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AFGHANISTAN

AGRICULTURE
CONSOLIDATED PROJECT APPRAISAL DOCUMENT (PAD)

INTERMEDIATE RESULT 1.2
VIBRANT AND PROSPEROUS AGRICULTURE SECTOR
DEVELOPED

APRIL 3, 2017

PUBLIC VERSION

TABLE OF CONTENTS

1. Project Purpose	1
2. Context	2
3. Relationship to the Mission 3-year Plan for Transition.....	5
4. Project Description.....	6
4.1. Intended Outcomes.....	9
4.1.1. <i>Component 1: Trade and Agribusiness.....</i>	10
4.1.2. <i>Component 2: Production and Productivity.....</i>	11
4.1.3. <i>Component 3: Support Conditions to Create Viable Alternatives to Poppies</i>	12
4.1.4. <i>Component 4: Human and Institutional Capacity Enhancement.....</i>	13
4.1.5. <i>Component 5: Environment and Natural Resources Management.....</i>	14
4.2. Risk Assessment and Mitigation	15
4.3. Geographic Focus	17
5. Other Leveraged Resources.....	19
6. Summary of Conclusion from Analyses.....	22
6.1. Gender Analysis.....	22
6.2. Climate Change Analysis	24
7. Management and Implementation Plan.....	26
8. Project Monitoring, Evaluation and Learning (MEL) Plan.....	26
8.1. Monitoring.....	26
8.2. Evaluation.....	28
8.3. Learning.....	29

ACRONYMS

AAD	Activity Approval Document
AAEP	Afghanistan Agricultural Extension Program
ABADE	Assistance in Building Afghanistan by Developing Enterprises
ACE	Agricultural Credit Enhancement
ADF	Agricultural Development Fund
ADS	Automated Directives System
ADTs	Agribusiness Development Teams
AGRED	Agricultural Research and Extension Development
AMELP	Activity Monitoring, Evaluation, and Learning Plan
AOR	Agreement Officer's Representative
ARTF	Afghanistan Reconstruction Trust Fund
ATAR	Afghanistan Trade and Revenue Project
CAR	Central Asian Republics
CBCMP	Capacity Building and Change Management Project
CERP	Commander's Emergency Response Program
CHAMP	Commercial Horticulture and Agricultural Marketing Program
CLA	Collaborating, Learning, and Adapting
COR	Contracting Officer's Representative
DAIL	Directorate of Agriculture, Irrigation and Livestock
DAO	District Agriculture Office
DFID	Department for International Development
DO	Development Objective
DQA	Data Quality Assessment
EMD	Enterprise and Market Development
FAIDA	Financial Access for Investing in the Development of Afghanistan
FAO	Food and Agriculture Organization
FASAL	Fostering Afghanistan's Sustainable Agribusiness and Livestock
FY	Fiscal Year
EU	European Union
GDP	Gross Domestic Product
GoA	Government of Afghanistan
GRAIN	Grain Research and Innovation
HED	Home Economics Directorate
HFZ	Helmand Food Zone
ID	Irrigation Directorate
INL	International Narcotics and Law
INOP	Improving Nutrition Outcomes
IP	Implementing Partner
IR	Intermediate Result
KFZ	Kandahar Food Zone
MAIL	Ministry of Agriculture, Irrigation and Livestock
MCN	Ministry of Counter Narcotics

MEL	Monitoring, Evaluation and Learning
MT	Metric Ton
NPP	National Priority Programs
OAA	Office of Acquisition and Assistance
OAG	Office of Agriculture
OBM	On-Budget Assistance Monitor
OEG	Office of Economic Growth
OED	Office of Education
OFWM	On-Farm Water Management
OPPD	Office of Program and Project Development
PAD	Project Appraisal Document
PIO	Public International Organization
PMP	Performance Management Plan
PPWP	Portable and Productive Water PAD
PRTs	Provincial Reconstruction Teams
RADP	Regional Agriculture Development Program
RAIN	Rehabilitating Afghanistan Irrigation Network
SAAF	Strengthening Afghan Agriculture Faculties
SME	Small and Medium Enterprise
SOAG	Strategic Objective Grant Agreement
SWIM	Strengthening Watershed and Irrigation Management
TA	Technical Assistance
TEC	Total Estimated Commitment
USAID	U.S. Agency for International Development
USDA	U.S. Department of Agriculture
USG	U.S. Government
WB	World Bank
WEAI	Women's Empowerment in Agricultural Index
WTO	World Trade Organization

PROJECT APPRAISAL DOCUMENT (PAD) OVERVIEW

Name of Project	Vibrant and Prosperous Agriculture Sector Developed Project (DO 1; IR 1.2)
Project Purpose	Vibrant and Prosperous Agriculture Sector Developed by: increasing the productivity of key licit crops and livestock; supporting commercially viable agriculture markets for Afghan products; improving public and private agricultural service delivery; improving natural resource management practices; and, increasing equitable access to agriculture credit and competitiveness of agribusinesses and entrepreneurs.
Life of Project	February 2017 - January 2024
Implementers	On- and Off-budget partners, Public International Organizations (PIOs), and sub-awards to local organizations.
Implementing Mechanisms	Acquisition and Agreement instruments, Afghanistan Reconstruction Trust Fund (ARTF), Grants and Sub-grants, Grants Under Contracts, Fixed Amount Reimbursement Agreement
Responsible Offices	Office of Agriculture (OAG)

1. PROJECT PURPOSE

The purpose of the Project is to develop a vibrant and prosperous agricultural sector in Afghanistan by, increasing the productivity of key licit crops and livestock; increasing availability of fortified foods; supporting commercially viable agriculture markets for Afghan products; improving public and private agricultural service delivery; and improving natural resource management practices, while increasing equitable access to financial services (agriculture credit) and competitiveness of agribusinesses and entrepreneurs. The Project consolidates existing OAG programming and anticipates new programs in support of developing Afghanistan’s agriculture sector.

In order to advance the transition towards Afghan-led development, the Office of Agriculture (OAG) proposes this Project, which will define the nature and intent of all OAG activities. The aim of the Project is to strengthen the capabilities of private enterprises to link to domestic and international markets. The basic premise of the Project is that agricultural-led economic growth is the key to rural poverty reduction and lessening Afghanistan’s dependency on foreign aid. The activities operating under the Project will use the principles of collaboration, learning, and adaptive management (CLA) to leverage Afghan public and private sector investments and international donor assistance already underway throughout the country.

Progress towards this Project’s purpose contributes to USAID’s Development Objective (DO) 1: “Sustainable Agriculture-Led Economic Growth Expanded.”

To track achievement of the Project purpose, indicators from the DO level and two Intermediate Results (IRs) of the Mission’s Performance Management Plan will be used:

IR 1.2 Vibrant and Prosperous Agriculture Sector Developed	IR 1.1 Employment Opportunities Increased
* Value of exports of targeted agricultural commodities as a result of USG assistance [Baseline: \$90,393,134 Baseline month and year: September 2016]	* Number of full-time equivalent (FTE) jobs created with USG assistance [Baseline: 642,607 Baseline month and year: September 2016]
* Value of national sales of targeted commodities as a result of USG assistance [Baseline: \$441,004,000 Baseline month and year: September 2016]	
* Number of households benefited by agriculture and alternative development interventions in targeted areas [Baseline: 4,108,412 Baseline month and year: September 2016]	

- Percent of people living on less than \$1.25/day (Prevalence of Poverty)
- Percentage increase in household income from licit agriculture in targeted areas

*Baseline for these Development Objective level indicators will be determined in 2017.

Further details on the sub-IRs supported by the Project and relevant indicators are found in Section 3 – Project Description.

2. CONTEXT

Rural areas accommodate a large majority of the Afghan population and the highest concentration of poverty (80 percent of poor Afghans live in rural areas)¹, and in these areas agriculture is the main source of livelihood. While various sectors are required to address Afghanistan’s development needs, World Bank analysis indicated that agriculture will provide a vital source of GDP growth, subsistence, and employment². Agriculture and agriculture-related activities play a critical role in employing 59 percent of the labor force and contributing 31 percent of the country’s Gross Domestic Product (GDP)³. Until the mineral and non-agricultural manufacturing sectors develop, the agriculture sector will be the greatest generator of the foreign exchange and government revenue (inclusive of agriculture exports) needed to help offset projected reductions in foreign aid. The Government of Afghanistan (GoA) sees the agriculture sector as the largest contributor and driver of economic growth, job creation and poverty reduction and is committed to pursuing comprehensive development in the sector. Thus, the agriculture sector will remain critical to Afghanistan for the foreseeable future.

According to the World Bank⁴, actual cultivated area is substantially less than the 7.8 million hectares of arable land (only 12 percent of 65 million hectares). Agriculture is mainly rain-fed because of lack of irrigation, characterized by smallholder production⁵, and is mostly subsistence. Wheat is the most important cultivated crop as evidenced by Afghanistan having the world’s highest annual wheat consumption (160 kilograms/person), and over 66 percent of cultivated land is for food crops (i.e., vegetables and perennial horticultural crops) for household consumption. Despite the fact that farming is devoted to cereal production and food crops, Afghanistan remains highly food-insecure due to low productivity, requiring it to import 30-60 percent of cereals annually together with imports of dairy products, chicken and eggs. The agriculture sector must have continuing productivity improvements on rain-fed farming and small-scale livestock, as these provide subsistence for the poor⁶.

The government’s strategy for economic growth and poverty reduction includes development of perennial horticulture and livestock as key activities.

Sub-sector	Contribution to National GDP	Share of Agricultural GDP	Contribution to Employment
Horticulture	US\$ 1.40 billion ⁷	34%	More than 2 million people
Livestock	US\$ 0.68 billion	15%	1.1 million FTE jobs

¹ World Bank. 2015. Afghanistan - Country snapshot.

² World Bank. 2016. The World Bank Group in Afghanistan: Country Update.

<http://documents.worldbank.org/curated/en/933571475754352955/The-World-Bank-Group-in-Afghanistan-country-update>

³ World Bank. 2015. Afghanistan - Country snapshot.

<http://documents.worldbank.org/curated/en/307891467998464206/Afghanistan-Country-snapshot>

⁴ Ibid.

⁵ Average farm size is 0.4 to 1.0 hectare for small-scale producers and one to two hectares for large-scale producers, while average size for livestock farming is 1.3 cows and 10 sheep and goats.

⁶ World Bank. 2015. Poverty Status Update.

