



USAID
FROM THE AMERICAN PEOPLE

AFGHANISTAN SMALL AND MEDIUM ENTERPRISE DEVELOPMENT (ASMED)

MONTHLY REPORT: January 2011

January 2011

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

AFGHANISTAN SMALL AND MEDIUM ENTERPRISE DEVELOPMENT (ASMED)

MONTHLY REPORT JANUARY 2011

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

USAID CTO: Zdravko Šami

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

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

DISCLAIMER

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

Table of Contents

ABBREVIATIONS	5
EXECUTIVE SUMMARY	7
CENTRAL REGION HIGHLIGHTS:	7
Carpet processing facilities opens in Kabul	7
EASTERN REGION HIGHLIGHTS:	7
ASMED signs contract with Afghan Rice Processing Mills	7
NORTHERN REGION HIGHLIGHTS:	8
Inauguration of Puli Khumri Meat Market	8
Freight and transportation strategy for Hayratan	Error! Bookmark not defined.
WESTERN REGION HIGHLIGHTS:	8
Badghis construction companies receive proposal writing and contract acquisition training	8
Jami Industrial Women Association receives training	Error! Bookmark not defined.
GRANTS & GDAs HIGHLIGHTS:	8
CENTRAL REGION	9
Zia Uddin Wool Washing Facility	9
Carpet processing facilities opens in Kabul	9
Afghan marble carving delegation study tour to India	9
EASTERN REGION	11
ASMED District Coordinators receive technical training	11
ASMED signs contract with Afghan Rice Processing Mills	11
NORTHERN REGION	12
Ariana Poultry Development Association signs MoU to purchase incubator	12
Horticulture expert researches value chain possibilities in North	12
Freight and transportation strategy for Hayratan	12
Inauguration of Puli Khumri Meat Market	12
Inauguration of Takhar Grain Market	13
Consulting firm assesses needs of Amo Licorice Association	13
Dawlatabad Carpet Production center receives benches	13
ASMED meets Women World Association members	13
Turkmen's Women Actives Rights Association receives technical tools	13
Sadat Tomato Paste Company receives quality control equipment	13
Sanaizada Oil Company signs MOU to procure oil processing and refinery equipment	14
ASMED attends monthly donor coordination meeting	14
ASMED attends Balkh Economic Development meeting	14
WESTERN REGION	15
Jami Industrial Women Association receives training	15
Development of Herat Province Central Fruit & Vegetable Wholesale Marketplace	15
Quality Control Management Participants practical period	15
Ayubi Poultry Industrial Company construction progresses	15
Badghis construction companies receive proposal writing and contract acquisition training	15
Entrepreneurial skills training, Badghis Province	15
Establishment Fibers & Textiles Industrial Park	15
Badghis Carpet Sellers Association Carpet Cutting	16
Silk Sector Analysis, Herat Province	16
GLOBAL DEVELOPMENT ALLIANCES (GDA) & GRANTS	17
Total Disbursed January 2011	17
Description	17
Grants	17
GDA	17
Approved GDAs	17
Industrial Slaughter House, Herat	17
GRANTS	18

<i>Approved Grants</i>	18
Asia Support Association	18
Obaidullah Fishing Production Farm	18
Sadiq Matin Afghan Factories repair workshop	18
Accessibility organization for Afghan disabled	18
<i>Closed Grants</i>	19
Nuristan Gemstone Miners, Producers & Traders Association	19
Takhar Grain Market	19

ANNEX I PROJECT ACTIVITIES MAP, JANUARY 2011 20

ABBREVIATIONS

ABA	Afghan Builder's Association
AIB	Afghan International Bank
AIRES	Agriculture, Rural Investment and Enterprise Strengthening
AISA	Afghanistan Investment Support Agency
ARFC	Afghanistan Rural Finance Center
AKF	Aga Khan Foundation
ACCI	Afghanistan Chamber of Commerce and Industries
ASMED	Afghanistan Small and Medium Enterprise Development
AWBC	Afghan Women's Business Council
AWBF	Afghan Women's Business Federation
BDC	Business Development Center
BDS	Business Development Services
BDSP	Business Development Services Provider
CSR	Corporate Social Responsibility
CTCC	Construction Trades Training Center
DIAG	Disbandment of Illegal Armed Groups
EDP	Economic Development Program
EPAA	Export Promotion Agency of Afghanistan
GDA	Global Development Alliance
MDG	Marketplace Development Grant
MOU	Memorandum of Understanding
MNC	Multi-national Corporation
NGO	Non-governmental Organization
NSDP	National Skills Development Program
NSP	National Solidarity Program
PMP	Performance Monitoring Plan
PRT	Provincial Reconstruction Team
SME	Small and Medium Enterprise
TLO	Tribal Liaison Office
VARA	Volunteer Association for Rehabilitation of Afghanistan
HUDO	Hewad United Development Organization
MDG	Market Development Grant
AICB	Innovative Consulting Bureau

