

SERVICE PROVIDER PROGRESS REPORT
Community Livestock and Agriculture Project
MAIL/CLAP/I-DSF-8112-AF-COM 2.1

**[Dairy Industry Development in Kabul, Logar and Parwan province -
UTF/AFG/080/AFG]**

Progress Report

Service Provider Name:	FAO/ UN
Contract Number:	MAIL/CLAP/I-DSF-8112-AF-COM 2.1
Component Title:	Dairy Industry Development in Kabul, Logar and Parwan
Reporting Period:	January – June 2015
Project Starting Date:	May 2014
Prepared by: Lutfullah Rlung	Submission Date: 15 July 2015

A. PROJECT BACKGROUND

Livestock products are a vital component of the rural Afghanistan economy, both for home consumption as well as for income generation. Recent investigations have shown that for a large proportion of the rural population, cattle are the most important animal species and that increased milk production for sale and home consumption is seen by many families as an important income generation opportunity.

The success of past Ministry of Agriculture, Irrigation and Livestock (MAIL) / FAO dairy projects has encouraged other institutions to start similar initiatives. Dairy industry development is one of the priorities of the Government of the Republic of Afghanistan. Despite these successes, the Afghan dairy industry is still at an early stage of development and much work is required to scale up successful models and put in place sufficient capacity and a vibrant institutional architecture in support of dairy development. This project aims to support the development of dairy industry development policy and strategy by MAIL to ensure sustainable industry development throughout Afghanistan. The major expected outcome is to increase rural food security, rural employment, income generation and empowerment of women through access to a regular and dependable raw milk market and value addition. In the previous projects, one most important finding was that women are the greatest beneficiaries; they received over 84 percent of the regular cash income earned from milk. Perhaps even more important, at household level women have full decision-making authority over how the money earned from dairy related activities is spend.

Project Goal and Objectives

The Project's goal is to increase dairy milk production, processing and marketing, create dairy cooperatives, unions and a dairy federation, and establish an enabling capacity and policy environment for the dairy sector.

To achieve the goal/purpose, the Project is formulated with the following four components/outcomes which directly address four key issues in Afghanistan dairy sector with an aim to optimize benefits for stakeholders and beneficiaries.

Component 1: **National Capacity Development** *regarding dairy husbandry (incl. health, breeding, feed and fodder production), dairy processing and marketing at field, district and provincial level*

Component 2: **Institutional Development** - *Public and Private Institutions established and capacitated*

Component 3: **Women's Development** - *Through specifically targeting women at HH and staff level, skills, self-confidence and capacity increased and*

Component 4: **Enterprise Development** - *Through business growth and enterprise development vibrant and dynamic Afghan dairy industry created*

Target Groups

3,000 farming families (70% small farmers who have up to 5 cows and up to 4 jeribs of land, 10% landless farmers having up to 2 cows, and 20% medium farmers having up to 10 jeribs of land).

Main Implementing Partners

The Project is implemented through FAO staff and MAIL staff at the central level, DAIL staff three selected provinces and 9 districts and dairy farmers' cooperatives and Dairy Unions. The project works with the Dairy Section of the Department for Animal Husbandry, with assistance provided for some of the activities (Artificial Insemination and Herd Health activities) by the Department for Veterinary Services and the Livestock Extension Department and the Research Department (for the testing and promotion of fodder crops) and the MAIL Cooperatives department. The project coordinates with MAIL in planning and policy issues whereas DAIL staffs are directly involved in project implementation on the ground.

The project also aims to develop linkages with dairy sector independent service providers (the milk producer cooperatives, Kabul Dairy Union, marketers/ private VFUs and AI and etc.) for the implementation of the project activities. It also works closely with the MAIL / IFAD Project Coordination Unit (PCU). The CLAP Programme Director organizes regular coordination meetings with all implementing partners to discuss project related issues. The PCU also facilitates the coordination between the MAIL leadership, the General Directorate of Animal Health and Livestock Production, Cooperative and Extension Departments, VFUs in the field and other related ministries in particular Public Health, and Rural Rehabilitation and Development.

