

Project Review Report

Technical Cooperation Project German Bilateral Trust Funds / FAO

“Training of Rural Families and Technical Staff to Extend Proven Animal Health and Livestock Production Packages” (2003-3) GCP/AFG/032/GER



**Dr. Marlis Lindecke, GTZ
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Abbreviations and Acronyms

AHDP	Animal Health Development Programme
AI	Artificial Insemination
AKDN	Aga Khan Development Network
AKF	Aga Khan Foundation
AVA	Afghan Veterinary Association
BMVEL	Bundesministerium für Verbraucherschutz, Ernährung und Landwirtschaft / Ministry for Consumer's Protection, Food and Agriculture ¹
CVDRL	Central Veterinary and Diagnostic Laboratory
DCA	The Dutch Committee for Afghanistan
DfID	Department for International Development (UK)
EC	European Commission Representation Office to Afghanistan
FAO	Food and Agriculture Organization of the United Nations
GoA	Government of Afghanistan
MAAHF	Ministry of Agriculture, Animal Husbandry & Food ²
MCI	Mercy Corps International
MoPH	Ministry of Public Health
NDF	National Development Framework
OIE	Organisation Internationale des Epizooties
PRB	Partners in Reconstruction & Building
RAMP	Rebuilding Agricultural Markets in Afghanistan (USAID fund)
STA	Senior Technical Advisor
TOR	Terms of Reference
UNDP/OPS	United Nations Development Programme, Office for Project
USAID	United States Assistance for International Development
USDA	United States Department of Agriculture
VFU	Veterinary Field Unit
VSA	Veterinary Service Association
VPPG	Village Poultry Production Group
WTO	World Trade Organization

¹ renamed (November 2005) in BMELV, Bundesministerium für Ernährung, Landwirtschaft und Verbraucherschutz / Federal Ministry for Food, Agriculture and Consumer's Protection.

² former Ministry of Agriculture, Animal Husbandry MAAH

I Executive Summary (Main Findings and Recommendations)

In November 2005 an evaluation of several projects was carried out through the GTZ Project No.: 2004.9002.9-00.100. Amongst the projects financed by the German Trust Funds was (2003-3) GCP/AFG/032/GER, "Training of Rural Families and Technical Staff to Extend Proven Animal Health and Livestock Production Packages", which was evaluated ex post.

The project built on activities of the previous project (2002-7) GCP/AFG/021/GER „Development of Livestock Production Activities in Selected Districts of Afghanistan" in the fields of village poultry and small-scale dairy production. Its objective was to improve food security by raising the productive capacity of the national livestock sector through improvements in livestock husbandry, feeding and animal health. Compared to its predecessor, the project put more emphasis on training of trainers and expanded activities to a new province (Kunduz).

The evaluation was carried out by Dr. Marlis Lindecke with support of Bernd Bultemeier on general and Dr. Herwig Hahn on economic aspects of the project and Dr. Attaiy Osman from the Afghan Government.

The main **findings** of the mission were that the project was successful and had reached more than 1,000 farmer families. In particular, the project had trained 1,650 village women in poultry production (Immediate Objective 1). 973 of them had been supplied with a starter kit; after one year 2/3 of them had increased the flock and the average net benefit of poultry production/ flock was US\$ 172. Since information is limited regarding the post-project situation, the sustainable project impact can only be estimated. At least in one location, where the project has ceased to support poultry activities (Mazaar-e-Sharif), a majority of beneficiaries is still active.

Independent support systems are in place for poultry (Village Poultry Production Groups) and dairy (elected representatives of the milk collection centers and board members for the management of the dairy associations³). The project runs financially viable feed mills for poultry feed and concentrates, and dairy farmers have been supported to produce their own improved fodder. Thus, in at least one location the production has increased from 1.1 l milk/cow (2003) to 5.0 l milk/cow (2005). The project has also introduced functional milk collection, processing and marketing systems in Kabul and Mazaar-e-Sharif (Immediate Objective 2).

