

## Data Sheet

<b>USAID Mission:</b>	Afghanistan
<b>Program Title:</b>	Agriculture and Alternative Livelihoods
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	306-001
<b>Status:</b>	Last Year of Expenditure 2005
<b>Planned FY 2005 Obligation:</b>	\$52,990,000 DA; \$42,700,000 ESF
<b>Prior Year Unobligated:</b>	\$200,000 ESF
<b>Proposed FY 2006 Obligation:</b>	\$0
<b>Year of Initial Obligation:</b>	2003
<b>Estimated Year of Final Obligation:</b>	2005

**Summary:** In the agriculture sector during FY 2005, USAID/Afghanistan will continue to support activities to enhance food security, increase rural incomes, increase agricultural productivity, and expand alternative livelihoods.

### Inputs, Outputs, Activities:

**FY 2005 Program:** Increase Agricultural Productivity (\$16,290,000 DA; \$200,000 ESF Prior Year Unobligated). USAID will continue the Rebuilding Agricultural Markets Program (RAMP). It will increase productivity of the crop and livestock subsectors and improve management of forests, rangelands, croplands, and watersheds necessary for sustainable agriculture. RAMP will continue funding the rehabilitation and repair of irrigation structures and farm-to-market roads, training in the use of improved seed varieties, and introduction of improved technology. Chemonics is the primary implementer. Subcontractors include United Nations Office of Project Services (UNOPS), United Nations Food and Agriculture Organization, and non-governmental organizations (NGOs). Through the Participating Agency Service Agreement with the U.S. Department of Agriculture, USAID will provide technical assistance in the prevention and cure of veterinary diseases and conservation of selected forest areas, rangelands, and watersheds. Land O' Lakes is the primary partner in support to the dairy industry. USAID will also provide support for immediate drought relief for drought-affected provinces. Contractor: UNOPS.

Increase Participation in Global Trade and Investment (\$3,900,000 DA). In the agriculture sector, RAMP will expand the market for high value crops and work with the government, producers, and trade associations to address import and export requirements. RAMP will also provide technical assistance to the Government in reviewing policies that may be a disincentive to private sector investment in agribusiness. RAMP will continue to link producers, processors, and traders to domestic and international markets and assist in making credit more accessible to micro, small, and medium enterprises. RAMP will also promote the formation of business support organizations to eventually take over marketing and policy advocacy support. The primary partners are the Ministry of Commerce, Bureau of Customs, and agriculture and commercial attaches of importing countries.

Develop and Expand Alternative Development (\$32,800,000 DA; \$42,700,000 ESF). The alternative livelihoods program will be implemented in four provinces: Nangarhar, Helmand, Kandahar, and Badakhshan. The activity will provide rapid start-up cash for work projects and income-generating activities at the household level. A new three-year regional development program will be introduced in these three provinces by April 2005. It will focus on public works and infrastructure, small business development, production of competitive agricultural products, and credit and financing institutions.

**FY 2006 Program:** Congressional Notification for FY 2006 activities in agriculture, food security, and alternative livelihoods development is included in the CBJ under SO 306-YYY.

**Performance and Results:** The majority of Afghans are dependent on agriculture and related businesses for their livelihood. More than two decades of conflict and a prolonged drought, however, have greatly weakened Afghanistan's agricultural system, depressing production and incomes from crops and livestock. The reconstruction of Afghanistan's economy began after the fall of the Taliban

government in 2001. The international community provided new and repaired roads, irrigation systems, and canals, and improved seed, fertilizers, tools, and other inputs, all of which contributed to increased agricultural production. The first two years of USAID's program focused on humanitarian needs and reconstruction. In FY 2004, USAID assistance focused more on improving the competitiveness of Afghan products from farm to market.

The international community can be optimistic about the continued progress in Afghanistan's recovery. The government has undertaken a number of reforms to promote private enterprise as the key vehicle for reestablishing Afghanistan's economy. With these reforms and the inherent entrepreneurial character of Afghans, the transition to a market-based agricultural system is achievable.

Nevertheless, the task ahead to accelerate agricultural growth is immense. A proper analysis of the domestic, regional, and international markets should be conducted to help farmers and agribusiness identify their market niche. In addition, more action is needed on the regulatory side where unnecessary hurdles remain, and shifting to a policy environment that attracts the private sector is an alien concept.

To overcome these challenges, USAID has made efforts to engage the central and local governments and communities in identifying, planning, and implementing projects. Studies have been done on potential markets for selected high value crops (e.g. horticulture crops). Samples of dried fruits have been sent to potential markets, and fresh fruits have been flown to the regional markets (New Delhi and Dubai). USAID is also involved in reviewing policies that may affect private sector-led agribusiness.

Efforts to protect and conserve the country's renewable natural resources are also underway, a particularly important initiative as Afghanistan's rural economy is based on natural resources. Secure land ownership is a critical factor in expanding agriculture-based livelihoods, as confusion over land use creates conflicts over the use of degraded rangelands and overused forests, and depletion of the local water supply. Finally, agricultural production and conservation of natural resources must be balanced so that biodiversity and soils as well as air and water quality are protected.

The growth of poppy production threatens Afghanistan's progress in agricultural reform. As part of a larger U.S. Government counternarcotics strategy, USAID has recently initiated an alternative livelihoods program in the four largest poppy producing provinces - Badakhshan, Nangarhar, Kandahar, and Helmand. Poppy cultivation is a function of farmers' poverty and the absence of good government. USAID is assisting the Government to work through its provincial ministry representatives and its governors to bring legitimate government services to these provinces. The alternative livelihoods program includes public works and infrastructure (roads, irrigation, etc.), small and medium-sized business development, removal of government constraints to owning and operating a business, production of competitive agricultural products, provision of credit and financing, labor intensive cash for work employment opportunities, and income generation programs for households that cannot participate in cash for work programs (e.g. households headed by widows and the disabled).

## US Financing in Thousands of Dollars

Afghanistan

306-001 Agriculture and Alternative Livelihoods	DA	ESF	IDA
<b>Through September 30, 2003</b>			
Obligations	19,638	4,000	36,054
Expenditures	9,335	1,364	392
Unliquidated	10,303	2,636	35,662
<b>Fiscal Year 2004</b>			
Obligations	51,000	1,800	3,050
Expenditures	12,912	0	35,555
<b>Through September 30, 2004</b>			
Obligations	70,638	5,800	39,104
Expenditures	22,247	1,364	35,947
Unliquidated	48,391	4,436	3,157
<b>Prior Year Unobligated Funds</b>			
Obligations	0	200	0
<b>Planned Fiscal Year 2005 NOA</b>			
Obligations	52,990	42,700	0
<b>Total Planned Fiscal Year 2005</b>			
Obligations	52,990	42,900	0
<b>Proposed Fiscal Year 2006 NOA</b>			
Obligations	0	0	0
Future Obligations	0	0	0
Est. Total Cost	123,628	48,700	39,104