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AFGHANISTAN SMALL AND MEDIUM ENTERPRISE DEVELOPMENT (ASMED)

QUARTERLY REPORT OCTOBER THROUGH DECEMBER 2010

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ABBREVIATIONS

ABA	Afghan Builders' Association
ABA	Afghan Banker's Association
ABC	Advanced Business Consulting
ACCA	Afghan Consulting Companies Association
ACCI	Afghanistan Chamber of Commerce and Industry
ACCW	Afghan Craft Carpets Weaving and Processing Company
ACEG	Afghan Carpet Exports Guild
ADP/E	Alternative Development Program/East
ADT	Agribusiness Development Team
AEW	Afghan Earth Works
AIBM	Afghan Institute of Business Management
AICB	Afghan Innovative Consulting Bureau
AISA	Afghanistan Investment Support Agency
AREDP	Afghanistan Rural Enterprise Development Program
ASMED	Afghanistan Small and Medium Enterprise Development
AWAA	Afghan Women's Agriculture Association
AWBF	Afghan Women's Business Federation
AWSBDA	Afghan Women's Social and Business Development Association
BBA	Bachelor in Business Administration
BDC	Business Development Center
BDS	Business Development Services
BSP	Business Service Providers
CBS	Comprehensive Business Services
CCI	Chamber of Commerce and Industries
CEFE	Competency Based Economies through Formation of Enterprise
CIDA	Canadian International Development Agency
EPAA	Export Promotion Agency of Afghanistan
ESDC	Entrepreneurship Skill Development Center
FICCI	Federation of Indian Chamber of Commerce and Industries
FMFB	First Micro Finance Bank
GDA	Global Development Alliance

HUDO	Hewad United Development Organization
IITF	India International Trade Fair
ISO	International Organization for Standardization
MDG	Marketplace Development Grant
MHP	Mini Hydro Power
MICC	Mashallah Ibrahim Construction Company
MoCI	Ministry of Commerce and Industries
MOU	Memorandum of Understanding
MRRD	Ministry of Rural Rehabilitation and Development
NGO	Non-governmental Organization
PCCTNUK	Provincial Council of Crafters/Traders National Union of Kunduz
PCCUB	Provincial Council of the Crafters Union, Baghlan
PDT	Peace Dividend Trust
PRT	Provincial Reconstruction Team
QSPA	Qataghan Seed Production Association
RFP	Request for Payment
RHL	Remote Hydro-lights
SCPC	Shadmerh Candy Production Company
SDLR	Social Development and Legal Rights
SME	Small and Medium Enterprise
SPWA	Seed Producer and Wholesaler Association
TMF	Turquoise Mountain Foundation
WPCO	Women's Public Call Office
WWA	Women's World Association

EXECUTIVE SUMMARY

As of Nov. 1, ASMED entered its fifth and final year of implementation, and is programmed to close out in October 2011. ASMED's contract was modified to increase the contract ceiling by \$25 million and additional activities were added to support SME growth and increased job opportunities in 24 Key Terrain Districts (KTDs).

ASMED has fully programmed all activities required to meet contract deliverables under core ASMED funding, and most of the core contract funds have been obligated.

ASMED is now beginning activity design and screening for KTD activities and is on track to achieve performance targets for core activity indicators by October 2011.

The selected KTDs are:

1. **Northern Region:** Kunduz, Aybak, Puli Khumri, Baghlani Jadid, and Imam Sahib (5KTDs)
2. **Eastern Region:** Mihterlam, Qargahi, Surkh Rod, Khogiani, Jalalabad, Bihsud, Kuz Kunar, Nurgal, Shinwar, Muhmand Dara (10 KTDs)
3. **Southern Region:** Kandahar, Spin Boldak, Daman, Argandab, Lashkar Gah (5KTDs)
4. **Western Region:** Hirat, Injil, Zanda Jan, Guzara, and Qala I Naw (5 KTDs)

CENTRAL REGION HIGHLIGHTS:

Pamir Poultry Feed Mill partnership now supports all Afghanistan poultry firms

Pamir Poultry Feed Mill (PPFM) is ASMED's partner in a GDA for producing poultry feed. Currently poultry feed is exported from neighboring countries by establishment of PPFM, the poultry firms in Afghanistan and will benefit the good quality feed with a reasonable price. ASMED is contributing \$159,700 for procurement of machinery and equipment. PPFM contributed \$603,750 for providing land, building construction, working capital and operational costs. ASMED's implementation team visited PPFM Nov. 9. The factory will be operational in January.



The Carpet Cut and Wash facility starts operations

Development of a carpet processing facility in Kabul provides the opportunity for the carpet producers to establish the Afghan brand and benefit duty exemptions offered by the U.S. and E.U. Customs on Afghan, imported products.

The carpet cut-and-wash machinery installed at Paiman Atlas Group of Companies (PAG) carpet complex, changed manual and hand-wash carpet finishing process to automated modern methods in Dasht Barchi, Kabul.

ASMED team visited PAG Dec. 20, to verify the installation of the equipment procured under a GDA with a contribution of \$201,793 from ASMED which supported PAG in the procurement of cut-and-wash machinery.



Cut-and-Wash equipment for Paiman Atlas Group Dec. 20, 2010
USAID/ASMED

EASTERN REGION HIGHLIGHTS:

Nangarhar University students continue Agriculture Development Training

ASMED and Laghman Provincial Reconstruction Team arranged an Agriculture Development Training for 28 students of Agriculture faculty of Nangarhar University. The training started Sept. 7, and was completed Dec. 9. ASMED provided transportation from Nangarhar University compound to Mihterlam Agriculture Research and Development Farm for the students. This Agriculture training was initiated by Laghman PRT. The sessions were practical with related theory. Animal Husbandry, Veterinary Science, Agronomy, Horticulture, Pomology, Crop Diseases, Vegetable Diseases, Pest Control, Drip Irrigation, Soil Science like Soil Sampling, Soil Properties and Soil Analysis, Forestry are taught with modern techniques.



A view of the Agriculture Training Laghman
USAID/ASMED

Pathology Lab Mughul Khan Memorial Hospital

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

NORTHERN REGION HIGHLIGHTS:

Shadmehr Candy Production highlighted by Arab news media

Arab news journalists visited Mazari Sharif Nov. 8 reporting on USAID projects and positively highlighted the work of the U.S. Government in Afghanistan. The delegation visited ASMED's Candy Production GDA, which assisted Shadmehr Candy Production Company to purchase new machinery and increase production, creating 45 new jobs. The news piece reached thousands in the Arab world. During the interview, the owner expressed gratitude for ASMED assistance. *"Before USAID/ASMED's assistance, the company used to produce four metric tons of candy per day. Now the company has the capacity to produce up to 10 metric tons per day. In the past, we faced too many problems. We had to pay 15 percent tax importing raw material. Today, if we import finished products we pay only five percent."*

Gemstone Training Center receives heaters, air conditioners

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

SOUTHERN REGION HIGHLIGHTS:

Afghanbids.com Orientation Session

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



Afghanbids.com Orientation Session
USAID/ASMED

Khadija Kubra Women Association for Culture

ASMED provided 18 tailoring and bag-making machines to Khadija Kubra Women Association for Culture in Kandahar City Dec. 20. ASMED supported the KKWAC through an association grant for \$16,500. The association uses the equipment to increase productivity and improve quality of the products assisting the association in providing better services to its members and expand/support women businesses in the area.