A Training Centre has been established at the project headquarters in Kabul, and training material has been prepared (Immediate Objective 3). The Centre is used for training for trainers for the promotion of poultry production as well as dairy production and artificial insemination (AI). Furthermore the centre serves as a reference facility for other projects and organizations, as well as for students of the Agriculture Faculty in Kabul.

Dairy production in Kunduz Province has been successfully supported (Immediate Objective 4) through preparatory activities such as training in fodder production, Artificial Insemination, and animal husbandry.

The development of a disease investigation reporting system (Immediate Objective 5) was largely to support the Government Veterinary Service. However, the means of the project and the government were too limited to install such a system. Following the recommendation of the earlier evaluation in 2003, the activities were concentrated on the central laboratory.

Activities in order to ensure herd health services for member dairy farmers (Immediate Objective 6) included support to the Veterinary Service Association, which organizes the

³ in Guzergah (Kabul) and Balkh (Mazaar-e-Sharif).

supply of medicines. These activities have been taken over by other development organizations (MCI, RAMP).

A **major factor** for project success has been the positive attitude of farmers (men and especially women). Furthermore, the FAO policy of working with (and through) the government has improved the prospects for sustainability.. (This point should be stressed as other donors and development organizations, especially NGOs, in Afghanistan work without consulting the Afghan Government.)

A major **constraint** was the security situation in the country that made work difficult (and in one high potential area for dairy, in Jalalabad impossible). Project operations were also at times constrained by the complex FAO bureaucracy (often security related). Furthermore, the lack of qualified people within the government and elsewhere affected project implementation

Issues to be tackled include an insufficient capacity of dairy processing plants to ensure further development, unclear legal implications of draft constitution for farmers associations unclear, questions about the privatization concept for dairy plants and potential threats to the small-scale dairy scheme by conflicting schemes (especially Land o' Lakes), which may favour larger producers. Also, it seems that the majority of the beneficiaries belong to one ethnic group, which may give reasons for concern in the future.

Recommendations are directed towards different recipients. Some are to be followed-up in the successor projects.

Recommendations to FAO at (successor) project level are to

1. keep different services (animal health, feed production, extension) separate to allow a better cost control and profitable monitoring,
2. ensure balanced representation of different ethnic groups.

Recommendations to FAO are to

3. closely monitor and analyse the developments in dairy sector especially involvements of financially potential player like WB and Land o'Lakes,
4. provide legal expertise regarding constitutions of farmers associations and dairy plant operations and ownership, and
5. offer policy advice on small-scale dairy processing vis-à-vis large-scale plants.

Recommendation to FAO, (donor) and the Afghan Government are to

6. explore prospects for soft-loan financing of dairy plant expansion.

Recommendation to Afghan Government to

7. safeguard in the Livestock Policy the needs of small-scale dairy producers.

The mission's findings and recommendations have been presented to FAO, representatives of the government⁴ and other development partners at the end of the mission.

The fact that components and activities of the project have been taken over by other donors indicates a successful use made of German funding: seed money provided to elaborate concepts, adapt and fine tune has led to up scaling by other donors.

⁴ Kabul, 30.11.05 complete list see Annex, present was i.e. the Deputy Minister MAAHF, Mohammad Sharif. Also present was a consultant whose terms of references include support to advice on policy matters for the dairy sector.

II Introduction

The reasons for the evaluation of the project (2003-3) GCP/AFG/032/GER, “Training of Rural Families and Technical Staff to Extend Proven Animal Health and Livestock Production Packages”, (TOR see Annex I) was to assess the relevance of the projects towards their established objectives and to make recommendations for the execution and orientation of the following project (2004-3) GCP/AFG/040/GER “Development of Integrated Dairy Schemes in Afghanistan”.

The evaluation was carried out by Dr. Marlis Lindecke with support of Bernd Bultemeier on general and Dr. Herwig Hahn on economic aspects of the project and Dr. Attaiy Osman from the Afghan Government.