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

EXECUTIVE SUMMARY

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 Oct. 11, and additional activities were added to ASMED's scope, supporting 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 under Modification # 15. ASMED is on track to achieve performance targets for core activity indicators by October 2011. Of the eight auditable performance indicators, ASMED has met or exceeded life-of-project targets for three, is well ahead in meeting targets for three, and on track for the remaining two.

CENTRAL REGION HIGHLIGHTS:

Carpet processing facilities opens in Kabul

At \$150 million in 2009, the largest official export of Afghanistan is carpets. Due to lack of large-scale processing facilities with advanced technology in Afghanistan, 80 percent of unfinished Afghan carpets are shipped to Pakistan for cut-and-wash and exported with "Made in Pakistan" labels. Opportunity for Afghans to capture higher value from carpet production is lost.

Paiman Atlas Group (PAG) opened an up-to-date carpet processing facility Jan. 12 in Dasht-e Barchi, Kabul. Before the help of USAID, the facility only had the capacity to process 40 m² carpets per day. Now PAG can process 100 m² every day.

PAG is a partnership of six Afghan carpet producers and exporters and founded to provide carpet related value added services, particularly carpet cut-and-wash, finishing and repairing.

ASMED supported PAG through a GDA of \$1,012,730, in establishing a carpet processing complex to replace Pakistani carpet cut-and-wash facilities May 15, 2010. This enables Afghans to re-establish the Afghan Carpet Brand and export with the "Made in Afghanistan" brand showing the product difference.

"Carpet is not comparable with other export goods of Afghanistan dried-fruits, marble and fruits are natural gifts. Carpet is the result of months of hard work and creativity," said Deputy Minister of commerce.

"Thanks USAID for helping thousands weavers."



Carpet processing facilities opens in Kabul
USAID/ASMED

EASTERN REGION HIGHLIGHTS:

ASMED signs contract with Afghan Rice Processing Mills

ASMED approved a Value Chain Improvement grant (\$196,000) with Afghan Rice Processing Mills in Nangarhar Province. Partners signed the contract Jan. 9. Through the grant the company procures a rice processing plant, power-generator and expands operations in the Eastern Region. Duration of the project is four months beginning Jan. 15. By the end of the project, customers and consumers will have access to high-quality rice at affordable prices from imported rice and services of a traditional system.

NORTHER REGION HIGHLIGHTS:

Inauguration of Puli Khumri Meat Market

ASMED, through a Marketplace Development Grant (\$14,952), supported the refurbishment of Puli Khumri Meat Market. Puli Khumri is one of the most populated cities of Baghlan Province. The market has 57 shops, each employing three personnel. Due to lack of concrete pavements and a septic well in the market, sanitary problems in the market were increasing day-by-day.

ASMED contracted Habib Zia Construction Company for paving the sidewalks and drilling a septic well in the market. Completion of the project improved commercial activities, waste collection, and attracted more customers. Twenty temporary jobs were created.

An opening ceremony was held Jan. 18. Government officials including the deputy governor, mayor, deputy director of economy, provincial council members, PRT commander, USAID FPO and other international organizations were in attendance.

Deputy Governor of Baghlan, Abdul Hadi Rafiee said he appreciated ASMED's efforts and requested USAID to provide further financial and technical assistance. In addition, the PRT commander, Col. Tippai Poter spoke about the importance of development projects in the Northern Region. USAID FPO, Alison McFarland, spoke about the implementation of USAID projects in the North.



