



Rebuilding Afghanistan

Weekly Activity Update for May 5 – May 11
Issue 57

United States Agency for International Development

STRENGTHENING THE GOVERNMENT

Program Goals

- Support the Bonn process: the Constitutional, Human Rights, and Judicial Commissions; the 2004 elections; and a free and independent media.
- Strengthen government budgeting, revenue generation (e.g., customs), monetary management, private-sector related legal and regulatory frameworks, and promote private enterprises.
- Build capacity to carry out other legitimate government functions and support reconstruction of health, judicial, education, economic, agricultural and transportation infrastructure.

Recent Progress:

- **Vehicles and Equipment to Afghan Customs Department To Improve Collections:** On April 27th, USAID delivered 20 pickup vehicles to the Afghan Customs Department to assist in the process of collecting revenue in Afghanistan. This delivery is in addition to 150 computer workstations already delivered to the Department and a variety of additional equipment, such as satellite phones, signage, copiers, and other office equipment to be delivered shortly. These equipment deliveries are part of a larger USAID project to improve the Customs Department's effectiveness through improved processes, tariff policies, staff training, and forms and procedures.

In Afghanistan, customs plays a key role in funding the government's operations: in the Afghan fiscal year which ended in March 2004, approximately 70% of domestic revenue came from customs. In the long-term, effective customs collections will enable the Afghan government to become more self-sustaining and provide better services and security for its citizens.

The pickup trucks just delivered will allow the Customs Department to better enforce customs laws. "One of the biggest problems in the country is smuggling...smuggling means that the country is deprived of some of its income, because the customs duties are not being paid," according to Afghan Deputy Minister of Finance for Revenue and Customs, Jelani Popal. Mr Popal noted that the vehicles will help mobile teams in areas with active smuggling.

- **Major Regional Trade and Investment Conference Takes Place in Kabul:** On April 18th and 19th the Second ECO Regional Trade and Investment Conference took place in Kabul attracting 1,200 people, including 150 people from the media. ECO is the Economic Cooperation Organization and is comprised of the ten countries surrounding Afghanistan. An estimated 200–300 of those attending came from outside of Afghanistan. This was the first such event in Afghanistan in at least 20 years. In conjunction with this event, several thousand members of the public attended a Trade Exhibition. Planning and implementation for these events was managed by USAID's trade policy team leader on behalf of the Ministry of Commerce.



USAID Deputy Mission Director Bob Wilson handing over the vehicle keys to Ministry of Finance Deputy Minister Popal (head of Customs Department).

Projected and Actual Domestic Revenue Collections in Afghanistan

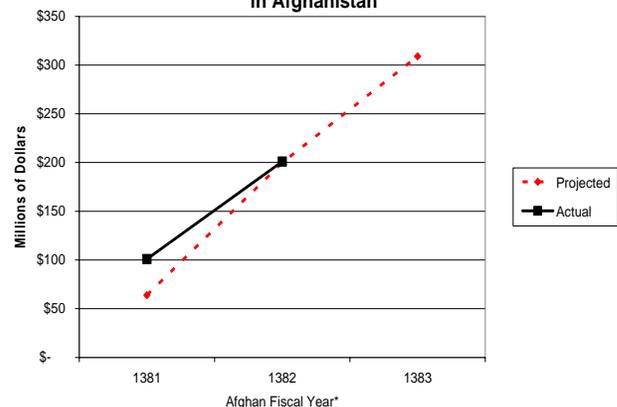


Chart shows the Afghan Government's projected and actual collections for domestic revenue by Afghan fiscal year. (Source: TISA, Ministry of Finance documents)

*Afghan fiscal year 1381 is from March 21, 2002 - March 20, 2003; 1382 from March 21, 2003 - March 20, 2004; 1383 from March 21, 2004 - March 20, 2005

REVITALIZING AGRICULTURE/CREATING JOBS

Program Goals

- Increased marketable output of \$250 million in agriculture
- More than 500,000 farm family beneficiaries
- A reliable source of water provided to more than 500,000 hectares of land through irrigation rehabilitation
- 1,000 km of improved village feeder roads rehabilitated.
- Construction of over 100 agricultural market centers.