The mission timetable, persons met, and documents consulted by the mission are in the Annexes 2 and 3.

III Background and Context

Livestock activities have been supported by different donors over time, amongst others by UNDP and (since 2002) the German Ministry for Consumer Protection, Food and Agriculture (BMVEL) through FAO Trust Funds. The project evaluated here, completed and extended activities of GCP/AFG/021/GER “Development of Livestock Production Activities in Selected Districts of Afghanistan”.

Between December 2003 and March 2005 € 1,002,186 (US\$ 1,365,045) were spent. Project partners were the Government of Afghanistan, FAO and GTZ on behalf of BMVEL.

Table 1 Projects under discussion within this report		
Predecessor project	(2002-7) GCP/AFG/021/GER „Development of livestock production activities in selected districts of Afghanistan”	financed by BMVEL Trust Fund concerned dairy and poultry 10/2003 –09/2004
Project evaluated	(2003-1) GCP/AFG/032/GER “Training of Rural Families and Technical Staff to Extend Proven Animal Health and Livestock Production Packages”	financed by BMVEL Trust Fund concerned dairy and poultry 01/2004 – 12/2004, extended to 03/2005
Successor projects	(2004-3) GCP/AFG/040/GER “Development of Integrated Dairy Schemes in Afghanistan”	Continuation of dairy component of 032 financed by BMVEL since April 2005
	GCP/AFG/030/USA “Development of Rural Poultry”	Continuation of poultry component of 032 financed by RAMP (USAID)

IV Assessment of Project Objectives and Design

IV A Justification

Livestock makes a vital contribution to rural livelihoods and the economy, and the strong internal demand for animal products provides a good basis for developing a viable commercial livestock sector. FAO has been active in the livestock sector in Afghanistan for

more than 10 years. During this time FAO projects have contributed to the development of livestock production and developed a number of successful interventions.

IV B Objectives

The development objective of the project was to **improve food security by raising the productive capacity of the national livestock sector**. Improvements were to be made in the fields of animal husbandry, feeding and health.

At project level the objectives were:

- to increase the consumable and saleable products from livestock keeping,
- to extend the FAO experience in small-scale dairy and village poultry production in selected areas to a wider range of beneficiaries throughout Afghanistan, and
- to assist with the development of livestock production as a planned economic activity.

Two main components were included:

- Livestock production training for
 - small-scale dairy and
 - village poultry production
- Animal Health activities

The objectives and activities were derived from the experiences with the previous project (021). They were designed to extend and complement those activities, and the two projects were partly implemented at the same locations and with the same staff.

The objectives of the animal health component were revised during the implementation period.

The long-term objective: food security through raising the productive capacity of the national livestock sector has largely remained the same, although the immediate objectives have been modified slightly over the years.

IV C Project Design

The concept foresaw a relative long preparatory period during which technical staff was trained in theory and on the job (including participants from the target group). Topics were in particular extension work on fodder production, training in artificial insemination (AI) and for future milk collectors (basic bookkeeping, hygiene etc) was conducted. These measures provided the means for increased milk production. With the raising milk production (summer), milk collecting centers were opened. A feed mill to provide concentrates and minerals was installed, and the milk processing plant was implemented⁵.

The Project is a follow-up and extension of the Project GCP/AFG/021/GER⁶. As such the immediate and ultimate beneficiaries of the project were already identified, their specific needs assessed and the strategy and mechanisms to reach the beneficiaries were already in place.

The overall project logic has been proven in the run of the projects following each other (GCP/AFG/021/GER, GCP/AFG/032/GER and now ongoing GCP/AFG/040/GER (dairy) and GCP/AFG/030/USA (poultry). Although the latter two have not been object of this mission, the activities have been assessed in order to judge the development of the support of the livestock sector as such. All inputs seemed to be adequate for the activities, outputs and objectives.