Geographic Coverage

The project covers Logar Province (Pul-i-Alam, Charkh and Mohammad Agha districts), Kabul province (Dehsabz, Char-Asiab and Qarabagha districts) and Parwan province (Charikar, Jablussaraj and Bagram). The three provinces were selected by MAIL as the beneficiary provinces for this next step in up-scaling and expanding dairy industry development in Afghanistan based on lessons learned from the previous dairy projects, relatively good security, and the proximity to high demand urban milk markets.

- **Implementation period:** 1st May 2014 - 30th April 2020
- **Status of Implementation:** Pre – Mid Term
- **Total Project cost:** 10,492,723 US\$
- **Donor contribution:** 8,521,122.87 US\$
- **Government and Beneficiaries' contribution:** 1,515,600 US\$
- **FAO Co - financing:** 456,000 US\$

B. CHANGES IN PROJECT IMPLEMENTATION CONTEXT AND PROJECT DESIGN

A substantive Minister was recently appointed for MAIL by H.E. the President of the Islamic Republic of Afghanistan after the MAIL had gone for a long time under the leadership of an Acting Minister. This will lead to quicker decision making and stability in the leadership of the ministry.

Insecurity continues to be a major challenge especially in Parwan and Logar provinces. In view of prevailing insecurity in some of the target areas, the project is making every effort to minimize the impacts of security related constraints and facilitate smooth implementation of its activities. However, it has been difficult to implement activities in Charkh mainly because of heightened insecurity.

A review workshop held during the inception phase recommended some changes to the project design as presented below:

Project Entry and Exit Dates

The entry and exit dates for the project were revised to 1st May 2014 to 30th April 2020 from 1st January 2014 – 31st December 2019. This was due to some delays in project approval, funds disbursement, the volatile security situation in the run up to Presidential elections and the consequent delay in project start – up.

Selection of Districts

It was recommended to replace Bagrami and Charkh districts with more suitable districts. This was based on the observation that in Bagrami district livestock production is diminishing due to encroachment of the city of Kabul as it expands; in Charkh district the main reason was that there is very little livestock production with fruit production being more prominent. Charkh district also has a high level of insecurity. Bagrami district has since been

replaced with Qarabagh district. The CLAP coordination team is yet to provide further guidance on the replacement for Charkh district.

Location of Proposed Dairy Plant

Participants of the project's inception workshop recommended the establishment of a 30 MT /day capacity dairy processing plant as opposed to setting up smaller plants in the target provinces. This recommendation was made based on the small size of the markets in Parwan and Logar provinces. In any case it was felt that in addition to a bigger market, locating the dairy plant in Kabul (Kabul Dairy Union (KDU)) would ensure a central location and therefore good access from the 3 targeted provinces, access to land (30 year lease already in place for KDU), reliable power supply, good road access and ease of milk transportation. The CLAP project coordination subsequently engaged a consultant to conduct an assessment and make recommendations with regard to the above issue. The final report and CLAP coordination team's guidance on the way forward is awaited.

C. PROGRESS AND PERFORMANCE BY COMPONENT

C.1. Component 1: National Capacity Developed regarding dairy husbandry (incl. health, breeding, feed and fodder production), dairy processing and marketing at field, district and provincial level

C.1.1. Summary and Main Achievements - Outputs

All project staffs have now been recruited (see details under Human Resources). Beneficiary household (HH) selection has largely been achieved at 86% (see table 1 below).

Table 1. Project beneficiaries identified by district

	District	HH	HH members	Gender	
				Males	Females
1	Chaharasib	169	1,014	571	497
2	Deh Sabz	151	906	462	444
3	Qarabagh	361	2,166	1,105	1,061
4	Mohammad Agha	199	1,194	609	585
5	Pull Alam/Kolangar	568	3,408	1,738	1,670
6	Bagram	405	2,430	1,239	1,191
7	Charikar	655	3,930	2,004	1,926
8	Jabalsiraj	80	480	245	235
Total		2,588	15,528	7,919	7,609

HH Wealth Ranking Data			
No of Very poor HH	No. of Poor HH	No. of Average HH	No. of well - off HH
0	1708	476	404
0	66%	18.4%	15.6%
(0 milking cow)	(1 or 2 cows)	(3 and 4 cows)	(more than 4 cows)

13 farmers (30% more than the target for 2015) were engaged to produce fodder seed and have received fertilizers and seeds from the project.

