protection works against overland flood flows from mountain streams, and diversion structures in the tail reach of the Nangarhar canal system.				
Expected Results (at end of project): Enhanced Livelihood – restoration of irrigation supply to 6,000 hectares of farm land that have been out of production for several years as well as firming up supply to another two distributaries that have experienced greatly reduced deliveries due to canal breaches along a dry floodway. More than 6,000 farm families will be benefited.				

Accomplishments this report

Improving Rural Agricultural Productivity through Enhanced Irrigation Systems and Water Management (RSSA) is implementing this project to restore irrigation to 6,000 hectares of land at the tail of the Nangarhar Valley Irrigation Development Project in Nangarhar Province.



The project was designed for community economic growth based on irrigated agriculture aimed: (i) to respond to the urgent needs of small landholders whose livelihood is irrigated agriculture, (ii) to strengthen the operational and conveyance capacity of canals to assure water availability at farm field inlets for optimal productivity (iii) to provide a sense of ownership to the local farmers through establishing water user associations for maintenance and rehabilitation of the

irrigation systems, and (iv) to restore the previous situation by providing the above opportunities to IDPs and returnees and to provide an alternative to illicit crop production in the area. These four objectives are to be realized through; reconstruction/rehabilitation of 6 km of totally destroyed main canal and for reconstruction of lateral canals at the end point of the Nangrahar Valley Irrigation Development Project. Further works will be built for the protection of the canals from overland flooding by hill torrents.

In addition to the irrigation systems rehabilitation activities to meet the RAMP mandate, RSSA will work to reclaim an additional 30,000 Jeribs of new land for seasonal crop cultivation. This will increase the potential of local farmers in producing surplus food at their farms.



The rebuilt siphon on the main canal already is passing water downstream to the end of the main canal. Some farmers already are watering crops on newly reclaimed farm lands after decades of being out of service.

Tasks Completed

Physical progress made during the reporting period is summarized below:

Retaining Wall

Excavation for the retaining wall totals some 1500 cubic meters.
 Placement of stone masonry for the retaining wall is 4800 cubic meters.
 Backfill placement to date totals 22,000 cubic meters.
 Ninety cubic meters of PCC has been placed in the retaining wall. This item of work now has been successfully completed.
 Also pointing (200 cubic meters) of the retaining wall has been successfully completed

Protection Wall

Following compaction of the protection wall, stone pitching on the side slopes of the protection wall and siphon was initiated during the current reporting month and a total of 4,938 cubic meters was placed.

Excavation for stone pitching of protection Wall.

Excavation for stone pitching of the earthen protection wall totals 26,400 cubic meters of which 3,376 cubic meters has been accomplished.

Siphon, Main Canal

High quality standard RCC pipes were procured from Pakistan for building the siphon on the Main Canal. Excavation for placing the siphon totaled some 612 cubic meters..

Excavation for Main Canal

The required work for canal excavation is 100% completed. More than 36,000 cubic meters was excavated. Back filling of the sides of the main canal has been completed. This operation is clearly visible in the photo above.

Filling of Canal No 30.

Rebuilding of Canal No. 30 has begun.

Looking Ahead

RSSA expects to accomplish three important functions during the coming quarter:

The rebuilding of Canal No. 31 will be undertaken shortly and the rebuilding of Canal No. 30 will be completed. Farmers in the area already have started cultivation of winter crops.

In addition to physical works, RSSA will carry out a social Mobilization/organization program:

The RSSA social mobilizers will work with the farmers of the project area to build borders and to level fields.

Farmers will be invited to general meetings to learn how to return previously abandoned lands to productivity. The use of organic matter to improve soil productivity and other activities will be explored. Among other activities will be that for better water application, crop selection and irrigation for optimum production.

Challenges Encountered and Remedial Action Taken

No major challenges were encountered.



Project Manager Comments

The monsoon generated flood of July 2004 revealed the need to assist a local community of the Shinwari Tribe upstream from the siphon on the Main Canal to construct a low dam to protect their village from inundation and to direct a portion of the flood flows from the hill torrents away from the main canal. Construction of the dam will be partly project financed with village self-help input. The villagers will be shown how to maintain and repair this gabion structure.

Quarterly Report

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FINAL REPORT

**Repair of the Ghazni - Meray Access Road
Engineering Services for Afghanistan Reconstruction (ESAR)
Period of Performance: 01-Mar-04 to 30-Nov-04
Provinces: Ghazni**

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#19-0002-Jamal	1-Mar-04	Saroj Basnyet	Dan Miller	Kyle Newkirk
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$9,000	\$9,000	\$9,000	\$0	\$0
Project Description: ESAR will repair 26 km of road connecting Andar district center of Meray to the main Kabul-Kandahar highway.				
Expected Results (at end of project): Enhanced Livelihood – 146,000 farm families with increased access to markets				

Accomplishments this Quarter:

An agreement has been reached with this implementing partner to cancel the contract.

**Challenges Encountered and Remedial Actions Taken
Looking Ahead**

Project Manager Comments:

The contractor has been advised that the contract has been terminated due to the inability to start work after 6 months. This project will most likely be transferred to GRSP in early 2005 when water is available along the roadway in this thoroughly drought stricken area.

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Reconstruction of Roads in Kunduz Partners in Revitalization and Building (PRB) Life of Project: 16-Feb-04 to 31-March-05 Provinces: Kunduz				
<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#20-0002-PRB	18-Feb-04	Saroj Basnyet	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$857,291	\$17,287.20	\$357,456	\$15,000	\$341,170
Project Description: PRB is upgrading and rehabilitating 56 km. of primary and secondary roads in Kunduz, Imam Sahib district.				
Expected Results (at end of project):				
Enhanced Livelihood – 10,800 farm families with increased access to markets.				

Accomplishments this report:

The rehabilitation of Aaq Masjid road is nearly completed. Work is continuing in Alif Berdi, Aaq Masjid and Said Ahamad roads.

Alif Berdi Road

The following tasks have been completed:

Length rehabilitated: 18 out of 23.4 km.

Excavation of drainage: 369 cubic meter

Resurfacing including leveling, crowning and compaction: 30,000 square meter

Aaq Masjid Road

The following tasks have been completed:

Length rehabilitated: 10.5 out of 10.8 km.

Excavation of drainages: 190 cubic meter

Resurfacing including leveling, crowning and compaction: 6000 square meter

Said Ahamad Road

The design, bill of quantities and the cost estimate of this 17.8 km road was finalized after consultations between RAMP and PRB and contracting work has begun.

Challenges Encountered and Remedial Action Taken:

PRB was advised to improve the quantity of soil to the mixture of gravel, sand and clay ingredients used for the rehabilitation of the gravel base. Due to shortage of clay adjacent to the road corridor, more distant borrow areas had to be identified.

Looking Ahead**Alif Berdi Road**

The structures on this road are nearing completion. Camber and compaction of the road is being brought up to standard.

Aaq Masjid Road

This road will be completed in the near future.

Said Ahamad Road

PRB is fully concentrating on the rehabilitation of this road.

Project Manager Comments

The detailed cost estimate prepared by for the Said Ahmad road may serve as a model for other implementing partners in the design and planning of RAMP roads during 2005.

Irrigation Rehabilitation in Khewa District Social and Technical Association for Afghanistan Rehabilitation (STAAR) Life of Project: 16-Feb-04to 16-Jul-04 Province: Nangarhar				
<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#21-0002-STAAR	18-Feb-04	Ibrahim Sultani	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$336,448	\$37,397	\$218,152	\$37,397	\$80,899
Project Description: STAAR is constructing the main canal intake, rehabilitating a 100m retaining wall, constructing 19 culverts and a waste-way and sluicing gate along the Shegee main canal. Also waste-ways are being constructed for the Koti-Tarn and Kachara canals. Intakes at the heads of the Koti-Taran and Kachara canals are being rebuilt..				
Expected Impact (at end of project): Enhanced Livelihood – 18,050 hectares receiving improved irrigation; 8,250 farm families with increased production; and 14,252 person-days of employment generated.				

Project Design and Objectives

The project was designed for a new era of community economic growth with the aim of providing reliable irrigation deliveries to highly productive agriculture lands along the Kunar River that have for several years experienced uncertain water deliveries and production shortfalls.

In addition to improved deliveries for irrigation, works accomplished to date are providing more reliable access of farming communities to drinking water and restoring to returnees water availability for resettlement and restarting irrigation agronomic practices. These four design objectives are to be realized through; development of three major river intakes, construction of two retaining walls and nineteen culverts in the Khewa District of Nangarhar Province.



Accomplishments this reporting period

The project was started early during February 2004 and work continued up to the 30th of June 2004 when it was suspended for three months due to rising water levels in the Kunar River. Project work was restarted from the 1st of October 2004. During the period work has been completed at the Shegee Intake. while it continues at Kotai and Kachara main canal intakes.

Completed in addition to the Shegee Main Intake with spillway/sediment ejection structures were two agriculture market centers, two retaining walls, nineteen culverts, and cleaning of an 18 km long canal..The result has been delivery of a permanent and reliable supply of water controlled by gated structure and the protection of the canal from flood destruction.



Challenges Encountered and Remedial Action Taken

Twice during the implementation phase of the project, STAAR has had to curtail operations due to high flows in the Kunar River, for three months during summer and more recently during the month of November 2004. Even so progress has been as noted above with considerable benefits accruing to the communities served by the canals.

Looking Ahead

There is to be a formal opening opening of the Shegee Intake and the associated canal and flood control works during the coming quarter.

Work will continue, as water levels of the river permit at the other two intakes and canal commands.

Project Manager Comments

Work accomplished at the Shegee Intake has set a high standard for the provision of permanent works to realize reliable water supplies for irrigation and communities of the area.

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Road Rehabilitation in Malistan and Jaghori Districts Ghazni Rural Support Program (GRSP) Life of Project: 17-Feb-04 to 31-March-05 Provinces: Ghazni				
<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#22-0002-GRSP	17-Feb-04	Saroj Basnyet	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$750,000	\$216,819	\$359,615	\$120,819	\$269,566
Project Description: GRSP is rehabilitating nearly 100kms of road in Malistan and Jaghori Districts including retaining walls and concrete pipes for draining water crossing the road.				
Expected Results (at end of project): Enhanced Livelihood – 5,800 farm families with increased access to markets				

Accomplishments this reporting period

The Ministry of Public Works (LIWP office) inspected the road and expressed satisfaction with the quality of construction.

Tasks completed during the reporting period:

48 out of 60 kilometers of Jaghori Malistan road has been rehabilitated. This required mobilization of additional staff for constructing the following number of pre-cast culverts and cross washes:

- No. of pre cast slabs: 115
- No. of 3M span culverts: 3
- No. of 1M span culverts: 1
- No. of 60 cm span culverts: 3
- No. of washes: 1



Beneficiary Comments:

Mr. Yonus, a district Shura member and the famous elder of Loman told the gathering of intellectuals: “rehabilitation of this road was planned for decades, and now the day has come when the passengers travel in comfort. Our people always pray for this assistance and are thankful for providing dollars to laborers. “

Mr. M. Sadiqe, a corolla driver carrying passenger between Kabul and Jaghori says, “now the time for crossing the distance between Loman and Sange Masha has been reduced from one and half-hours to just 15 minutes due to rehabilitation of this road. “

Looking Ahead

Due to snow fall, segments of the Jaghori-Malistan road are covered by snow. After the weather improves, the remaining work will be undertaken.

Challenges encountered and remedial actions taken

Issues related to ownership of land and trees along the road corridor were raised by local people and they were convinced that they had to make some sacrifices for this road corridor.



Project Manager Comments

The results of the California Bearing Ratio tests conducted on Jaghuri Malistan road indicate that the structural properties of gravel base are satisfactory. GRSP has widened the road especially at curves in the hills to more than the required 6 meters of road width. Due to GRSP's satisfactory work and commitment to developing the Ghazni region, they have been invited to prepare a cost estimate for completion of an additional 47km of road that will link the Jaghuri Malistan road to the Kabul-Kandahar highway.

Quarterly Report

Q4 FY04

Agricultural Production, Processing & Marketing Project**Central Asia Development Group (CADG)****Life of Project: February 17, 2004 - June 30, 2006****Provinces: Helmand and Khandahar**

<i>Job Order No.</i>	<i>Date of Award</i>	<i>RAMP Project Manage</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#23-0004-CADG	15-Feb-04	Atiqullah Mohibi	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$6,415,208	\$448,205	\$872,923	\$336,143	\$5,206,142

Project Description: CADG will establish demonstration farms, contract growing of selected crops, and provide agricultural technical assistance and expertise, processing and marketing, application of technologies to crop development, and implementation of drip irrigation plots.

Expected Results (by the end of project):

Capacity Building - At least 40Ha new vineyards and another 40Ha new orchards developed on land currently being planted with seasonal crops; 10 extension workers from the MAAH trained; Extension service provided to 6,000 farmers; One local fruit and nut processing facility developed and expanded.

Enhanced Livelihood - Grape/raisin yield increased by 35% due to the adoption of the trellis system; Fruit, cash crops and vegetable yield increased by 36% from adopting drip irrigation.

Accomplishments this report

CADG continued its pilot shipments of fresh fruits to export markets. With most of the summer crops harvested, CADG's extension workers were busy in November and December with the establishment of new winter crop demonstration plots in Kandahar and Helmand provinces. Meanwhile, CADG's agricultural management team analyzed the demonstration results and compared the results with the local production results.

Marketing

Pomegranates - A market assessment of export markets and pilot shipments of Afghan pomegranates to Dubai and Singapore was completed. The response by the buyers in these countries was very encouraging. Additionally, CADG was instrumental in getting Afghan pomegranates test marketed to consumers in these countries.

Canola seed and oil -

Canola seed was purchased from farmers for Afs 22/ser (4.5kg). Because the Pakistan price for canola seed was only Afs 17/kg, the canola seed was kept until a later date when prices were higher. Canola seed was pressed and the canola oil was test marketed in Kandahar.