WESTERN REGION HIGHLIGHTS:

Apprenticeship program results in sustainable jobs

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

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

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

Saffron BSP, Guzara District, Province

ASMED engaged an experienced agribusiness consultant to work with an international (Dutch) and a local saffron production company to develop a GDA concept proposal establishing an international standard Saffron production input supply and processing facility in Guzara District Nov. 25 through Dec 14. This production involved a number of consultations as well as site visits to saffron facilities in the Province.

GLOBAL DEVELOPMENT ALLIANCES AND GRANTS HIGHLIGHTS

The GDA and Grant teams continue implementation of new processing systems and controls, making it possible to process a great volume of activities, while greatly improving oversight and compliance. During this quarter, ASMED approved one GDA, committing \$348,000 and partner committing \$698,000. ASMED awarded three new grants during the quarter, totaling \$349,734. A total of four grants totaling \$60,344 were completed during the quarter.

ASMED signs GDA contract with Cashmere Fibers Int. Ltd.

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

MONITORING AND EVALUATION (M&E)

ASMED Progress Towards Indicators, Q1 2011

PMP Ind	PERFORMANCE INDICATOR <i>(source of information)</i>	Region of Coverage	Qtr 01 11 October - December 2010			Cumulative Year 2011			LIFE OF PROJECT Totals		
			Target	Ttl	%	Target	Ttl	%	LOP Target	Ttl	%
Tier I Indicators											
2.1	50 BDS Firms Supported <i>(BSP Reg Forms)</i>	<i>Afghanistan-wide</i>	8	1	13%	30	1	3%	50	27	54
2.2	12,000 businesses supported <i>(Enterprise and Association Reg forms)</i>	<i>Afghanistan-wide</i>	706	69	10%	12,000	69	1%	12,000	10,086	84
2.3	1,550 new SMEs created <i>(Enterprise Reg forms)</i>	<i>Afghanistan-wide</i>	100	21	21%	500	21	4%	1,550	1,089	70
2.4	150 SMEs accessed bank loans/equity as a result of USG assistance <i>(Enterprise Survey DB, Reg. and Survey Forms)</i>	<i>Afghanistan-wide</i>	8	2	27%	30	2	7%	150	125	83
3.2	400 existing business associations supported <i>(Association Reg forms)</i>	<i>Afghanistan-wide</i>	10	11	110%	40	11	28%	400	388	97
4.2	\$75 million leveraged through Private-Public partnerships (GDAs) <i>(GDA Agreements)</i>	<i>Afghanistan-wide</i>	\$3,000,000	\$19,806,689	660%	\$12,000,000	\$19,806,689	165%	\$75,000,000	\$82,925,839	111%
5.1	2100 internship opportunities provided <i>(Internship Reg forms)</i>	<i>Afghanistan-wide</i>	150	157	105%	300	157	52%	2,100	2,103	100%
5.2	750 Graduates Trained in Sector Specific Skills <i>(Graduate registration forms)</i>	<i>Afghanistan-wide</i>	125	165	132%	500	165	33%	750	417	56%
Tier II Indicators											
A	3,000 SMEs that have added value and/or diversified into higher value products and services as a result of ASMED assistance <i>(Enterprise Survey DB, Reg and Survey forms)</i>	<i>Afghanistan-wide</i>	75	0	0%	500	0	0%	3,000	2,724	91%
B	25% increase in number of clients of Business Development Service providers <i>(BSP Survey)</i>	<i>Afghanistan-wide</i>	25%	0%	0%	25%	0%	0%	25%	57%	228%
C	60,000 full-time jobs created by USG supported activities <i>(Enterprise Survey DB, Reg. and Survey Forms)</i>	<i>Afghanistan-wide</i>	5,000	0	0%	20,000	0	0%	60,000	51,913	87%
D	3,000 firms investing in improved technology as a result of ASMED assistance <i>(Enterprise Survey DB, Reg. and Survey Forms)</i>	<i>Afghanistan-wide</i>	125	0	0%	500	0	0%	3,000	2751	92%

CENTRAL REGION

Verona (Italy) Marble Fair 2010

The Verona Fair is one of the most important and largest marble fairs in Italy and has exhibitors/buyers from all over the world. ASMED's delegation, Sayed Abid Akbary, technical assistance coordinator and Paul Lamoureux, stone consultant, attended the fair Sept. 29-Oct. 2 to help reinforce, build and continue the relationship established with equipment manufacturers, buyers, investors, and suppliers over the past years. Equity Capital Mining and Chesht Marble Processing companies represented the Afghanistan booths during the event.



AWBF Members Association networking event

The ASMED team, representatives of USAID Trade and Accession Facilitation for Afghanistan (TAF), GTZ, other women associations and local media attended the AWBF Members Association networking event Oct 11. The event w introduced AWBF to multi-media and strengthened the relationship with the government, foreign organizations and embassies, as well as establishing networks between AWBF member associations and major stakeholders. AWBF also inaugurated a showroom of handicrafts where different hand-made products were displayed.

Pamir Poultry Feed Mill partnership now supports all Afghanistan poultry firms

Pamir Poultry Feed Mill (PPFM) is ASMED's partner in a GDA for producing poultry feed. Currently, poultry feed is exported from neighboring countries by establishment of PPFM, the poultry firms in Afghanistan and will benefit the good quality feed with a reasonable price.

ASMED is contributing \$159,700 for procurement of machinery and equipment. PPFM contributed \$603,750 for providing land, building construction, working capital and operational costs. ASMED's implementation team visited PPRM Nov.9. The factory will be operational in January.



Pamir Poultry Feed Mill
USAID/ASMED

Basic Pattern-Making training

ASMED performance team visited Royah Design center Dec. 8 in Kabul.

ASMED, with assistance of Royah Design center, provided a course for learning basic pattern-making principles in Kabul. The training provided female artisans (specifically working in tailoring, clothing and home accessories) with basic knowledge of measurements, patterns and stitching techniques. The basic pattern-making program develops understanding of sizing, and the level of quality needed to deliver production to customers.

The training included producers good in transforming training to their colleagues. They will be able to get more employment opportunities or could be employed by Royah design. The training began in Nov. 22 and concluded Dec. 22.

Marble Quarries GPS Coordinate Survey

ASMED supported the Afghanistan Marble Industry Association through an association grant of \$134,237 to conduct a survey and locate marble and granite resources across Afghanistan Nov. 22.

Participation of Afghan marble traders in several international exhibitions attracted international investors. The promotion of investment opportunities in Afghan marble requires completion of a GPS survey to define locations of marble and granite resources all over the country.