Demonstration plots using various improved seeds of fodder crops have been set up (on half a jerib each) by farmers in villages as planned to facilitate dairy farmer field schools for fodder and assist towards increased fodder production by dairy farmers. 1,086 livestock owning households are now engaged in fodder crop and milk production.

629.5 kgs of improved fodder seeds have been distributed. A total of 6.149 MT of fertilizers (more than the target) were distributed. The balance as planned will be distributed in the second half of the year.

9 motorcycles (one for each district) were purchased, equipped and registered to support DAIL extension and animal health technical staff in their work to provide farmers with services in all target districts. In addition VFUs received Vet kits, drugs, vaccines and fridges to support the cold chain for the storage of the vaccines.

620 farmers (planned figure of 500) were trained in improved animal husbandry practices and basic animal disease awareness, and facilitated to improve housing for their livestock.

914 women farmers received basic training in preventive animal health. Men and more women will be trained in the second half of the year.

One KDU staff (target for the year is 3 staff) was trained on how to run the feed mill business in order to increase volumes of concentrate feed produced per day and utilization of the existing 20 MT facility.

416 cattle have been vaccinated against FMD. 4,250 vaccines are being procured.

Monitoring of fertility of dairy cows is just starting with 400 cows having been monitored in 2015.

9 veterinarians (50% of target for whole project duration) have already been trained in dairy related diseases using specially designed training materials that can also be used to train farmers.

2,608 bull semen straws (52%) were purchased and distributed to 8 AI technicians. The AI technicians provide monthly activity reports. 1,077 cows were inseminated in 2015.

400 cows conceived during the first half of 2015. 15 calves were born (unrelated to AI activities)

A TOT training was conducted for 15 project staff and DAIL technical personnel.

A Knowledge Attitudes and Practices (KAP) survey for the project has been designed. The KAP survey will be conducted in July and August 2015.

C.1.2. Progress towards Component Outcomes

Farmers are taking the first steps towards acquiring skills to produce own feed for their livestock. Ultimately this will lead to increased milk production and higher incomes for them.

C.1.3 Shortcomings and Issues Affecting Component Progress and Actions Taken

Due to a deteriorating security situation selection of villages and beneficiaries in Charkh district (Logar province) has not taken place. Additionally, the district does not have any significant livestock farming. It has been recommended to select an alternative district preferably in the same province.

There is no capacity within MAIL to ensure food safety in the dairy sector. Within the Ministry of Public Health, the capacity is still being developed with support from WFP. The project intends to pursue joint efforts with WFP to further develop the capacity with specific focus on the dairy sector. MAIL will be facilitated to develop guidelines for food safety, register and conduct routine inspections of milk processing plants as well as to develop a dairy sector 5 Year Strategic Plan and regulatory framework for the dairy sector as well as protocols for labeling dairy products.

Breeding programmes are largely haphazard. The project will facilitate assessment of the current status of breeding programmes and way forward for the dairy sector.

Networking with our countries in the Asian region is weak and yet this would present enormous opportunities for the nascent dairy sector in Afghanistan. The project will further facilitate integration of the Afghan dairy sector into the Asia Dairy Network.

C.2. Component 2: Institutional Development - Public and Private Institutions established and capacitated

C.2.1. Summary and Main Achievements - Outputs

Formation of the National Dairy Development Board (NDDDB) will be key to sustainable development of the dairy sector in Afghanistan. Discussions are already underway between CLAP Programme Director and the FAORAP, and the Indian Dairy Development Board (NDDDB) which has tentatively been identified to support the process of establishing and capacity building of the Afghan NDDDB and the Afghan National Federation of Dairy Unions (NFDU).

7 coordination meetings chaired by the DAIL Directors were held in each of the 3 target provinces to discuss project related issues.