Deputy Governor of Baghlan Province
thanking ASMED for its support
USAID/ ASMED

WESTERN REGION HIGHLIGHTS:

Badghis construction companies receive proposal writing and contract acquisition training

ASMED contracted professional capacity training with Silk Road Solutions to provide four-day proposal writing and contract acquisition with 16 participants from the construction industry in Qala-i-Naw, Jan. 27 - 30 supporting local companies to bid for contracts from the government, NGOs and other companies, especially in preparation with the expansion of the ring road.

GRANTS & GDAs HIGHLIGHTS:

During this reporting period, ASMED approved one GDA with an ASMED contribution of \$1,133,000, partner contribution of \$ 5,775,148. ASMED approved four grants totaling \$118,957, and completed two grants for \$38,154.

CENTRAL REGION

Zia Uddin Wool Washing Facility

The construction work of Zia Uddin Wool Washing facility is completed and ready for installation of equipment that will soon be dispatched to Kabul. Through a GDA, ASMED contributed \$306,792 for procurement of modern wool washing equipment. The partner's contribution was \$660,606. The company was formed to compete with more competitive rates than Pakistan. The facility plans to target the under-served wool and carpet sub-sectors in Afghanistan, seek out niches and unmet demands for wool washing service, and offer a higher level of service to the local wool traders, spinners, carpet producers, and a higher standard product. ASMED team visited the facility Jan .4. The building is constructed in 10,000 m² areas. It contains a main hall for machinery, storage for raw and finished wool, guard and visitor's rooms, and a deep well.

Carpet processing facilities opens in Kabul

At \$150 million in 2009, the largest official export of Afghanistan is carpets. Due to lack of large-scale processing facilities with advanced technology in Afghanistan, 80 percent of unfinished Afghan carpets are shipped to Pakistan for cut-and-wash and exported with "Made in Pakistan" labels. Opportunity for Afghans to capture higher value from carpet production is lost.

Paiman Atlas Group (PAG) opened an up-to-date carpet processing facility Jan. 12 in Dasht-e Barchi, Kabul. Before the help of USAID, the facility only had the capacity to process 40 m² carpets per day. Now PAG can process 100 m² every day.

PAG is a partnership of six Afghan carpet producers and exporters and founded to provide carpet related value added services, particularly carpet cut-and-wash, finishing and repairing.

ASMED supported PAG through a GDA of \$1,012,730, in establishing a carpet processing complex to replace Pakistani carpet cut-and-wash facilities May 15, 2010. This enables Afghans to re-establish the Afghan Carpet Brand and export with the "Made in Afghanistan" brand showing the product difference.

"Carpet is not comparable with other export goods of Afghanistan dried-fruits, marble and fruits are natural gifts. Carpet is the result of months of hard work and creativity," Said Deputy Minister of commerce. "Thanks USAID for helping thousands weavers."

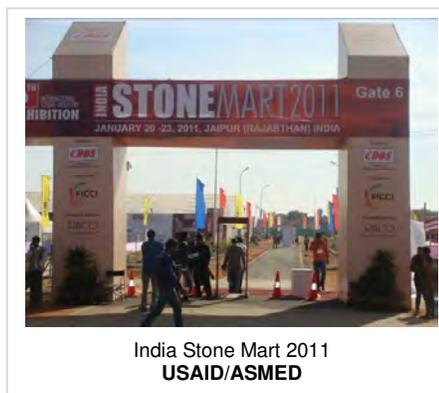
Afghan marble carving delegation study tour to India

A delegation of five Afghan marble carving industry representatives with Paul Lamoureux, stone consultant STTA and ASMED marble sector coordinator Sayed Abid Akbary visited carving factories, trade shows, equipment producers and art/design centers in Delhi at the Stone Mart 2011 marble show in Jaipur, India January 20-23. The delegation met numerous carvers, equipment manufactures and factory owners.

Equity Capital Mining represented Afghanistan's marble industry at the Stone Mart. During the show, several factory owners invited the Afghan delegation to visit facilities and production design/technique in Jaipur Region. One of the more interesting factories, Marble Art Palace, co-owned by Khalil Ahmed, specializes in manufacturing of mosaic art embedded with semi-precious stone. The owner of Afghan Marble Design invited Khalil to attend the upcoming Marble Conference in Herat. Khalil accepted the invitation and is willing to consider sending trainers for possible joint ventures in the future. The delegation found many of the tools, techniques and working conditions very



Carpet processing facilities opens in Kabul
USAID/ASMED



India Stone Mart 2011
USAID/ASMED

similar to the Afghanistan industry and learned innovative methods and ideas that could be useful to improve the Afghan industry.