WINDECON, an Afghan private company, is conducting the survey. WINDCOM will visit a minimum of 65 sites all over the country and will survey the existing and potential quarry sites. Collected information will include indexed photo/video graphic information; GPS coordinates of the locations, and sample stones from the sites.

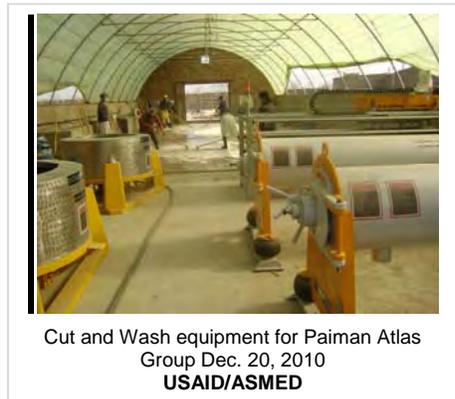
The company started the project Dec. 26 and is expected to be completed by March 2011.

Carpet Cut-and-Wash facility starts operations

Development of a carpet processing facility in Kabul provides the opportunity for carpet producers to establish the Afghan brand and benefit duty exemptions offered by the U.S. and E.U. Customs on Afghan imported products.

The carpet cut-and-wash machinery installed to Paiman Atlas Group of Companies (PAG) carpet complex, changed manual and hand-wash carpet finishing process to automated modern methods in Dasht Barchi, Kabul.

ASMED team visited PAG Dec. 20 to verify the installation of the equipment procured under a GDA with a contribution of \$201,793 from ASMED.



EASTERN REGION

Kabul International Ag-Fair

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

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



ASMED supported the cost of booths (\$4,050) and expenses for nine sponsored SMEs. ASMED team registered the SMEs with USAID/ASAP for participating. The minister of Agriculture, Asif Rahimi visited the booths and said the MAIL will provide land on lease to the interested agribusiness SMEs. The Ministry of Agriculture began certification of agricultural products, providing quality control certificates for eligible businesses. Most of the SMEs signed contracts with Supreme Logistics, a company that supplies food items to the NATO/ISAF, coalition forces, and National Police and Afghanistan National Army countrywide.

Completion of Nangarhar University Internship Program

Nangarhar University Internship Program was successfully completed Oct. 5 for 75 interns (25 women) from Nangarhar Province. Twenty-two (eight women) out of 75 obtained permanent jobs in October with different organizations. In the past ASMED held graduation ceremonies upon completion of its internship programs. However, due to transportation and security issues this past program was concluded without a formal graduation. Certificates were distributed individually.

Nangarhar Marble and Granite Association (NMGA) coordination meeting

ASMED Marble Sector team met with members of NMGA Nov 2. Ten members attended the marble presentation - an educational training about the current status of the marble sector in Afghanistan. IDEA-NEW was also represented in this collaborative discussion about how to develop the sector. ASMED offered technical assistance with new quarry selection and training to view new equipment. All members left the meeting with a new understanding of the priorities for growing the industry, specifically focusing on obtaining investment necessary to open a high-quality quarry in the East, which will need to be a collaborative effort for the association, with guidance and technical assistance from ASMED.

District Coordinators and Team Leaders in Nangarhar identified

ASMED identified 10 District Coordinators and one District Team Leader Nov 4 to provide ASMED program development coverage for Jalalabad, Surkhrod, Bihsud, Shinwar, Mohmandara, Khogiani, Kuz Kunar (Khewa), Nurgal, Mihterlam, and Qarghayi – all Key Terrain Districts. District Coordinators will meet with local businesses, councils, and district governor offices to identify viable program activities and develop concepts for submission to USAID for support.

ASMED's M&E team conducts Baseline Survey in Eastern Region (KTDs)

ASMED Monitoring & Evaluation team organized a one-day training for seven surveyors Nov. 29 to conduct a baseline survey in Nurgal District of Kunar Province, Mihterlam and Qarghaiy Districts of Laghman Province and Khogiani, Surkhrod, Bihsud, Khewa, Mohmandara and Shinwar Districts of Nangarhar Nov. 30 to Dec. 2. The results of the survey enable ASMED to design programs according to available resources of each district.

Nangarhar University students continue Agriculture Development Training

ASMED and Laghman Provincial Reconstruction Team (PRT) arranged an Agriculture Development Training for 28 students of Agriculture faculty of Nangarhar University. The training started Sept. 7 and completed Dec. 9. ASMED provided transportation from Nangarhar University compound to Mihterlam Agriculture Research and Development Farm for the students. This Agriculture training was initiated by Laghman PRT. The sessions are practical with related theory. Animal Husbandry, Veterinary Science, Agronomy, Horticulture, Pomology, Crop Diseases, Vegetable Diseases, Pest Control, Drip Irrigation, Soil Science like Soil Sampling, Soil Properties and Soil Analysis, Forestry are taught with modern techniques.



A view of the Agriculture Training Laghman
USAID/ASMED

Kunar, Laghman high schools, university internship program completed

ASMED in Jalalabad contracted Blue Chip Business Development Services April 12 to train 95 (19 women) high school and university students in Laghman and Kunar Provinces. Under the program, the interns received three months theoretical training in accounting and office management. After the theoretical training, interns were introduced to different organizations for a three-month practical training in Laghman and Kunar Provinces.

The internship program successfully completed Dec. 1. Seventeen men (three women) received permanent jobs from both provinces. ASMED usually holds graduation ceremonies upon completion. Due to security issues, the program was concluded without a formal graduation.

Afghan Carpet Exporters Guild Meeting

ASMED organized a meeting with the Jalalabad Afghan Carpet Exporters Guild in Kabul Dec. 6, to discuss an extension of grant scheduled to finish Nov 30.

Nine members of the Guild discussed how to fix the issues. ASMED and Guild members agreed on necessary amendments for the sustainability of the program which is expected to have positive impact on the exposure of the market to local and international buyers. Without proper local and international markets, it is difficult to reach sellers regarding the available carpets in the Jalalabad Carpet Bazaar.

Pathology Lab Mughul Khan Memorial Hospital

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

NORTHERN REGION

ASMED employee attends Code of Conduct workshop

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

Preparation for upcoming Marble Conference

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

Gemstone Training Center receives heaters and air conditioners

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



Women World Association grant updates

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



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

Internship Graduation Ceremony held for Faryab Interns

In partnership with Faryab University and the Balkh BDS, ASMED trained interns from Faryab University in accounting, management and marketing and provided work opportunities for 50 students (18 women). The program began March 6 and ended Sept. 11. Many of the interns received permanent jobs. An internship graduation ceremony was held Oct. 28. The Governor talked about the importance of the internship programs - especially in the business sector - and appreciated ASMED efforts in launching such productive and fruitful programs. The governor requested extending educational, economical and business internship programs for undergraduate students in the future.