⁵ The mission also visited Kunduz, where the successful implementation of the concept could be studied. However, the plant itself was only installed later during the successor project "Development of integrated Dairy Schemes in Afghanistan" (GCP/AFG/040/GER)

⁶ "Development of Livestock Production Activities in Selected Districts of Afghanistan"

Taking into consideration the difficult post war and security situation, the project was a cost-effective response to the problems being addressed.

Projects 021 and 032 had already elaborated the concept⁷. 040 and 030 replicate this concept and are proving the viability of the design.

However, the description of project outputs lacked clarity and precision. Since the two components: dairy and poultry addressed different target groups and were done by different extension workers, a clearer separation of the sectors (into support to the dairy sector and support to the poultry sector, respectively) would have been clearer. However, the outputs were adequate and supported the immediate objectives.

Whatever the design lacked in clarity, the project activities were realistic and adequate in scheduling and duration of major project activities. Not lack of planning but security reasons made it impossible to implement some activities as foreseen (Jalalabad). The project inputs supplied by donor and host government were used judiciously. Immediate Objective 4⁸ has been reached: however, the full scheme (including milk processing plant) was only achieved within the successor project.

The project's internal management structure was appropriate for the project phase. It is hard to judge whether and when more responsibility could have been transferred to national staff. However, this is now happening within the successor project.

Major risks and assumptions in the project design have to be seen separately for dairy and poultry sector.

Dairy: the design was adequate for the post-war situation. It focussed on production increase (farmers side) and the creation of consumer demand via milk processing. The driving point in this setting is the secure and regular demand of the product, the prompt and reliable payment and a realistic (not only cost covering) price. (Up to now there have been no other players, but big investments in the sector will have impact on this set-up and need consideration in favour of the small scale dairy farmers. Legal impacts are to be seriously considered – see therefore VI E of this report.)

Poultry: in order to secure the survival of the small scale village poultry production, two major problems have to be solved: the provision of vaccinated chicks and feed supply. Both solution depend on the good will of the semi-commercial sector. (However, good will is not the best basis for development.)

Government policies regarding livestock are only now being formulated, and will need to be responsive to the needs of the small-scale livestock producers if the project concept is to be successful. This is one objective of the successor project, for specification see V C of this report.

V Assessment of Project Implementation, Efficiency and Management

VA Project Budget and Expenditure

The rate of delivery and the quality of project inputs from both donor and Government have been spent according to the original plan in project document or as modified by budget revisions.

⁷ in this respect see also evaluation report of the project in 2003

⁸ Immediate objective4: Establish Dairy Production activities in Kunduz Province”

VB Activities and Outputs

Immediate Objective 1: Training for Village Poultry Production

The most needy families in the villages were selected, amongst them many women-headed households. Through regular visits by the female extension worker, technical training, provision of a “starter kit” (breeding stock, equipment etc), the benefit from the backyard poultry system increased. These efforts were secured by the formation of Production Groups.

Immediate Objective 2: Development of Village Groups for Poultry and Dairy Production.

Poultry: Input supply and basic animal health service to members was ensured through the formation of Village Poultry Production Groups. Through marketing of the eggs and meat the support services were financed and the system secured in the long run and without help from the project.

Dairy: Increasing production is a family enterprise, which each farming family does on their own. Organizing a milk scheme needs the effort of all dairy farmers together. The necessary steps were made for marketing of products and provision of inputs (concentrates).

Immediate Objective 3: Training of Technical Staff in Poultry and Dairy Production

Training centres were foreseen in Kabul and Jalalabad. The Kabul Training Centre has been successfully established, although later than planned due to problems of finding a location. The centre has advanced to a “Reference Centre” for poultry and dairy extension work. Besides 13 training courses (5 poultry, 6 dairy, 2 AI⁹) organized for their own staff and counterparts, the Centre is also used by students from the Agriculture Faculty. Training- and extension material for poultry, fodder production and AI have been prepared, tested and used. Unfortunately, although Jalalabad has a high potential in poultry production as well as in dairy, the activities had to be given up due to security reasons.