Crop Demonstrations**2004/05 Winter Crop Demonstration Program**

During the past couple of months, CADG's teams of extension workers, including extension agents from the Ministry of Agriculture and Food, have

been assisting farmers in planting 296 new winter crop demonstrations, including wheat, onion nurseries, flax, cauliflower, cabbage, carrots, spinach, white cumin, and canola. In addition, 30 demonstrations from the summer crop program, including 27 vineyards, one pomegranate, one apricot and one plum, were continued into the winter. With these added demonstrations, the number of plots under the supervision of CADG's extension workers this winter will be 326.



Pomegranates in the Dubai fresh fruit market

2004 Summer Crop Demonstration Program

A total of 95 summer crop demonstrations (and 16 field days) were conducted by CADG in 2004. The total area of the summer demonstrations was 48.7 hectares with the average size being 0.52 ha (approximately 2.6 jeribs).

# Districts	# Demos		Area (Hectares)
South Helmand	6	57	34.5
North Helmand	4	32	9.4
Kandahar	3	7	4.8
Total	13	95	48.7



Our 95 summer demonstrations included 16 different crops and 25 varieties. The results were very good, and have shown that by using best practices, yields can certainly be increased.

Crop yields in the crop demonstration plots were generally well above the local yields in adjacent plots. Compared to the yields on local plots, the average yields (using the best practices in the crop demonstrations) of watermelon (Charleston Gray variety), okra (Clemson Spineless), cucumber (zena), black mung bean, cotton (Acala DP 6204), and corn were 11, 6, 3, 0.3, 0.6, and 5 mt higher/plot. The Pearson, Roma, and Rio Grande tomato crop demonstrations did slightly better (about 1 mt/plot) than the local tomato plots. Results on the peanut and other crop demonstrations are forthcoming. The use of a quality Acala cotton seed was very encouraging in the crop demonstrations. The average increase versus local yields was about 33% greater.

CADG has planned 278 crop demonstrations for the summer planting season.

Drip Irrigation Results

The prolonged drought led CADG to investigate methods of farming which allow a reduction in the amount of water used, without decreasing yields. One method, drip irrigation, is increasingly being used in countries that face water shortages in farming. It has been shown that if the 'drip' systems are well managed, increased yields and lower labor costs can be achieved. This combination results in higher net incomes for farmers.

CADG has worked with Netafim, one of the world leaders in drip irrigation technology, to introduce new systems into Kandahar and Helmand provinces in order to test their success. In May 2004, CADG purchased 30 low pressure systems for use on plots between 1 and 2 hectares, and also some smaller 'family drip' systems for use on plots between 500 to 1000 m². One high pressure system was also imported for use on a plot of 12 hectares.

Due to transportation problems, the drip irrigation systems only arrived in Afghanistan towards the end of May. CADG agricultural staff worked hard to install the systems without delay and were assisted by a drip irrigation technician from Netafim. The result was that farmers, who had already planted their crops to be irrigated traditionally by flood irrigation, had to switch over to the drip systems with their crops already two months old. The fact that they had been using flood irrigation meant that the soil had formed a hard crust on the top, and many weeds had grown.

Despite this, the extension workers worked alongside the farmers to make sure the drip systems were used to meet the needs of the crop, and to help overcome any teething problems. The extension team collected and checked all the data from the crops grown under drip in order to estimate costs, water usage, and yields and then compared the results with traditional furrowing techniques.

One drip data sheet was prepared separately for cotton, grape, orchard and family drip in three districts. The results (profitability, cost comparison, water saving and yields) indicates that as long as farmers use the systems properly, irrigation by drip brings the following benefits:

- Water savings of up to 40%
- Reduction of weed growth
- Higher yields
- Labor savings
- Keeping of the root zone wet and soft, allowing healthy root growth
- More efficient use of fertilizer
- Vigorous growth
- Reduction of pests and disease

Besides the benefits, CADG did face some problems with the systems during installation. For example, in some areas the system needed two pumps to run simultaneously: one to pump water up from the farmers well, and the Netafim pump to take this water and supply the drip system. Some farmers eventually had to build small reservoirs to allow for this 'water transfer'. This is clearly not economic, and it would be far better if one pump were able to do the whole job.

One farmer in Marja who, had 1 hectare of cotton, lost interest in the drip system because of such problems, and CADG had to work with him on a daily basis to insure the system was used effectively. Even so, he still flood irrigated three times over the top of the drip system when CADG was not watching! The result was that the final yield for his cotton was reduced to 1,800 kg/ha compared with the average for other local farmers using traditional flood irrigation of 2,335 kg/ha. This experience has been useful in some respects, as it has helped to illustrate the attitudes of farmers to this newly introduced technology.

Some farmers have expressed interest in the investment cost of drip systems. Farmers have been impressed by the neatness and low labor commitment for drip, particularly for vineyard and family drip. In Nuhresiraj, five farmers have expressed an interest to in buying drip systems for vineyard, cotton and orchard application for next year.

The family drip system has also proved very popular. Farmers like them as they are low maintenance and are easily installed close to their houses. For those farmers who didn't have pumps to fill the tanks to feed the system, they resorted to filling them by hand with buckets. This was not very practical in many cases, and also resulted in filters becoming blocked quickly from dirty water. For next year, it is recommended that some form of paddle pump be provided which can be worked by either foot or hand. This will, of course, greatly reduce the costs for those farmers who have been filling by diesel pumps.

While going through the data for the drip plots and talking to the extension workers, something which has become apparent is that there are many issues which can be resolved fairly simply to insure a vast improvement next season. CADG's extension workers are undoubtedly more confident with the drip systems now and have gained valuable experience in maintaining the systems and in passing this knowledge on to the farmers.

Micro-nurseries

Thirty-nine micro-nurseries with various fruit and ornamental trees were planted in the private sector in Helmand and Kandahar.

CADG Radio Programs

CADG broadcasted agricultural radio programs in Helmand and Kandahar provinces on the following topics:

- Crop rotation
- Seed germination
- The importance of using new varieties of crops



Vineyard Trellis Installation

During the summer, CADG had 48.5 jeribs of vineyard demonstrations across Helmand and Kandahar. So far, over 3,000 trellis poles have been distributed to these demos along with the necessary wire. A total of 36 jeribs of vineyard demonstrations have been established.

Presentation at the Ministry of Agriculture, Kabul

At the beginning of November CADG was invited to take part in a workshop in Kabul at the Ministry of Agriculture and Animal Husbandry. The focus of the workshop was 'extension activities' and CADG was represented by Shah Wali and Jamal Nasir, agriculture coordinators for Helmand and Kandahar respectively. CADG staff gave a 45 minute presentation to an audience of NGO staff, ministry officials and members of the press. The presentation covered all aspects of CADG's work under RAMP and also CADG's other activities such as construction, infrastructure and fruit processing.

Looking Ahead

- Carry out a market study of Afghan produce in Far East markets
- Gather remaining yield data for summer 2004 demonstrations
- Plan summer crop demonstrations for 2005
- Source seed varieties for summer 2005 demonstrations
- In preparation for next season, CADG will work with Netafim to provide a solution for the 'two pumps' scenario. The hope is that only one pump will be needed to draw water from the farmers wells and also feed the drip system. In addition, CADG will also build up a stock of spare parts such as filters, sand filters and durable laterals.
- Establish 12 more jeribs of vineyard demonstrations
- Send some of its extension agents to Thailand for further training in drip irrigation technologies.

Challenges Encountered and Remedial Action Taken

- Cotton is potentially an excellent cash crop for South Helmand, and, if the issues with the government and private gins are resolved, increase yields together with improvement of the quality of the crop due to quality cotton seed and new varieties could improve South Helmand's cotton industry significantly.

Project Manager Comments

The pomegranate pilot marketing and larger shipment results (total cost, selling price, constraints, other marketing information) need to be reported to RAMP. Similarly, all related information to the canola seed and oil marketing effort and the dried apricot test marketing and larger shipments needs to be provided to RAMP.

CADG must find a way of including the Afghan processors and exporters into the marketing activities of both domestically or internationally marketed agricultural products. The processors and exporters need to experience what CADG is experiencing in processing, packing, and marketing in order to have a sustainable and expanding market for Afghan products.

CADG needs to provide RAMP with a complete electronic copy of its wholesale price data collected since CADG became a subcontractor of RAMP.

Quarterly Report Q4 FY04

Agri-Input Dealer Training and Development Project**International Fertilizer Development Company (IFDC)****Life of Project: 17-Feb-04 to 30-Jun-06****Provinces: Kunduz, Helmand, Ghazni, Nangarhar, Parwan**

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#24-0004-IFDC	15-Feb-04	Abdul Samed Nazari	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$2,970,300	\$192,116.19	\$276,589.43	\$275,964.65	\$2,417,745.92

Project Description: IFDC will train 2,000 agri-input dealers, improve market transparency through analysis and dissemination of market information, develop business linkages between Afghan and regional suppliers of agri-inputs and establish five private sector associations of agri-input dealers.

Expected Results (by the end of project):

Capacity Building - 2,000 dealers trained; Agri-input dealers increased by 32.3%, from 1,436 to a total of 1,900; 7 sustainable dealer associations formed at provincial and regional levels and 1 at the national level.

Enhanced Livelihood - Farm production of both foodgrains and high-value crops increased by 25% to 35%. Aggregate wheat production increased by 192,000Mt (valued at US\$19.2M)

Accomplishments this Reporting Period**Removing Barriers to Input Dealers' Business**

- In September a meeting with 14 large, private, and independent agricultural input wholesalers/dealers (fertilizers, seeds, CPP) from Kabul, Jalalabad and Ghazni Provinces was arranged by IFDC with the Minister of Agriculture and Animal Husbandry, Mr. Syed Hussein Anwari. During the meeting the dealers were able to directly communicate with the Minister. The dealers indicated that they fully support the wheat campaign and ensured the government that they would supply the farmers in a timely manner with approximately the same quantity of supplies as supplied last year. Moreover, they indicated that if the government wanted more supplies brought into the country, the government would need to assist the traders in overcoming business constraints. In addition, the dealers provided a list of suggestions for removing barriers to the agricultural input business and requested resolutions to the problems. The Minister prepared a proposal from the information provided to him by the dealers. The proposal signed by the Minister was forwarded to the President's office covering most of the problems indicated by the traders, particularly the need for credit and the removal of taxes, duties and cess. Upon receiving the proposal, President Karzai appointed a committee to review the proposal and develop an action plan. The committee consists of members from the Ministry of Agriculture and Animal Husbandry, Planning and Finance. Discussions are continuing concerning the proposal.

Coordination with the MAAF&H, NGOs, RAMP, RAMP Implementing Partners, and Others

- Through communications with RAMP, the IFDC staff provided information about fertilizers and dealers for the Wheat Campaign in Jalalabad (Nangarhar Province). The Wheat Campaign, initiated in December, required the efforts of the IFDC staff to provide names of dealers and quantities of urea and DAP immediately available in Jalalabad. This information was provided and IFDC's Regional Coordinator for the region worked directly with RAMP and other implementing partners during the Campaign to provide technical and logistical support. IFDC coordinated the supply of fertilizer to the campaign to supply Nangarhar farmers.
- Participated in the FAO Seed Industry Privatization Workshop
- IFDC Project staff participated in the Extension Workshop held in MAAH in cooperation with the MAAH&F, Roots of Peace, and RAMP. Dr. Turnbull discussed the activities and the impact that the IFDC Project has had in Afghanistan.
- Project Staff participated in a Roots of Peace (a RAMP subcontractor working in grape revitalization) field day in Parwan.
- Project Staff worked closely with the RAMP Finance Department personnel to continue developing

financial linkages with agricultural input dealers.

- Efforts between AKDN-ARMP and IFDC are continuing to link dealers with financial services. The goal is to provide some small loans to agricultural input dealers in the provinces of Balkh, Badakshan, Bamiyan, Baghlan and Kunduz.
- Received a request from MAAH&F to participate with other implementing partners on agricultural pest problems.
- Project Staff continued to link agricultural input suppliers from various countries with dealers in Afghanistan.

Training

- In November, four dealer training programs were held in Kapisa, Nangarhar, Takhar and Kunduz Provinces. One hundred nineteen agricultural input dealers, 8 extension workers, and 42 other people from other agricultural organizations and ministries participated.
- In December, four dealer training programs were held in Balkh, Ghazni, Helmand and Herat provinces.
- From May to December (2004), 27 training programs were conducted in 18 provinces. 973 agricultural input traders and 349 staff from extension, NGOs and international organizations were trained in basic technology of fertilizers, seed and crop protection products, marketing, planning, and simple financial procedures.

Agricultural Input and Business-Related Information Important to Dealers

- The wheat crop technology booklet was distributed to dealers, selected extension workers, agricultural official as well as progressive farmers in the project area. Three thousand three hundred thirty booklets were distributed, most of which went to the farmers through the dealers.
- Three hundred thirty three sales registers for dealers were distributed. Several informal meetings between the dealers and Regional Coordinators took place to instruct the dealers on how to use the registers.
- Recommendation charts in both Dari and Pashtu for the Kabul Zone were received from the printers. A distribution plan is underway.
- Recommendation charts for economically important crops and forages are being prepared for Kandahar and Nangarhar. These charts will serve as quick reference guides for the dealers and will be displayed in the shops.
- Continued to work on leaflets and other training materials for the dealers
- Continued work on the dealer baseline survey. During the month an additional 141 dealers were surveyed in the Helmand Region and an additional 36 dealers were surveyed in the Ghazni Region. Currently, due to security concerns, the provinces of Uruzgan, Zabul and Nuristan and a few districts in other provinces are not covered in the survey. When situations stabilize, this work will be completed in the presently omitted areas. The survey will be continued in the other provinces in year two when the offices in Mazar and Herat are established
- IFDC provided international agricultural input suppliers' contact address and information on international and domestic agricultural input prices (monthly) to agricultural input dealers in different regions of Afghanistan. The following databases were updated:
 - Dealer Database from baseline dealer survey
 - International Prices of Fertilizers
 - Retail Prices of Fertilizers in local markets
 - Retail Prices of Seed in the local market
 - Retail Prices of CPP in local market
 - Prices of Major Commodities
 - Baseline survey of wheat production costs
 - Agricultural Input Supplier database
- A regional and international data base of seed, fertilizer and CPP suppliers is being maintained. Contacts are being made on a regular basis. Currently suppliers in Holland, Germany and multi-nationals from Pakistan have expressed an interest in working with the dealers in Afghanistan. Efforts are under way to arrange meetings late this year or early next year.