⁷ 6.7 percent

The horticulture subsector is key for employment/labor absorption; particularly by shifting agriculture from low value/low input/less labor intensive crops (such as grains) to high value/high input/labor intensive crops (produce from orchards and vineyards). At different times of the year, a wide range of crops mostly for export are produced in 14 percent of the total irrigated land area, which include grapes, pistachio, pomegranates, almonds, apricots, apple and melon. On the other hand, the livestock subsector exports livestock products—mostly skins, wool, and cashmere—but it imports much larger amounts (by value) of live animals, meats, eggs, and dairy products⁸. While Afghanistan is currently developing promising horticulture value-chains (i.e., pistachios, fresh grapes, almonds, raisins, and saffron), the livestock subsector could also substantially contribute to employment, replace imports, and expand more exports.

While positive agricultural developments have occurred over the past decade (2006-2016), currently Afghanistan's productivity and competitiveness in many commodities significantly lag behind neighboring countries and its own historical levels. The World Bank noted that in the 1970s, Afghanistan was a top exporter of horticultural products (e.g., 20 percent of raisins in the world market), a significant exporter of wool, carpets, and leather goods, and a small exporter of cereals. The country was also self-sufficient in meat, milk and cereals. However, because most of the agricultural infrastructure—rural roads, storage facilities, and irrigation systems—was destroyed by 30 years of conflict, and the Afghan population has also grown rapidly, the country became an importer of wheat, meats and dairy products.

Productivity of cereal crops is low at only 2,020.6 kg/hectare⁹, due to a lack of improved seeds and the poor transfer of modern farming skills. For instance, irrigated wheat is a priority commodity where the World Bank Agriculture Sector Review advocates expanded investment,¹⁰ because it could increase agricultural growth quickly and lead to significant growth in agricultural employment and rural transformation¹¹. However, Afghanistan's overall wheat yields lag behind other countries in the region¹². Adverse weather conditions also contributed to a recent decline in agricultural production of 5.7 percent in 2015, and agricultural production in 2016 has been disrupted by crop diseases and pests¹³.

Decades of conflict likewise eroded institutional capacity to provide technical services, such as regulations or the teaching of new techniques. Agricultural extension services mainly suffer from the absence of a realistic policy, the poor planning capacities at the ministry level and the lack of

⁸ World Bank. 2015. Afghanistan - Country snapshot.

<http://documents.worldbank.org/curated/en/307891467998464206/Afghanistan-Country-snapshot>

⁹ Cereal yield in 2014 (<http://data.worldbank.org/country/afghanistan>)

¹⁰ The World Bank set a goal of increasing the area planted in irrigated wheat by 10 percent over the next decade from the current 1.2 million ha, by rehabilitating existing irrigation systems and increasing irrigated wheat yields from a current level of 3.0 MT/ha to 4.5 MT/ha. In addition to improved irrigation and access to fertilizer, good quality seed of wheat (varieties adapted to local conditions and suitable for local markets) is needed, particularly rain-fed wheat varieties which could significantly improve yields in 1.4 million ha in Afghanistan (USAID 2014).

¹¹ World Bank (2014), Islamic State of Afghanistan Agricultural Sector Review: Revitalizing Agriculture for Economic Growth, Job Creation and Food Security, June 2014

¹² Wheat yields vary widely across the country, with average irrigated yields at their lowest in Ghor province at 1.1 MT/ha and at their highest in Wardak province at 3.9 MT/ha. The lowest rainfed yields are also in Ghor at 0.3 MT/ha. The highest rainfed yields are in Balkh and Takhar at 1.6 Mt /ha (USDA 2014).

¹³ World Bank. 2016. Afghanistan - Country snapshot.

funds/budgets to deliver extension services¹⁴. Extension workers have low technical¹⁵ capacity and also lack the knowledge sharing¹⁶ capacity to engage with farmers.

While USAID has contributed in the area of quality fruits and nuts production as well as the importance of cold storage in the value chain, there are still various trade impediments to fresh fruit exports. These obstacles are in the aspects of cargo transportation (air, land and sea), packaging, import duties, post-harvest and value addition, and export promotion¹⁷. Among these impediments, the main ones—particularly in land transport of Afghan exports of fruits and vegetables through Pakistan and the Wagah border crossing into India—are bribes extorted by illegal actors, and delays resulting in breaks in the cold chain and eventual spoilage of produce¹⁸. Afghan exporters also noted that the lack of cold storage facilities for produce and available financing, government corruption, and inadequate transportation are the most common barriers to building their businesses¹⁹.

During much of the past 14 years, USAID’s development efforts in the agriculture sector were driven, to a significant extent, by counter-insurgency objectives and the necessity to meet the most immediate, short-term needs of the country. The counter-insurgency focus led to a large portion of USAID’s portfolio being dedicated to stabilization efforts conducted within a “whole-of-government” approach²⁰, and consisted of quick-impact activities meant to (a) provide immediate employment and income in insecure areas, and (b) address grievances and sources of conflict within communities. However, other than the rehabilitation of road and irrigation infrastructure, most stabilization activities had a short-term focus and often involved the subsidized distribution of goods and services, particularly seed, fertilizer, and capital assets to farmers. Starting in 2006, USAID’s agriculture portfolio has slowly transitioned towards more market-driven, value chain oriented, and sustainable development activities. The Project intends to complete the transition towards a more private sector, demand-driven agribusiness/agro-industrial economic structure, by shifting towards adding value to production through improved marketing, processing, and exporting.

Afghanistan’s growth in the agricultural sector over the past decade, along with a considerable portion of the country’s employment and service delivery, remains directly or indirectly tied to donor assistance programs. However, in the next ten years, the level of international support is expected to decline to annual levels that are more consistent with those of other developing countries. Achieving USAID’s ambitious agricultural objectives with declining resources

¹⁴ World Bank (2010). “Constraints to Agricultural Extension Service Delivery” (Powerpoint slides).

¹⁵ Extension officers have a low level of technical training and are not knowledgeable of the latest agricultural technologies, and there is training plan for them.

¹⁶ Includes poor communication and mobilization skills of extension workers, and no plans or funding for information campaigns for farmers

¹⁷ Commercial Horticulture and Agricultural Marketing Program. 2014. Impediments to Fresh Fruit Exports.

¹⁸ Commercial Horticulture and Agricultural Marketing Program. 2014. Afghanistan-Pakistan Trade Barriers: A Case Study.

¹⁹ Commercial Horticulture and Agricultural Marketing Program. 2014. Survey of Afghan Agricultural Exporters

²⁰ The U.S. Department of Agriculture (USDA), for example, fielded agricultural advisors on Provincial Reconstruction Teams (PRTs) and embedded advisors within MAIL, while also implementing its own stand-alone programs generally with USAID funds. The U.S. Army Corps of Engineers did a significant amount of work in the irrigation and watershed management sector, including providing assistance in dam rehabilitation. The State Department’s Bureau for International Narcotics and Law Enforcement (INL) was involved in funding alternative development efforts. The U.S. military implemented the Commander’s Emergency Response Program (CERP), which provided military commanders with resources to fund short-term reconstruction activities. The military also fielded Agribusiness Development Teams (ADTs), which were composed of Army National Guard soldiers with backgrounds and expertise in various sectors of agribusiness and agriculture. ADTs provided training and advice to Afghan universities, provincial ministries, and local farmers. The Pentagon also funded a Task Force for Business and Stability Operations, which carried out various agriculture-related activities.

necessitates a reconfiguration of approaches and a consolidation of efforts in programming. Moreover, USAID’s agricultural activities must demonstrate measurable outcomes and a more sustainable trajectory, recognizing that Afghanistan’s population will remain dependent on agriculture for the foreseeable future, and addressing President Ashraf Ghani’s critique that the overall aid system in the country is antiquated and in need of a major overhaul.²¹

Therefore, there is an ardent challenge for USAID to demonstrate with evidence, through this Project, how the Mission’s investments are addressing the main challenges in Afghan agriculture:

- Limited irrigation systems, inefficient on-farm water management practices, and inadequate capacity in the use of modern inputs and technology, resulting in low yields;
- Limited expansion of critical support to supply chain improvement for the domestic market, and inadequate facilitation of exports to regional and international markets working through the Afghan private sector;
- Lack of more financially viable, labor-intensive crop alternatives to opium poppy cultivation, as well as the inability of the Ministry of Counter Narcotics (MCN) to manage its own alternative livelihoods programs and create licit economic opportunities; and
- Lack of depth in the capacity of MAIL and MCN in key functions (like extension and research), and ineffective coordination among MAIL directorates and sub-national governance entities such as the Provincial DAILs and District Offices.

The lag in these four areas reduces incentives to improve production, and impedes efforts to increase economic growth and reduce poverty. In order to transform Afghan agriculture from subsistence to market-oriented production systems, it is critical to have a Project which has activities to directly pursue economic growth and poverty reduction.

3. RELATIONSHIP TO THE MISSION’S 3-YEAR PLAN FOR TRANSITION

The Project supports USAID’s Plan for Transition (2015-2018) (Mission Plan), which defines the strategy as the Mission moves from stabilization programming towards longer-term development. The three-year Plan is based on the premise that agriculture-led economic growth will become the main source of increased government revenue, replacing donor assistance and providing for basic service delivery. More specifically, the Project mainly supports the following Development Objective (DO), Intermediate Results (IR) and Sub-Intermediate Results (Sub-IR):

²¹ According to President Ghani, “the aid system, which was designed for a different era, is now deeply out of synch with the challenges of the contemporary world. The central task that the aid system should perform—namely, generating prosperity by bringing a global knowledge of stocks and flows to countries without it—is not being done.” [[Fixing Failed States](#), p.86]

- DO 1: Sustainable, Agriculture-Led Economic Growth Expanded
 - IR 1.2: Vibrant and Prosperous Agriculture Sector Developed
 - Sub-IR 1.2.1: Productivity of Key Agricultural Crops Increased
 - Sub-IR 1.2.2: Commercial Viability of Agribusinesses Increased
 - Sub-IR 1.2.3: Public and Private Agricultural Service Delivery Strengthened
 - Sub-IR 1.2.4: Natural Resource Management Practices Improved

This Project also contributes to *Equitable Access to Credit Increased* (Sub-IR 1.1.2) by providing access to financial services for the agricultural sector; *Policies and Procedures Improved* (Sub-IR 3.2.2) by providing capacity building and policy support to the MAIL at the national and sub-national levels; and *Women’s Equality and Empowerment Increased* (Sub-IR 2.3.1) by advancing women’s participation in agriculture. Likewise, the U.S. Government remains committed to helping GoA disrupt the country’s opium-based informal economy and strengthen its control over Afghanistan, as first elaborated in the 2006 *U.S. Counternarcotics Strategy for Afghanistan*.²²

Based on this relationship with the Mission Plan and its Results Framework, the Project requires coordination between OAG and the Offices of Economic Growth (OEG), Infrastructure (OI), the Gender Office, and Health and Nutrition (OHN). This Project is intended to be implemented for seven years (2017-2023). Because the Plan for Transition expires in 2018, this project will be revised as needed, through the use of Learning Agendas²³, and other methods, upon approval of the Mission’s new Country Development and Cooperation Strategy (CDCS).