Distribution of carpet looms in Dawlatabad

ASMED's providing Value Chain Improvement grant (\$28,400) supported to Etefaq Dawlatabad Carpet Production Company. The grant support included procuring 61 carpet looms (495 m²), an electric generator, benches, posters and brochures. A total of 220 carpet weavers benefit from the project. ASMED delivered 35 looms to the company, located in Dawlatabad District, Nov. 1. ASMED team met with the company's management Nov.7, to verify the company's contribution and delivery date of the remaining carpet looms.



Carpet looms delivered to Etefaq
Dawlatabad Carpet Weaving Company
USAID/ASMED

ASMED verifies construction of Turkmen Women's Active Rights building

ASMED provided Association Development grant (\$14,954) support to Turkmen Women's Active Rights Association by setting up two carpet production facilities, in Shortepa District Balkh Province and Khanaqa District, Jawzjan Province. This grant helped association members increase production and quality in felt weaving. ASMED engineers in Mazar visited the site Nov. 1 to verify association's contribution (construction of the center).

Takhar Grain Market pavilion construction

ASMED awarded a Marketplace Development grant (\$15,000) for construction of pavilions in Takhar Grain Market July 27. After a delay due to issues between shopkeepers and the municipality, construction of the pavilions began Nov. 2. The shopkeepers and municipality will contribute in the preparation of the grounds, as well as the construction of sidewalks. They have also agreed to start a waste collection system to improve sanitation in the market. Successful completion of this grant will create a cleaner environment for shopkeepers and visitors.

Inauguration of Women's Market of Sari Pul

Sari Pul City is one of the populated cities in the north with only one market in the province. The majority of buyers and sellers are women. Currently, 42 women entrepreneurs are working in the market. In the past, the infrastructure of the market was not developed. Women were selling their goods in open spaces and on the ground without protection during all seasons. The Department of Women Affairs of Sari Pul Province lacked funds to implement any development projects. The governor of Sari Pul requested financial assistance from ASMED during a meeting with USAID Field Program Officer.

ASMED, through a Marketplace Development grant (\$14,984), constructed two pavilions inside the women's market providing shelter and protection from sun and rain. A total of 42 women benefited from the project that began Mar. 15 and was completed Sept.15. ASMED held an opening ceremony Nov. 8, officially inaugurating the market.

Shadmehr Candy Production highlighted by Arab news media

Arab news journalists visited Mazari Sharif Nov. 8 reporting on USAID projects and positively highlighted the work of the U.S. Government in Afghanistan. The delegation visited ASMED's Candy Production GDA, which assisted Shadmehr Candy Production Company to purchase new machinery and increase production, creating 45 new jobs. The news piece will reach thousands in the Arab world. During the interview, the owner expressed gratitude for ASMED assistance. *"Before USAID/ASMED's assistance, the company used to produce four metric tons of candy per day. Now the company has the capacity to produce up to 10 metric tons per day. In the past, we faced too many problems. We had to pay 15 percent tax importing raw material. Today, if we import finished products we pay only five percent."*

ASMED meets with Saadat Tomato Paste Company to resolve consultancy issues

USAID/ASMED, under a GDA contract, is supporting Sadaat Tomato Paste Company by constructing a cold storage facility, providing equipment for a quality control laboratory and consultancy services. ASMED met with the owner Nov. 8 seeking reasons for delivery delays of laboratory equipment from Pakistan and discussed the implementation of consultancy services for the company.

Mazar Dry Fruit Processing Association members receive training

Twenty members from Mazar Balkh Dry Fruits Processing and Exporter Association received training from Nov. 24 to Nov. 30 on grading, sorting, and packaging dried fruits. The training was delivered by an agribusiness specialist from Balkh Silk Road BDS. This was the final deliverable of a \$26,632 Association Development grant, which also supported the association registering with the Ministry of Justice and construction of a warehouse inside the dried fruit market for members to store fruit and grain, protecting it from inclement weather. All components of the grant were designed to support members to increase sales and provide a higher quality product.

Carpet Production Center in Dawlatabad receives equipment

ASMED, under a Value Chain Improvement grant (\$28,400) is supporting Etefaq Dawlatabad Carpet Weaving Company in Dawlatabad District to increase the quality and quantity of carpet produced in the area. ASMED Mazar implementation team facilitated a MoU between the company and a local carpenter Nov. 30 to provide benches for the weavers. The benches will be used in conjunction with the 61 carpet looms provided under the first installment of the same grant. In addition, the implementation team, together with the grantee, selected a company for the provision of a 10kw generator.

ASMED helps Sadaat Tomato Paste Company's finance personnel

Employees of Sadaat Tomato Paste, under the GDA project supported by ASMED, received a 15-day training on administration, finance, and marketing, delivered by Beacon BDS Nov. 9-28. This program helps personnel become more efficient in the management of the company's operations.

Takht Rustam Marble Processing Co. starts operations with the new equipment

Takht Rustam Marble Processing Company was using very primitive machinery to extract marble in the past. New assistance by ASMED helped the company increase the quality and output of its product to meet local demands. The financial and technical support of ASMED helped the company procure wire-saws to cut the marble in blocks, reducing marble waste from 75 percent to five percent.

The company started using the new equipment Nov. 28 after signing a contract with Indian Embassy to supply 8000 m² of yellow marble one of high quality marble in the world, available in Samangan Province. Under the GDA (\$44,000) fund ASMED financed the purchase and installation of new equipment and will provide professional training to improve administrative and financial systems of the company. This partnership creates 20 direct and 50 indirect jobs.

Demographical Information survey for KTDs, Northern Region

ASMED team in the north surveyed Aybak City Samangan Province Nov. 30. After an economical background study of the province, the team met the head of crafters union, private sector key players and individuals for feasibility of SME development and economic growth projects.

As a result, ASMED identified the following projects:

- Marble and gypsum processing facility
- Developing metallic pots factories to produce high-quality cooking pots
- Shoe-making factories
- Design center for embroidery and tailoring for women and vocational and designing training for women
- Developing technical trainings and financial support for SMEs involved in spare parts production for tractors and heavy weight vehicles
- Building slaughter house, rehabilitation of butcher markets, establishment of fruit and vegetable markets in Samangan Province.

Marketing survey helps Sadat Tomato Paste Company develop marketing strategy

ASMED, under a GDA agreement, is offering consultancy services to Sadat Tomato Paste Company through a contract with Beacon Consulting Company. The consultancy helped the company improve administration, finance, and marketing systems. Based on the contract, Beacon started a survey Nov. 30. The survey was conducted in provinces for 14 days. The survey identified perceived strengths and weaknesses of Sadat in the market to help the company develop a marketing action plan/strategy.

Takhar Grain Market Pavilion Installation is Completed

Takhar Grain Market is the only grain market in the area. There are 50 shops in the market each employing about three personnel. ASMED awarded a marketplace development grant of \$14,954 for the construction of the pavilion Oct. 5. Khurasan-i-Sharq Construction Company completed installation of pavilion inside Takhar Grain Market Dec. 25.

The implementation of this grant improves commercial activities in the market, attracts more customers and improves the environment of the market. The construction and installation of the pavilion in the market created 15 temporary jobs for local people. A total of 150 shopkeepers of Takhar Grain Market will benefit from the pavilion.