Immediate Objective 4: Establish Dairy Production activities in Kunduz Province

Preparatory measures were taken to extend the dairy programme to Kunduz. Earlier experiences have shown that extension in fodder production is a good way to contact the farmers. Parallel trainings in AI have been conducted and AI facilities and support have been installed (supply of liquid nitrogen, farmer extension). The successor project could build up on these activities and the milk scheme started successfully in July 2005.

Immediate Objective 5: Development of a Disease Investigation and Reporting System

The foreseen activities were largely meant to improve Government Veterinary Services. However, the expectations of the responsible persons in the Veterinary Department were too high to be fulfilled with the budget allocated. Following the recommendations of the evaluation mission in 2003 a focus on the Central Veterinary Research centre instead of spreading the limited resources. The money was mostly spent on the basic rehabilitation of the central laboratory and the ELISA reader. Under the circumstances this took so long, that these activities were only finalized during the following project (GCP/AFG/030/USA). 6 people (3 selected by the Veterinary Department and 3 selected by the project) were trained and the ELISA reader is operational now for basic tests. In case of outbreak, facilities in Pakistan will have to be used for verification. The activities were taken over by the (GTFS/INT/907/ITA) "Controlling Transboundary Animal Diseases in Central Asian Countries"¹⁰. It seeks to assist countries in Central Asia to develop capabilities to control

⁹ AI = Artificial Insemination

¹⁰ funded with 2.8 Mio € by Italian Trust Funds

major transboundary livestock diseases¹¹, amongst them Avian Influenza. The project basically took over the ELISA laboratory facilities (and pay personnel's salary) for project purposes, strengthening in particular the professional capacity of laboratory staff in disease lab diagnostic.

Immediate Objective 6: Establishing and implementing herd health services for member farmers of the dairy schemes.

Output 6.1 and 6.2 concerning the support to Veterinary Service Associations was given up after RAMP started to support them. Unfortunately it was more of a "take-over" than a complementary cooperation. A budget revision to use the funds for other extension activities was granted.

VC Government Support

The Government of Afghanistan (GoA) recognizes the important role that agriculture, and livestock in particular play for the livelihoods of the rural Afghan people and the opportunities they offer for alternative livelihoods strategies. It is widely recognized that the agricultural and livestock sectors offer the best possibility to serve as the engine for growth in other economic sectors.

The GoA is actively pursuing its commitment to the World Food Summit Plan of Action and the UN Millennium Development Goals, particularly in the areas of poverty reduction and environmental protection. Furthermore, the GoA is committed to enhance private sector-led development, which is considered as key to Afghanistan's longer-term economic development and poverty reduction. Developing, implementing and administering the privatisation process is crucial for clarifying the roles of the state and private sector.

GoA has supported the project by identifying office locations, providing counterpart staff and facilitating contacts with development agencies and other government units.

VD Project Management

The project management was effectively and efficiently done by the Senior Technical Advisor (STA). However, the responsibility of project management was not fully transferred to national staff. It was planned, that the activities were partly taken over by the project (2004-3, GCP/AFG/040/GER) and a STA was meant to advise during regular visits.

The collaboration with host institution, MAAHF was good. FAO in general is very much respected especially for its close collaboration with the government. However, cooperation with the Department of Animal Health was difficult, due to *different concepts of development of the sector*.

VE Technical and Operational Backstopping

The recommendations of the last evaluation mission have been carried out. In terms of programme management, the division of labour within the FAO Representation appears functional: the FAOR provides guidance and (policy) advocacy, and the SPOO (appointed in 2003) operational backstopping and monitoring, also see (Draft) Summary Report.

¹¹ The principal transboundary animal diseases of concern are: Rinderpest, Foot-and-Mouth Disease, Peste des Petit Ruminants and more recently, Avian Influenza.

VI Assessment of Results and Effectiveness

VI A Effects and Impact

The project has contributed considerably to the goal to improve food security in Afghanistan by raising the productive capacity of the national livestock sector through improvements in livestock husbandry including feeding and animal health. It thus reached the objectives at project-level: a.) to increase the consumable and saleable products from livestock keeping; b.) to extend the FAO experience in small-scale dairying and village poultry in selected areas to a wider range of beneficiaries throughout Afghanistan; and c.) to assist with the development of livestock production as a planned economic activity.