4. PROJECT DESCRIPTION

USAID Afghanistan employed a rigorous analytic approach to conceptualize the Vibrant and Prosperous Agriculture Sector Developed Project Appraisal Document (PAD). The initial conceptualization of the basic framework for the PAD was informed by the Government of Afghanistan’s Comprehensive Agriculture Development Priority Program under the Afghan Peace and Development Strategy. The analytic approach utilized was influenced by the following overarching questions:

- What are the critical challenges and issues directly impacting food security that best be addressed by the mission with reduced resources?
- Is there evidence that addressing these constraints will have substantial impact?
- Where is the strongest alignment of USAID Afghanistan’s priorities and comparative advantage?

The mission then developed a highly integrated PAD by applying the following strategic filters:

- Target a small number of agricultural commodities: USAID Afghanistan commissioned agricultural sustainability assessment of 2015; and Dalberg’s “Afghanistan Agricultural Assessment and Framework Development” of April 2011.

²² [1] U.S. Department of State, U.S. Counternarcotics Strategy for Afghanistan, August 2007. The most recent report is: Office of National Drug Control Policy, U.S. Counternarcotics Strategy for Afghanistan, 2013.

[1] The WHITEHOUSE, Office of National Drug Control Policy, <https://www.whitehouse.gov/ondcp/afghanistan-southwest-asia>

²³ The CLA principles are detailed in USAID’s [ADS-201.3.5.19](#), and at the [USAID Learning Lab](#).

- Address limited segments of the value chain: Informed by Dalberg’s “Afghanistan Agricultural Assessment and Framework Development” of April 2011; and various case studies undertaken by USAID Afghanistan’s Commercial Horticulture and Agricultural Marketing Program and Incentives Driving Economic Alternatives—North, East and West (IDEA-NEW).
- Geographically focused and prioritized investments in private markets: Informed by Dalberg’s “Afghanistan Agricultural Assessment and Framework Development” of April 2011; and the World Bank’s “Enhancing Food Security in Afghanistan: Private Markets and Public Policy Options” of August 2005.
- Focus on a farmer centric approach: Support 15 of 16 immediate priorities and enabling factors of the Government of Afghanistan in alignment with the Brussels commitment and the Afghan Peace and Development Strategy. It is also informed by Altai Consulting’s “Constraints to Agricultural Extension Service Delivery of March 2014.
- Lesson’s learned in implementing agricultural Activities in Afghanistan: Learning and adapting approaches were gleaned from several final reports of previous USAID Afghanistan’s activities in the country such as (i) Afghanistan Vouchers for Increased Production in Agriculture, (ii) Accelerating Sustainable Agriculture Program, (iii) Incentives Driving Economic Alternatives—North, East and West (IDEA-NEW), (iv) Southern Regional Agricultural Development Program, (v) Afghanistan Water and Agriculture Technology Transfer program, (vi) Alternative Development Programs – East, North, South and South-West, (vii) Commercial Horticulture and Agricultural Marketing Program, and others.

This Project consolidates and continues elements of a number of active USAID activities, by consolidating in a lone PAD the prior planning in earlier PADs and Activity Approval Documents (AADs) under the old project design guidance. Consequently, this PAD adopts and extends the authorizations of ongoing awards to the Project completion date of FY 2024. Moving forward, planned activities and follow-on ones under existing mechanisms will be approved hereunder this Project’s PAD.

The Project’s Development Hypothesis is as follows:

IF private-sector-led economic growth is strengthened, agricultural productivity and food security is increased, water management systems are established, and human and institutional capacity is increased,

THEN a vibrant and prosperous agriculture sector will be developed.

The Project’s investments in agriculture and agribusiness will be directly linked to broader economic growth activities such as developing small and medium enterprises (SMEs), and improving the enabling environment for business. Moreover, with the expansion of agricultural productivity, investment in domestic and international market expansion for agricultural products, and reduced livestock mortality through improved veterinary care, household incomes and employment will substantially increase. The Project’s focus on agribusinesses will be targeted toward Afghan firms that have the potential to serve as “anchors” for key value chains in the agricultural sector, especially those that are best positioned to put investment capital to

use, benefit from international partnerships, and generate both supply and demand for “upstream and downstream²⁴” Afghan firms and farms.

The Project will increase agricultural productivity and strengthening upstream and downstream linkages in the value chains for licit high-value produce. To boost the private sector side of the agricultural sector, on-farm training in best practices and technology along with technical assistance (TA) will be provided to SMEs to strengthen their capacity. Activities will focus on addressing the demand for agricultural goods and services by partnering with the private sector to develop inclusive, growth-oriented agricultural value chains. In addition to identifying constraints to businesses performance and sales and determining ways to improve production and quality within selected value chains, activities operating under the Project will strengthen local technical capacity as well as facilitate the interaction among various “actors” (i.e., farmers, agricultural input providers, millers, traders, buyers) in the assisted value chains. Envisioned for implementation across the country, these demand-driven and market-based solutions will contribute to increased licit agricultural production, which will elevate farmer livelihoods beyond subsistence production into enhanced commercial viability. OAG activities are expected to contribute to the MAIL-estimated \$2.5 billion in domestic and international sales of agricultural goods and services in targeted value chains.

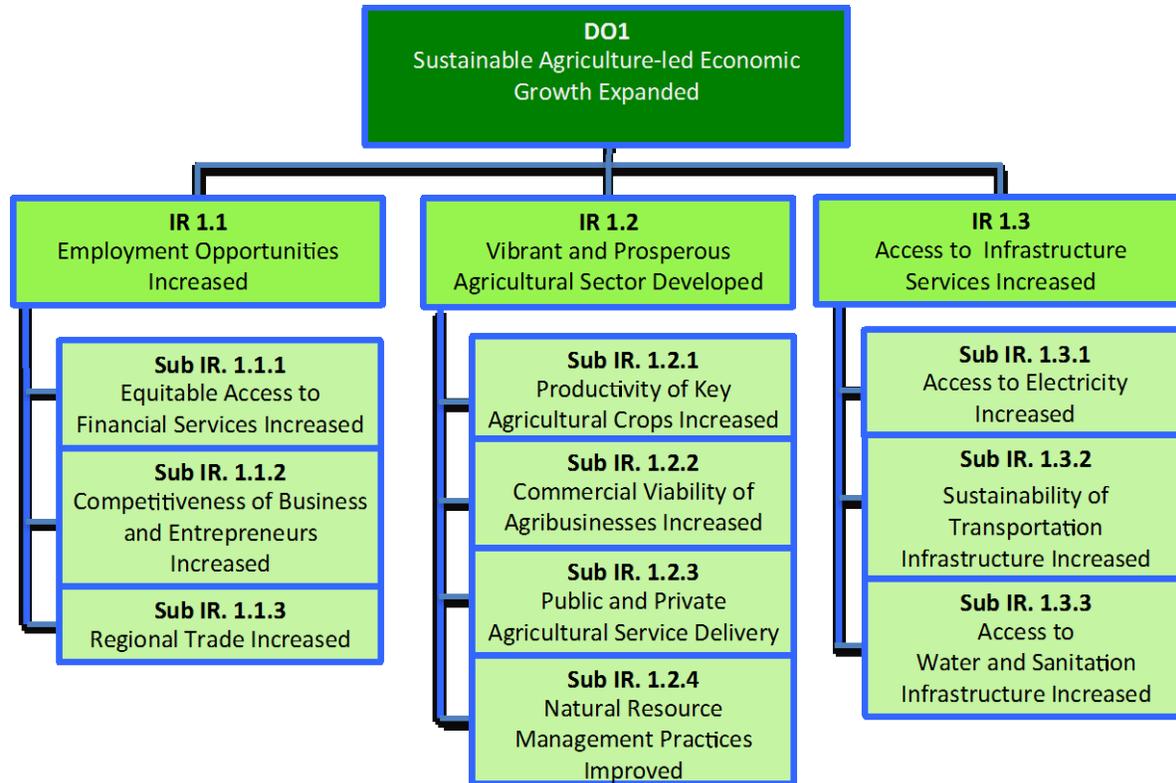
To assist the government side of the sector, the Project will provide TA to the Ministry of Agriculture, Irrigation and Livestock (MAIL) and its Directorates, provincial offices (PAILs), and district agriculture offices (DAOs) to strengthen Afghan capacity to provide extension services and credit to farmers, improve policies and research aimed at increasing production and investment, and effectively handle water resource and irrigation management. The Project will also continue to build/enhance the systems (i.e., financial, administrative, etc.) within MAIL, PAILs and the DAILs, and formulate all relevant policies and procedures related to human and institutional capacity enhancement and gender mainstreaming. Given resource limitations, strategic public investments for the rehabilitation of irrigation systems will also be made. The Project will likewise sustain advisory support to the Afghan government’s Agriculture Development Fund (ADF) towards the provision of more credit to agribusinesses.

The reduction of poppy cultivation, particularly on the arable and better-irrigated lands where the government exercises its authority, will likewise contribute to the sustainable development of the agriculture sector. The Project’s alternative development activities will support appropriately tailored strategies (defined with and owned by rural communities) for smallholder farmers²⁵, so that the agricultural alternatives are economically viable for the transition away from poppy.

²⁴ Upstream farms produce the basic or raw materials, while upstream firms process these raw materials into intermediary products. On the other hand, downstream firms process the output of upstream firms into a finished or different product. For example, upstream grape farmers produce the grapes that upstream firms turn into raisins, and these raisins are combined with other dried fruits and nuts by downstream firms and turned into mixed fruits and nuts in packs or cans.

²⁵ Realizing Self Reliance Paper, Commitment to Reforms and Renewed Partnership, GNU, December 2014

4.1 Intended Outcomes. The suite of activities under this Project ultimately contributes to the achievement of DO 1 (Sustainable Agriculture-led Economic Growth Expanded) of the Mission’s Results Framework. To develop a vibrant and prosperous agriculture sector, the intended outcomes illustrated in the logic model must be realized:



The Project’s specific outcomes and their corresponding activities (active and planned) are categorized under agriculture sub-sectors, which are called Project Components in this PAD.

