



RURAL BUSINESS SUPPORT PROGRAM

November 2007 – November 2010

The Rural Business Support Program (RBSP) for Afghanistan is a three year initiative ending in November 2010 that is funded by the Japanese Fund for Poverty Reduction through the Asian Development Bank and is being implemented by Roots of Peace (ROP) on behalf of the Ministry of Agriculture, Irrigation and Livestock (MAIL).

The objective of the program is to increase rural incomes by adding value to key agricultural commodities through improvements to their value chains. The program has targeted key commodities that are produced in three focal provinces for achieving this goal.

PROJECT COMPONENTS & AREAS

The activities undertaken by the project are three major agricultural value chains in three different provinces.

Value Chain Development

Bamyan Province:	Potato and wool/carpet value chains
Balkh Province:	Edible oil and wool/carpet value chains
Nangarhar Province:	Edible oil and wool/carpet value chains

PROJECT OBJECTIVES

To add value to the three selected value chains through the following major activities:

Wool/Carpet Value Chain

- Providing weavers with technical assistance (TA) to enhance carpet production & quality;
- Demonstrating improved wool processing techniques, currently demanded carpet designs;
- environmental mitigation measures for wool washing and carpet cut and wash facilities, and improved carpet inventory management and marketing techniques;



- Assisting weavers to obtain quality raw materials & assisting cut and wash operators in identifying environmentally safe chemicals to wash carpets;
- Assisting Project stakeholders (wool processors, weavers, cut and wash operators, and carpet traders/exporters) to prepare business plans and to access credit;
- Providing marketing guidance to traders/ dealers to expand international sales; and
- Assisting investors in developing modern carpet cut and wash facilities.

Edible Oil Value Chain

- Training oilseed farmers in best production practices and providing TA on cleaning, grading, sorting and storage of oilseeds;
- Assisting oilseed producers, producer associations, oil processors, and/or processor associations in establishing oilseed storage facilities;
- Assisting small scale processors improve their product quality by upgrading their processing equipment and processing technologies;
- Providing business development services to small-scale, edible oil processors; and
- Assisting oil processors access lucrative market.

Potato Value Chain

- Providing farmers with TA to increase potato productivity and improve handling, storage, and marketing techniques;
- Demonstrating best production practices, appropriate potato storage construction, and improved handling and storage techniques;
- Assisting potato producers and marketing associations to get better organized;
- product quality and access to more lucrative markets; and
- Assisting potato traders/exporters in developing larger potato storage facilities and expanding sales to more lucrative market.



PROGRAM BENEFICIARIES

- Sheep farmers, wool processors/traders, and carpet weavers/traders/suppliers/buyers;
- Oilseed farmers/producers, oil processors, traders and consumers;
- Potato farmers/producers/traders/consumers; and
- The Afghanistan economy as a whole benefits due to import substitution with edible oils and potatoes and increased exports with carpets.

SELECTED RESULTS THRU AUGUST 2009

- Promoted small-scale potato storage facilities among potato producers by demonstrating best practices in sorting, grading, and handling potatoes, and construction techniques utilizing the Project's 16 demo potato storage facilities;

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- Established 8 potato producer associations in Bamyan;
- 5,599 project beneficiaries
 - 1,459 women, received technical assistance and training from the RBSP in the targeted provinces of Balkh, Bamyan and Nangarhar,
 - 2,883 potato farmers and related stakeholders in the potato value chain,
 - 1,727 oilseed producers, processors and associated stakeholders in the edible oil value chain,
 - 989 producers, weavers, exporters and connected stakeholders in the wool/carpet value chain;
- Organized 15 Carpet weaver associations in Bamyan and Balkh;
- Restored and fully equipped all Projects' regional offices in Balkh, Bamyan, and Nangarhar Provinces;
- Obtained approval of financing agreement to establish a \$2.1 million for new loans.
- Formed 12 oilseed producer associations in Balkh & Nangarhar and 1 processor association in Balkh; and
- 59 demonstration plots were planted, 24 cotton plots in Balkh & Nangarhar, 2 safflower and 2 flax and 10 sesame oil seed in Balkh, 12 Sunflower in Nangarhar, and 9 potatoes plots in Bamyan.

PROCUREMENT

- The procurements for major equipment are in their final stages;
 - 30 motorcycles, 4 generators, 61 weaving looms and 127 spinning wheels
- Approval has been received from ADB and MAIL to purchase 10 pickup vehicles;
- Received the proforma invoice from UN; and
- Submitted bidding documents for edible oil processing equipment to ADB for approval.

SELECTED FUTURE PLANS THRU NOVEMBER 2010

- Provide technical assistance training to approximately 5,901 stakeholders;
 - 2,917 in potato value chain, 1,311 in wool/carpet value chain and 1,673 in oilseed value chain.
- Conduct 1 national potato value chain market opportunity workshop;
- Assist potato producers and traders in marketing stored potatoes into off-season lucrative markets;
- Assist investors in establishing cut & wash facilities in Balkh and Bamyan;
- Assist carpet traders in marketing carpets directly to lucrative international markets;
- Install 5 pilot modern oil processing facilities in Balkh and Nangarhar;
- Purchase 40 spinning wheels and/or looms;
- Implementation of pilot website for carpet marketing;
- Construct one oilseed processing storage building (500mt capacity); and
- Install 3 pilot wool scouring, dyeing, drying, and storage facilities.
 - 1 each in Balkh, Bamyan and Nangarhar.