After visiting the tradeshow, factories and equipment suppliers, the delegation met the ASMED team to develop a future strategic action plan for a carving academy.

The delegation acknowledges approximately 15-20 active skilled carvers could reach international standards with establishing the academy. ASMED is recommended to facilitate a meeting with as many carvers as possible to review findings. Currently carvers work individually in a loose network with lack of structure, spokesman and resources.

The delegation attended an art show at India Habitat Centre, New Delhi, to view the sculptures by Neeraj Gupta, a well-known Indian contemporary artist. They had a private meeting with Neeraj and expressed their desire to establish a marble art training center in Afghanistan. Neeraj offered to help launch and train the marble art academy in Kabul. He was very impressed by the marble samples of Afghanistan.



Marble Art Palace booth at the Stone Mart
USAID/ASMED

One of the concepts discussed was to have a training camp in Afghanistan and conduct a three-to-four week training course with the local Afghan artists, pairing Afghan and Indian artists together creating a number of artworks using Afghan marble and onyx. For this concept plan to work, ASMED would have to coordinate closely with Indian Embassy in Kabul for financial and logistical support. At the conference Neeraj would be able to evaluate numerous marble samples and critique the work of Afghan carvers. He would also need to evaluate the potential art center and make suggestions in order to conduct the carving camp. At the end of the camp, a possible joint art show in Kabul and New Delhi could be arranged.

EASTERN REGION

ASMED District Coordinators receive technical training

ASMED team conducted one-day training for six district coordinators of Eastern Region Jan. 3 in Nangarhar Province to learn how to collect data for analyzing business situations, ways to deal with the business community and development of business proposals.

ASMED signs contract with Afghan Rice Processing Mills

ASMED approved a Value Chain Improvement Grant (\$196,000) with Afghan Rice Processing Mills in Nangarhar Province. Partners signed the contract Jan. 9. Through the grant the company procures a rice processing plant, power-generator and expands operations in the Eastern Region. Duration of the project is four months beginning Jan. 15. By the end of the project, customers and consumers will have access to high-quality rice at affordable prices from imported rice and services of a traditional system.

NORTHERN REGION

Ariana Poultry Development Association signs MoU to purchase incubator

ASMED approved an Association Development Grant (\$43,100) to Ariana Poultry Development Association. The first deliverables already completed, and the association is formally registered with the Ministry of Justice. Second deliverable is to procure an incubator machine for the association. ASMED and the grantee recently decided to purchase this equipment from Chick Master Company in the United States. ASMED signed a MOU with the association Jan. 3. Ensuring sustainability and accountability of the project, the grantee committed to contribute in purchasing the incubator.

Horticulture expert researches value chain possibilities in North

ASMED hired a horticulture expert to do first hand research on a number of important value chain activities such as silk, mushrooms, edible oil, spices and medicinal plants, vegetables and flowers, and essential oil. This research helps ASMED in the design of projects in many of the new KTDs.

Freight and transportation strategy for Hayratan

ASMED established a short-term project to identify a freight and transportation improvement strategy for Hayratan and to identify business opportunities for goods and services providers in the freight and transportation industry (i.e. truck repair shops, welding shops, small restaurants, etc). The collection of transportation information, process systems information and small business data by a team of business surveyors helped achieve the project goals.

The survey, carried out by two surveyors under the direct supervision of a Freight and Transportation Advisor for 22 days, completed Jan. 19. The aim of the survey was a general study of the Hayratan town to identify the major transportation and freight forwarding problems and possible solutions. The survey was implemented successfully with the agreement and close coordination of the Hayratan municipality.

Inauguration of Puli Khumri Meat Market

ASMED, through a Marketplace Development Grant (\$14,952), supported the refurbishment of Puli Khumri Meat Market. Puli Khumri is one of the most populated cities of Baghlan Province. The market has 57 shops, each employing three personnel. Due to lack of concrete pavements and a septic well in the market, sanitary problems in the market were increasing day-by-day.