4.1.1 Component 1: Trade and Agribusiness

Outcome ²⁶	Indicators
<i>Employment Opportunities Increased (IR 1.1)</i>	* Number of full-time equivalent (FTE) jobs created with USG assistance ²⁷
<i>Vibrant and Prosperous Agriculture Sector Developed (IR 1.2)</i>	* Value of exports of targeted agricultural commodities as a result of USG assistance ²⁸
<i>Equitable Access to Financial Services Increased (Sub-IR 1.1.1)</i>	* Number of MSMEs, including farmers, receiving bank loans from USG-supported financial intermediaries ²⁹ * Value of agricultural and rural loans as a result of USG assistance ³⁰
<i>Productivity of Key Agricultural Crops Increased (Sub IR 1.2.1)</i>	* Number of farmers growing high value crops as a result of USG assistance ³¹ * Number of hectares with increased high value crop production as a result of USG programs ³²
<i>Commercial Viability of Agribusinesses Increased (Sub-IR 1.2.2)</i>	* Number of agriculture-related enterprises supported by USG interventions ³³ * Number of MSMEs (including small holder farmers) linked to larger-scale firms as a result of USG assistance to the value chain ³⁴
<i>Women's Equality and Empowerment Increased (IR 2.3)</i>	* Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income or employment) ³⁵

The Project will promote growth by adding value to the agriculture value chains, from production to marketing, with a number of activities that address key constraints in agricultural commodities' trading and agribusinesses. Activities have linked Afghanistan's horticulture production to regional markets in India and the Middle East through the United Arab Emirates. Afghanistan's sweet pomegranates, award-winning saffron, and quality dried fruit and nuts continue to attract attention from international buyers at the Gulfood—the world's largest food exhibition—held in Dubai. Facilitated trade deals have increased exports by an additional 41,315 metric tons (worth \$79.5 million) of fresh and dried fruits, nuts, and cashmere³⁶. Current and future activities will continue to lead efforts in facilitating access to local and international markets for agribusinesses and farmers. OAG will collaborate with the Office of Economic Growth in facilitating export to international markets. Activities under this PAD will support the facilitation of access to specialized lines of credit (i.e., financial products designed for agribusinesses, women, and farmers). Activities will also support the development of new agribusinesses, and enable farmers to improve the quality and quantity of their products.

²⁶ This Component also contributes to Mission PMP Sub IR 1.2.3, "Private Agricultural Service Delivery Strengthened". This Sub-IR is measured using a lower level output indicator (*Number of individuals who have received USG supported short-term agricultural sector productivity or food security training*). The Agricultural Credit Enhancement II (ACE-II) activity and the Commercial Horticulture and Agricultural Marketing Program (CHAMP) report on this indicator.

²⁷ Reported by ACE-II and CHAMP

²⁸ Reported by CHAMP

²⁹ Reported by ACE-II

³⁰ Ibid.

³¹ Reported by CHAMP

³² Ibid.

³³ Reported by ACE II and CHAMP

³⁴ Reported by CHAMP

³⁵ Ibid.

³⁶ as of end-June 2016

4.1.2 Component 2: Production and Productivity

Outcome ³⁷	Indicators
<i>Employment Opportunities Increased (IR 1.1)</i>	* Number of full-time equivalent (FTE) jobs created with USG assistance ³⁸
<i>Vibrant and Prosperous Agriculture Sector Developed (IR 1.2)</i>	* Value of exports of targeted agricultural commodities as a result of USG assistance ³⁹
	* Value of national sales of targeted commodities as a result of USG assistance ⁴⁰
	* Number of households benefited by agriculture and alternative development interventions in targeted areas ⁴¹
<i>Productivity of Key Agricultural Crops Increased (Sub-IR 1.2.1)⁴²</i>	* Percentage change in productivity of key agricultural crops as a result of USG assistance * Number of hectares under improved technologies or management practices as a result of USG assistance * Number of farmers and others who have applied new technologies or management practices as a result of USG assistance * Number of farmers growing high value crops as a result of USG assistance * Number of hectares with increased high value crop production as a result of USG programs
<i>Commercial Viability of Agribusinesses Increased (Sub-IR 1.2.2)⁴³</i>	* Number of firms (excluding farms) or civil society organizations (CSOs) engaged in agricultural and food security-related manufacturing and services that have increased profits or become financially self-sufficient with USG assistance * Value of incremental sales by agribusinesses as a result of USG assistance * Number of for-profit private enterprises, producers organizations, water users associations, women's groups, trade and business associations and community-based organizations (CBOs) that applied improved organization-level technologies or management practices with USG assistance
<i>Women's Equality and Empowerment Increased (IR 2.3)⁴⁴</i>	* Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income or employment)

Collectively called the Regional Agricultural Development Program (RADP), these activities constitute the foundational platform of OAG's agricultural program, by focusing on (i) integrated value chain facilitation and increasing the private sector's development role, (ii) broad geographic coverage designed to impact hundreds of thousands of families, and (iii) the key growth drivers. Future activities under this Project may prioritize a commodity-specific value chain approach across the country to leverage on efficiencies gained from scale, coordination or harmonized approach, and implementers' technical niche.

In line with efforts to improve household level food security by improving agricultural productivity and the nutritional status of Afghan farmer households, the Project also has activities which strengthen and scale-up wheat flour fortification in medium and large mills in Afghanistan, and pre-fortify imported flour from Pakistan.

³⁷ This Component also contributes to Mission PMP Sub IR 1.2.3, "Private Agricultural Service Delivery Strengthened". This Sub-IR is measured using a lower level output indicator (*Number of individuals who have received USG supported short-term agricultural sector productivity or food security training*). The Regional Agriculture Development Programs – North, South and East all report on this indicator.

³⁸ Reported by Regional Agriculture Development Program - North (RADP-North)

³⁹ Ibid.

⁴⁰ Reported by RADPs-North, South, and East

⁴¹ Ibid.

⁴² Ibid.

⁴³ Ibid.

⁴⁴ Ibid.

4.1.3 Component 3: Support Conditions to Create Viable Alternatives to Poppies

Outcome ⁴⁵	Indicators
<i>Employment Opportunities Increased (IR 1.1)</i>	* Number of full-time equivalent (FTE) jobs created with USG assistance
<i>Vibrant and Prosperous Agriculture Sector Developed (IR 1.2)</i>	* Number of households benefited by agriculture and alternative development interventions in targeted areas
<i>Productivity of Key Agricultural Crops Increased (Sub-IR 1.2.1)</i>	* Number of hectares under improved technologies or management practices as a result of USG assistance * Number of farmers and others who have applied new technologies or management practices as a result of USG assistance * Kilometers of irrigation canals, drainage ditches, market feeder roads, and/or other measureable municipal services and/or market infrastructures rehabilitated
<i>Commercial Viability of Agribusinesses Increased (Sub-IR 1.2.2)</i>	* Number of for-profit private enterprises, producers organizations, water users associations, women’s groups, trade and business associations and community-based organizations (CBOs) that applied improved organization-level technologies or management practices with USG assistance

An activity of this Project—the Kandahar Food Zone (KFZ)—is collaborating with national and provincial authorities in Kandahar to demonstrate a sustainable model of competitive livelihoods which would be alternatives to growing poppies. Among others, KFZ has rehabilitated 1,953 kilometers of irrigation infrastructure, which increased water availability for approximately 489,000 hectares of agricultural land and resulted in farmers able to diversify production, increase the total land farmed, and raise the volume and value of crops. To provide alternative livelihood options for individuals and households engaged in illicit agriculture, future programming in this Project will draw on lessons learned from KFZ, prior counter narcotics activities, and critical intervention priorities stated in the Alternative Development Options Assessment⁴⁶. Said priorities include the continuing provision of water and irrigation at district level; promotion of multiple cropping systems and technology transfer (greenhouse and low/high tunnel technology) for high-value, annual and perennial crops⁴⁷; development of certified nurseries (for seeds/seedlings and saplings) and market information networks; expansion of cold storage facility capacity and operational efficiency and creation of village/district packing centers; enhancement of livestock production; creation of viable opportunities for off-farm rural employment⁴⁸; and visible enhancement of security/state presence in high risk areas.

⁴⁵ This Component also contributes to Mission PMP Sub IR 1.2.3, “Private Agricultural Service Delivery Strengthened”. This Sub-IR is measured using a lower level output indicator (*Number of individuals who have received USG supported short-term agricultural sector productivity or food security training*). The Kandahar Food Zone (KFZ) activity reports on this indicator.

⁴⁶ Pragma Corporation, for RADP-South (2016). “Alternative Development Options Assessment” (Powerpoint slides).

⁴⁷ Annual crops include vegetables, saffron, legumes and cereal grains. Perennial crops include nuts (pistachio, almonds, walnuts) and fruits (pomegranates, apricots, apples, plums, and peaches).

⁴⁸ Off-farm employment in canneries, drying centers, tanneries, dairy farms, dairies, packing centers and hubs with cold storage, refrigerated transport, cashmere and wool processing into cloth and garments.

4.1.4 Component 4: Human and Institutional Capacity Enhancement

Outcome ⁴⁹	Indicators
<i>Productivity of Key Agricultural Crops Increased (Sub-IR 1.2.1)</i> ⁵⁰	* Number of hectares under improved technologies or management practices as a result of USG assistance
	* Number of farmers and others who have applied new technologies or management practices as a result of USG assistance
	* Number of technologies or management practices under research, under field testing, or made available for transfer as a result of USG assistance
<i>Sub IR 1.2.1: Women's Equality and Empowerment Increased (IR 2.3)</i>	* Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income or employment) ⁵¹

Through its activities, the Project's support to MAIL focuses on modernizing the State's role in the sector. The capacity building intervention aims to professionalize public administration in agriculture, deepen administrative and technical capacity, and strengthen communication between MAIL and its Directorates, PAILS and DAOs. The strengthening of research and extension services of MAIL, as well as the managerial and institutional capacity of MAIL and the DAILS, is contributing to the successful execution of their mandates, inclusive of effective delivery of public agricultural services to farmers and herders.

To address the remaining gaps in agricultural extension service delivery and build an affordable, manageable, and accountable extension system model, the Project will continue to support MAIL in providing further (a) technical guidance (technology and practices) to staff and extension agents as they deliver demand-driven extension services which will raise yields and lower crop losses, and (b) assistance to the MAIL Directorates of Extension and Research in Kabul and their respective PAIL branches for coordinated extension service delivery. Likewise, the Project will also invest in research activities to create national capacity for a wheat breeding program, which is important to achieving growth, equity and food security.

⁴⁹ This Component also contributes to Mission PMP Sub IR 1.2.3, "Private Agricultural Service Delivery Strengthened". This Sub-IR is measured using a lower level output indicator (*Number of individuals who have received USG supported short-term agricultural sector productivity or food security training*). The Afghan Agriculture Extension Program II (AAEP II) and Capacity Building Change Management Project II (CBCMP II) report on this indicator.