This concept has proven to be very successful: all separate activities are economically viable:

- fodder production by the farmer,
- artificial insemination service (with government personnel) show results in improved milk production,
- the milk processing plants in Kabul, Mazaar-e-Sharif and Kunduz, and
- feed mills for dairy and poultry feed

Food security has been improved through more production and cash income. It should be noted that especially women, including the very poor (widows) benefit from this programme.

An overall aim of the project was to elaborate the concept prove it in practice and then make it available to others to implement it on a larger scale. The fact that other donors have taken over the concept are proof to its success (030 is financed by USA, and the WB expressed interest to use the concept in a new project, which is in the planning phase at present). Thus FAO extends its experience in small-scale dairying and village poultry production (objective 2) for overview see table 1.

Since 2003 the institutional framework within which the project operated, has changed substantially. Many other donors now operate in the livestock sector. Apparently not all of them regard government involvement as a necessity, and their attitude towards FAO has not always been cooperative. Some have taken over the project concept, but "sold" it under their own label, or took over the idea, but not the whole concept and thus risk failure. Others have tried to take over the trained personnel.

Immediate Objective 1: Training for Village Poultry Production

Field operation of the training programme and criteria for selecting villages and trainees followed the same pattern as during the earlier project (021). Beyond the planned number of beneficiaries, other women who were interested in the training also participated in the technical training, even though no supply of inputs was possible for them.

Achievements of the Village Poultry Programme				
Province	Women Trained			Pullets distributed
	with input supply	without input supply	total women trained	
Baghlan	240	320	560	2,880
Balkh	187	470	657	2,244
Logar	250	183	433	8,000
All	677	973	1,650	8,124

Immediate Objective 2: Development of Village Groups for Poultry and Dairy Production

Poultry: The organizational structure of the Village Poultry Production Groups (VPPG) was defined through the “Poultry Group Leader System”. Membership was informal and in principle open. In practice however, the services for input supply especially with feed and veterinary assistance were limited and restricted to participants of the formal training. Input supply (including feed) and marketing of eggs were the main activities. The group leaders acted as individual service providers. The system served the purpose; the service is still being provided and poultry production goes on.

Dairy: The organizational structure of dairy groups was defined through the milk collection centres. Although membership was informal too, the services for input supply were limited and restricted to the regular suppliers to the milk collection centres. Farmers’ representatives are meeting regularly and are slowly taking over responsibilities concerning milk collection, and to some extent processing and marketing.

Immediate Objective 3: Training of Technical staff in Poultry and Dairy Production

The Training Centre in Kabul with its training and extension material is operational . It serves its purpose to provide the technical skills needed to perform the extension work for projects in the field of poultry, dairy and AI.

Immediate Objective 4: Establish Dairy Production activities in Kunduz Province

A profound survey led to the recommendation, that Kunduz and the surrounding villages have the potential for a milk production scheme. Preparatory activities such as training in fodder production and AI were conducted. An AI programme was started. First offspring of this programme is due next spring.

Immediate Objective 5: Development of a Disease Investigation and Reporting System

See this report V.B.

Immediate Objective 6: Establishing and implementing herd health services for member farmers of the dairy schemes

The dairy productivity increased considerably through the development of the genetic potential (AI), the introduction of improved fodder crops, the promotion of concentrates/mineral feeds, the improved management and hygiene of the stables, and the provision of basic animal health services to the farmers. More than 1000 farmer families profited from milk collection, processing and marketing established in Kabul and Mazaar-e-Sharif.