Pavilion installed for Takhar Grain Market
USAID/ASMED

Dawlatabad Carpet Weaving Co. receives generator

ASMED, through a Value Chain Improvement grant of \$28,400 supports the Dawlatabad Carpet Weaving Company. The company has a weaving center in Dawlatabad District, Balkh Province. The company has 200 weavers (120 women). Through the financial support of ASMED, the company received a 10kw generator Dec. 26. The generator provides electricity for running the operational activities in the center.



Internship Graduation Ceremony at Balkh University

One of ASMED's greatest achievements has been the internship program, building the capacity of Afghanistan's future business leaders.

The internship program provides training and work opportunity for university students. Interns are selected for a three-month training program in management, accounting, and marketing, followed by a three-month practical work with public and private organizations.

USAID's Afghanistan Small and Medium Enterprise Development Project ASMED honored 140 interns in a graduation ceremony at Education Faculty conference hall Dec. 20.



Afzal Hadid, Balkh Provincial Council Director speaks about the importance of internship programs in promoting businesses
USAID/ASMED

Balkh Business Development Services Company (BDS) offered a qualifying exam to 530 students (69 women) June 2009, 140 students, (39 women) qualified for the program. The first class of 70 students completed their training and interned with Afghanistan International Bank, Azizi Bank, BRAC Bank, Afghanistan Bank, Mercy Corps, Balkh BDS, Roshan Telecommunications, Joint Development Associates International Inc, Afghan Women Educational Center, Afghanistan Investment Support Agency and the Export Promotion Agency of Afghanistan. Most of the students received permanent job offers. The second intakes of 70 students completed their training and were employed by different national and international organizations. The first batch of internship program for Balkh started Aug. 6, 2009 and completed Feb 28. and the 2nd batch started Dec. 12, 2009 and completed June 30.

"Establishment of such opportunities and programs are necessary to help students gain work experience and employment, we hope the program will expand in the future so that it benefits more students," said Ahmad Wali Sangar, the Economic Development Specialist of Balkh province and admired ASMED's efforts in the northern region and requested more support.

USAID's Field Program Officer Thomas White also spoke about the importance of internship program and economic growth. He requested the interns to put their lessons learned in the practice.

Finally completion certificates were presented by the Deputy Director of Economy, Provincial Council Director, USAID FPO, Director of Teacher Training College, Provincial Council Members, ASMED Regional Manager and other key guests.

Reasons for delaying Internship Graduation Ceremony

- Program for Balkh completed February 2010; the second batch was in progress. ASMED team in Balkh planned to inaugurate the internship ceremony for both batches was delayed at the.
- Since internship is an academic program Mazar team planned to celebrate it at the university hall, but due to the university exams and lack of appropriate place we had to postpone for December.

Plastic Recycling Company starts operations in Mazar

Qaderi Plastic Recycling Company was established in 2006 and registered with Afghanistan Investment Support Agency (AISA) in 2009.

By recycling waste plastic material, the company's objective is to take active part in social and economical development of Afghanistan.

Qaderi plastic receives the waste plastic material from different provinces of the Northern Region and sorts them according to their colors and quality.



The company owner Ezatullah Qaderi explaining its products to entrepreneurs
USAID/ASMED

The company is committed to create 10 additional collection centers throughout five Northern provinces to collect waste plastic containers, plastic bags, and other plastic ware and will contact shopkeepers in other provinces of the Northern Region for collecting plastics. Qaderi plastic employed 20 temporary (six women) and seven permanent personnel. This is the only recycling company in the region.

ASMED, through a value chain grant (\$55,000) supported the company to buy grinding and beads machines. Before this, the company collected the waste plastic and send to Pakistan unprocessed with a lower price. Now, the machinery enables the company to wash, grind and make beads and sell it as recycled material for plastic processing facilities. Currently the company produces approximately 10 tons of beads per month. The grant successfully completed April 30, and the factory was inaugurated Dec. 29.

SOUTHERN REGION

Afghanbids.com Orientation Session

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



Daman District Market construction

Lack of marketplaces and proper shelters are the major obstacles for SME start-up and expansion in the area. Due to improper storage facilities in Daman District, perishable items - particularly edibles - spoil quickly. ASMED, in collaboration with Daman District government, started construction of 12 market stalls in Daman District, Kandahar Province Nov. 2. This marketplace creates 12 new SMEs, 24 permanent jobs and 10 temporary jobs. ASMED’s contribution was \$13,815.

Khadija Kubra Women Association for Culture

ASMED provided 18 tailoring and bag-making machines to Khadija Kubra Women Association for Culture in Kandahar City Dec. 20. ASMED supported the KKWAC through an association grant \$16,500. The association uses the equipment to increase productivity and improve quality of the products to enable the association in providing better services to its members and expand/support women businesses in the area.



Khadija Kubra Women Association for Culture
(KKWAC)
USAID/ASMED

WESTERN REGION

University Supports 2011 Internship Program

ASMED team met with the University director Oct. 5 to discuss the identification of sponsors for internship programs in 2011. The director is supportive of taking over the internship program from ASMED and is working on mechanisms for University to sustainably manage the program in the future.

Internship program 2009-2010 gets evaluation, Herat University, Herat

ASMED evaluated the first and second batch classes of internship program in Herat University Dec. 22. Of 140 graduated interns, 131(41women) graduated, and 70 interns found permanent jobs, the second batch began practical work.

Apprenticeship program results in sustainable jobs

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

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

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

Ministerial approval for Fibers & Textiles Industry Park

ASMED, with assistance of the Supporting Employment and Enterprise Development Advisory Team, garnered support from the Minister of Commerce for the development of a Fibers & Textiles Industry Park in Herat Province Nov. 1, by renovating the existing textile mill into a specialized facility offering rental housing for industrial textile companies. The facility will be converted into 10 established rental units leased to companies investing in natural fibers and/or textiles processing facilities. ASMED prepared a draft MoU for submission to the MoCI, for Cabinet approval.

Saffron BSP, Guzara District, Province

ASMED engaged an experienced agribusiness consultant to work with an international (Dutch) and a local saffron production company to develop a GDA concept proposal establishing an international standard Saffron production input supply and processing facility in Guzara District, started Nov. 25 through Dec 14. This support involved a number of consultations as well as site visits to saffron facilities in Province.

Silk Processing, City & Zinda Jan District, Province

ASMED engaged an experienced agribusiness consultant to work with a prospective Hong Kong-based GDA partner to conduct a rapid assessment of the traditional Silk industry in province Dec. 8-14, to develop a GDA concept proposal to establish an industrial silk spinning facility in , and possible VCG Grant applications for silk cocoon, producing SMEs.

Internship program

ASMED visited internship program second batch class during its final exam for theoretical period, which started Sept. 1 and ended Dec. 15. A total of 27 interns (nine women) graduated from the program and trained in accounting, financial management, basic marketing lessons and completed theoretical lessons. Practical work began Dec. 16 with the private sectors, NGOs and host Afghan firms.