⁵⁰ Reported by AAEP II

⁵¹ Reported by AAEP II

4.1.5 Component 5: Environment and Natural Resources Management

Outcome	Indicators
<i>Employment Opportunities Increased (IR 1.1)</i>	* Number of full-time equivalent (FTE) jobs created with USG assistance
<i>Vibrant and Prosperous Agriculture Sector Developed (IR 1.2)</i>	* Number of households benefited by agriculture and alternative development interventions in targeted areas
<i>Productivity of Key Agricultural Crops Increased (Sub-IR 1.2.1)⁵²</i>	* Number of hectares under improved technologies or management practices as a result of USG assistance
	* Number of farmers and others who have applied new technologies or management practices as a result of USG assistance
<i>Commercial Viability of Agribusinesses Increased (Sub-IR 1.2.2)</i>	* Number of for-profit private enterprises, producers organizations, <u>water users associations</u> , women’s groups, trade and business associations and community-based organizations (CBOs) that applied improved organization-level technologies or management practices with USG assistance
<i>Natural Resources Management Practices Improved (Sub IR 1.2.4)</i>	* Number of people with improved economic benefits derived from sustainable natural resource management and/or biodiversity conservation as a result of USG assistance * Number of farmers applying improved natural resource management practices with USG support * Kilometers of irrigation canals, drainage ditches, market feeder roads, and/or other measureable municipal services and/or market infrastructures rehabilitated
<i>Women’s Equality and Empowerment Increased (IR 2.3)</i>	* Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income or employment)

The OAG decided in 2014 to curtail its biodiversity funding and focus its resources on planned irrigation and watershed management activities⁵³, which were more closely aligned with the outcomes of the agriculture portfolio. Building on the gains of past activities which supported improved water and watershed management, the Project is (a) co-funding with the World Bank the On-Farm Water Management Project (OFWMP), and (b) designing two activities which would deepen Afghan national capacity in irrigation management. (See section on “Other Leveraged Resources for details.) These activities are programmed under a separate Project (and PAD), but are knitted geographically to existing OAG activities to ensure their sustainability (through irrigation and healthy watersheds).

Assumptions. There are specific conditions critical to this Project’s successful achievement of its outcomes, but are outside of its control. Security efforts must be sufficient to improve freedom of movement, and allow farmers and buyers to have reduced encounters with insurgents and face fewer bribery checkpoints as they bring produce to markets. Given that access to finance is critical for modernizing Afghan agriculture and that demand for finance is high, financial intermediaries need to develop an increased preference for agriculture-related lending. While no country is exempt from natural disasters, it is hoped that the impact on the population would not

⁵² This Sub-IR is also measured using a lower level output indicator (*Number of individuals who have received USG supported short-term agricultural sector productivity or food security training*). The Sustainable Watershed and Irrigation Management (SWIM) activity reports on this indicator.

⁵³ This realignment was reflected in the Mission’s USAID/Afghanistan’s “Ten-Year Strategy for Transformation” which does not specifically identify biodiversity conservation as a priority for Mission resources and, instead, specifies “Natural Resource Management Practices Improved” as a sub-Intermediate Result (sub-IR 1.2.4)

be extremely calamitous as to completely overcome the resilience or ability of beneficiaries to recover.

4.2 Risk Assessment and Mitigation. As implementation of activities under this Project move forward, new risks may emerge (e.g., previously accessible and safe geographical areas have become insecure), and it is important to anticipate risks as early as possible and develop concrete steps to mitigate or eliminate them. To effectively identify emerging risks during activity implementation, scenarios articulated in the risk analysis (Table 1) will be regularly updated. Any emerging risks should be addressed with location-specific measures, which may include fostering community involvement, postponing activities, avoiding high-risk locations, and/or adjusting activities.

Table 1: Critical Risks and Mitigation Measures

	Risks: Types and Potential Examples	Mitigation Measures
Security	<p>Security continues to deteriorate—increasing activity by anti-governmental elements makes work difficult and certain areas inaccessible.</p> <p>Market linkages are disrupted by insecurity, social strife, and rent seeking at checkpoints.</p>	<p>A community entry strategy to build trust and credibility with local partners.</p> <p>A commitment to individual Afghans’ advancement</p> <p>A local reputation for honesty and fairness.</p> <p>Daily security updates, email and SMS alerts, and regular radio and phone contact with all partners.</p> <p>Flexibility in program implementation.</p>
Natural Disasters/ Climate Change	<p>Production areas are damaged by flooding (spring), snow (winter), disease, earthquake, or drought resulting in crop failure and food insecurity.</p>	<p>Rapid-response funds and teams through coordination with MAIL, Office of Foreign Disaster Assistance, U.S. Department of Agriculture (USDA), Food and Agriculture Organization (FAO), PRTs, and others conducting food security interventions</p> <p>Flexibility in program implementation.</p>
Inter-ethnic Conflict	<p>Pashtun/Uzbek/Tajik interethnic conflict is exacerbated around and during elections</p> <p>Community conflicts arise.</p>	<p>Assume an honest broker role and leverage on a local reputation for fairness.</p>
Political Governance	<p>There is a dramatic change of government from democratic to more autocratic or theocratic.</p> <p>Government corruption increases.</p>	<p>Counter/pre-emptive messaging.</p> <p>Rolling analysis of political dynamics.</p> <p>Political firewall: strict adherence to evenly distributed technically directed programs.</p> <p>Use of memoranda of understanding whose timeframes extend beyond one political mandate.</p> <p>Engage stakeholders at USAID’s Office of Democracy and Governance.</p>
Program Design	<p>Resource partners and intermediaries fail to perform.</p> <p>Long design and procurement process.</p>	<p>Incorporate action triggers in performance monitoring efforts to serve as early warning systems.</p> <p>Advance preparation or early planning for new or follow-on programs.</p>
Capacity	<p>There is insufficient local capacity to meet development objectives.</p>	<p>Use of professional development and training not only for capacity building but also as a retention strategy.</p> <p>Phased development of projects with mentoring and training throughout.</p>
External Environment	<p>Rapid changes in global market for crops and commodities.</p> <p>Legal environment for cooperatives and SMEs prohibits their growth.</p> <p>There is an adverse (or absence of) enabling legal and regulatory framework.</p>	<p>Use of market information systems and updating existing subsector studies to target winners.</p> <p>Regular collaboration with local authorities to ensure cooperation and support.</p> <p>Work with regional and national associations and local businesses to lobby for change.</p>
Cultural	<p>Cultural norms prohibit women’s full engagement or participation in targeted agricultural activities.</p>	<p>Broaden participation in agriculture activities of rural women within the family compound and women-exclusive training facilities, and of urban/peri-urban women in agribusinesses.</p> <p>Coordination with local religious authorities to ensure their understanding of and support for program goals.</p> <p>Ongoing partnership and cooperation with the Department of Women’s Affairs and other line ministries.</p>
Infrastructure / Facilities	<p>Lack of storage, grading and processing facilities, as well as farm to market roads.</p>	<p>Partner with the relevant ministries in the construction of roads and agriculture facilities, and leverage resources with private sector to utilize existing facilities.</p>

4.3 Geographic Focus. The Project will concentrate its agricultural activities in areas of Afghanistan that have the greatest potential for producing sustainable economic growth, which currently are in the Regional Economic Zones (see Map). These areas have the preponderance of economic activity and potential for key agricultural crops; the greatest concentrations of population; existing and planned physical and financial infrastructure; accessible resources; and access to domestic and international markets. The Project's activities will build on these existing comparative advantages, with investments focusing on agricultural value chains and agribusinesses. However, future activities under this Project may also prioritize a commodity-specific value chain approach, which may be implemented country-wide.

The eastern economic zone connects agricultural and extractive industry production and processing centers to the border with Pakistan, thus accessing both domestic and export markets. It also links Kabul, via Charikar, with the northern corridor. Agricultural development assistance in the eastern zone will be in value chains of high-value crops such as grapes, apricots, and nuts.

The northern economic zone⁵⁴ has the advantages of (a) a significant size of productive, arable land (roughly half of all irrigated acreage in Afghanistan and 70 percent of all rain-fed arable land), and the (b) presence of primary trade routes to the North that act as alternatives to the unstable routes through Pakistan. The north will focus on agricultural development through increased wheat productivity, storage and transport (thus improving food security for the country), along with value chain development for high-value crops (i.e., raisins and almonds).

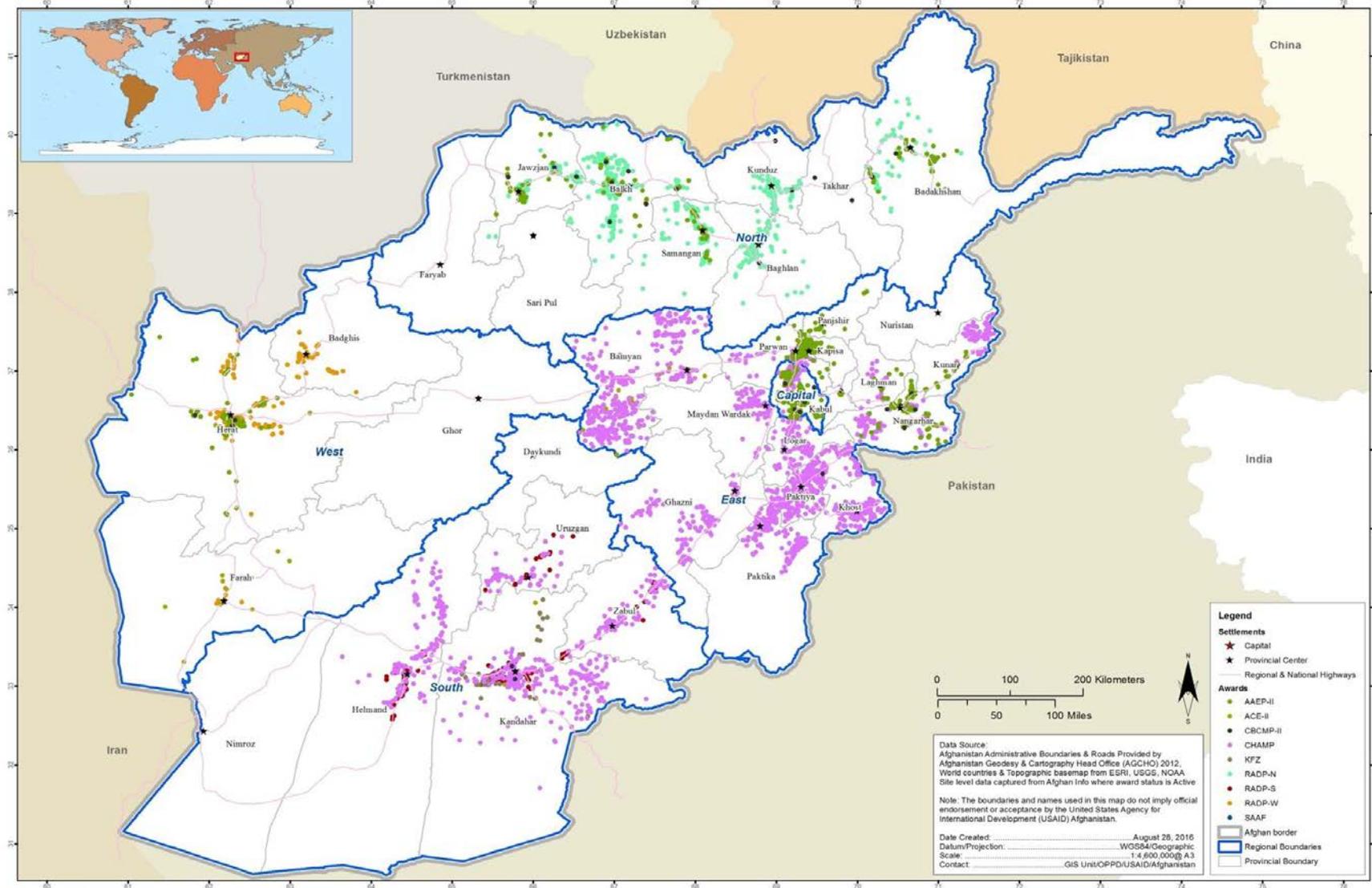
The southern economic zone⁵⁵ has one of the most agriculturally productive regions of Afghanistan (Central Helmand River Valley); a province which is a surplus wheat producer in addition to having vegetables, corn, cotton, and livestock as other agriculture income sources (Helmand); and provinces (Kandahar, Zabul, and Uruzgan) which produce high-value crops (i.e., grapes, raisins, pomegranates, apricots, apples, and almonds). This Project's assistance will continue in these crop value chains.