Average l milk/cow (Balkh)			
2002	2003	2004	2005
1,11	2,00	3,05	5,03

VI B Sustainability and Environmental Impact of Results

The support of the village poultry production in Mazaar-e-Sharif ended in 2004. From 25 groups 13 still exist and function independently, 3 others use the voluntary support of an extension worker to get new pullets and vaccines from town. Traditional poultry production was low in productivity; basic training and service (vaccination) has been the road to success, which means substantial income from eggs and meat¹² more see C. Gender.

The production of feed and concentrates is a viable economic enterprise.

¹² Providing some improved breed pullets to the household (man) without the intensive extension work with the women before and the follow-up over a certain period has almost always ended in failure

Higher milk yield has been the convincing argument for the farmers to use improved fodder seeds and multiply them for their own needs as well as on demand for their neighbors. The same argument applies for the use of concentrates.

The improved production is matched by innovative sales channels. All three milk processing enterprises are financially viable. Input from the project only necessary for extension work for fodder, animal health (incentives paid to government veterinarians for offering their services at the Milk Collecting Centres) and some organisational inputs towards the installation and running of the group work (selected farmers and poultry groups).

The beneficiaries will continue to use the projects results. However, they may need further support especially regarding the legal status of farmers' associations as well as concerning the operations and ownership of the dairy plants. (See also this report IV C 6. Major Risks and VII B Recommendations.)

VI C Gender Equity in Project Implementation and Results

Poultry is women's business (unless it is done commercially on a big scale). Thus the projects benefits are for women mostly. The selection of the beneficiaries¹³ was done via the elders so as to honour their role but also to ensure support. It still needed all the extension workers skills to react within the traditional Afghan village society. If they couldn't convince the husbands, they were not able to even see the women. In the majority of cases they gained the trust of men folk and were able to work with the women.

This work performed by far exceeds the technical aspects of poultry raising/keeping. The village women have expressed their gratitude to get in contact with other women at all. They are desperate to learn. Because of the programme they had a reason to leave the house – and were allowed to do so. To some of them this alone was worth the effort. It comes to quality of life, gained confidence in what they do, and the possibility to earn some money to fulfil basic needs for their family or even some small luxury.

Dairy is a family business with shared responsibilities. But the use of milk is for the women to decide. Usually the morning milk is sold and the evening milk used for the family. The milk is paid weekly and the money remains women's property. It is spent mostly for family needs including school items for their children. Men's income is derived from selling offspring (male calves). All selected farmers expressed their wish to extend their dairy production

Again the trust of the farmers towards the extension worker is the main asset of the project. There has been a tremendous development since my first visit in 2003 concerning the relation of farmers towards the project staff. The female worker walks freely (without bourca) in the village and is respected by everybody. In order to translate, a male staff still would stand outside, but ~50% of the women didn't bother to hide their face inside although he couldn't help seeing them through the window.

VI D Cost-Effectiveness

The poultry programme has proven its cost effectiveness and sustainability. Once the programme is installed, it covers all the costs and is highly profitable.

So far the whole dairy scheme is economically viable as long as the salaries of staff project members (National Field Manager, Fodder Specialist, Veterinarian and an Extension worker) are excluded.

Apparently more money could be gained in the dairy business. One litre homogenized milk from Pakistan costs 44 Afg, whereas the dairy's milk is sold for 14 Afg in the shops. Included in this price are the production costs (farmer), transportation and processing costs. Demand is still high and can not be satisfied. The reason given for this modest price was

¹³ criteria are the most needy, widows preferably

careful manoeuvring in a new market, and to provide milk not as a luxury but a good for food security.

VI E Major Factors Affecting the Project Results

See report VII A Conclusions

VII Conclusions and Recommendations

VII A Conclusions

All three milk processing plants have reached their limit during the high milk yield summer season. Further investment is needed in order to extend the scheme, which is demanded by all selected farmer groups met by the mission. They expressed the need strongly, also in view of those farmers, who up to now have not been selected, but demand the privilege to participate in the scheme.