Looking Ahead

- Continue to provide RAMP Finance section with additional information about dealers in various provinces for loan consideration. Continue to assist dealers with loans applications.
- Preparation of fertilizer, seeds, small farm implement and CPP market assessments, ongoing.
- Continuing to distribute wheat booklets
- Print and distribute the input recommendations charts for two zones in Dari and Pashtu.
- Print Fertilizer Guide in Dari and Pashtu and begin distribution.
- Follow-up with multi-national CPP, fertilizer and seed companies to link with Afghan traders and dealers.
- Continue second round of training. Plan dealer training programs and other activities for January. Areas of training will be marketing, business and marketing planning, record keeping, introduction to associations and a technical review.
- Continue to review data base and establish useable baseline numbers and procedures.
- Regional coordinators as well as the Kabul staff will continue distributing the market information to importers and large retailers..
- Develop a work plan for year two.
- Develop and implement a survey to measure the impact of the training program on the farmers.
- Continue to interact with other implementing partners to participate in workshops, field days, trainings and other areas of cooperation.
- Classify the dealers for future project use in trainings and continued development efforts.

Challenges encountered and remedial action taken:

- A major challenge for the project and the dealers in the project area are the ongoing drought and water situations. The lack of water is adversely affecting the dealers as well as the farmers. Crop production has been severely reduced in many areas which in turn reduces the demand for agricultural inputs.
- IFDC will concentrate more of its efforts in Helmand and Kandahar as part of the PALS project funded by RAMP
- Security concerns continued to affect some field work.
- Several individuals such as government officials, ministry members and individuals from organizations such as Afghan Fertilizer Company are failing to understand the transition from a command market to a free open market and are interfering during some of the training sessions. This has led to difficulties during the trainings and often times require extra efforts by the staff to get cooperation. Smaller and more frequent training sessions are under consideration as an alternative to the larger more formal training sessions.
- Several NGOs have provided free agricultural inputs such as seed and fertilizers to farmers in various regions. These inputs were imported and no efforts were made to include the current agricultural input dealers in the transactions. IFDC staff is developing a list of the NGOs which have been involved and the staff will link the NGOs with dealers.
- In general, forty one percent of the agricultural input dealers in Afghanistan are illiterate. As expected, education varies according to the type of dealer, retailer, wholesaler, importer or wholesaler-retailer. The range in literacy of the dealers makes every training a challenge. Teaching techniques that reach all the dealers in every training program are being employed. In addition, IFDC's Regional Coordinators make follow-up visits to these dealers to emphasize the most important aspects of the training
- The dealers continue to complain about excessive taxation by various government officials in the regions. This information is being shared with representatives of MAAH. In addition, it will be shared with the future associations.
- Analysis on the databases was initiated. Analytical difficulties were encountered and solutions are being reviewed. Information obtained in Helmand indicates that the initial survey was biased and efforts are under way to correct the database.

Project Manager Comments:

- Even some progressive farmers are using fertilizer that is unlabelled in terms of analysis. The use of unlabelled fertilizer is spreading into provinces (such as Helmand province) where one year ago only labelled (with the analysis) fertilizer was being sold. Unlabelled fertilizer needs to be banned. IFDC is in a position to advocate for such a ban.
- Serious consideration needs to be given to consolidate IFDC's training and outreach program to selected provinces (such as Kunduz, Helmand, Kandahar, Mazar, and Nangarhar) where an even greater impact in the use of quality inputs can be made.

Quarterly Report Q4 FY04

**Agriculture Sector Training in Afghanistan
International Arid Lands Construction (IALC)
Life of Project: 1 April-04 to 30 June-05
Provinces: Nationwide**

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#25-0004-IALC	14-Mar-04	Alem Alemi	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$400,000	\$0	\$0	\$0	\$400,000
Project Description: IALC is providing training toward the restoration of arid and semi-arid lands in Afghanistan. Trainees will learn to apply appropriate technologies in agriculture and livestock development. The training activities include: short courses, scientist to scientist mentoring and long term training at the M. Sc. level.				
Expected Results (by end of project): Capacity building - 100 agriculturists, MAAH staff members, and agriculture university faculty members will be trained in agricultural technology and enterprise development skills; 24 scientists will receive specialized practical training through twinning of Afghanistan and Pakistan Agricultural Research Institutions; 5 technical manuals will be produced, suitable for individual reference or farmer training sessions.				

Accomplishments this Quarter:

The proposal submitted to AID/Islamabad in December 2003, offering assistance in strengthening the NWFP Agricultural University, finally came to fruition this quarter. Work with mission representative Peter Duffy, during our November TDY, led to a revised proposal that has been accepted and will be funded. This will add nearly \$500,000 to the Afghanistan/Pakistan component of the cooperative agreement and will be handled as a direct FY2005 buy-in.

Given that the principal reason for our TDY was to identify and confirm financial support that will supplement our core funds, we also made progress in securing a CY2005 installment of funds through the "Rebuilding Agricultural Markets Program" (RAMP) while in Afghanistan. A request for \$648,200 had been submitted to RAMP, using their "Job Order" format in late September. Also submitted in late September, to meet requirements for continuation of our core funds through the cooperative agreement.

We have been informed that RAMP will provide the funding requested, except for the twenty new M.Sc. program starts in January 2005. We were further disappointed to learn that AID/Kabul could not fund these degree program starts through a direct buy-in to the cooperative agreement. RAMP has agreed to support the continuation of the ten M.Sc. students who are currently enrolled. This group enrolled at the NWFP-AU in August 2004 through CY2004 job order support.

While in Illinois for his administrative visit, Dr. Qayyum was involved in a series of meetings with UIUC and SIUC administrators to update them on progress in the field. This included meetings with persons who are responsible for providing home office support, as well as in-depth discussions with UIUC representatives on the IALC Board of Directors and Technical Advisory Committee. Among the specific accomplishments resulting from Dr. Qayyum's Illinois visit were the following:

- ❖ The memorandum of understanding (MOU) that formally links the NWFP-AU with UIUC and SIUC has been renewed and extended for a five year period. This formal relationship was re-established at an agreement signing ceremony that took place at UIUC on December 16 and at SIUC on December 17. Dr Qayyum represented the NWFP-AU Vice Chancellor at this document signing ceremony. The final step in this process took place on January 4, 2005, when the Vice Chancellor signed the MOU in a ceremony held at the NWFP-AU.
- ❖ The Afghanistan-Pakistan Training (APT) Group meets twice each year and serves in an advisory capacity to this component. That group met on December 16, with Dr. Qayyum present as a

resource person. The agenda which guided APT Group discussions during that meeting is attached.

- ❖ Discussions at the APT meeting and with UIUC representatives to the IALC, resulted in a recommendation that UIUC and SIUC jointly pursue the recently announced project at Balkh University in Mazar-e-Sharif, Afghanistan.
- ❖ Dr. Qayyum prepared and submitted a paper titled “Strengthening of Cross-Border Relationships: Afghanistan-Pakistan” to the organizers of a development assistance workshop that will be held during the June 27-30, 2005 annual meeting of the International Agribusiness Management Association (IAMA) in Chicago. Anwar Chishti (NWFP-AU Agricultural Economics Professor) contributed to this paper. Their paper has been accepted. Drs. Chishti and Qayyum will travel to Chicago for the presentation. Support for their participation in the IAMA meeting is provided through the AID/Islamabad buy-in to our cooperative agreement.

The IALC report for the previous quarter stated that all FY/CY2004 training programs, funded through the cooperative agreement and the RAMP job order, had been completed.

The academic performance of the ten M.Sc. students during their first semester (Fall 04) exceeded IALC’s expectations. The fact that they earned mostly A’s means that deficiency courses have served their purpose and will no longer be required. The supplemental English language training, that has proven especially helpful to these students, will be continued during the Spring 05 semester.

Looking Ahead

SHORT COURSES AND LONG-TERM DEGREE TRAINING PROGRAMS TO BE CONDUCTED WITH RAMP SUPPORT DURING 2005

A. Month-long short courses, with 20 participants in each course, will be organized and delivered on the following topics:

1. Extension Methodology and Technology Transfer
2. Enterprise Development and Management Skills
3. Animal Health
4. Poultry Husbandry and Management
5. Soil Management

B. Scientist-to-scientist (individual or small group) specialized practical training programs of about two weeks duration will be organized for up to 16 participants. These training programs will result from research station linkages or “twinning” arrangements which can be established with any of the twelve stations and institutes in the NWFP-AU system.

C. In addition to the ten long-term degree participants who were enrolled in August 2004, twenty additional long-term degree participants will be placed for M.Sc.-level study in various disciplines of agricultural science at the NWFP Agricultural University, Peshawar starting January.

CALENDAR FOR ORGANIZED SHORT COURSES DURING 2005

Announcement No.	Course Title	Location	Duration	Deadlines for nominations
1205	Animal Health	Peshawar	January 31-February 28, 2005	December 31, 2004
1305	Poultry Husbandry and Management	Peshawar	January 31-February 28, 2005	December 31, 2004
1405	Teaching	Peshawar	March 7-April 7,	February 7, 2005

	Methodology and Communications Skills		2005	
1105	Soil Management	Peshawar	March 7-April 7, 2005	February 7, 2005
0204	Training of Trainers in Sustainable Use of Water Resources	Peshawar	April 18- May 18, 2005	March 7, 2005
0304	Enterprise Development and Management Skills	Kabul	June 1-June 30, 2005	May 1, 2005
0404	Extension Methodology and Technology Transfer	Kabul	June 1-June 30, 2005	May 1, 2005

Challenges Encountered and Remedial Actions Taken

Our meetings with RAMP personnel included discussions with their contracts office, to reach consensus on financial reporting attachments that can be used with the RAMP/Arizona Grant Agreement and the Arizona/UIUC subcontract. Having resolved this issue, we believe the final hurdle has been cleared in transferring CY2004 funding in the amount of \$400,000 that was provided by RAMP.

Project Manager Comments:

Although RAMP conducted a very small survey to determine the impact that the short-term training had on the trainees, the survey results were inconclusive. Most trainees are not in a job position to use much of the training they received. Any further training needs to be customized to the direction of working with farmers in the field.

Quarterly Report Q4 FY04

Dried Vegetable Program
Developments Works Canada (DWC)
Life of Project: February 29, 2004 – February 28, 2005
Province: Parwan

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#26-0004-DWC	15-Feb-04	Atiqullah Mohibi	Albert Merkel	Kyle Newkirk
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$2,223,102	\$820,038	\$1,457,370	\$276,084	\$489,648

Project Description: DWC will develop a dried vegetable agribusiness that includes the construction of a 6,200 square foot dehydration factory to be used for cleaning, dicing, and drying machinery, a warehouse, a small test laboratory, a classroom for the research farm and training opportunities, and a 70 meter borehole to provide clean water for washing produce and irrigating the research farm.

Expected Results (by the end of project):

Capacity Building - Construction of one fully operational vegetable drying factory; formation of one local Afghan profit-driven corporation to manage factory and marketing of products.

Enhanced Livelihood – Employment created for 400, mostly female farmers, in the sun-dried tomatoes projects; Employment created for 120 persons at the factory.

Accomplishments this reporting period

Factory construction has been completed.



The construction of the Vegetable factory is complete with the machinery to be installed.

Factory

The factory construction has been completed. The interior and exterior of the building have been painted, and the terrazzo floor has been laid and is now being polished. The fixtures and fittings are currently being installed and will be finished in approximately one week.

The construction of the water tower has been completed and within the next week a water tank will be installed.

Factory Machinery

The factory equipment arrived in Karachi around the 20th of December. Due to a slight mis-wording on the label by the shipper, the US Consulate refused to clear the items through Pakistani customs. DWC urgently followed up by having the shipper change the label. The current information suggests that the equipment will be cleared by January 5th and will begin to make its way to Charikar. The anticipated arrival date for the machinery is January 12th. Upon arrival, it will take approximately one to two weeks to install the machinery and begin operations.



The factory floors are being polished & other finishing work continues.

Research Farm

Due to weather restrictions, limited planting trials are currently being undertaken. Six small

greenhouses/protective tunnels have been fabricated to cover seed beds where we have planted winter varieties of cabbage and broccoli from the UK. These varieties are supposed to be able to withstand cold temperatures. If we find that these crops grow well in Afghanistan winters we will encourage farmers to plant them next year.

Sun Dried Tomato Project

Sun-drying trays are being fabricated at the crate production facility. To date 3,200 trays have been made and by mid-January 8,000 will be ready to distribute to female farmers in the spring. DWC has made agreements with over 400 female farmers to participate in the sun dried tomato project. Distributions of items such as trays and seeds will begin in the spring along with additional training in the appropriate sun-drying process.

Collection Centers

Progress has been made toward the completion of 26 collection sites in the Charikar area. Now that the factory construction has been completed, DWC has the resources to focus on establishing the collection sites. The metal frames have already been constructed and will be transported to the sites where they will be set into concrete floors and then roofed. DWC has already made agreements with communities for the 26 sites to be erected in January. Site selection is based on factory need, and is done in coordination with local actors, including the Min of Agriculture.

The four collection centers completed in June are already in use by local farmers.

Crate Production

8,000 crates have been fabricated to date. Production at the facility has shifted to the fabrication of sun-drying trays, but after they have been finished in mid-January, we will complete an additional 2,000 crates.

Community Mobilization

There have been new developments regarding community mobilization and the farmers' cooperative. In a recent meeting with the leaders of the existing farmers cooperatives in Charikar, DWC learned that the leaders of the cooperative are acting more as brokers, creating a monopoly by setting the prices for produce in Charikar. This unfair price-fixing, has and continues, to profit only the brokers and effectively cuts out the farmers from appropriate income.