ASMED contracted Habib Zia Construction Company for paving the sidewalks and drilling a septic well in the market. Completion of the project improved commercial activities, waste collection, and attracted more customers. Twenty temporary jobs were created.

An opening ceremony was held Jan. 18. Government officials including the deputy governor, mayor, deputy director of economy, provincial council members, PRT commander, USAID FPO and other international organizations were in attendance.

Deputy Governor of Baghlan, Abdul Hadi Rafiee said he appreciated ASMED's efforts and requested USAID to provide further financial and technical assistance. In addition, the PRT commander, Col. Tippai Poter spoke about the importance of development projects in the Northern Region. USAID FPO, Alison McFarland, spoke about the implementation of USAID projects in the North.



Deputy Governor of Baghlan Province
thanking ASMED for its support
USAID/ ASMED

Inauguration of Takhar Grain Market

Through a Marketplace Development Grant (\$14,954), East Khurasan Construction Company built pavilions inside the grain market Jan. 3. Shopkeepers, through Takhar Province mayor, requested the project. Implementation of the MDG improved sanitary system and commercial activities, resulting in attracting more customers and creating 30 permanent jobs.

ASMED held an opening ceremony for Takhar Grain Market Jan. 20 with the Takhar mayor, provincial council director and other government officials in attendance. The mayor thanked ASMED for its support and requested expansion of grant support activities in the province.



Mayor of Takhar Province gives information to the media about Takhar Grain Market
USAID/ASMED

Consulting firm assesses needs of Amo Licorice Association

ASMED provided an Association Development Grant (\$27,685) for Amo Licorice Association. Under the approved grant, the association builds a warehouse and selected Eghlime Tawsea-e Sabz Co. Ltd. to conduct technical training on proper licorice roots chopping, lifecycle of licorice mechanism to improve growing licorice for longer years and cover more area for Amo Licorice Association members.

ASMED team in Mazar met Balkh director of agriculture Jan. 4 to have instructions for carrying out the licorice activities for Amo Licorice Association. The director provided necessary guidance and documents explaining the Afghan government rules and regulations for licorice activities.

In addition, ASMED met the director of the company Jan. 24 in Kabul for drafting the training methodology and curriculum. Eghlime Tawsea-e Sabz will conduct a quick study and needs assessment with association members in the future.

Dawlatabad Carpet Production center receives benches

ASMED, through a Value Chain Improvement Grant (\$28,400), supported the carpet production center in Dawlatabad District. The grant provided 61 carpet looms, a 10kw generator and benches Jan. 23. The benches and looms will be distributed among 200 weavers.

ASMED meets Women World Association members

ASMED is supporting the Women World Association financially through an Association Grant (\$41,198) and a Marketplace Development Grant (\$17,560) to renovate the compound and main building of the women's market in Mazar. Women entrepreneurs benefit from the marketplace. ASMED Mazar team met the Association members Jan. 20 to encourage members to provide committed contributions.



Provision of Benches started for Dawlatabad carpet production center
USAID/ASMED

Turkmen's Women Actives Rights Association receives technical tools

ASMED is providing grant support to TWARA in Balkh and Jawzjan Provinces to help association members increase their production capacity and quality. Technical tools including local wool spinning machinery, metallic pots for dyeing wool, and a water tanker were delivered to the association Jan 31. In addition, ASMED implementation team contracted a technical workshop Jan. 29 to make an electrical wool spinning machine for the association. The machine will be completed in one month.

Sadat Tomato Paste Company receives quality control equipment

ASMED Mazar team, under a GDA contract, supported Saadat Tomato Paste Company to purchase quality control equipment for a laboratory. ASMED contributed \$10,000, and the company contributed approximately the same amount. The equipment allows the company to supply better quality tomato paste in the market. It arrived in Mazar Jan 29.

In addition, Beacon BDS Company submitted its preliminary marketing strategy plan for Saadat Tomato Paste Company to ASMED Jan 27. The plan incorporates findings from a marketing survey conducted in December 2010, included interviewing shopkeepers in the Northern Provinces to better understand the perceived strengths and weaknesses of Saadat Tomato Paste. Execution of the marketing plan will take place over the next months.