The **040** successor project has commissioned a study¹⁴, which developed scenarios for the overall cost for all three schemes, which amount to total costs US\$ 1.1 mio. The report gives detailed figures for each plant as well as remarks about a) Additional fund requirement for the dairy schemes, b) Policy requirement for the Dairy sector development, c) Human Resource Development, d) Conduct National level Dairy Sector Study, and e) Encourage the Private sector Dairy Processors, through training and policy support. The 040 project has already launched discussions with selected farmers concerning their potential contribution, and they are highly motivated and prepared to invest in bigger facilities.

Since 2003 many other, financially more potent development organizations have become active in Afghanistan. They look for opportunities to invest in promising development schemes. Through the groundwork of the FAO projects, the poultry as well as the milk sector have shown their business opportunities. The World Bank expressed their interest to invest in horticulture and livestock with their future Emergency Project in Agriculture Development (~50 Mio US\$). Impressed by the success of the FAO project, they have already decided to take use the poultry production concept and are in discussions about the dairy concept.

Another recent player has given rise to a lot of rumors: Land o' Lakes. Apparently they are prepared to invest in the sector with a huge milk processing plant. Unfortunately the mission has not been able to meet representatives nor get hold of concrete documents. Rumours have it, that they already got land allocated in Kunduz and will start with milk processing using imported powdered milk, since not enough milk can be produced in the region itself up to now. Apparently, their concept does not include plans to enhance further local dairy production. Small scale farmers are very worried about the big company. The now existing milk processing plant in Kunduz certainly would not be able to compete. The process needs close monitoring to safeguard the interests of the small scale farmers.

Government policies are now to be defined. One goal of the successor (**040**) project is to assist MAAHF in finalizing a Policy Framework (Agricultural Sector Master Plan) and the Afghan National Development Strategy. Both are in draft versions at present, but the National Strategy is supposed to be adopted by the end of 2005. **040** project is member of the Livestock Co-ordination Secretariat and thus is involved in the "Proposed Draft Policy Framework for the Livestock Sub-Sector".

¹⁴ Mission Report: Development of Integrated Dairy Schemes in Afghanistan (GCP/AFG/040/GER), Tek B. Thapa, FAO International Consultant/Dairy Processing, Kabul, November 2005

VII B Recommendations

Recommendations are directed towards different recipients. Some are to be followed-up in the successor projects.

Recommendations to **FAO at (successor)project level** are to

1. keep different services (animal health, feed production, extension) separate to allow a better cost control and profitable monitoring,
2. ensure balanced representation of different ethnic groups.

Recommendations to **FAO** are to

3. closely monitor and analyse the developments in dairy sector especially involvements of financially potential player like WB and Land o'Lakes,
4. provide legal expertise regarding constitutions of farmers associations and dairy plant operations and ownership, and
5. offer policy advice on small-scale dairy processing vis-à-vis large-scale plants.

Recommendations to **FAO, (donor) and the Afghan Government** are to

6. explore prospects for soft-loan financing of dairy plant expansion ownership and operations since all three plants have reached their capacity limit during summer season.

Recommendations to **Afghan Government** to

7. safeguard in the Livestock Policy the needs of small-scale dairy producers.

The mission's findings and recommendations have been presented to FAO, representatives of the government¹⁵ and other development partners at the end of the mission.

VIII Lessons Learned

As has been described in III Background and throughout the report, project concepts, components or activities are being continued by other development organisations. BMVEL continued the support and extension of the dairy production and WB and ADB are interested in the dairy sector. Other donors (USAID / RAMP, NGOs) have taken up the poultry component. Mercy Corps and RAMP have invested in the Veterinary Service Associations and the FAO project on Transboundary Diseases has taken over some activities in disease investigation. EC is currently investigating the laboratory facilities in order to support the sector.

This shows clearly the success of the aim of the German funding: seed money provided to elaborate concepts, adapt and fine tune has led to up scaling by other donors.

¹⁵ Kabul, 30.11.05 complete list see Annex, present was i.e. the Deputy Minister MAAHF, Mohammad Sharif. Also present was a consultant whose terms of references include support to advice on policy matters for the dairy sector.