

## Data Sheet

<b>USAID Mission:</b>	Afghanistan
<b>Program Title:</b>	Economic Growth
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	306-005
<b>Status:</b>	New in FY 2005
<b>Planned FY 2006 Obligation:</b>	\$79,738,000 DA; \$296,823,000 ESF
<b>Prior Year Unobligated:</b>	\$142,650,000 ESF
<b>Proposed FY 2007 Obligation:</b>	\$89,000,000 DA; \$360,500,000 ESF
<b>Year of Initial Obligation:</b>	2005
<b>Estimated Year of Final Obligation:</b>	2007

**Summary:** USAID will implement a coordinated multisector approach to develop a thriving private-sector led economy that will increase incomes, reduce poppy cultivation, and propel Afghanistan into the 21st Century global economy. USAID will build primary and secondary roads and repair extant or lacking power supply, water, and sanitation systems. In rural areas, alternatives to poppy production will continue to be introduced in conjunction with palliative measures for disrupted rural incomes in the form of community-identified cash-for-work development activities. The national business climate will see marked improvement through macroeconomic reform and technical assistance to relevant policy making government ministries.

### Inputs, Outputs, Activities:

#### FY 2006 Program:

Develop and Expand Alternative Development (\$8,403,000 DA; \$132,200,000 ESF; \$700,000 ESF Prior Year Supplemental). The Alternative Livelihoods program is combating poppy production in nine poppy producing provinces, promoting sustainable regional development, and providing cash-for-work programs. Principal Implementers: Chemonics, Development Alternatives Inc. (DAI), and Planning and Development Collaborative International (PADCO).

Expand and Improve Access To Economic and Social Infrastructure (\$138,000,000 ESF; \$97,850,000 ESF Prior Year Supplemental). USAID is completing the Kandahar to Herat Highway, which is a Presidential Initiative; completing the construction of critical secondary roads; expanding power generation; and procuring fuel for power plants until sufficient domestic electric production is attained. Principal Implementers: the Louis Berger Group, Inc., United Nations Office of Project Services, and Advanced Engineering Associates, Inc.

Improve Access To Clean Water and Sanitation (\$2,000,000 ESF; \$3,000,000 ESF Prior Year Supplemental). USAID is expanding access to clean water by rural and urban households and communities, focusing primarily on service delivery and service access. Principal Implementers: CDM Constructors, Inc. and United Nations Development Programme.

Improve Economic Policy and the Business Environment (\$25,000,000 DA; \$5,500,000 ESF; \$8,400,000 ESF Prior Year Supplemental). USAID assistance to the Ministry of Finance is building capacity for customs revenue collection. USAID is pursuing privatization of state-owned enterprises and promotion of property rights through land titling. Principal Implementers: Bearing Point and Emerging Markets Group.

Improve Private Sector Competitiveness (\$13,500,000 DA; \$17,000,000 ESF; \$15,100,000 ESF Prior Year Supplemental). USAID is working in targeted provinces with a new Small and Medium Enterprise (SME) program and a new Access to Capital activity. SMEs are receiving assistance in the areas of developing business plans, marketing, accounting, production, quality control, and human resource management. USAID is developing industrial parks, improving Afghan production and marketing, and integrating the private sector into the global competitive market. Principal Implementers: On-The-Frontier, Center for International Private Enterprise, and Technologies Inc.

Increase Agricultural Sector Productivity (\$32,835,000 DA; \$2,123,000 ESF; \$17,600,000 ESF Prior Year Supplemental). The Rebuilding Agricultural Markets Program (RAMP) is continuing to build Government of Afghanistan capacity, rehabilitate rural infrastructure, utilize Information Technology for agricultural productivity gains, expand rural financial services, and equip partners to manage natural resources in a sustainable manner. A follow-on activity will be initiated to further increase agricultural sector productivity in a sustainable manner through technology transfer, access to credit for rural producers, and agribusinesses. In order to increase trade and investment, USAID is building the capacity of associations to produce, market, and export high-value agriculture commodities. The Ministry of Agriculture and Kabul University will receive technical assistance. Principal Implementer: Chemonics and others To Be Determined (TBD).