DWC has determined that it would not be in the best interests of the farmers to work through existing cooperatives.

Therefore as per its original plan, DWC will sign individual contracts with farmers during 2005, thereby ensuring that farmers are able to retain all of their profits and get the best possible deal. As the term "cooperative" has a negative connotation to many farmers due to the current broker-led monopoly and the previous community system of communal farming, we will create a Growers' Association which will be made up of farmers participating in the Dried Vegetable Program. DWC may expand the catchment area beyond the immediate Charikar region in order to work with sufficient numbers of farmers. The Growers' Association will democratically elect its' own leadership and DWC will provide capacity building so that the association will be able to manage the farmers' interests. As outlined in DWC's original proposal, the Growers' Association will own 40% of the factory and will be eligible to buy out DWC's share at the end of the program.

We are confident that this is a positive step as it will allow for greater farmer participation and will ensure a more equitable role for farmers.

Security

Security lights are being fitted to the outside of the building. A permanent guard house has also been constructed.

Looking Ahead

Factory

At present, the date for the opening ceremony has been set for January 30 2005. Much effort will go into planning a successful ceremony over the next month in coordination with RAMP and USAID.



The boiler will power the vegetable dehydration process.

Once the factory equipment arrives (scheduled for January 12), it will take one to two weeks to install and ensure that everything is running properly.

Approximately 85 men and women will be hired in January to begin working in the factory. They will undergo an intensive training program on the dehydration process, machinery operation and hygiene.

DWC staff will begin making trips to Jalalabad and perhaps other locales to purchase vegetables for the winter months. Previous visits to Nangarhar demonstrate that adequate amounts of vegetables will be available for factory operation.

Research Farm

Due to weather restrictions, activities at the research farm will be quite limited during the month of January. We will continue to monitor the growth of seedlings in the green houses which have been established.

Collection Centers

The 26 collection points will be completed by the end of the next reporting period.

Challenges Encountered and Remedial Action Taken

We are still experiencing problems finding water. We have contracted a different drilling company which will begin drilling the first week of January. Our understanding is that the previous company was not successful because they failed to install a casing in the bore hole, causing the sides to collapse as the hole went deeper. This time we will put a casing/lining for the complete length of the borehole in order to prevent the sides from collapsing.

Project Manager Comments

The Infrastructure Department monitored this project from the ground up. The structure is solid and well built. One of the major successes of this project was the fact that DWC has an excellent Afghan engineer and expat staff who consciously monitored the project during the whole construction process. Water well boring without geological surveys (which are scarce in Afghanistan) as a guide is in most cases troublesome and basically a hit or miss situation. What DWC is experiencing in their third attempt to find water is by no means unusual. However DWC will find water in the end because the factory is dependent on a reliable water supply.

This project will no doubt be a national model giving a tremendous economical impact. It will be very interesting to see the trickle down and up effects this project will bring to Afghanistan. The Project Manager extends a "hats off to DWC" for an excellent job.

Quarterly Report Q4 FY04

Western Afghanistan Irrigation Rehabilitation Project and Agribusiness Program Catholic Relief Services (CRS) Life of Project: 15-Mar-04 to 28-Feb-05 Provinces: Herat				
<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#27-0002-CRS	17-Feb-04	Abdul Quduus	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$3,000,000	\$169,004	\$0	\$169,004	\$2,830,996
Project Description: CRS is rehabilitating irrigation systems and creating market opportunities for three high value crops and providing technical assistance to producers and other supply chain entities.				
Expected results (by end of project): Enhanced Livelihood -100 km of primary canal structures rehabilitated; 16,000ha existing land irrigated optimally, resulting in annual gross income of US\$7.8M (annual wheat output value); 4,000ha extra arable land irrigated optimally, resulting in annual gross income of US\$1.9M (annual wheat output value); 7,000 farm families achieve increased output and incomes.				

Accomplishments this period

Tomato Activities

- All technical working group (TWG) members were confirmed and the first meeting of the TWG was held in November
- Existing cooperatives in Injil and Gujara Districts in Herat were identified.
- Discussion initiated with the Cooperative members to develop the Cooperative into an agro-input and market service center for the village or cluster of villages
- Greenhouse construction in Urdu Khan research station completed
- Green-house construction in 10 farmers' fields completed
- Tomato varieties for green house cultivation identified and seeds procured.
- Seeds of "transport friendly" varieties procured.
- Draft training modules prepared with assistance from UC Davis
- Reconfirmed cold storage unit availability and specifications with RAMP.



Saffron field under snow in Herat

Saffron Activities

- Two women groups (one in Injil and one in Gujara) of 15 to 20 women each were trained in saffron cultivation.
- Saffron TWG put together short-term and long-term marketing strategies and capacity needs
- Formalized a short-term marketing arrangement with saffron growers involved in the demonstrations
- All 10 demo plots completed and demo plot growers agree to market their saffron collectively
- Discussed marketing of saffron from farmers (with saffron demonstrations) with a Herat trader
- Determined value-added processing opportunities for saffron
- Provided training to farmers and extension agents from the provincial Agriculture Ministry on sorting and packaging of saffron
- CRS attended major produce marketing convention

Cumin Activities

- All TWG members identified and the first meeting was held in November

- 20 growers identified for demonstration plots
- Worked with TWG in analyzing the cumin production and marketing opportunities
- Networked with brokers and traders to identify buyers and product requirements
- Used projected production figures from agronomists and growers to continue in talks with buyers (SERRV and a contact in Central America)

Agricultural Extension and Training Activities

- Agronomists and extension workers from the provincial office of the Ministry of Agriculture, Animal Husbandry, and Food (MAAH&F) provided extension services to the farmers in Injil and Guzara Districts.
- One woman trainer was hired by CRS to facilitate interaction with women farmers. She, along with Agronomists / Extension workers, are visiting villages to identify training issues related to saffron production and marketing. Saffron, being a new crop to the farming community, has the potential of becoming a backyard cash crop where women in farm families can play an important role. As a result of her visits and interaction with women, many women from rural farm families have shown interest in growing saffron and other vegetables in the home stead.
- Four MAAH&F extension agents are working part-time in CRS' extension activities. They have been provided motor bikes and offices in villages. With their increased mobility and a regular and convenient meeting place, many farmers are visiting these field offices and showing significant interest in producing various high-value crops.

Looking Ahead

- Identify local fabricators of plastic houses to be trained at PAC workshop
- Maintain crops in greenhouse at the Protected Agriculture Center and collect data on crop yield
- Provide technical assistance to farmers for maintaining the greenhouse and crops
- Train farmers at the Farmers Field School
- Collect price information from the central vegetable and fruit market.

Challenges Encountered

As was expected, the security situation in Herat continued to be tense through September and October with the removal of Ismail Khan and the lead-up to Presidential elections. CRS therefore removed international staff on 2 occasions and restricted national staff movements when necessary. CRS does have in place a capable group of agronomists to ensure the continued implementation of production activities. During time away from Afghanistan, CRS' Agribusiness Advisor was able to attend an agricultural marketing conference and conduct visits to wholesalers in Dubai.

Project Manager Comments

- CRS needs to arrange a field day regarding Saffron, cumin and greenhouse.
- It is also recommended that CRS take additional steps to ensure that farmers attending the on-farm demonstrations fully understand the material on best practices that is presented.

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Grain Postharvest Training, Storage and Milling in Afghanistan
The Grain Industry Alliance
Life of Project: 15-Mar-04 to 30-Jun-06
Provinces: Kunduz, Helmand, Parwan, Nangarhar, Ghazni

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#28-0002-GIA	15-Mar-04	M. Alem Alemi	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$3,711,820	\$0	\$1,487,869	\$0	\$2,223,951
Project Description: : GIA will provide training opportunities and demonstration sites for cleaning, storage and handling of grain, develop 25 community level storage sites, 25 full scale farm demonstration units and 25 small farm demonstration units.				
Expected Results (at end of Project):				
Enhanced Livelihood – Storage loss reduced from 5% to 15%; Approximately 20Mt/per unit saved, valued at wheat equivalent of US\$105,600				

Accomplishments this report

- Met with leaders of the farmer and seed grower associations that own and operate the six Kunduz district warehouses to go over the warehouse management and use. The warehouses are complete except for some work being done to repair leaks in the roof. Two district warehouses (in Bagram and Laghmani Districts) in Parwan Province were turned over to Roots of Peace, the RAMP Implementing Partner that is now responsible for the warehouse management and administration.

Meeting with Leaders of the Farmer and Seed Grower Associations in Kunduz Province

- Latrines and guard houses of the warehouses were nearly completed in Kunduz and Parwan Provinces.
- Put out for bid the construction of the warehouse and training center in Mirbachakot in Kabul Province. The construction contract was awarded to Aziz Construction Company.
- Met with the Fruit Exporters Association in Kandahar to discuss the need for cold storage and packing/processing centers.
- Assessed the building sites for district warehouses in Kandahar and Helmand Provinces.
- Ten cold storage units (destined for warehouses and market centers), purchased through RAMP funding from a supplier in Argentina, were taken through Pakistan customs and were unloaded in Kandahar City. An additional ten cold storage units are expected to arrive to Karachi shortly.
- Holding bins in Kunduz, Ghazni, Nangarhar, and Helmand provinces are being used principally for seed storage.
- Provided technical assistance to Haji Ghulam, a private flour miller in Kunduz province, who applied for a loan from the Afghanistan International Bank for completing the construction of his flour mill (see photo above) and for working capital to operate his mill. The Kunduz flour miller received \$100,000 of his initial loan from the Afghanistan International Bank. He is now completing the construction of his mill.
- Met with the Provincial Governors in Helmand and Kunduz to update them on progress in the provinces.
- Met with the PRT/USAID and the Director Generals (MAF) in Kandahar, Helmand and Kunduz to discuss the GIA projects and coordination.
- Prepared a training program for testing for aflatoxin in nuts using VICAM equipment that was imported from the United States. One of the two sets will be set up at the Raisin and Dried Fruit and Nut Export Institute.
- Ordered two sets of microbiological testing and laboratory equipment for testing dried fruit and nuts for salmonella and other food safety problems
- Collected quotations on packaging equipment for dried fruit and nuts

- GIA has taken an active role in assisting the Government in the privatization discussions on the Government's wheat silos/mills
- Worked on the modification of the GIA subcontract to get the PALS project incorporated.

Looking Ahead

- Conduct a training program (scheduled for January 11-13, 2005) in testing for aflatoxin. Chemists from various ministries (Agriculture and Commerce) and the University of Kabul, key technicians and managers from the Raisin and Dried Fruit Export Institute, and others that are involved in food technology are invited. Set up the laboratory for aflatoxin testing at the Export Institute and another to-be-determined site.
- Import the microbiological testing equipment, conduct training in the use of the equipment, and install the equipment at the Export Institute and another to-be-determined site.
- Order and install packaging equipment for dried fruit and nuts
- Floratina, the Argentine company that supplied the cold storage units, assists in the installation of the cold storage units.
- Work with the farmer associations and investors in Helmand and Kandahar provinces in writing business plans and establishing oilseed processing, corn milling, mung bean processing, dried fruit and nut processing and packaging, tomato sauce processing, and/or jam and pickle processing.
- Award contracts for district packing/processing buildings in Helmand and Kandahar provinces.
- Construct the training center at Mirbachakot in Parwan Province.
- Decide on the district building sites for warehouses and packing/processing centers in Kandahar and Helmand Provinces. Construct the warehouses and packing/processing centers
- Assist in the development of a strategy for wheat origination for the Kunduz flour miller utilizing six district warehouses in Kunduz Province.
- Provide fumigation training and phosphine monitoring to storage technicians and mill operators of the Afghanistan Government's silos/mills and others. These silos/mills are expected to be privatized in 2005.
- Refocus warehouse construction and training activities in RAMP's 'Alternative Livelihoods Program'
- Complete the latrines, guardhouses, and administration buildings being constructed at the six district warehouses in Kunduz province.
- Assist farmer and trader associations in getting registered and in establishing their by-laws

Challenges Encountered

- Farmer associations are relatively weak in management and administrative skills. Consequently, the associations will need technical assistance in sorting, grading, and adding value to their agricultural products.

Project Manager Comments

- GIA has been advised to hire a processing/marketing manager who can assist the farmer associations, the Fruit Exporter's Association, and private investors in developing business plans, and in identifying and installing processing equipment
- The village based seed enterprises and other commodity handling and storage operators in RAMP's five priority provinces need training in commodity storage and handling techniques.

Quarterly Report

Q4 FY04

Grape Revitalization for Afghanistan Productivity and Empowerment

Roots of Peace (RoP)

Life of Project: March 14, 2004 to March 30, 2006

Provinces: Parwan, Nangarhar, Ghazni, Helmand and Kandahar

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#29-0004-RoP	14-Mar-04	Abdul Samad Nazari	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$3,959,123	\$569,002	\$1,316,073	\$390,443	\$2,252,607

Project Description: RoP will provide extension services for Afghan farmers, training for MAAH extension agents, develop 10 model farms for best practices, create market/collection centers, improve vine propagation; establish 3 Farmer Owned Businesses (FOBs); promote commercial sales management to re-establish and develop local, regional, and international markets.

Expected Results (by end of project)

Capacity Building - Establishment of foundation nursery and integrated grape/raisin marketing system; 20 horticulture extension agents trained in vine propagation and maintenance; Establishment of 9 association managed processing/packaging centers
Enhanced Livelihood - 22,000ha vineyards upgraded through enhanced agricultural technology; 13,000 farm families adopt agricultural technologies leading to increased income; Grape/raisin export increased by 35%.