Recent Progress

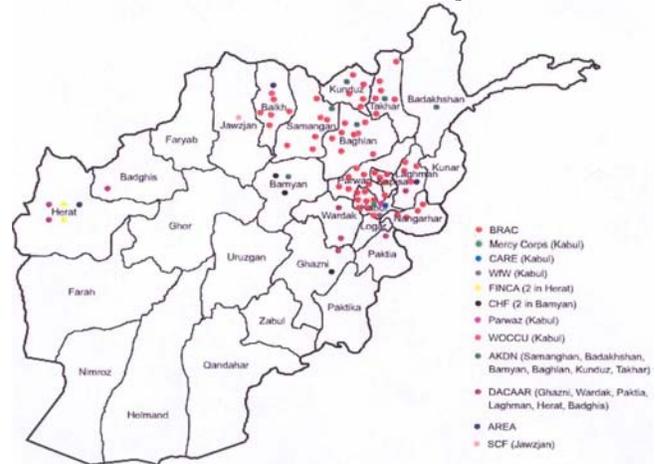
USAID's Rebuilding Agricultural Markets Program (RAMP) is a three-year program aimed at enhancing the food security and incomes of Afghanistan's rural population. It has two principal objectives, to increase agricultural productivity and output, and to facilitate effective linkages between producers, processors and markets. The program's budget is \$153 million.

- **Microfinance Lending Now Underway:** USAID has begun microfinance lending in Afghanistan. USAID has provided \$5 million in funding to this program which also receives funding from the World Bank, Canada, and the UK. The first loans were disbursed to 675 borrowers over the spring for agricultural purposes. The program will have loans with 1,000 borrowers by the summer. Microcredit can have a significant impact on improving a family's agricultural productivity and income through purchases of new equipment or agricultural inputs, like fertilizer. *(continued next column)*

Recent Progress (continued):

- **Microfinance (continued):** However, formal banking institutions, including microfinance institutions, are relatively new in Afghanistan. A significant component of this project has been training Afghan loan officers and administrators to manage these banking operations. To date, 800 loan officers have been trained and over 1,100 will be trained by summer.

Expansion of USAID Microfinance Program: Locations of Microfinance Lenders By End of 2004



INCREASING ACCESS TO BASIC HEALTH CARE

Program Goals

- Over 400 health centers renovated or constructed in rural areas, providing services to an estimated 12 million people.
- 11 million beneficiaries assured improved access to basic services in 13 provinces; 4.4 million women and children given access to services through USAID's health care initiative grants.
- 3,400 new community health workers, 990 midwives, and 6,000 clinic staff trained.
- Make safe water systems, contraceptives, mosquito nets and other health products available at reasonable prices using existing trading and marketing systems.
- Strengthen MOH capacity at the national and provincial levels for making effective health care policy; develop a public health education program; determine a sustainable health finance policy; strengthen human resource development; improve hospital management; and expand and improve the HMIS.

Recent Progress:

The USAID-funded REACH (Rural Expansion of Afghanistan's Community-Based Healthcare) program aims to improve the health of women of reproductive age and children under 5 years of age through increased use of basic health services in rural areas.

- **Birth Spacing Product Launch:** On May 6, USAID and the Afghan Ministry of Health launched publicly several birth spacing products for the Afghan market, *Number One Condoms*, *OK* oral contraceptives, and *OK* injectable contraceptives. The products are sold at subsidized prices—the condoms cost 2 US cents each—through pharmacies and other retail outlets. The launch marks the beginning of a culturally-appropriate social marketing campaign for the products. *(continued next column)*

Recent Progress (continued):

- **Birth Spacing (continued):** Number One condoms have been on the market for several months prior to the launch of the campaign: nearly 400,000 sold in four months.



Number One condoms packaging is specifically designed for the Afghan market to be discreet and culturally appropriate.



Anne Peterson, USAID Assistant Administrator for the Bureau of Global Health, makes an address during the launch of the Ministry of Health's birth spacing campaign.