Internship Program 2010/2011, University

The internship program implemented by ASMED and University continued with the University of delivering a theoretical business course to the second batch of 27 students Dec. 15. A three-month practical period of internship helped interns get acquainted with actual working environment within companies, learn practical work and practice the knowledge learned during the three-month theoretical training.

GLOBAL DEVELOPMENT ALLIANCES AND GRANTS

NEW GDAS APPROVED DURING THE QUARTER

ASMED signs GDA contract with Cashmere Fibers Int. Ltd.

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

Crush Stone and Bach Plant

USAID approved a GDA (\$1,450,300) with a contribution of \$434,000 from ASMED Nov. 10. The project's primary objectives are to set up a stone-crushing plant and a concrete batching plant in the strategic location of Sherkhan Bandar, Kunduz Province.

Crushed stone and ready-mixed concrete have a very minor share compared to other construction material used in past years. Since reconstruction of roads and bridges is one of the upcoming projects for redevelopment of Afghanistan, there will be an increased demand and will be encouraging to meet the forecasted increase of demand.

This enables ASMED to support national development and stabilization by providing quality building material to national and international contractors. There are sufficient skilled workers available at less cost to run the project. This will help local nationals and create more job opportunities. Raw material is abundantly available and additional income likewise for local transporters, thus sustainable employment to Afghans.

AICM "Sheep to Shop"

ASMED contributed \$20,000 in a GDA of \$12 million. Partners signed the contract Nov. 20 to develop a bankable business plan for a planned state-of-the-art, integrated, world class carpet finisher/exporter company. AICM will produce, finish and export high quality, Afghan carpets using the slogan "Sheep to Shop" and market Afghan carpets directly in foreign countries with a "Made in Afghanistan" label. An integrated facility will be established to include washing, cutting, correcting mistakes, repairing/reweaving, painting, designing and exporting.

UPDATES

Traitex & Cashmere Fibers International cashmere processing GDA

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

Marble Quality Lab approved by USAID

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

Tajiran-e-Jawan Youth Entrepreneurship

ASMED contributed \$389,000 (partners contribution \$305,000) supporting youth-started and youth-owned businesses in Afghanistan, working to promote a culture of entrepreneurship that will sustain and feed the country's economy as it grows and changes. The program manager and one administrative assistant have been hired. A majority of the TJ team's time has been invested in developing and designing a localized curriculum. Fazilat Consulting Group has established agreements with the International Finance Corporation's Business Edge and with The National Foundation for Teaching Entrepreneurship, New York, for the use of material for training purposes.

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

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

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

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



Paiman Atlas Group receives cut-and-wash equipment

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



Cut-and-wash machinery
USAID/ASMED

Pathology Lab Mughul Khan Memorial Hospital

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

Pamir Belawr Salt Company Starts Iodine Salt Production in North

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

GDA partner visits China to procure carpet machinery

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

Challenges with Saadat Tomato Paste Consultancy

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

Fibers & Textiles Industry Park assessment

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

Agri-business poultry farming inputs

ASMED secured the delivery of a high-capacity Industrial Poultry Hatchery for the Ayubi Poultry Industrial Company Nov. 2. The equipment was installed in a facility in Injil District with the support of international engineers and is operational in December. The company is the main regional supplier of imported poultry farming inputs that operate at a European-standard processing plant for supply of frozen chicken products. The GDA (\$253,390) supports the introduction of new technologies (improved breed mother stocks, industrial incubators, a feed-mill combined with a blood and offal processor), allowing the company to supply inputs of a higher quality and lower price than current imports. By completion in 2011, the GDA will provide 234 new jobs (31 direct, 203+ indirect) in the region.

CLOSED GDAS

AWAZ Communication

ASMED funded a GDA (\$268,295 with a partner contribution of \$268,295) Feb. 1. Awaz Communications produced a weekly *Business & Economical* newsmagazine called “Afghan Successes” and broadcast through Afghan national radio and television.

By showing successful enterprises and projects, AWAZ visually demonstrated true business opportunities Afghanistan can offer. The global aim of the program was to encourage private initiatives and investments. Primarily targeting the Afghan business community, the program combined information (interviews, features) and more entertaining formats (reports, portraits, business tips), to attract much wider audiences (young entrepreneurs, farmers and women).

An important component of the program every week was dedicated to Afghan businesswomen. Recorded in Dari and Pashto, the program content mixed topics and formats in both languages, using simple and accessible words and concepts to reach the targeted audiences. Hosted by a presenter/moderator, the show included guests and participants from the private sector, leading political figures, and key members from the business community to comment and analyze various developments. The program was broadcasted in prime time (6-8 p.m.) once a week for 30 minutes with two commercial breaks. The GDA successfully closed Nov. 10.

Marketing survey for Saadat Tomato Paste completed

A marketing survey, which included interviewing shopkeepers in Northern provinces to perceived strengths and weaknesses of Saadat Tomato Paste, was completed Dec 14 - 24. The Saadat Tomato Past GDA provides training to develop a marketing strategy to increase quality, and net income for the company.

GRANTS

GRANTS APPROVED DURING THE QUARTER

Construction of market stalls in Panjwai District Center

ASMED awarded an Economic Development grant (\$13,875) for construction of 12 market stalls in Panjwai District, Kandahar Province in the Southern Afghanistan. These stalls would be generally used for food and agriculture items that can be sheltered during hot and cold seasons. People will have easy access to quality products locally, and cost will be reasonable for the district people. Twenty-four jobs will be created. The grant was approved Nov. 2. ASMED will contract a construction company to complete the project before March 31, 2011.

Charburjak District Market stalls

ASMED awarded an Economic Development grant (\$14,175) for construction of 12 market stalls in Charburjak District Nimroz Province. There are no reasonable market stalls in the district; therefore people living in the district travel many hours to do shopping for their families in Zaranj City. These market stalls help the district people protect and improve the quality of food items and other products from sun, rain and dust. It also promotes business and strengthens the economic life of beneficiaries. Twenty-four jobs will be created. The grant was approved Nov. 21, and construction will be completed March 31. Moreover, district governor will take the responsibility of further market maintenance.

Habibi Brother Company mushroom farm, Injil District, Herat Province

USAID approved Value Chain Improvement grant (\$48,119) Nov. 25 which facilitates Habibi Brothers Company, the national importer of mushroom farming inputs, to introduce new input production technology. This increases the potential for commercial scale mushroom farming nationwide, and will also provide the company with the ability to expand farm production, creating significant employment opportunities in the region.

Habibi Brothers Company produces wholesale and retail packaged mushrooms. The company will expand production to sell mushroom farming inputs to other mushroom farmers. The mushrooms produced are of the highest quality and are available at a much lower cost than imported products. By providing new technology equipment, the grant supports the main producer of mushrooms in the Western Region to increase domestic production, creating significant employment opportunities in the region. By facilitating the company to become a mushroom farming input supplier, the grant increases the potential for commercial scale mushroom farming nationwide. Overall, 50 to 200 direct and new jobs will be created.