Accomplishments this report

Marketing

- 710 cartons (each 4.5 Kg) of Taifee variety grapes were exported to Dubai by Ariena Airlines. The grapes were shipped to two buyers in three different shipments.
- Construction of the Bagram and Laghmani processing and packing (market) centers in Parwan province was completed. Construction was started on the Mir Bachakot processing and packing (market) center in Kabul province.
- A meeting was attended with "Board of Raisins Association of Kabul" to discuss the problems they faced with regards to quality, packing, and processing of raisins.
- Met with the Head of the International Relations Department in the Ministry of Commerce and updated him about the marketing opportunities for fresh and dried fruit to the Gulf countries
- Met with the President of the (Government's) Chamber of Commerce and the Director of the Export Institute to discuss the trip of the trade delegation to Kuwait in January
- Met "Tetra Pak" officials to explore the possibilities of using their packaging and processing unit to pack and market grape juice
- The wholesale price of raisins in three areas (Charikar, Qarabagh and Mirbachakot) is being collected weekly.
- A system to collect and record the farm gate price of raisins in targeted villages is being set up.



Training

- Various field seminars were provided to 121 farmers on grape and raisin production techniques (lime sulphuring, irrigation requirements) and post-harvest handling (timing of the harvest, grading, factors determining grape maturity, required sugar content for export, quality control of grapes for obtaining the required sugar content, grape collection and storage) in ten villages of Guldara district.
- 155 farmers were practically trained in lime sulfur preparation.

- The tentative dates for RoP's fourth workshop in Kabul are Feb 1-3, Tom Brown, assisted by Guy Ewald of RoP, will be conducting the grape/raisin marketing workshop #4

Extension

- Two Extension Toolkit Notes (Water Relation and Vineyard Water Management and Consideration for Vineyard Drip Irrigation System) were prepared and discussed with field managers. The field managers then discussed the toolkit items with extension agents.
- Planned agricultural interventions and training strategies for both short and long-term goals including thinning, use of gibberilins, sulfur, canopy management and design of various trellising
- Each extension agent selected 100 farmers from their territories in each district. These farmers are visited by each extension agents at least three times per month. The extension agents also were in contact with other farmers.
- Statistical analysis and evaluation of the cane and cluster counting demonstration plots and the sulfur dusting demonstration plots were completed and discussed with farmers during meetings and field days.
 - Cluster Count and Evaluation Survey: Fifteen vineyards were randomly selected in Guldara district for the purpose of collecting accurate yield data for an average vineyard in the region. Data was also collected from two of the remaining vineyards to determine average fruit sugar content and vine production by randomly selecting ten vines at each site for a total of 20 vines surveyed. This fall monitoring of Brix value is important in order to determine the optimum time for collecting grapes so that sugar content is highest when the grapes are expected to be consumed. Vine production was recorded by measuring the average number of clusters per vine and the total weight of the grapes produced. The average number of clusters per vine was 71, and the average grape production per vine was 24.51 kg
- Average fruit sugar content was measured on a random sample of over 100 berries using a refractometer and yielded an average Brix value of 26.17%.
- Two group meetings were held at Laghmani of Charikar and Deh Mir of Mir Bachakoot with 35 and 15 farmers, respectively. The meetings were held to assess the needs of the farmers
- At the Laghmani meeting 35 farmers, representing 700 farmers came to assess their needs
- Five field days were held in Parwan, Kandahar, Ghazni, and Kabul provinces.
- Extension workers collected the information on grape and raisin production in the villages where they were implemented. Discussed with farmers (during field days and in group discussions) RoP's production recommendations based on results from the cluster counting and sulphur dusting demonstrations
- Information on the percentage of grape varieties, percentage of grapes dried for raisins, grape harvesting time and preferred time of raisin selling was gathered for marketing purposes.
- The extension agents provided technical information on grape production to 1066 farmers
- The land for vine nurseries has been selected and land cost estimated
- RoP supported the MAAH Extension Workshop. RoP funded the transportation, lodging, meals and other items for the heads of extension from 52 provinces. The workshop, organized by MAF and RAMP, was held in Kabul on November 2-4, 2004. At the Workshop, all RAMP Implementing Partners presented the impact of the extension work of their project(s) on the technology transfer to farmers
- John Pierre Detry is a candidate for the Extension Agronomy position vacated by the departed Ken Tourjee.



Foundation Nursery

- The grape foundation nursery at Darulaman Research Farm is in dormant stage.
- In order to protect the roots of the cuttings from frost damage, the ditches between the vines were filled with soil and the cuttings were covered with straw/hay.

Looking Ahead

- Complete the survey on all vineyards in order to complete the collection of yield data (total clusters/vine and total grapes produced in kg/vine) Develop an extension strategy for addressing the specific needs of the farmers provided assistance by the extension agents
- Schedule the next quarter's farmer's field days. Prepare program for the Farmers Field Trial for pest management in Bagram area.
- Develop a plan, including identification of land and number of cuttings required, for developing grape (Shindokani) nurseries
- Develop a plan for establishing model farms (new technology and new varieties) and extension hand-outs
- Determine the coordination and cooperation mechanisms for working with CNFA and its program in grape improvement program with progressive farmers and village cooperatives.
- Develop an action plan for controlling the Bagram Beetle that has impacting the roots of the vines, contact Bayer CropScience
- Send sprayers to Afghanistan
- Hire an Extension Agronomist to replace Ken Tourjee
- Support the curriculum development and the organization of background materials necessary for workshop 4. Conduct the Workshop in January.
- Plan workshops for 2005: interventions, approximate dates, possible trainers.
- Implement strategies based on Tourjee's extension recommendations

Challenges Encountered

- The farmers identified for assistance from the RoP extension agents must be given the necessary individual attention to produce the quality and quantity of good quality grapes and raisins that result in added value in the product and are accepted by buyers (both domestic and international) ready to pay a higher price
- The extension agents must feel responsible for the necessary improvements to be made by the farmers to integrate their products into the supply chain that includes the delivery of the grapes/raisins to packing and processing centers.
- RoP must have the entire supply chain prepared for delivery of significant quantities of grapes and raisins produced by their targeted farmers in Shomali Plains, Kandahar, etc.

Project Manager Comments

- RoP extension agents should provide training on different aspects of grape revitalization to as many farmers as possible during the winter season.
- In the spring season, RoP extension agents must work closely with their contacted farmers and make sure the farmers are applying the best technology/practices they learned and convince them to buy and apply the right and the required quantity of inputs on time. Furthermore, the extension agents should work/assist the farmers to improve grape/raisin quality at the farm level.
- In order to provide more extension services to the grape growers, RoP needs to establish a field office for their field staff in the Shomali Plains to stay overnight and spend full days in the field.

Locust Control Program Northern Afghanistan GOAL Life of Project: 11-Mar-04 to 31-Dec-04 Provinces: Balkh, Baghlan, Kunduz, Takhar, Samangan.				
Job Order No.	Date of Award	Project Manager	USAID CTO	USAID CO
JO#31-004-GOAL	11-Mar-04	A. Samad Nazari	Dan Miller	Margaret Kline
Ceiling Price	Quarter Expenditures	Cumulative Expenditures	Accruals to Date	Balance
\$627,072	\$ 0.00	\$ 217,939	\$0.00	\$409,133
Project description: GOAL implemented a program to mitigate the impact of Moroccan locusts on rural livelihoods in Northern Afghanistan. Key activities included the chemical control of locusts with the provision of technical support, plastic sheeting, nets, barrels for water, ploughs and tents; mobilization of the rural population to areas of locust infestation, through the provision of transportation; full logistical support to the FAO and Ministry of Agriculture for chemical control intervention; monitoring of locust-infested sites and program advances through constant feedback, crop damage assessments, and locust egg-bed surveys; and final evaluation and provision of data for the locust database, the FAO, and AIMS.				
Projected Impact: <ul style="list-style-type: none"> Control of about 90% of the potential locust damage to agricultural crops in five provinces in Northern Afghanistan. Determine the remaining locust problem as assessed through a locust egg-bed survey completed at the end of the locust control period. 				
Enhanced Livelihood <ul style="list-style-type: none"> A crop damage less than the 2002 level of 9% About 120,000Ha agricultural land protected from locust infestation Food security improved for more than 150,000 farm families. 				

Locust Control Program, Northern Afghanistan Food and Agriculture Organization (FAO) Period of Performance: March 11, 2004 – Dec. 31, 2004 Project Sites: Balkh, Samangan, Baghlan, Kunduz and Takhar				
Job Order No.	Date of Award	Project Manager	USAID CTO	USAID CO
JO#30-0004-FAO	11-Mar-04	Abdul Samad Nazari	Dan Miller	Kyle Newkirk
Ceiling Price	Quarter Expenditures	Cumulative Expenditures	Accruals to Date	Balance
\$606,651	\$0	\$461,465	\$145,186	\$0
Project Description: FAO will implement an emergency locust control program in northern Afghanistan and supply essential laboratory equipment to the Plant Protection and Quarantine Department (PPQD) in the Ministry of Agriculture and Animal Husbandry				
Expected Results (by end of project):				
Capacity Building - 8 PPQD technical staff, over 1000 operators, and over 100 organizers/supervisors trained to carry out locust control operations.				
Enhanced Livelihood - A total of over 100,000 hectares of agricultural land (with a potential production of 400,000 metric tons of wheat) protected from locust damage to crops. Food security improved for more than 270,000 farm families				

Accomplishments this Quarter:

GOAL Afghanistan, in conjunction with the Food and Agriculture Organization (FAO), the Ministry of Agriculture and Animal Husbandry (MAAH) and the Plant Protection and Quarantine Department (PPDQ) implemented a locust mitigation program in five (5) provinces of the northern region of the country, namely Baghlan, Balkh, Kunduz, Samangan and Takhar. The objective of this program was to reduce the prevalence of locusts in these areas, thereby improving food security by protecting the crop harvests.



Photo illustrating the degree of infestation

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Upon completion of the program in July a total of 192,348 hectares of agricultural land had been sprayed with chemical insecticide and 787,272 hectares of cultivatable land had been saved. The total number of direct beneficiaries was in excess of 220,000.

GOAL's major contribution to the program was the provision of logistical support in the way of recruiting in excess of 140 local staff for the mitigation campaign, and contracting over 90 vehicles. GOAL also conducted the final impact assessment and egg bed mapping survey in late June and early July.

While this program started late (due to the late approval and release of funds) and finished early (due to GOAL withdrawing all expatriates from Afghanistan as a result of the deteriorating security situation) all objectives of this program were successfully met within a reduced timeline and with a reduced amount of money spent.

	Area (ha) irrigated land saved	Area (ha) rainfed land saved	Total (ha) cultivated land saved
TOTAL	163,000	107,000	270,000

Community Support and Participation

The locally recruited staff members provided an essential resource in terms of identifying priority areas, assisting in project planning and providing local knowledge of areas of locust infestation and high risk areas. 1,020 volunteers were recruited for the locust mitigation support program. The volunteers were trained in the use of chemical hand held sprayers. Teams of ten sprayers with a Provincial Organizer were assigned responsibility for locust control in their home areas. Communities within which they were working provided these teams with food and accommodation during the campaign.

Coordination and cooperation with the UN system, other international agencies and NGOs

Throughout the program GOAL has had a good working relationship with UN agencies (especially FAO) and other international and national NGOs working in Northern Afghanistan. GOAL worked closely with governmental departments responsible for agricultural development at provincial levels; this program has been closely coordinated with MAAH and PPQD, in particular. The Provincial Transport Departments have also been involved in assisting with the control and management of the large number of vehicles required for the campaigns in each area.

Impact Assessment Survey

An Impact Assessment survey was carried out by GOAL and FAO during late June and July 2004 in four (4) Provinces of Northern Afghanistan and will provide evaluation as to the success and effect of this project. (Note: Takhar Province was not included in this assessment due to the insecurity of the area and the smaller scale of operations therein).

For the survey, a random selection of villages was chosen in each of the locust risk categories (High/Medium/Low) and the project stakeholders (farmers and community leaders) engaged in a semi-structured focus group discussions using an FAO generated questionnaire. In total over 600 farmers across 120 villages were involved (5 farmers from each village). In addition, operators were interviewed separately, where possible.

Twenty experienced GOAL Agricultural Monitors and an expatriate Agronomist (who had no connection with the locust mitigation program) were involved in conducting this survey.

The results of this assessment will indicate harvest yields and any crop damage in the affected provinces. It will also assess success at beneficiary levels and evaluate its implications on household food security situation. The assessment also hopes to ascertain what the likely outcome would have been if there had been no intervention.

Data gathered during this assessment has been analyzed and a Final Impact Assessment Report prepared in September 2004. This report is currently under independent review and will be available in October 2004.

Challenges Encountered and Remedial Actions Taken:

- The late start of this project resulted in the locusts maturing to the marching stage of their life cycle making the control more difficult due to their rapid and wide-ranging migration around northern target provinces.
- A serious shortage of pesticide was averted by an airlift to Mazar-I-Sharif by the Belgian Air force. They delivered 24,000 litres of Deltametrin on 10 and 12 May 2004;
- The relative insecurity in the North of Afghanistan has continued to be a constraint in terms of resources and access to the rural areas. While operations tended to continue unabated - factional fighting and threats to international organizations in the period leading up to the elections were a major consideration;
- There was a serious escalation in security incidents throughout the early summer months; with a GOAL contractor in Roi-Du-Ab targeted in a mine attack in May and five national & international humanitarian aid workers murdered in Badghis in June, followed by twelve Chinese contract workers in Kunduz a week later;
- These incidents, combined with continued factional fighting, pressures exerted by the up-coming elections and DDR process and the increased activities surrounding the opium trade all restricted GOAL's field activities significantly as stringent security measures were adopted including travel restrictions, no overnights, limited site visits, car convoys and early curfews. GOAL made a decision to withdraw all expatriates from Afghanistan in mid-July.

Project Manager Comments:

This successfully completed project exceeded the expected results.