Sanaizada Oil Company signs MOU to procure oil processing and refinery equipment

ASMED Mazar team signed an MOU with Sanizada Oil Company Jan. 11 to procure Goyum oil processing and refinery equipment from India. Sanaizado Oil Company has been producing oil since 2003 and is one of the main oil processing companies in the North. The existing machinery is outdated and does not provide a high-quality product. This project helps the company expand and increase the quality of the project and indirectly supports oil seed farmers in the North.

ASMED attends monthly donor coordination meeting

ASMED is coordinating its activities with other donor organizations throughout Balkh Province every month through donor coordination meetings. The coordination meeting was held at GTZ Balkh office Jan. 30 to avoid the duplication of the projects and multi-donor support to one beneficiary by different donors. ASMED presented its current activities carried out in Balkh Province and its role in the economic growth of Balkh Province. The participants asked ASMED to share its experience and lessons learned.

ASMED attends Balkh Economic Development meeting

ASMED attended a meeting Jan. 24 hosted by Balkh Economic Department to discuss and develop the government and private sector development strategy plans. Other donor agencies and international organizations working in economic development and some relevant local departments were in attendance. Specifically this month the group discussed the development of the Afghan carpet sector in the North.

WESTERN REGION

Jami Industrial Women Association receives training

ASMED sponsored a five-day handicrafts, marketing, management, labeling and packaging training for 150 members of Etehadia Zanan Sanatgar in Herat City Jan. 2-6. Implementation of the training supports members of the association to increase sales, empowers women, creates jobs, facilitates embroidery marketing and increases production.

Development of Herat Province Central Fruit & Vegetable Wholesale Marketplace

Through an Economic Development Grant (\$57,786), Planet Construction Company started gravelling and drainage system construction of Injil Fruits and Vegetables Market Jan. 1. The main common area of the site provides a workable surface and drainage. This support would significantly improve hygiene, access and quality of the marketplace, profitability of the traders and attract more regional traders to use the marketplace. Planet Construction Company will complete the project in 40 days. The construction work is 80 percent completed.



Fruit and vegetable Marketplace while compaction, Herat
USAID/ASMED

Quality Control Management Participants practical period

As part of ASMED's approach to build the capacity of business services providers in the food standards & quality control industry, three Quality Control Management BSPs were supported to provide consultancies for five food processing companies (Momme Oil, Jam Juice, Heray Biscuit, Herat Ice Cream and Ayubi Poultry House) in Herat Jan.16-19.

Ayubi Poultry Industrial Company construction progresses

ASMED, through a Global Development Alliance (\$253,390), is supporting one of the largest poultry farming/processing facilities in the Western Region to become a supplier of poultry farming inputs (chicks and feed) to the regional market. The construction of a new mother stock house is 90 percent and a hatchery is 70 percent completed Jan.18. In addition, a new deep well is dug, and the company is connected to the Herat power grid.

Badghis construction companies receive proposal writing and contract acquisition training

ASMED contracted professional capacity training with Silk Road Solutions to provide four-day proposal writing and contract acquisition with 16 participants from the construction industry in Qala-i-Naw, Jan. 27 - 30 supporting local companies to bid for contracts from the government, NGOs and other companies, especially in preparation with the expansion of the ring road.

Entrepreneurial skills training, Badghis Province

ASMED contracted Silk Road Solutions, a professional capacity building firm, to conduct a two-day training session in entrepreneurial skills for 20 entrepreneurs in Qal-i-Naw Jan. 31. Support the participants in understanding simple business procedures submit grant applications to set-up/expand their businesses.

Establishment Fibers & Textiles Industrial Park

ASMED, with the assistance of Supporting Employment and Enterprise Development Advisory Team, submitted a MoU to the Minister of Commerce for development of a Fibers & Textiles Industrial Park in Herat Province, 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. The final draft was prepared Jan. 31 after negotiations for submission to MoCI for approval.

Badghis Carpet Sellers Association Carpet Cutting

ASMED supported Badghis Carpet Sellers Association to receive new productive technologies (carpet-cutting equipment) Jan. 31. The equipment will be installed in the coming weeks and with training, the association to add value to carpets produced in Badghis by providing this service for the first time.

Silk Sector Analysis, Herat Province

ASMED has supported an experienced agribusiness consultant to conduct a rapid market appraisal on the silk sector in Zinda Jan & Herat City. The consultancy identifies opportunities for enhancing this sector to support a greater number of jobs.