The western economic hub (Badghis, Farah, Ghor, and Herat provinces) is constrained by intermittent security problems caused by insurgent and terrorist activity, but still holds significant potential for economic growth. This zone focuses on selected agricultural value chains, including increasing the productivity of wheat, as a food security crop, and the production of high-value orchard and vegetable crops, as well as small ruminant value chains in livestock.

⁵⁴ The zone links the historical cultural, economic, political and commercial hub of Mazar-i-Sharif in Balkh province to the municipalities of Kunduz and Pul-i-Khumri in Kunduz and Baghlan provinces

⁵⁵ The zone links the resource rich corridor from Kajaki district in Helmand province through Lashkar Gah to Kandahar province and on to Kandahar city. Farm stores are present and agricultural inputs are visible in bazaars throughout the region.

USAID'S AGRICULTURE ACTIVITIES IN AFGHANISTAN (2016)



5. OTHER LEVERAGED RESOURCES

This Project links together all ongoing OAG activities, the objectives and implementation of which complement and support each one for greater impact and sustainable results. With this in mind, this Project will leverage its resources with activities of USAID in other sectors, as well as agriculture-related interventions of the GOA, and other US Government agencies and international donors.

For agriculture-related activities, the Project will interface with OAG-funded activities in two cross-cutting Projects. Under the *Improving Nutrition Outcomes Project (INOP)*, the **Regional Food Fortification Activity (Afghanistan-Pakistan Food Fortification Initiative)-Central Asian Republics** aims to develop market-based mechanisms to address food nutrition in parts of Pakistan and exports to Afghanistan, by fortifying wheat flour and cooking oils (“supply” factors) as these are the staple food sources that can be fortified relatively easily at low cost. This activity will simultaneously link up with two activities of other donors⁵⁶ to address other aspects of food fortification in the region, such as developing and enforcing new laws and increasing consumer awareness (“demand” factors). On the other hand, under the *Portable and Productive Water Project (PPWP)*, the Project is providing funds to the **On-Farm Water Management Project Phase II (OFWMP 2)** of the World Bank (WB)-Afghanistan Reconstruction Trust Fund (ARTF) and the **SERVIR Hindu Kush-Himalaya Project**, and will fund the OAG-managed **Strengthening Watershed and Irrigation Management (SWIM)** and the **Rehabilitation of Agriculture Irrigation Networks (RAIN)** activities. The OFWMP 2 is being implemented in 16 provinces to establish and strengthen Irrigation Associations (IAs), improve irrigation infrastructure, promote improved water conservation techniques and high efficiency irrigation systems, and strengthen project management capacity of the MAIL’s General Directorate of Irrigation.

The SERVIR activity aims to improve the use of technology in water resource and irrigation management and decision making, build capacity for analysis of collected data on watershed/river basins, disseminate appropriate information and knowledge to GIROA and other stakeholders, and increase access to geospatial data. The SWIM activity would complement the productivity assistance of the Regional Agriculture Development Programs (RADPs) in their implementation sites by strengthening irrigation water management and watershed restoration activities, thereby ensuring sustainability of the RADP outcomes through improved irrigation systems and provision of reliable water supply. The on-budget RAIN activity, which will be implemented through a government-to-government mechanism, will rehabilitate irrigation networks in several Eastern provinces in Afghanistan, and will provide operational and programmatic support to the civil servants of the Irrigation Directorate to prepare them for future irrigation rehabilitation work without donor assistance.

The Project will also leverage resources and results with activities in the USAID Office of Economic Growth (OEG). To improve access to finance, the Project collaborates with the

⁵⁶ 1) an activity by USAID Missions in Central Asia and Afghanistan to address fortification issues with a regional approach; and 2) comprehensive efforts being developed by the United Nations Children's Fund (UNICEF) and the Department for International Development (DFID) to address stunting and undernutrition throughout Pakistan.

follow-on activity to **Financial Access for Investing in the Development of Afghanistan (FAIDA)**, which is currently in procurement and aims to build capacity to deliver finance most effectively, develop a legal framework and market infrastructure for financial sector institutions and their business partners, and assist Afghan women entrepreneurs through targeted business development, training, and mobile money activities. To increase productivity through the private sector as well as access to finance, the Project will work with the succeeding activity or activities to **Assistance in Building Afghanistan by Developing Enterprises (ABADE)** in an effort to increase domestic and foreign investment, stimulate employment, improve sales of Afghan products, and improve the business-enabling environment. To promote regional and international agricultural trade, the Project will partner with the new **Afghanistan Trade and Revenue Initiative (ATARI)** activity as it provides technical assistance on trade agreements, World Trade Organization (WTO) accession, and rules compliance; support to the private sector by regional trade fairs, trade and transit services and private sector matchmaking events and training; and capacity building for the implementation of reforms in customs and value-added tax implementation and tax collection. The Project likewise provides funding through a “buy-in” to the Washington-based **Famine Early Warning System Network (FEWS-NET)**⁵⁷, which is managed in-country by the USAID Office of Humanitarian Assistance (OHA).

The Project’s alternative development activities will collaborate with activities of the Bureau of International Narcotics and Law Enforcement (INL) in increasing licit agricultural production. For the ongoing *Strengthened and Diversified Licit Livelihood through Alternative Development Interventions (SDLLADI)* activity, INL in partnership with the United Nations Office on Drugs and Crime (UNODC) is seeking to improve production, processing, quality control and market linkages of selected value chains involving small and marginal farmers. For the planned *Community-Based Agriculture and Rural Development (CBARD)* activity, INL will partner with the United Nations Development Programme (UNDP) to improve household income and lessen dependency on illicit cultivation of selected communities in Farah and Badghis provinces, by improving the viability of high-value crop cultivation.

Activities operating under this Project are linked with GoA’s National Priority Programs (NPP) for MAIL⁵⁸, and are mainly aligned with the “Agriculture and Rural Development Cluster, NPP 2: National Comprehensive Agriculture Production and Market Development Program.” The goal of NPP 2 is a *sustained increase in sustainable agriculture production and productivity and the establishment of strong farmers’ organizations, which would contribute to improved national food security and, ultimately, to the ARD Cluster goal of helping create prosperous rural communities*. Most of the OAG portfolio collectively contributes to the NPP 2 objective of improved production and productivity on the farm, to the market, to the factory and finally to exports, with a notable focus on research and extension services, agriculture infrastructure development, access to rural credit and land, improved agricultural production methods, and market development. The Project also contributes to the Enterprise and Market Development (EMD) initiative of area 2 of the NPP, which takes an integrated approach that prioritizes the most promising areas for support in value addition and market development in the rural economy

⁵⁷ FEWS-NET is a leading provider of early warning and analysis on food insecurity. Created by USAID in 1985 to help decision-makers plan for humanitarian crises, FEWS NET provides evidence-based analysis on 35 countries including Afghanistan.

⁵⁸ (a) National Water and Natural Resource Development; (b) National Comprehensive Agricultural Production and Market Development; (c) National Rural Access program; and (d) Strengthening Local Institutions.

and then provides focused technical assistance for enterprises and farmers. This alignment between OAG projects and Government of Afghanistan's (GoA) EMD initiative will contribute to agricultural growth and increased food security in Afghanistan by creating market-oriented opportunities for on and off farm enterprises and employment. MAIL's leadership envisions that the EMD initiative will result in a 50% increase in rural incomes and employment by 2023 (the end of year 10), and an increase of \$2.5 billion in domestic and international sales due to improved quality and quantity of agricultural products. OAG activities are expected to contribute to an increase in sales of agricultural goods and services in targeted value chains.

Two OAG activities will continue leveraging its resources with GOA's MAIL: USAID will carry on with its advisory support for the Agriculture Development Fund ADF through the Agricultural Credit Enhancement Phase II (ACE-II) activity, so that much needed loans⁵⁹ will be used by agribusinesses; on the other hand, the planned Capacity Building and Extension Project will mentor MAIL employees to better manage, control, and oversee the Ministry's financial and human resources activities and institutional assets. OAG's RADP activities will also strengthen local technical capacity to upgrade the performance of agricultural value chains thereby helping Afghans achieve and sustain the NPP targets.

Selected OAG activities under the Project will continue to collaborate with agriculture sector assistance of other donors. For example, all the RADPs, Grain Research and Innovation (GRAIN), as well as the Commercial Horticulture and Agricultural Marketing Project (CHAMP) activity work together with the WB-funded *National Horticulture and Livestock Program (NHLP)* and the *Afghanistan Agricultural Inputs Project (AAIP)* to increase productivity. The planned Capacity Building and Extension Project will coordinate its activities with the IFAD-funded *Rural Microfinance and Livestock Support Program (RMLSP)* and the *Support to National Priority Program 2 (SNaPP2)*, and the EU-funded *Fund for Agricultural and Rural Market Development (FARM)*.

⁵⁹ The fund has provided as of FY 2016 a cumulative total of \$79.7 million in loans, of which the loan write-off indicator is less than the global benchmark of 5%.