**FY 2007 Program:**

Develop and Expand Alternative Development (\$9,000,000 DA; \$100,000,000 ESF). USAID will continue to implement the Alternative Livelihoods program to combat poppy production in major poppy growing provinces, promoting sustainable regional development and providing cash for work to individuals to forego poppy cultivation. Principal Implementers: Chemonics, DAI, and PADCO.

Expand and Improve Access To Economic and Social Infrastructure (\$5,500,000 DA; \$219,500,000 ESF). USAID will rehabilitate and expand power generation and transmission systems, fund ongoing metering and capacity building activities, procure fuel in four principal urban areas, and fund one secondary road and three provincial roads. Principal Implementer: TBD.

Improve Economic Policy and the Business Environment (\$24,500,000 ESF). Macroeconomic reform, revenue collection, and privatization of state-owned enterprises will continue. Principal Implementer: TBD.

Improve Private Sector Competitiveness (\$39,000,000 DA; \$8,000,000 ESF). USAID will continue to develop industrial business parks, assist Afghan firms to compete in the global market, and support SMEs. Principal Implementer: TBD.

Increase Agricultural Sector Productivity (\$35,500,000 DA; \$8,500,000 ESF). The follow-on program to RAMP will accelerate market led growth. It will link rural producers with markets and input suppliers, assist farmers and private sector entrepreneurs to add value to agricultural raw materials, harness market opportunities, rehabilitate small scale agricultural infrastructure such as irrigation and farm to market roads, and provide support for storage and processing facilities. USAID will focus on high-value horticulture products for domestic and international markets to increase rural incomes. A biodiversity conservation and natural resource management program will promote environmental protection and conservation in areas with significant biological and economic values. The Global Livestock Collaborative Research Support Program will introduce risk management tools to enable livestock raisers and government decision makers to plan for and put into place measures that will reduce the impact of droughts. Principal Implementer: Wildlife Conservation Society and University of California-Davis.

**Performance and Results:** Although new, this strategic objective incorporates activities initiated under a previous strategic plan. Accomplishments under the old strategic objective include the Alternative Livelihoods program which provided 3.2 million work days and over \$11 million in wages paid through its cash-for-work program. The construction of irrigation canals under this program will bring about longer term results; with improved irrigation of 67,620 hectares of land, Afghans can pursue high-value agriculture on this land rather than poppy cultivation. Additionally, work from this program has repaired 236 kilometers of roads, reducing transport-related losses of farm goods by an average of 25%. At the end of FY 2007, Afghanistan will have a macroeconomic policy framework that generates investor confidence and meets the benchmarks of the International Monetary Fund. Investors will have confidence to develop competitive industries in Afghanistan because of new mechanisms to secure land titles, enforcement of property rights, and the establishment of business associations that communicate effectively with public officials. These activities will create a thriving licit agriculture economy that responds to market demands. USAID's agriculture programs will contribute to an increase in over \$1 billion of agriculture output. The coordinated efforts of cross-cutting U.S. Government programs will reduce poppy production by 30% from 2005.

## US Financing in Thousands of Dollars

Afghanistan

306-005 Economic Growth	DA	ESF
<b>Through September 30, 2004</b>		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
<b>Fiscal Year 2005</b>		
Obligations	0	527,850
Expenditures	0	0
<b>Through September 30, 2005</b>		
Obligations	0	527,850
Expenditures	0	0
Unliquidated	0	527,850
<b>Prior Year Unobligated Funds</b>		
Obligations	0	142,650
<b>Planned Fiscal Year 2006 NOA</b>		
Obligations	79,738	296,823
<b>Total Planned Fiscal Year 2006</b>		
Obligations	79,738	439,473
<b>Proposed Fiscal Year 2007 NOA</b>		
Obligations	89,000	360,500
Future Obligations	0	0
Est. Total Cost	168,738	1,327,823