Green Kabul Program
United Nations Office for Project Services
Life of Project: 10-Mar-04 to 30-Nov-04
Provinces: Kandahar and Helmand

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#32-004-UNOPS	09-Mar-04	M. Alem Alemi	Dan Miller	Kyle Newkirk
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$999,380	\$197,552	\$783,917	\$0	\$215,463
Project description: UNOPS will procure and distribute approximately 1 million trees throughout Kabul. Its key activities will include: planting fruit and forestry trees in various public locations throughout Kabul, including schools, government buildings, parks, roadsides, and the Kabul Green Belt; organizing Kabul Green Week activities, including public events, children's activities, receptions, entertainment, and education; and coordinating an ongoing public information campaign to raise public awareness of environmental issues in Afghanistan.				
Expected Results (by end of project):				
Capacity Building - 2.5 million Kabul residents receive Environmental Education through media.				
Enhanced Livelihood – activities will generate 30,000 labor hours of employment in and around Kabul.				

Accomplishments:

In addition to the 750,000 trees distributed by the project during “Kabul Green Week” in March, UNOPS conducted a public information campaign. This will tie in to public events, including children’s activities, formal receptions, art exhibitions, and educational initiatives. The activities listed below contribute to the long-term success of the effort, reminding residents to care for their trees and the larger role they play in reclamation of their country, while also serving to build on earlier environmental messages through public announcements and activities.

- Mural Paintings 2
- Youth Conservation Corps Chapters 5
- Partnerships to develop YCC 2
- Public Information Campaign 1
- Television 1 (ongoing)
- Radio 1 (ongoing)
- Revision and Distribution of Environmental Education Curriculum 30,000 copies
- Development and Distribution of Soil and Water Conservation
- Technical Manual 1
- Regional Training Workshop held 6
- Primary school students receive Environmental Curriculum 340,000

An overview of results:

- 750,000 trees distributed and planted
- 83 locations in Kabul cleaned of garbage
- 5,000 students participate in Youth Conservation Corps inauguration
- 150,000 seedlings planted Kabul Green Belt nursery
- 530,000 Kabul families receive and plant trees
- 65,000 trees planted by Municipality in public locations in Kabul’s 15 districts
- 11 Government of Afghanistan Ministries participate in public tree plantings
- 1.5 million Kabul residents receive Environmental Education through media
- 25,000 primary school students receive Environmental Education
- Environmental science curriculum introduced into schools of 6 provinces
- 9 public environmental murals painted
- 3 centers for special students (orphans, street children, deaf) launch chapters of Youth Conservation Corps
- 200 hectares of native forest under reforestation in Kabul Green Belt

Projected Impact of these Activities:

- Increased yields of 10 local fruit varieties
- 16 public Environmental murals painted throughout the city
- Increased income potential from household fruit production
- 30,000 labor days generated
- 200 hectares of native forest under restoration in Kabul Green Belt
- Environmental curriculum integrated into 18 provincial primary schools
- A public Environmental Education Campaign in the national media

Training Workshops

These intensive workshops are part of a larger strategy to develop capacity among Ministry staff and will be specifically useful in guaranteeing proper management of trees procured over Kabul Green Week. All participants received a training manual to keep, and from which to base follow-up trainings in the regions. The training materials are being introduced across the country to laborers, Ministry staff, schools, institutions and community groups.

Seed Collection and Care Workshops in August and September

Workshops held in Takhar (NE), Mazar (N), Bamyan (C), Jalalabad (E), and Kabul (C&SE). Each workshop was two days long, bringing together Government staff from the Department's of Irrigation/Environment and Agriculture and Animal Husbandry from the provinces in the region. The participants all have extensive practical, although not well informed experience. Therefore the ACC professionals that received specialized USDA training in the US led the seminars, but facilitated open discussion to share knowledge. The participants exchanged stories of their local experiences in seed collection, storage and germination rates.

Theoretical seminars included explaining the science of germination; practical work included collecting tree seeds that the participants cleaned, weighed, tested and labeled. ACC staff discussed how to adapt equipment needed and storage facilities to local conditions and presented a case study: Comparative germination rates in two ACC pistachio direct seeding projects. The workshops were well received.

Early spring monitoring revealed low germination rates at the nursery. It became clear that the general practice of procuring seed from the local bazaar and just sowing it, dictated these low rates. No care was given to choose the importance of origin and type of the seed. ACC responded with a training workshop on Seed Collection, Cleaning, Testing and storage for each region in the country. These workshops were held in each of the regions where ACC operates: Herat, Central, Eastern, Northeast and Northern areas of the country.

Environmental Education Curriculum

The Environmental Education curriculum, developed by ACC and Science professionals and professors and approved in new form by the Ministry of Education, was revised in a new edition. 35,000 copies have been distributed in and beyond Kabul. Initial feedback from teachers and students was overwhelmingly positive, and in most cases, this was the **first curriculum of its kind to be taught in schools**.

Public Information Campaign

A public information campaign was broadcast to Kabul residents news coverage, Roundtable discussions, Public Service Announcements, educational segments and children's shows. Follow-up focus groups confirmed the effectiveness of this campaign. The Ministry of Information and Culture pledge their ongoing cooperation in support of these initiatives.

**Repair of the Fil Koh Chute
Gulson Cucurova
Life of Project: 07-Apr-04 to 08-May-04
Provinces: Kandahar**

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#33-0002-Gulsan	29-Apr-04	Ibrahim Sultani	Dan Miller	Kyle Newkirk
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$45,000	\$0	\$45,000	\$0	\$0

Project Description: GULSAN-Cucurova assessed the damage and repaired the hole, finished the floor, constructed an energy dissipation structure, repaired the wingwalls and installed riprap.

Expected results: maintaining reliable irrigation supply for 35,000 hectares of land

Project Successfully Completed

The Fil Koh chute is part of an irrigation/hydroelectric project that was implemented by USAID long before the Soviet occupation of Afghanistan. As a result of military action, the chute was damaged, threatening approximately 35,000 hectares with disruption of irrigation.

Governor Pashtoon of Kandahar Province confirmed that the repair of the Fil Koh chute was an immediate priority for reconstruction. USAID repair efforts were coordinated with representatives of the Japanese government, who were in the process of developing their master plan for rehabilitating the Kandahar agriculture sector.



The damaged chute before repairs

The repair effort was more complicated than anticipated, due to undermining of the structure by attempts to run water through the chute while damaged. Repair work proceeded quickly, starting April 7, 2004 and was completed in time for farmers to start planting for the 2004 crop cycle.



The repaired chute and rebuilt wing-walls

Project Manager Comments

This project was the result of good planning and collaboration. Because the GULSAN-Cucurova group was already in the region working on other contracts, they were able to dedicate resources to this project at very low overhead cost.

Quarterly Report Q3 FY04

Final Report

**Agricultural Produce Market Centers
Relief International (RI)
Period of Performance: 15-Apr-04 to 30-Apr-05
Province: Nangarhar**

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#34-0002-RI	23-June-2004	James Huddleston	Dan Miller	Kyle Newkirk
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$252,765	\$0	\$252,765	\$0	\$0
Project Description: RI was to construct and equip 9 agricultural produce market centers. Each center was to include 9 secure storage units and 24 market stalls. RI was also to build 20 market collection centers and improve the wholesale fruit and vegetable market in Jalalabad.				
Expected Results (at end of project): Enhanced Livelihood – 53,500 farm families with increased access to market				

Accomplishments:

RI built 19 of the 20 programmed market collection centers (MCCs) and designed an agricultural produce market center (APMC).

Challenges Encountered and Remedial Action Taken:

For unspecified reasons, Relief International opted not to continue planning for the work on the fruit and vegetable market in Jalalabad in July. RI built several of the MCCs in locations not adjacent to areas with the appropriate degree of agricultural production. RI budgeting requirements for construction of the APMCs were very high, and even after negotiation, the proposed costs were determined to be too high.

Because of the poor performance on construction of the MCCs and high costs proposed for the construction of the APMCs, RAMP and RI agreed to terminate this contract during August, 2004.

Looking Ahead:

Prepare a new Decision Memorandum for construction of APMCs and issue a contract to an approved builder.

Project Manager Comments:

Construction of the APMCs has been offered to the contractor who successfully built the office building for RAMP on the Ministry of Agriculture compound in Kabul. The design has been modified to include a water supply from a well and toilet facilities. The proposed cost of construction is to be less than the final budget proposal submitted by RI.

Quarterly Report Q4 FY04

Rehabilitation of Roads, Drainage and Crossings Afghanaid (AAD) Period of Performance: 01-July-04 to 30-Jan-05 Province: Nangarhar				
<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#38-0002-AAD	July 11, 2004	Saroj Basnyet	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$200,000	\$0	\$0	\$0	\$200,000
Project Description: To rehabilitate 5 km. Saiphon Lagarjoi test road in Nangarhar				
Impact: Enhanced Livelihood: <ul style="list-style-type: none"> • A reduction in damage to marketed output of 10% • Farmers income increased by at least 10% due to improved and efficient transport service 				

Accomplishments This Report

We have a cost reimbursable contract with Afghanaid (AA). More than 6 months have commenced since the work first began. The pace at which tasks are getting accomplished is unacceptable when our other local Implementing Partners have been rehabilitating roads at an average speed of 5 km per month. This delay in the rehabilitation of Saiphon lagarkoi test roads has occurred in spite of daily inspections by our staff from our Jalalabad office, and our regular visits to this particular road.

Looking ahead:

We have a cost reimbursable contract with them and they have not yet submitted their bills for reimbursement.

Project Manager Comments

Afghanaid has a weak management system, their staff is changing constantly, and they do not listen to advice. We have reluctantly extended their contract twice to January 31, 2005. Time and again it has been stressed upon AA to improve the quality of their work and submit their bills for reimbursement

Quarterly Report Q4 FY04

Rural Financial Services Afghanistan Renewal Fund (Fund) Life of Project: 14-Sept-04 to 15-Dec-04 Provinces: Nationwide				
Job Order No.	Date of Award	Project Manager	USAID CTO	USAID CO
JO#39-0003-Acap	14 Sept. 2004	Frances Toomey	Dan Miller	Margaret Kline
Ceiling Price	Quarter Expenditures	Cumulative Expenditures	Accruals to Date	Balance
\$200,000	\$100,000	\$100,000	\$0	\$100,000
Project Description: The purpose of this Fixed Price SubContract is for the start-up costs of establishing an equity fund – the Afghanistan Renewal Fund (“Fund”). Once Acap Partners successfully completes this initial set-up phase for the Fund; RAMP has made a commitment to provide \$3.8 million in equity funds to capitalize the Fund. These additional funds are conditional upon Acap Partners meeting the deliverables as stated in this Fixed Price Subcontract. Acap Partners will utilize these start-up costs to solidify the commitments from other investors. Currently, there are commitments of \$19 million inclusive of RAMP to capitalize the Fund.				
Expected Results (by end of project): <ul style="list-style-type: none"> • Develop the workplan for the Fund; • Register Acap Partners with the legal authorities; • Identify and recruit the key personnel for the Fund; • Develop a list of targeted businesses to create a pipeline of potential investees; • Prepare conditions on which RAMP funds can be deployed; and • Design appropriate systems to track each investors stake in the Fund. 				

Accomplishments this Quarter

Both sets of deliverables were completed during this quarter. The following is a list of the full accomplishments.

- 1) A complete presentation of the Fund’s operating model including the profiles, responsibilities and documentation of the key personnel.
- 2) A deal pipeline summary log with over 70 prospective clients [not all agricultural related].
- 3) A detailed description for the mechanism to deploy the RAMP funds.
- 4) A description of the tracking system that will be used to ensure proper and transparent accounting to separate and track the USAID/RAMP capital to be invested in the Fund.
- 5) Report templates for the Fund’s investment activities.

Challenges Encountered and Remedial Actions Taken

The Fund was unable to complete their registration with AISA for a business license. The documentation is complete and ready for submission. It is expected to be completed at the end of January 2005.

There has been a continued delay in the closing of the Fund as the other investors have not been expedient in their concurrence to approve their investment. In mid-January, Acap Partners advised USAID/RAMP that the other prime investor, CDC, has approved their investment so we expect to proceed promptly with the initial closing of the Fund.

Looking Ahead

Acap Partners has kept to their due date for their assigned two sets of deliverables. Both deliverables were accurate and professionally prepared. All the technical issues that have been raised are cleared and all systems are on the ready for the USAID/RAMP investment.

Project Manager Comments

We are poised and eager to start this equity fund as another source of financing/capital to Afghan agribusinesses. There is nothing major outstanding to get in the way of implementing this project.

Quarterly Report Q4 FY04

Rural Financial Services Afghanistan International Bank (AIB) Life of Project: 22-Aug-04 to 4-July-06 Provinces: Nationwide				
<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#40-0003-AIB	22 Aug. 2004	Frances Toomey	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$2,000,000	\$1,000,000	\$1,000,000	\$0	\$1,000,000
Project Description: This revolving credit facility through AIB undertakes to extend medium and large sized loans in the range of US\$50,000 to \$500,000 to entrepreneurs, enterprises and value added processors along the agricultural value chain. These enterprises may already be receiving technical assistance and support through other RAMP implementing partners, and this activity provides the best opportunity to quickly meet an identified credit need and create linkages with other sections of the RAMP program. AIB will be a self-sustaining partner that will have the capacity to continue to provide financial services to agribusinesses beyond the life of the RAMP project.				
Expected Results (by end of project): <ul style="list-style-type: none"> • Disburse 20 medium to large loans with an average loan size of \$100,000 • Portfolio at Risk – average 5% • Growth of the Agricultural Portfolio through the leveraging of other sources of funds 				

Accomplishments this Quarter

- Two additional loans were added to the RAMP-Fin portfolio. One loan was for a Kunduz flour miller for both his working capital needs and, also, for capital expenditures to finalize the construction of his plant. The loan amount was \$350,000 for a two year term. The second loan approved was for a company that supplies water pumps and well drilling equipment. The loan will be used for replenishing his water pump inventory and, also, to buy a well drilling vehicle.
- The pipeline report of prospective deals is continuously updated based on the enterprises introduced to the USAID/RAMP Rural Finance team from AIB, other RAMP Implementing Partners, CNFA, AICC, and other institutions.
- The AIB Loan Officer continued to receive one-on-one training from the USAID/RAMP Rural Finance team.
- In mid-October, RAMP hired a local staff member as the Rural Finance Loan Officer/Project Manager, to provide support to the rural finance projects implemented. The Loan Officer will assist the financial institutions in building a sustainable, high quality loan portfolio.