6. SUMMARY OF CONCLUSIONS FROM ANALYSES

6.1 Gender Analysis

Women play a critical role in all dimensions of agricultural production, estimated at 30-32% overall involvement, accounting for a majority of the workforce in the livestock and poultry sectors, and approximately half of the workforce in the farming and horticulture sectors. This role is recognized by the MAIL, with the ministry expressing its commitment in key policy documents⁶⁰ to “promoting and supporting the mainstreaming of gender issues in all its programs and projects with the aim of providing increased opportunities for women to participate in and benefit from agricultural development processes.” In order to reach women, a better understanding of the nature of women’s participation in the agricultural sector and related gender gaps is required, as well as overcoming the constraints that hamper efforts to reach and mobilize women in significant numbers. These constraints include:

- Access to Assets – The absence of official identification (*tazkera*) limit women’s access to government and donor assistance (e.g, subsidized inputs), and lack of assets (land) to offer as collateral limit their access to agriculture credit.
- Balance of power and decision-making - Women traditionally have had little decision-making authority on land use (e.g., what crops to grow and when), farm labor allocation, input purchasing (including access to irrigation water), or crop marketing. MAIL only has 623 women out of its 8,974 employees (7 percent), only two out of 32 directorates are headed by women (Home Economics Directorate and the Horticulture Directorate), and there are shortages of women extension workers (only 21 of 678 MAIL Extension Directorate employees) and agricultural researchers (only 11 of the 357 Research Directorate employees).
- Knowledge, Beliefs, Perceptions - Rural Afghan women also have low literacy and numeracy rates, and they face cultural norms (related to safety and security) that limit their mobility outside of their residential compounds to engage in (among others) economic activities. Despite its senior officials’ perception of women’s participation in agriculture in a narrow sense, MAIL received the highest overall score among 23 Afghan ministries and agencies in terms of gender-related mandate, political will, capacity, resources, and processes.
- Practices and Participation - Afghan women generally are involved in small-scale, subsistence (not commercially-oriented), unpaid activities that take place within their residential compounds, such as kitchen gardens, some post-harvest processing, and the raising of livestock and poultry production.). In the MAIL, its Home Economics Directorate (HED) works with rural women and have run a number of effective female-specific projects including crop diversification, animal husbandry, kitchen gardening, food processing, and nutrition training. The ability to reach women with

⁶⁰ MAIL Master Plan, the Agriculture and Rural Development Sector Strategy, and the National Agriculture Development Framework

in-person extension messages is severely constrained by the limitations on their mobility and the difficulties of recruiting and fielding female extension staff (who themselves face mobility constraints)

The existence of long-embedded cultural dimensions as well as logistical, governmental, and security barriers to reaching women in the agricultural sector means that overall efforts to expand women's participation in the sector should be creative enough to overcome such barriers. Also, the expectations in terms of impact will have to be calibrated to reflect the more limited scale; subsistence and localized (rather than commercial and regional), and incremental, long-term in the development timeline. Accounting for the myriad constraints to reaching women in Afghanistan, the following actions are recommended:

- Agriculture programming should reflect the fact that women's roles and responsibilities in agriculture vary significantly across the country, with women in northern, western and central Afghanistan participating more fully in agriculture than those in southern Afghanistan. USAID's implementing partners need to (a) plan with local communities and be responsive to identified needs, (b) identify female-headed and poorer households where women, by necessity, play a greater role in agriculture, and (c) design project components to address their needs. For agriculture projects in Afghanistan to effectively reach women, the cost, degree of assistance/coaching, and time will likely be greater for female beneficiaries, which would require changes in budgets, staffing, implementation, and monitoring and evaluation approaches.
- OAG activities need to focus on cropping systems and other agricultural interventions in which women are involved: subsistence production of livestock and horticultural crops, and household-level, post-harvest processing. Nutrition- and hygiene-related interventions, which fall within female responsibility in the household, should be integrated in agricultural interventions like horticulture and livestock production.
- Women-specific agriculture education programs, at high school and university levels, should be explored and advocated through OAG's activities or in coordination with USAID education activities, because these interventions could increase the "supply" of educated women in the agriculture sector.
- The "demand" side can be enhanced through the recruitment and training of more female extension staff, provision of extension internship opportunities for those in agriculture-related studies, and provision of resources that would allow greater mobility. At the same time, access to information through radio, TV and cell phones is growing quickly in Afghanistan, and should be supported if not integrated in project interventions
- Within MAIL: Development of a new MAIL organizational structure that would facilitate the recruitment of more female civil servants; encouragement of more women to study and work in the agriculture sector (e.g., formal partnership between MAIL and Afghan universities); provision of more training opportunities through a

transparent trainee selection and conduct of more trainings in local areas; and improvement of women's capacity to reach leadership positions (identifying bright Afghan women, training them in-country and abroad, and deploying them in the leadership positions in MAIL and the PAILs).

The full gender analysis is found in **Annex A**.

6.2 Climate Change Analysis

The Initial Environmental Examination (IEE) attached to PAD 1.2 is a summary of existing activity-level IEEs and Requests for Categorical Exclusion (RCEs). The scope and nature of all on-going activities remain the same. All BEO-OAPA approved Threshold Decision, conditions, limitations and stipulation for revisions remain the same. The A/COR and Activity Manager of each new activity under this PAD shall establish a new IEE or RCE. All approved IEEs and RCEs and their Amendments are presented in Table 1 of **Annex B**.

In collaboration with the Mission Environmental Officers (MEOs), the OAG conducted the initial climate change screening⁶¹ at the PAD level to determine the risks, qualitatively rank current and future climate impacts (low, medium, high), identify the current capacity of activities to respond to the impacts, and find potential opportunities that may arise under a changing climate. The analysis covering 17 activities shows that the ongoing three RADPs, KFZ and CHAMP are the activities most vulnerable to climate change. These activities will be the most affected by temperature increases and changes in precipitation (drought and floods), affecting crop yields and subsequently impacting food security and livelihoods. More detailed information on the screening results, including the Climate Change Screening Tool, is found in **Annex C**.

Afghanistan is expected to feel the most severe effects of climate change in the region. Afghanistan ranks among the top 20 countries most affected by climate change according to the Global Climate Risk Index, and is currently ranked third in the world for vulnerability to climate change. Significant warming across all regions of Afghanistan is already being felt: weather is increasingly variable and the intensity and frequency of extreme events such as droughts and floods are increasing. These would have significant implications for development, water resources, agriculture, and natural disasters, and would make Afghanistan one of the most vulnerable countries to climate change.

Most of Afghanistan's water management infrastructures have been designed during the 1960s and 70s. The political and socioeconomic challenges in the last 40 years have curtailed its climate change adaptation capability. A more volatile climate appears to be the norm in the country, with increasing frequency and intensity of droughts, floods and landslides. Climate change impacts will particularly affect agriculture, given the

⁶¹ A climate risk screening tool (consisting of facilitator's guide questions and the factsheet) was used in discussions with C/AORs of 17 activities

country's dependence on particular temperatures and precipitation rates. Water shortages will result in a shift away from crops, including staple crops, which require large volumes of water, and require an increase in the production of drought-resistant varieties. It will also likely encourage the production of opium poppy, which is a relatively drought resistant crop. The decrease in water supply and lack of poor water storage infrastructure will inevitably intensify food security problems and competition for water resources in the country and in the region.

The Executive Order of U.S. President Obama has provided a clear road map to USAID and has explicitly recommended climate change as a central part of their interventions across all of USAID projects and programs. The National Priority Program 1, Afghanistan National Development Strategy (ANDS), Environment Sector Strategy and Environment Law are consistently emphasizing on keeping the intrinsic value of the ecosystem and its related services and adequately adapting to growing climate-related risks. Consequently, in the design and implementation of its programs, USAID is cognizant of, and seek to mitigate, potential adverse climate change impacts. Responses to climate change will be incorporated into OAG's planning and implementation interventions, particularly climate change adaptation in all the work proposed through OAG's projects. Irrigation and agricultural development activities will implicitly receive inputs from climate change during development and implementation. OAG will participate in national level climate change-related conferences and policy level discussions, and where feasible, will utilize the resulting recommendations in natural resources management and agriculture project management prioritization and management actions, where feasible.

7. MANAGEMENT AND IMPLEMENTATION PLAN

The OAG intends to support this Project through the use of multiple mechanisms. The OAG Director functions as the Project Manager, and s/he reports progress to and seeks technical guidance from the Deputy Mission Director providing oversight on OAG. The project management team is directly led by the OAG Office Director, with the Deputy Office Director and the Leaders of the five (5) OAG sub-sector Teams. The management team meets weekly to discuss the overall implementation of the Project, as well as specific progress of individual activities and activity design as needed. OAG's Programs and Policies team supports the management team with technical inputs on strategy, budget, monitoring and evaluation (M&E), and gender, particularly during semiannual Mission portfolio reviews, annual exercises on the Operational Plan and the Performance Plan and Report, and quarterly financial reviews.

The Project management team, through the Programs and Policies team of OAG, coordinates with the Mission technical working groups on M&E and gender, which are led by the Office of Program and Project Development. The OAG Environment and Natural Resource Management team coordinates with the Office of Infrastructure's Water team on irrigation and watershed management concerns; the OAG Food Fortification POCs work closely with the Office of Health and Nutrition on food fortification initiatives; and the OAG Markets and Trade team collaborates with the Office of Economic Growth's Trade team on the economic enabling environment.

Individual activities under the Project are managed by sub-sector Teams, through designated C/AORs, Alternate C/AORs and Activity Managers. Each C/AOR will work closely with the relevant USAID offices, implementing partners, GoA, donor agencies and other stakeholders to ensure effective collaboration in implementation.

The OAG works in close collaboration with the MAIL and its PAILs. During implementation of OAG activities, MAIL counterpart personnel from its various Directorates provide their time and skill resources in partnership with the USAID contractors and grantees

8. PROJECT MONITORING, EVALUATION AND LEARNING (MEL) PLAN

A robust monitoring, evaluation, and learning approach will be essential to ensure the tracking and reporting of results under this Project.

8.1 Monitoring. Monitoring is the systematic collection and analysis of information as a project progresses. It is a routine, ongoing, internal function and responsibility carried out by CORs/AORs/AMs/OBMs. Performance monitoring will be aligned with the Mission's PMP and Mission Order on Performance Monitoring 203.04, especially the multi-tiered monitoring (MTM) approach⁶² and utilization of Afghan Info as an effective data repository. All

⁶² The MTM approach relies on various monitoring actors to gather data, and positions each C/AOR to analyze monitoring data from various sources, triangulate them to ensure confidence in reporting, and use results to make programmatic decisions:

- Tier 1: USG direct observation/first hand info (USAID and other agencies)

CORs/AORs/AMs/OBMs will a) prepare and maintain the MTM Plan that briefly outlines the integration and use of the MTM approach (different tiers) for monitoring a given activity; b) use the Monitoring Capture Tool (MCT) to track all monitoring activities as required by the MTM approach; and c) update the Afghan Info. Performance monitoring will also facilitate results-driven planning and performance-based management at the activity and Project levels, and will include establishment of activity baselines, indicator monitoring, knowledge-sharing feedback process, and deliverables tracking in work plans and reports. The performance monitoring system will also allow OAG to identify any unforeseen changes in strategy that may be required to achieve intended results.