Province Central Fruit & Vegetable Wholesale Marketplace, Injil District

USAID approved an Economic Development grant (\$57,786) Nov. 25 supporting Herat Fruit and Vegetable Sellers Association to fund the graveling and leveling of the main area of a dedicated wholesale fruit and vegetable marketplace, situated on a large, contained site just outside Herat City (Injil District), near the main transport link into Herat City and other markets. This EDG significantly improves the hygiene, access and quality of the marketplace, improving the profitability of the traders and attracting many more regional (and possibly national) traders. This increases the volume of trade in regional fruits and vegetables, and access to markets for smaller producers, increasing SME profitability.

Badghis Carpet Sellers Association carpet cutting, Zindajan District, Herat Province

USAID approved a Capacity Development grant (\$3,500) supporting Badghis Carpet Sellers Association's introduction of new productive technologies (carpet cutting equipment) Nov. 21. This adds value to carpets produced in Badghis, providing this service for the first time in this Key Terrain District.

Etehadia Zanan Sanatgar Jami – packaging, labeling embroidery products

USAID awarded a Capacity Development grant (\$2,200) Nov. 22. The association is located in Injil District, Herat Province. The grant purchased packaging equipment, labels, brochures and visit cards, and provided packaging training for 150 women. This association has 1,000 members involved in Sozan dozi and Afghani dozi (Afghan embroidery design). The association has 12 representatives in four districts (Chesht, Obeh, Pashton Zarghon and Injil). The representatives transfer raw material for the women monthly. Packaging increases the cost of products and also labeling of Etehadia Zanan Sanatgar Jami's production. Overall, 15 men and 985 women will benefit from this project.



Etehadia Zanan Sanatgar Jami
USAID/ASMED

ASMED constructs drainage system, pavement in Spin Boldak District

ASMED awarded an Economic Development grant (\$14,079) for the construction of 350 meters of pavement and drainage for the shops in Spin Boldak District, Kandahar Province. This project helps shopkeepers protect food items and other products from dust and polluted environment, promote business and strengthen economic life of the beneficiaries. This grant creates 20 direct jobs opportunities and 25,702 people benefit from the project. The grant was approved Dec. 28 and is estimated to be completed April 15, 2011.

Afghan Rice Processing Mill

ASMED approved a Value Chain Improvement grant (\$196,000) for the Afghan Rice Processing Mill. The company is located in Shikhmisri Industrial Park, Jalalabad. The grant completes rice processing & Husking equipment (water polisher, KB 40 stake design with greater, length greater, de stoner stake design, rotary shifter, de streter, comby cleaner, paddy cleaner, paddy separator, SM 18, NF 14, SM30 alliweter bluer, syklone, electricity complete wiring with required electric motors and power supply generator). The equipment helps the company establish new technology rice processing mill with a modern system and adding more value in local available rice products and increases farmers' income, creates 61 direct jobs, a good business opportunity for 1,000 famers' dealers. The grant was approved Dec. 30, and the company is expected to be completely functional by April 15, 2011.

UPDATES:

Saboor Alokozai Textile & Manufacturing Company's machinery arrives

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

Etefaq Dawlatabad receives carpet looms

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



Carpet looms handed over to Etefaq
Dawlatabad Carpet Weaving Co.
USAID/ASMED

Takhar Grain Market pavillions installed

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

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

Construction of Daman District Market

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

Challenges

Completion of Meat Market in Puli Khumri City, Baghlan Province

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

Closed Grants

Afghan Carpet Exporters Guild North

ASMED provided Association Development grant support (\$21,410) to the Afghan Carpet Exporters Guild Mazari Sharif Branch to improve the Afghan Carpet Exporters' Association as a strong business information center, service provider and advocate of carpet production in the north. The grant included publication of posters, brochures and bulletins for union members, developing and updated the website for the union, purchased office equipment, and established internet solution center for association members.

Due to unforeseen delays, implementation of the project took longer than expected. A carpet exhibition scheduled under the grant was cancelled. Instead, ASMED introduced the association to EPAA to encourage participation in the 3rd Annual Carpet Fair. Grant closed Nov. 9.

Meat Market in Puli Khumri City, Baghlan Province completed

With an ASMED Marketplace Development grant (\$14, 927), ASMED installed mosaic inside the meat market and constructed a septic tank with a drainage system. The project improved poor sanitary conditions of the market. The project has been successfully completed, and the grant closed Nov. 11. This project helped to improve the waste collection for the market area. Improvement of the market sanitary system encouraged shopkeepers to stay longer at the market, and attracted more customers to visit the market. It increases commercial activities in the market and created temporary job opportunities for the local inhabitants.

Shah Joy District Market

USAID/ASMED grant fund (\$10,551), was used to construct eight market stalls in Shah Joy District, Zabul Province. This is the first market in Shah Joy District. This process increases sales and activities at district-level in Shah Joy. It is a key project to develop local business. The project was successfully completed Nov. 13.

Women's Market in Mazari Sharif completed

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

Construction of Maruf District Market

ASMED Marketplace Development grant (\$10,823) was used to construct a small market with five stalls in Maruf District, Kandahar Province. The Market stalls were constructed near the district center. This was the pioneer development project in Maruf District and provided appropriate shelters to the business environment. The new created SME's will be able to provide quality products and they will also sell local products from the farming families. This process will increase sales and activities at the district level. Twenty permanent jobs were created, and 60,000 local populations are the beneficiaries of the project. The grant was closed Dec. 22.