Haji Muhaidin, flour miller, at the Afghanistan International Bank, filling out loan forms

Challenges Encountered and Remedial Actions Taken

It was a learning experience as the first few loans were approved and disbursed through AIB. Some challenges were endured along the way and it became necessary to redefine the roles and responsibilities of RAMP and AIB to more efficiently provide customer service to the clients. For

upcoming loans, the lag time between loan application and loan disbursement should be shortened based on the clearer lines of responsibilities.

The AIB Loan Officer responsible for the RAMP-Fin portfolio finished his tenure at the bank and is returning to graduate school in the Netherlands. The RAMP Rural Finance team, along with the expected new arrival of an AIB Senior Loan Officer, will have to train his replacement, a young Dutch man with very limited experience in bank lending. The RAMP team expected this change in personnel and has invested time in working closely with the bank's Risk Manager, who was very involved in the initial loans of RAMP-Fin.

The arduous process of clients' registering their collateral tied up the loan disbursement procedures. To counteract this issue, RAMP requested AIB to be more pro-active in advising the borrowers about the information needed by the courts to register collateral. Also, AIB is expected to visit the courts with the borrowers to better understand the entire collateral registry process. RAMP's Loan Officer accompanied one client through the court system as the borrower registered his collateral so we have the information needed by the courts to complete this type of transaction.

Looking Ahead

The main tasks for the 1st Quarter of 2005 are:

- Disburse the first \$1,000,000 in loan capital.
- Coordinate with the UNDP Business Development Services program to define the bookkeeping needs of the AIB borrowers so that the business records are kept accurately for monitoring purposes.
- Ensure that current borrowers are repaying on-time.
- Continue to standardize the procedure and documentation for processing loans in a timely manner.
- Monitor the results of the revolving loan facility and provide feedback to the bank about their progress in disbursing the credit line in accordance with the grant agreement.

Project Manager Comments

The foundation is established at the bank for preparing agribusiness loans and the first loans have been approved and disbursed by AIB. These initial loans took longer than expected to be processed. As experience is gained in working with the agribusiness clients, the entire processing time from application to loan should be reduced. The RAMP Rural Finance team will make this issue a priority.

AIB has been expecting RAMP to introduce all the clients for the portfolio. In the future, AIB will need to take a more pro-active role in identifying potential clients so they take 'ownership' of the client base. RAMP and the RAMP subcontractors will continue to find and put forward applicants although AIB should have a strategy for also finding worthy clients.

Quarterly Report Q4 FY04

Rural Financial Services
UNDP - Business Mentoring Program
Life of Project: 4-Nov-04 to 30-Apr-05
Provinces: Nationwide

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#41-0003-UNDP	4 Nov. 2004	Frances Toomey	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$216,094	\$0	\$0	\$0	\$216,094
<p>Project Description: The purpose of this Grant is to provide support to implement a Business Mentoring Pilot Program. The program will primarily be a resource for targeted agribusinesses, identified by USAID/RAMP in cooperation with UNDP. The Business Mentoring Program will assist with a variety of activities, including designing an efficient program with a revenue stream; profiling the agribusiness' current depth of skills and needs for additional capacity; and identifying appropriate experts to deliver specific technical assistance. The program will deepen enterprise skills to improve the business' ability to comply with the conditions of the loan/lease.</p>				
<p>Expected Results (by end of project):</p> <ul style="list-style-type: none"> • Identify potential agribusiness projects along with the RAMP Rural Finance team to receive pre or post finance business development services; • Serve at least 20 clients; • Select 3 key personnel to deliver business mentoring services to the customers; • Design a fee structure for business advisory services to use towards self-sustaining their operations; and • Set-up office spaces and premises for meeting with customers. 				

Accomplishments this Quarter

- International consultants identified and offer letters dispatched.
- Local consultants and logistical support staff identified.
- Office renovated and equipped.
- Potential projects involving international investors identified.

Challenges Encountered and Remedial Actions Taken

This entire project has been one challenge after the other --- from agreeing on the scope of the project, the budget, the personnel, the length of the project, and the sustainability of the project beyond the life of RAMP. The grant was long overdue in obtaining final sign-off from UNDP based on their insistence in specific language in the grant. In early November, the grant was eventually signed and some progress was made during the quarter to start operations.

Looking Ahead

- Review of existing RAMP project pipeline.
- Coordination with other organizations potentially able to propose relevant projects.
- Complete all hires and induction processes.

Project Manager Comments

The partnership with UNDP has been frustrating at best. This project has been in the works since the beginning days of RAMP and yet it still has taken months to negotiate and finalize the contract. The expectations for results on this project are quite high and the Rural Finance team is ready to offer as much support to this pilot project as possible to obtain some favorable results. We plan to push the UNDP along as the momentum catches on for clients to be served by the AIB and the Finance Company.

It is expected that a no-cost extension may be needed to give this pilot program a chance to achieve results.

Rural Financial Services
Afghanistan Finance Company (AFC)
Life of Project: 1-Sept-04 to 1-Jul-06
Provinces: Nationwide

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#42-0003-AFC	1 Sept. 2004	Fran Toomey	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$3,500,000	\$1,000,000	\$1,000,000	\$0	\$2,500,000
<p>Project Description: The AFC will be a leasing credit delivery mechanism to fulfill the unmet financing needs of small and medium enterprises (SMEs), specifically in the agricultural sector. The primary aim will be to finance SME activities along the value chains that are receiving support through RAMP funded projects. There is currently very limited lending available to SMEs, especially for agro-businesses. Making leasing available in Afghanistan will not only encourage processing to begin taking place, but will also allow business owners to obtain other types of equipment without having to front the full cost of the equipment. A finance and leasing company will be an integral part of the financial sector continuum in providing access to credit and making equipment available in country for agribusinesses.</p>				
<p>Expected Results (by end of project):</p> <ul style="list-style-type: none"> • 40 Small to Medium Sized Leases or Loans (\$10,000-\$50,000) • 10 large Leases or Loans (over \$50,000) • Lease/Loan Size Range \$10,000 - \$250,000 • Portfolio at Risk – Average 5% during year 1, average 3% during year 2 • At least \$1 million in cumulative disbursements by Year 1 • At least a 20% growth of the Agricultural Portfolio through the Leveraging of Other Sources of Funds 				

Accomplishments this Quarter

- Registered with AISA to procure a business license for AFC.
- Completed initial short-term consultancy assignment by Jan Grayson who coordinated the hiring of local staff and a few international staff. The local staff included a Finance Manager, a Marketing Manager and an Accounting/Administration Officer. The international staff included the CFO and the Marketing Officer.
- Initiated discussions with OPIC, ADB, and IFC about investing in the AFC.
- Staffed, renovated and equipped office with security, furniture and internet access.

A three consultant team from Peoples Group worked with the AFC management team in completion of the following key documents:

- Draft Business Plan,
- Draft Lease Operations Policies and Procedures, and
- Draft Lease Accounting Policies and Procedures.

Challenges Encountered and Remedial Actions Taken

The challenge for the Finance Company was to put their resources to use and deliver some results. After a slow start, there was some momentum reached during the quarter to stimulate the company and get it heading in the right direction. It is important at this juncture to continue with this energy to build a strong finance company with a full book of leasing business.

The parent company, ARC, was put to the test in recruiting key senior Managers to oversee a start-up finance company in a post-conflict environment. A Chief Financial Officer, an Afghan-American, was recruited and is expected to arrive in late January. Also, a Marketing Officer, an Afghan-American, was recruited this quarter.

Looking Ahead

The following are tasks which need to be accomplished during the 1st quarter of 2005 for this project.

- Complete a marketing survey regarding the demand needs for agricultural machinery equipment, food processing equipment, etc.
- Cooperate with RAMP and GIA to secure leases for the new owners of the cold storage units procured through GIA.
- Complete some leasing contracts for the first clients.
- Coordinate with the IFC in transferring knowledge and support to the AFC including the resources for one to two short-term consultants. Develop the Scopes of Work for the short-term consultants including an equipment specialist and a leasing expert.
- Assist AFC in their capital raising efforts.
- Recruit more local staff to market the services of the finance company.
- Renovate a guest house for staff.

Project Manager Comments

This quarter was consumed with developing the structure, policies and procedures for the Finance Company. Little time was left to actually work on deals with prospective clients. The upcoming months will be primarily spent in identifying leasing clients.

The first invoices from AFC were fraught with problems regarding support documentation. Subsequently, the reimbursement of these invoices was severely delayed. This delay was a combination of difficulties in the RAMP's Financial Management Unit in giving feedback on the needed support documentation and, also, the slowness on AFC's side in obtaining the necessary documents to justify their expenses.

Quarterly Report Q4 FY04

Supporting Alternative Livelihoods and Assistance Mobilization

Chemonics International Inc.

Life of Project: November 19, 2004 – November 19, 2005

Provinces: Helmand

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#43-0002-CADG, DAI, and Others(TBD)	24-Oct-04	TBD	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$17,930,957.00	\$498,011	\$498,011	\$0	\$17,432,946
Project Description: The SALAAM activity, implemented by RAMP/Chemonics, is an integral part of USAID/Kabul's Alternative Livelihoods Strategy for Afghanistan. The activity will provide at least 50,000 beneficiaries with 40 days of labor in Helmand Province through employment generation and social safety net activities. Nangarhar and Badakshan activities are not included in this request.				
Expected Results (by end of project):				
1. Enterprises Developed: 5 feed processing centers established to produce and sale poultry feed				
2. Enhanced Livelihood: 25,000 women trained and supported to establish poultry farms; 25,000 families benefit from improved nutrition and supplemental income				

AIP works in close consultation with all levels of the Afghan government, communities and donor agencies, and in support of the larger government of Afghanistan counter-narcotic initiative.
\$498,011.44

Accomplishments this report:

Since the AIP Status Report of December 25, 2004, the AIP team has achieved the following:

- Successfully developed and launched a transparent testing system for selecting site supervisors in Marja district. This system will be used to select supervisors as project activities expand.
- Continued to work with the Lashkar Gah provincial reconstruction team (PRT) on payroll security and identifying activities (bridge construction, canal rehabilitation) suitable for PRT implementation.
- Resumed expansion of cash-for-work activities in Nad-i-Ali, Marja, and Darweshan (lower Helmand) after pause for security evaluation. Currently employing over 4,600 workers. Disbursed to date a total Af 11,100,000 in payroll for 65,000 person-days of labor.
- Carried out an assessment visit to upper Helmand with HAVA staff and the deputy provincial governor to plan future activities in Kajaki and Sangin districts.



CASH FOR WORK ACTIVITIES UNDERWAY:

Activity Location	Description of Activity	Current Status	Targets
Nad-i-Ali	Drain cleaning	Work underway in two major areas of Nad-i-Ali district. 2,200 workers currently on site. Planning for expansion to 3,000 workers.	<ul style="list-style-type: none"> • 300,000 labor days generated
Marja	Drain cleaning	Participatory site supervisor selection successfully pioneered at this site (see below). On January 17, added 1,000 new workers in a single day, for a total of 2,000 workers on site. Anticipate addition of a further 1,000 workers by early February.	<ul style="list-style-type: none"> • 300,000 labor days generated
Darweshan	Cleaning of the Darweshan canal	Start-up team returned to Darweshan on Sunday, January 16, 2005, with all necessary tools and equipment. Over 400 workers currently on site, with expansion to 1,000 by end of January.	<ul style="list-style-type: none"> • 75,000 labor days generated
Bolan	Drain cleaning	Work indefinitely suspended due to lack of community cooperation with police following security incident. Laborers paid for work completed.	<ul style="list-style-type: none"> • 3,870 labor days generated
Basharan	Drain cleaning	Work indefinitely suspended due to lack of community cooperation with police following security incident. Laborers paid for work completed.	<ul style="list-style-type: none"> • 1,520 labor days generated
Baba Jai	Drain cleaning	Work indefinitely suspended due to lack of community cooperation with police following security incident. Laborers paid for work completed.	<ul style="list-style-type: none"> • 3,950 labor days generated
TOTAL			<ul style="list-style-type: none"> • 684,340 labor days generated

CASH FOR WORK ACTIVITIES PLANNED:

Activity Location	Description of Activity	Current Status	Targets
Darweshan	Re-channeling of river to prevent damage to Darweshan canal	Anticipate hiring 1,000 workers in May 2005. Preparation of gabion baskets and concrete will begin earlier.	<ul style="list-style-type: none"> • 96,000 labor days generated
Darweshan	Drain cleaning	Anticipate hiring 1,000 workers in June 2005 to clear pick-up drains on the Darweshan irrigation system.	<ul style="list-style-type: none"> • 260,000 labor days generated
Nahri Sarraj	Cleaning of the Sarraj canal	AIP is organizing a cooperative effort with HAVA (to provide design and supervision) and the Lashkar Gah PRT (to provide supplies). Anticipate hiring at least 1,000 workers by mid-February.	<ul style="list-style-type: none"> • 75,000 labor days generated
Nahri	Drain cleaning	Anticipate hiring 1,000 workers by May	<ul style="list-style-type: none"> • 125,000 labor

Activity Location	Description of Activity	Current Status	Targets
Sarraj		2005.	days generated
Kajaki	Karez cleaning	On a January 15, 2005 visit by AIP Team Leader and the Deputy Governor of Helmand, many communities requested rehabilitation of <i>karez</i> irrigation systems. Assessment team scheduled to depart Jan 29, 2004.	<ul style="list-style-type: none"> • 104,000 labor days generated
Kajaki	Check dam construction	HAVA has identified sites where labor-intensive construction of check dams could help replenish the water supply. AIP will consider possible projects upon the arrival of our Chief Engineer, January 31.	<ul style="list-style-type: none"> • TBD
Sangin	Drain cleaning	Assessment team will travel to Sangin district in upper Helmand to survey the drains in early February.	<ul style="list-style-type: none"> • 111,000 labor days generated
Nawa	Drain cleaning	Assessment team will travel to Nawa-e-Barakzayi district in central Helmand to survey the drains in early February.	<ul style="list-style-type: none"> • 250,000 labor days generated
TBD	Road rehabilitation	AIP is exploring the possibility of bringing a team of experts in the labor-intensive technique of cobblestone road construction to Afghanistan to train an Afghan team (April-May 2005) and cobblestone a demonstration road (June-October 2005).	<ul style="list-style-type: none"> • TBD
TOTAL			<ul style="list-style-type: none"> • 1,021,000 labor days generated

COMMUNITY ENTERPRISE AND SOCIAL ACTIVITIES

Since arriving in Lashkar Gah in late November 2004, the AIP team has been in discussion with locally active NGOs over possible grants for community enterprise and social activities reaching vulnerable groups (women, disabled veterans, internally displaced persons, landless or migrant laborers). We are currently considering grant proposals from VARA, Mercy Corps International, and InterSOS.