GLOBAL DEVELOPMENT ALLIANCES (GDA) & GRANTS

Total Disbursed January 2011

Description	Grants	GDA
Total Number Approved	4	1
Total Number Closed	2	0
Total Amount Approved	\$118,957	\$1,133,000
Total Amount Closed	\$38,154	\$0
Total Disbursed	\$56,788	\$134,240

Approved GDAs

Industrial Slaughter House, Herat

ASMED received USAID approval to support a local import/export company establishing Afghanistan's first international standard industrial animal slaughtering facility in Injil District Jan. 19. This multi-million dollar investment increases the value of livestock by approximately \$480,000 in the first year of operations translating back down the value chain to an extra \$9/cow and \$2.50/sheep. Similar benefits will be realized by livestock traders and butchers.

In addition, this project substantially reduces the current environmental and health risks associated with animal slaughter, providing consumers with safer meat products, and increases exports (initially through hides/skins to Pakistan, but eventually through meat product sales to Iran, Turkmenistan, and international entities operating in Afghanistan).

ASMED's equipment and technical assistance input ensures appropriate environmental and food safety standards are achieved, focusing especially on solid and liquid waste treatment and disposal, and HACCP certification. In addition, ASMED technical assistance helps HISL provide advice to farmers on optimal livestock production and fattening methods, ensuring more profitable slaughterhouse operations, and further increasing profits to farmers.

GRANTS

Approved Grants

Asia Support Association

ASMED Awarded a Capacity Development Grant (\$2,700) for Asia Support Association. The project enhances the skills of women doing embroidery and earning an income for themselves and their families. ASMED's contribution provides training and 10 embroidery machines that help participants learn new marketable designs of embroidery and increase sales and profit. The grant also helps increase members, introduce new embroidery designs and create more job opportunities for women in Zenda Jan. the association is located in Herat City and currently has 50 members. The Grant was approved Jan. 23 and closes March 25.

Obaidullah Fishing Production Farm

Recently ASMED awarded a Value Chain Improvement Grant (\$27,000) for establishment of a fishing production farm for the first time in Arghandab District, Kandahar Province that includes farming production and selling to the market. ASMED contribution will be used to purchase two ea solar water pumps. The grant was approved Jan. 25 and will close April 30. Overall, 84 new jobs and 30 new SME's will be created.

Sadiq Matin Afghan Factories repair workshop

ASMED awarded an Economic Development Grant (\$58,800) to Sadiq Matin Afghan Factories repair workshop. The company is located in Kandahar Industrial Park, District # 5. ASMED contributed in buying a crank shaft grinder, hydraulic press, lath machine, cylinder boring machine, shaper machine, hydraulic head face, break drum disc-turning machine, valves boring honing system and connecting rods boring machine. The equipment provides maintenance and repairing services at international standards and according to needs for all industries operating in the region. Through this grant, 55 new jobs will be created, promote industrial environment, existing industrial SMEs and increase local capacities. The grant was approved Jan. 23 and closes June 30.

Accessibility organization for Afghan disabled

ASMED, through a Value Chain Improvement Grant (\$30,457) supported Accessibility Organization for Afghan Disabled. The organization will purchase equipment and provide six-month training. The project begins with a jewelry training for people with disabilities and other vulnerable groups in Kabul. The project will provide skills development and vocational training for 30 disabled men and women, and restores self-confidence and establishes business and employment opportunities in the local business market. The organization is located in Kabul City. The grant was approved Jan. 17 and will be completed Aug. 15.

Closed Grants

Nuristan Gemstone Miners, Producers & Traders Association

Through ASMED Association Development Grant (\$23,200) Nuristan Gemstone Association successfully completed the grant. ASMED's contribution provided technical services for an accountant, and 12 months rent creating job opportunities in the market and provides the legal status of opportunities for gemstone traders in Afghanistan, especially in the Eastern Region for gemstone traders. The association is located in Jalalabad City, Nangarhar Province. The grant was awarded March 1, 2010 and closed in January. Overall, 250 jobs were created and 1,000 people directly benefited from this project.