Performance monitoring will include the use of selected performance indicators that will measure progress towards the outcomes of this Project. These indicators were discussed in the Project Description section, but are listed in further detail in **Annex D (Project Indicators)**. The indicators selected will measure and reflect the range of outputs and outcomes associated with the activities being implemented, as well as meet external reporting requirements. The set of indicators identified include both standard and custom indicators to track program performance, and/or more appropriately capture program achievements. The set of custom indicators are those that various stakeholders are willing to collaborate in setting benchmarks, and spend sufficient resources and time in collecting, analyzing, and reporting on.

OAG will also monitor operating context and development trends in the agriculture sector, with a focus on monitoring assumptions and risks outside the project's control but could have a significant effect on project outcomes. Context monitoring will include, but not be limited to: regular collection and analysis of data on contextual indicators, review of sector assessments and research studies, and regular engagement with local stakeholders. Tracking these assumptions and risks will be also part of the activity-level Monitoring and Evaluation Plans.

Implementing partners (contractors and grantees) will be trained and closely monitored to ensure that each one performs their responsibilities and to ensure that the quality of their M&E reporting meets USAID requirements and standards. Data Quality Assessments (DQAs) will be conducted routinely so that corrections may be made early on in activity implementation. The activities under this Project will be aligned with the following mission documents, reviews and implementation plans to synchronize allied processes key to performance management:

- *Performance Management Plan (PMP)* – The OAG has made contributions, and will continue to make contributions and align its activities to the mission's Performance Management Plan (PMP). The mission PMP operationalizes how USAID Afghanistan will manage the performance of its portfolio and outlines the performance indicators with baseline values and annual targets, as well as expected outcomes/results and deliverables. OAG will propose modifications to the PMP in consultation with OPPD. The

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- Tier 2: Implementing Partner reporting
 - Tier 3: GIRoA (internal M&E systems, observation) and other donors
 - Tier 4: Civil society, local organizations, and beneficiaries
 - Tier 5: Independent Monitoring Contractors

implementing partners will report on progress towards achieving the indicator targets and results through quarterly and annual reports. A full results table comparing actual performance against indicator targets will be included as part of each quarterly report. In addition, trends or analysis gleaned from the indicator results, challenges encountered, an evaluative statement on the status of critical assumptions and key activities will be reviewed semi-annually. Issues, concerns and challenges that arise during implementation should be raised with USAID Afghanistan Front Office, OAA, and/or Office of Project and Program Development (OPPD) as appropriate.

- *Semi-Annual Reviews* – In line with MO 203.04, the mission and the activity implementing partner (IPs) will conduct a review of progress and challenges during the last 6-month period. The progress review will determine whether specific benchmarks have been met and whether to continue the activities as planned or modify the activities.
- *Annual Work Plans* – The IPs working under this Project will be required to submit annual work plans, which will include a detailed description of all planned activities and a timeline for implementation. The expected results outlined in the annual work plans will be reviewed for consistency in targets, deliverables, and other performance measures expected to be achieved over the life of project in the awards.
- *Activity Monitoring, Evaluation, and Learning Plans (AMELPS)* - The IPs will be required to develop *AMELPS* to inform USAID about M&E results and to assess the project's progress toward achieving its goals and objectives. *AMELPS* will include all of the indicators needed to measure the progress of the activities as well as definitions and plans to collect and verify data for those indicators relevant to USAID. CORs/AORs/AMs/OBMs will consult the OPPD during the *AMELPS* approval process.

8.2 Evaluation. Understanding the need for robust analysis and findings to refine OAG approaches and implementation modalities of activities as well as define the future direction of agricultural assistance, OAG will continue to conduct performance evaluations and targeted assessments for specific activities under the Project. At predetermined timeframes in the implementation of activities, OAG will commission performance evaluations on selected activities. Key themes consist of (but are not limited to) those listed under the Learning Agenda (refer to Learning subsection below). Illustrative evaluation questions include the following:

Implementation

- *Agribusiness support:* Is the agribusiness support model effective and sustainable?
 - Are we supporting businesses that largely have good potential for growth?
 - Are activities creating more efficient market linkages, and responsive to market demand and shifts?
- *Training model:* Is the training model effective?
 - How did selection criteria, curricula, pedagogy affect activity results?
 - To what level are the rural communities being reached (saturation)?

Results

- *Measuring Success:* What is the evidence that activities are likely to achieve results by end dates? If so, please discuss, if not, please explain based on your findings.

Cross Cutting

- *Gender:* To what extent have women and/or youth been integrated into the implementation of RADPs, and contribute to project goals?
 - Which approaches have been most effective in reaching women? Are there any missed opportunities in incorporating women into activities?
 - How have women benefitted from OAG activities and how are these benefits measured?

Thematic

- *Design:* Is the regional approach to programming efficient and effective to achieving results? How does it compare to a commodity specific approach?
- *Sustainability:* To what extent will institutional and informational structures be sustainable after project implementation?

These evidence and recommendations generated by these evaluations and assessments will also be presented to the GoA and other donors, to provide support and background for future development policy decisions.

8.3 Learning. This project subscribes to the collaboration, learning and adapting (CLA) plan of the Mission PMP as its road map for learning during implementation. This project facilitates collaborative learning to improve decision-making, both internally in the Mission and among OAG implementing partners, through periodic reporting, partner meetings, progress reviews, and communities of practice (among others). To manage information that fosters CLA, the Mission developed the Afghan Info web portal as a central repository of data, from which the OPPD and OAG M&E teams can generate reports to track broad trends. Taken altogether, this process allows the Mission to iteratively change its course, if necessary.

OAG will also use activity-level monitoring, evaluation, and learning data to inform course corrections for this project as needed. OAG will work with all implementing partners to ensure that learning and adapting is included in the activity work plans and as well as the AMELPs. As part of the adapting process, OAG will have a periodic review of lessons learned during the project implementation and will update, as appropriate, this PAD's theory of change/logic model and the Project MEL Plan. OAG will explore opportunities for conducting targeted assessments and analyses to fill knowledge gaps as revealed during the project implementation.

In addition to ensuring alignment of OAG activities with GOA priorities, coordination opportunities will continue to be pursued between USAID and relevant Afghan government ministries for more effective activity implementation. Targeted sub-sectors and value chains will be jointly developed and grown in partnership with MAIL and MCN. OAG will sustain its

engagement in the various MAIL working groups⁶³, and will coordinate directly with relevant officials and technical staff of MAIL Directorates and PAILs regarding annual activity work plans, engagement of advisors and change agents, selection of irrigation canals for construction/rehabilitation. Collaboration between OAG and the Afghanistan National Agriculture Science and Technology University (ANASTU) will disseminate best practices in agriculture (especially through radio programming), promote private sector interaction, and expand access to agricultural education. With respect to natural resource management, water, and climate change, OAG will closely work with the MAIL, the Ministry of Energy and Water (MEW), the National Environment Protection Agency (NEPA), and the Ministry of Rural Rehabilitation and Development (MRRD). Specifically, OAG will work with (a) MRRD and NEPA on direct interventions with community development councils (CDCs) and raising awareness of rural communities about watershed management; as well as (b) MAIL and MEW to develop institutional capacity (national and sub-national) for the delivery of agricultural public services to farmers and herders and manage irrigation system and water resources in the country.

Specific topics that will be part of the Learning Agenda under this PAD include but not limited to the following:

- *Gender.* Though OAG has a substantial literature review containing information and insights from relevant documents produced by USAID and other donors, the depth of knowledge and understanding of the agricultural role of women across the country as well as the acute gender imbalances still have to be researched well. Thus, the OAG will design a continuing Learning Agenda that concentrates efforts on identification and implementation of improved approaches to address women’s challenges within the sector. Best practices on gender-sensitive policies as well as planning and implementation approaches will be documented for possible replication. The Learning Agenda will also seek to identify not only the constraints women face, but also the underlying causes of those constraints in order to better understand social construct subtleties and other dynamics gender in the country. One tool being considered by OAG for this, to directly measure women’s empowerment and inclusion levels (vis-à-vis the men within their households), is the Women’s Empowerment in Agricultural Index (WEAI) survey. The WEIA looks at five domains (decisions about agricultural production, access to and decision making power over productive resources, control over use of income, leadership in the community, and time use), and could be customized to account for security conditions and the general difficulty in directly accessing rural Afghan women. Because the survey can show the various “domains” where women are empowered, and reveals the connections among areas of disempowerment, this valuable information will allow OAG to better tailor women-related interventions in current and future activities. Conducting the WEAI survey in 2017 could set the baseline information on the domains of empowerment on the first year of the PAD, and could also function as field-based validation of the PAD’s existing gender analysis.

⁶³ These include groups for Cereals and Industrial Crops, Horticulture, Livestock, Irrigation, Natural Resource Management, Pest Management and Quarantine, Data and Information, Budget and Finance, Capacity Building, Food Security and Nutrition, Agribusiness, and Women in Agriculture

- *Agricultural Finance.* Credit has been a serious constraint for farmers and SMEs, and the current formal system is only covering a fraction of the requirements. Much more information is needed about the sector, in order to identify measures or programs that could be effective at addressing this constraint. For instance, the ACE II activity intends to conduct an agriculture credit demand survey in FY 2017 to know the credit/finance needs, constraints and opportunities of farmers, small and medium enterprises, and large agribusinesses and finance institutions. USAID's Office of Economic Growth (OEG) has been funding assistance to agribusinesses⁶⁴ and is designing a new program to strengthen the financial sector, and since a large share of the SMEs in Afghanistan are agriculture-related, closer collaboration with OEG through a collaborative analytical agenda will be executed.
- *Poppy.* It is critical for USAID activities to be implemented with a solid understanding of the socio-economic dynamics, including tenure systems, in the targeted areas. This is particularly true for projects working in poppy-growing areas, since the poppy economy has a major impact on producer decision-making and on resource allocation within the community more broadly. The experience of the Helmand Food Zone (2009-2011) clearly demonstrated the dangers in not fully understanding the socio-economic dynamics underlying the local economy and poppy, when the replacement of poppy with substantially less labor-intensive wheat led directly to loss of livelihood and subsequent impoverishment of landless and land-poor households in the region. Understanding this local dynamic requires that USAID pursue a Learning Agenda for targeted analyses aimed at illuminating issues and relationships that might have some impact on the viability of a future activity's operations and efforts.

⁶⁴ Afghanistan Small and Medium Enterprise Development (ASMED), Financial Access for Investing in the Development of Afghanistan (FAIDA), and Assistance in Building Afghanistan by Developing Enterprises (ABADE)