An AIP Grants Manual has been developed by our Home Office, reviewed by the Field Office, and will shortly be submitted to our CO, Margaret Kline, for approval. We hope to begin making grants in February.

SECURITY PLANNING

Following the Tuesday, December 21, 2004 abduction of three HAVA engineers associated with AIP and the theft of their rental vehicle, the project suspended all activities in the Bolan–Baba Jai area of Lashkar Gah district. The AIP Team Leader made it clear to community elders that work would only be resumed if AIP judged the community to be fully cooperating with the provincial police in investigating the theft. By January 12, 2005, when the community was still not cooperating with the police investigation, AIP made the decision to pay the laborers in those districts for their incomplete weeks of work and indefinitely suspend activities in Bolan, Basharan, and Baba Jai.

Our Security Expert, Charles Watt, arrived in Lashkar Gah on January 8, 2004. He is revising AIP procedures and the project Emergency Action and Evacuation Plan (EAEP) in coordination with provincial police and the Lashkar Gah PRT. In the meantime, the security measures put in place after the

abduction (police escorts for all vehicles outside Lashkar Gah, improved field communications) have proven adequate to resume our expansion into lower Helmand.

VISITS BY GOVERNOR AND CONGRESSMAN

AIP has been working closely with Sher Mohammad, governor of Helmand province, since the beginning of the project. He has been extremely helpful in community consultations and resolution of security issues.



Governor Sher Mohammad pays an AIP laborer at Nad-i-Ali

On January 5, 2005, AIP invited the governor to accompany our paymaster team to Nad-i-Ali and take part in the second payroll there. The governor personally handed out pay packets to the first work crew. He expressed appreciation for AIP's activities and praised USAID's work to the assembled laborers.

On January 17, 2005, AIP staff members had the opportunity to take part in a briefing at the PRT for Congressman Mark Kirk of Illinois. Jim Graham and Joel Hafvenstein presented on AIP's cash-for-work activities. Along with USAID's Pat Irish and two CADG staff, the AIP staff answered several questions about alternative livelihoods from the Congressman and his entourage.

TRANSPARENT SUPERVISOR SELECTION

As the Marja crew finished one block of drains and moved to another, AIP had to hire five new supervisors and a new labor crew from the new block. The Government/Community Liaison, Yaqub Roshan, chose this opportunity to pioneer a transparent, equal-access procedure for hiring supervisor applicants. First, each community in the block was contacted and asked to introduce qualified candidates. Over 29 applicants showed up at the district governor's premises to go through the selection process, held on January 6, 2005. Participants took a short written test designed by an AIP Engineer, then an oral test in closed session. The best five were identified by a selection committee comprising district officials, HAVA officials, and AIP technical staff. Some 70 people were present to observe, including members of the District Shura, officials, and community members. The district governor and several Shura members praised the procedure, saying that it was far clearer, more legitimate, and less contentious than traditional methods of hiring.

The process has been used since to add supervisors for another thousand workers in Marja, and the exceptionally smooth start-up of activities with those workers can be attributed in part to the transparent, legitimate way in which genuinely qualified candidates were chosen before the whole community.



The photos above illustrate the conditions of the canals before cleaning, and after

Ten Second Snapshot



Mohammad Ibrahim

- Foreman on the Marja drain cleaning activity
- 12th grade graduate and aspiring engineer
- Landless – primary source of family income is his work with AIP.

Quick Facts

From discussions with Mohammad Ibrahim and his work crew.

Improvements over past year

- Fewer armed burglaries or kidnappings.
- NGOs have been rebuilding essential infrastructure (wells, primary schools).

On alternative livelihoods:

- The degradation of Marja’s agricultural land has forced farmers to make a living from smaller plots of land. Improving the irrigation system will allow farmers to reclaim land and plant crops with a lower cash return per hectare.
- Much less poppy is being grown in Marja this year. Farmers are aware of the eradication threat. “Only the poorest are planting.”
- Many farmers have reportedly left their land fallow this year. Some have claimed that given low yields on degraded land, they would spend more on seeds and fertilizer than they would earn from their crops.

Quarterly Report Q4 FY04

Nangarhar Emergency Seed Wheat and Fertilizer Distribution Program**German Agro Action****Life of Project: December 4, 2004 – June 30, 2005****Provinces: Nangarhar**

<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#48-0004-GAA	30-Nov-04	Naqib Ahmad	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$27,825	\$23,000	\$23,000	\$0	\$4,824
Project Description: This action arose mainly as a result of the US Mission to Afghanistan, responding to a request by the Governor of Nangarhar Province for help to encourage farmers to start cultivating licit crops in lieu of illicit crops (opium poppy). In order to respond, therefore, the US Mission is launching an emergency distribution program of seed wheat and fertilizer in 23 districts of Nangarhar Province.				
Expected Results (by end of project):				

Quarterly Report Q4 FY04				
Nangarhar Emergency Seed Wheat and Fertilizer Distribution Program				
International Center for Agricultural Research in the Dry Areas				
Life of Project: December 4, 2004 – June 30, 2005				
Provinces: Nangarhar				
<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#48-0004-ICARDA	4-Dec-04	Naqib Ahmad	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$45,444	\$0	\$0	\$0	\$45,444
Project Description: This action arose mainly as a result of the US Mission to Afghanistan, responding to a request by the Governor of Nangarhar Province for help to encourage farmers to start cultivating licit crops in lieu of illicit crops (opium poppy). In order to respond, therefore, the US Mission is launching an emergency distribution program of seed wheat and fertilizer in 23 districts of Nangarhar Province.				

Quarterly Report Q4 FY04				
Nangarhar Emergency Seed Wheat and Fertilizer Distribution Program				
International Foundation for Hope				
Life of Project: December 4, 2004 – June 30, 2005				
Provinces: Nangarhar				
<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#48-0004-IF Hope	4-Dec-04	Naqib Ahmad	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$45,103	\$0	\$0	\$0	\$45,103
Project Description: This action arose mainly as a result of the US Mission to Afghanistan, responding to a request by the Governor of Nangarhar Province for help to encourage farmers to start cultivating licit crops in lieu of illicit crops (opium poppy). In order to respond, therefore, the US Mission is launching an emergency distribution program of seed wheat and fertilizer in 23 districts of Nangarhar Province.				

Quarterly Report Q4 FY04				
Nangarhar Emergency Seed Wheat and Fertilizer Distribution Program				
Relief International				
Life of Project: December 4, 2004 – June 30, 2005				
Provinces: Nangarhar				
<i>Job Order No.</i>	<i>Date of Award</i>	<i>Project Manager</i>	<i>USAID CTO</i>	<i>USAID CO</i>
JO#48-0004-RI	4-Dec-04	Naqib Ahmad	Dan Miller	Margaret Kline
<i>Ceiling Price</i>	<i>Quarter Expenditures</i>	<i>Cumulative Expenditures</i>	<i>Accruals to Date</i>	<i>Balance</i>
\$314,798	\$222,092	\$222,092	\$0	\$92,706
Project Description: This action arose mainly as a result of the US Mission to Afghanistan, responding to a request by the Governor of Nangarhar Province for help to encourage farmers to start cultivating licit crops in lieu of illicit crops (opium poppy). In order to respond, therefore, the US Mission is launching an emergency distribution program of seed wheat and fertilizer in 23 districts of Nangarhar Province.				

Quarterly Report Q4 FY04

Nangarhar Emergency Seed Wheat and Fertilizer Distribution Program				
Relief International				
Life of Project: December 4, 2004 – June 30, 2005				
Provinces: Nangarhar				
Job Order No.	Date of Award	Project Manager	USAID CTO	USAID CO
JO#48-0004-RI	4-Dec-04	Naqib Ahmad	Dan Miller	Margaret Kline
Ceiling Price	Quarter Expenditures	Cumulative Expenditures	Accruals to Date	Balance
\$314,798	\$222,092	\$222,092	\$0	\$92,706
Project Description: This action arose mainly as a result of the US Mission to Afghanistan, responding to a request by the Governor of Nangarhar Province for help to encourage farmers to start cultivating licit crops in lieu of illicit crops (opium poppy). In order to respond, therefore, the US Mission is launching an emergency distribution program of seed wheat and fertilizer in 23 districts of Nangarhar Province.				

Expected Results (by end of project):

Nangarhar Emergency Seed Wheat and Fertilizer Distribution Program				
Rural Development and Reconstruction Organization				
Life of Project: December 4, 2004 – June 30, 2005				
Provinces: Nangarhar				
Job Order No.	Date of Award	Project Manager	USAID CTO	USAID CO
JO#48-0004-RDRO	4-Dec-04	Naqib Ahmad	Dan Miller	Margaret Kline
Ceiling Price	Quarter Expenditures	Cumulative Expenditures	Accruals to Date	Balance
\$25,000	\$25,000	\$25,000	\$0	\$0
Project Description: This action arose mainly as a result of the US Mission to Afghanistan, responding to a request by the Governor of Nangarhar Province for help to encourage farmers to start cultivating licit crops in lieu of illicit crops (opium poppy). In order to respond, therefore, the US Mission is launching an emergency distribution program of seed wheat and fertilizer in 23 districts of Nangarhar Province.				

Quarterly Report Q4 FY04

Nangarhar Emergency Seed Wheat and Fertilizer Distribution Program				
Social and Technical Association for Afghanistan Rehabilitation				
Life of Project: December 4, 2004 – June 30, 2005				
Provinces: Nangarhar				
Job Order No.	Date of Award	Project Manager	USAID CTO	USAID CO
JO#48-0004-STAAAR	4-Dec-04	Naqib Ahmad	Dan Miller	Margaret Kline
Ceiling Price	Quarter Expenditures	Cumulative Expenditures	Accruals to Date	Balance
\$31,798	\$11,084	\$11,084	\$0	\$20,714
Project Description: This action arose mainly as a result of the US Mission to Afghanistan, responding to a request by the Governor of Nangarhar Province for help to encourage farmers to start cultivating licit crops in lieu of illicit crops (opium poppy). In order to respond, therefore, the US Mission is launching an emergency distribution program of seed wheat and fertilizer in 23 districts of Nangarhar Province.				

Accomplishments

In response to a request from the Governor of Nangarhar and the Minister of Rural Rehabilitation and Development, the U.S. Ambassador to Afghanistan, Dr. Zalmay Khalilzad mobilized the U.S. Agency for International Development (USAID) and the U.S. Department of Agriculture (USDA) to organize the distribution of 490 MT of wheat seed and 1,478MT of fertilizer to Afghan farmers in all 23 districts of

Nangarhar. Dr. Khalilzad presented the wheat seed to the Governor of Nangarhar on Saturday, December 4, at a ceremony held in Jalalabad.

The wheat and fertilizer distribution campaign is just one part of a broader, anti-poppy initiative to ensure alternative livelihoods for Afghan farming families. The effort is coordinated by the USAID funded Rebuilding Agricultural Markets Program, as implemented by Chemonics International. RAMP is the largest agricultural development initiative in Afghanistan.

In just one week, 95% of the seed and fertilizer was disseminated to needy families in every district of Nangarhar. Needy farmers identified by local leaders and other NGOs were gathered to collect their wheat and make their pledge not to grow poppies. In all, over 19,500 families in need received enough wheat, fertilizer and extension training to grow 1 jerib, or approximately ½ acre, of improved quality, high-yielding wheat.

The U.S. Department of Agriculture (USDA) procured and shipped 450 metric tons of seed from Pakistan as part of this major collaborative effort that includes community mobilization by the Governor of Nangarhar and the Nangarhar Provincial Reconstruction Team (PRT). The PRT and the Afghan National Army provided security escorts for the distribution effort.

The remaining 40 metric tons of seed was procured from Afghan farmers working with Village Based Seed Enterprises, a project implemented by a RAMP partner, the International Center for Agricultural Research in the Dry Areas (ICARDA). To ensure the best possible yields and quality, farmers also received information on improved wheat production through extension services provided by RAMP, the Ministry of Agriculture and Animal Husbandry, wheat production brochures in local languages and radio programming. A post harvest survey will be conducted to assess the impact of the campaign.

Organizations and agencies assisting in the wheat and fertilizer distribution effort include: Relief International (RI), the International Center for Research in Agriculture in Dry Areas (ICARDA), the International Foundation of Hope (IFHope), Rural Development and Reconstruction Organization (RDRO), German Agro Action (GAA), Reconstruction and Social Services for Afghanistan (RSSA), Social & Technical Association for Afghanistan Rehabilitation (STAAR).

The emergency wheat campaign is part of a larger RAMP initiative to increase the marketable value of agricultural products in Afghanistan and provide alternative livelihoods. Nangarhar has also benefited from improved farm to market roads, rehabilitated irrigation systems, new market centers and cold storage facilities. In addition, rural financial services are now available, providing a wide range of credit products for farmers and processors. As one of the 5 target regions of Afghanistan selected for RAMP interventions, there are currently 18 USAID/RAMP projects that affect Nangarhar.



U.S. Ambassador to Afghanistan, Dr. Zalmay Khalilzad, at the inauguration of the wheat campaign in Nangarhar, right



A Nangarhar farmer collecting a sack of wheat seed