Jalalabad Gemstones Market
USAID/ASMED

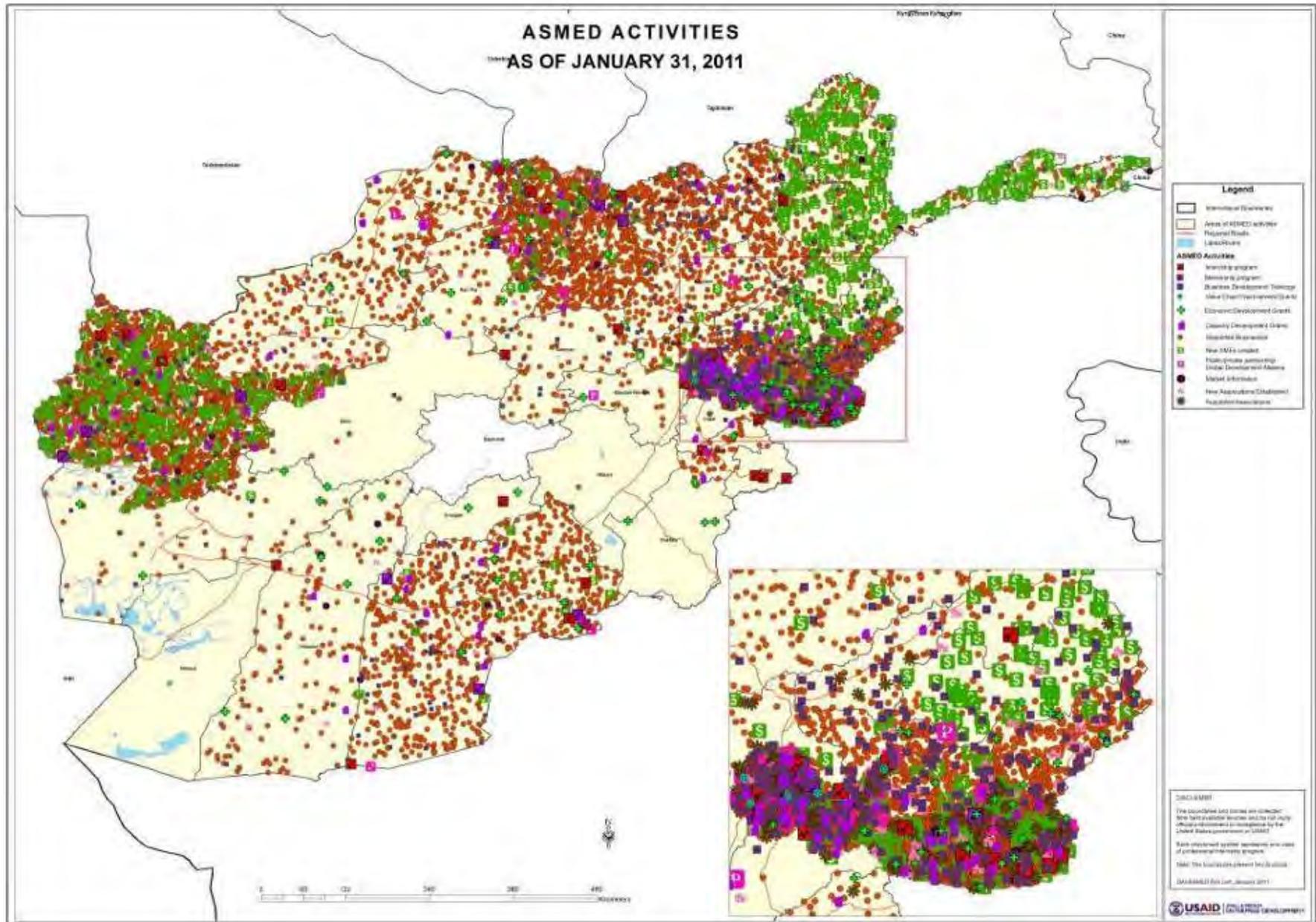
Takhar Grain Market

A Marketplace Development grant of \$14,954 successfully closed. ASMED, through East Khurasan Construction Company, built pavilions inside the grain market in Takhar protecting goods from inclement weather and dust. The project was requested by shopkeepers through the Takhar Province mayor. Implementation of the MDG improved sanitary system, commercial activities, resulting in attracting more customers and creating 30 permanent jobs.



Takhar Grain Market
USAID/ASMED

ANNEX I PROJECT ACTIVITIES MAP



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