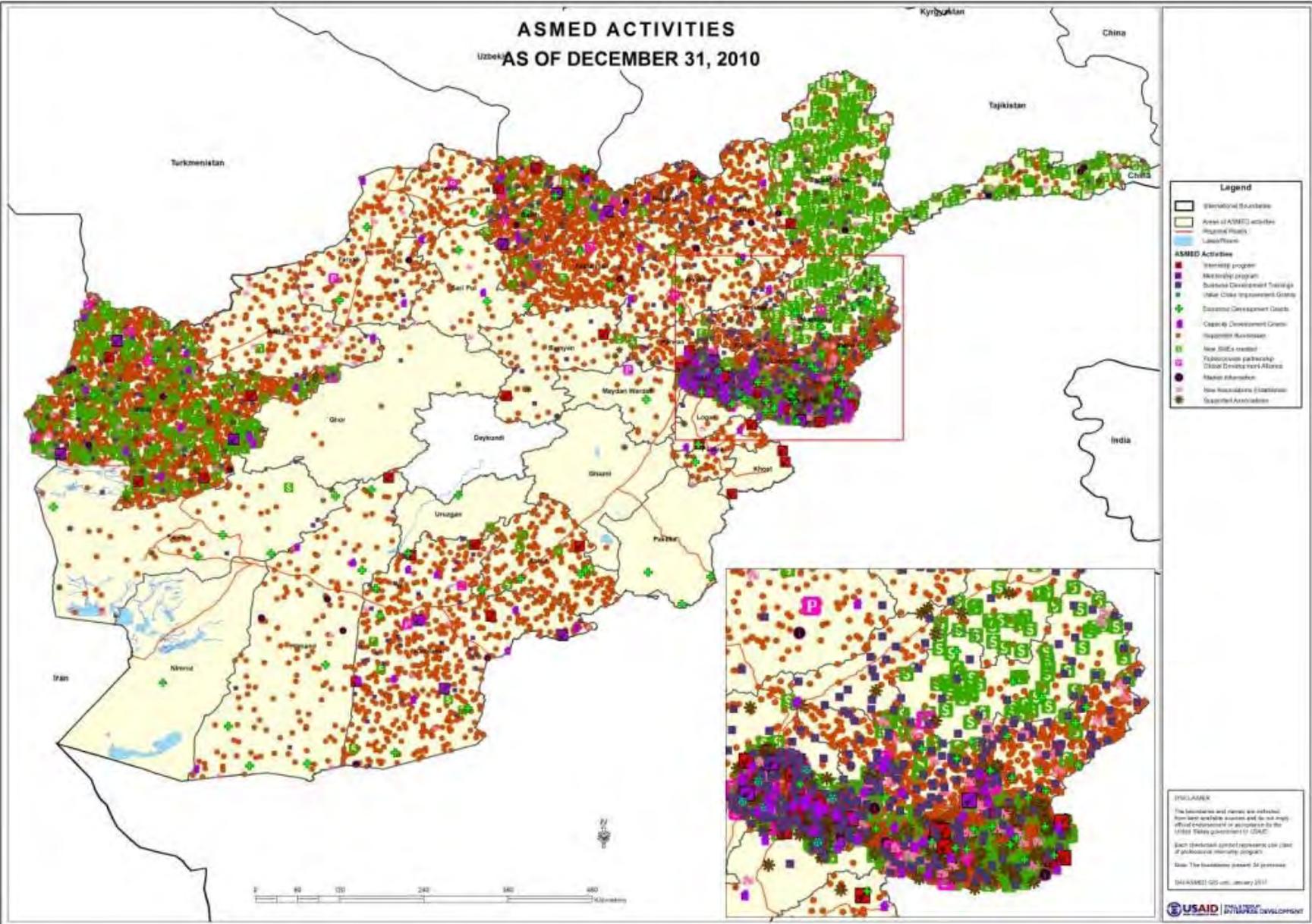
ANNEX I: FINANCIALS AND MANAGEMENT

Management Update

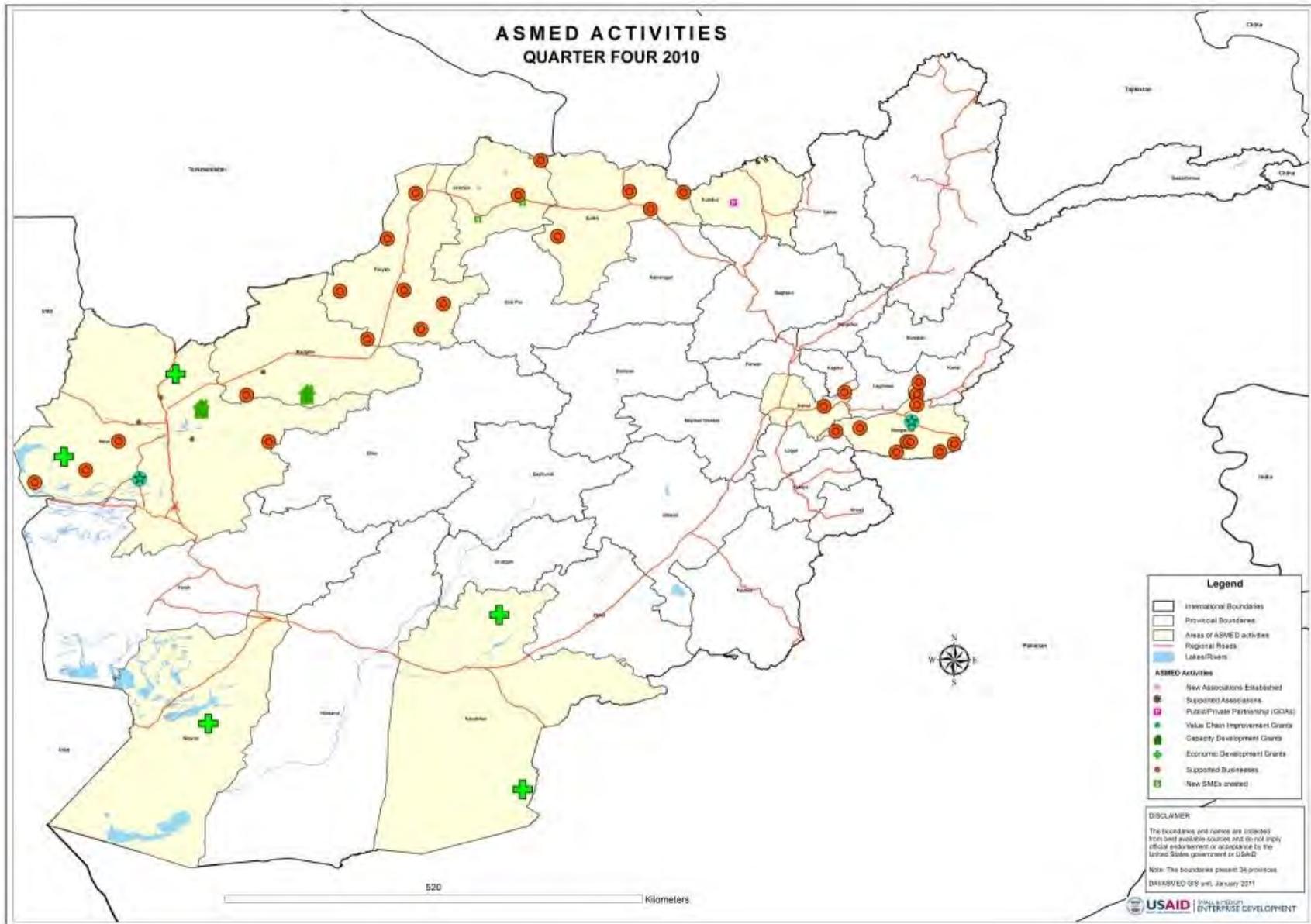
As of Nov. 1, ASMED entered its fifth and final year of implementation, and is programmed to close out in October 2011, however ASMED will request a no cost extension of 4 months (through February 2012) because of delays caused by the PSC decree and security issues.

On November 26th the ASMED/ASI guest house in Jalalabad was attacked, and subsequently ASMED retained the Jalalabad Regional Manager in Kabul until such time as a new secure location could be set up for housing. Ultimately for security reasons and to reduce security costs, it was decided to co-locate the office and guest house in Jalalabad, and a new facility was identified and made ready. ASMED has completed the move and is now preparing to field a new Regional Manager for Jalalabad. Benjamin Siepel, former Regional Manager Jalalabad, completed his one year contract and did not renew.

ACTIVITY MAP I: PROJECT TO DATE



ACTIVITY MAP II: FOURTH QUARTER 2010



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