8 female and 15 male extension workers and 8 AI technicians (2 more than planned for 2015) have been trained to form a core team of extension service providers to farmers.

15 new cooperatives (83.3% of target for 2015) are now set up at village level. Registration with the MAIL is expected as soon as the Cooperatives Bill is approved by the national Parliament. Formation of Dairy Unions will then follow. 762 members (63.5% of target)

joined cooperatives so far in 2015. Formation of more cooperatives and registration of members is ongoing.

Cooperatives conducted regular monthly coordination meetings to discuss emerging issues, exchange information and make decisions. 17 cooperatives conducted elections to select representatives of farmers.

C.2.2. Progress towards Component Outcomes

It is planned (subject to relevant approvals) for key Afghan stakeholders to conduct a study tour to AMUL in Anand, India and the India NDDB in September 2015 as part of the groundwork for the formation of the NDDB and NFDU. It is anticipated that the delegation will comprise of relevant MAIL staff and other senior officials within the government, representatives of the Dairy Cooperatives and Unions, dairy farmers and the private sector. The final composition will be determined in collaboration with MAIL and the CLAP project coordination team. Discussions are already ongoing between the project, MAIL, the CLAP Project Director and the Indian NDDB with facilitation from the FAO Regional Office in Bangkok, Thailand. For the process to succeed, the project will need high level political support within MAIL and the government.

A 5 Year Dairy Development Strategy is under development. It is expected to be finalized in the second half of the year.

C.2.3 Shortcomings and Issues Affecting Component Progress and Actions Taken

There have been delays in the process of registration of dairy primary cooperatives necessitated by changes made by the MAIL Directorate of Cooperatives to the format for business plans for cooperatives (a pre-requisite for registration). The new format for business plans is also rather complicated for rural based smallholder farmers to fully understand even with support from the project staff.

A final observation is that the taxation regime for milk producers is very high at around 25%. This has an effect of discouraging smallholder dairy farmers from joining the cooperatives.

The project will engage stakeholders on the issues raised above. It will be important to quickly address the issues as they are serious handicaps to the dairy cooperatives approach.

C.3. Component 3: Women's Development - Through specifically targeting women at HH and staff level, skills, self-confidence and capacity increased

C.3.1. Summary and Main Achievements - Outputs

The project facilitated 914 women (more than planned for 2015) to participate in capacity building activities in recognition of the key role they play in milk production and the milk value chain.

18 women (year's target is 10) have been encouraged to diversify their incomes through fruit and vegetable value chains. The village women received training in food processing. They initially produced (i) 53 x 0.5kg pickle (*Turshi*) (ii) 40 x 1 kg bottles of Jam (iii) 50 x 0.5 kg

bottles Chutney. The women were also trained by the project staff in basic enterprise development and identification of opportunities to market the products of diversification of incomes.

15 women's Savings and Self - Help Groups were established with a total of 154 members. The groups were supplied with the necessary kits comprising of the savings box and stationery.

6 women (appraisal target is 18) participated in the value chain (milk collection / milk hygiene) and higher level activities such as formation of cooperatives.

2 women (Senior Women Trainer and the Gender and Capacity Building Trainer) were recruited by FAO at the centre in order to reduce the socio-cultural barrier. They are responsible for inclusive programming ensuring the involvement of women in programme activities.

914 women (more than planned) participated in capacity building activities ranging from clean milk production, dairy animal feeding and husbandry to milk preservation, cooling and milk processing.

17 women participated in cooperative activities and cooperatives management. This represents significant gender inclusion in development activities and empowerment of women.

45 women (45% of target) were trained in specific hands - on skills in value addition, product diversification and enhanced food storage techniques based on demand.

C.3.2. Progress towards Component Outcomes

Training of women beneficiaries is being conducted by women trainers and this hugely contributes towards breaking of the socio-economic barrier as access to the beneficiaries is made easier.

Through the innovation fund women are learning skills and quickly adapting techniques of making diversified food products that help them earn better incomes through marketing of the products. It is anticipated that the women will be able to retain most of this income. This will help them better look after their immediate family needs as well as increase their self confidence in society. To strengthen this approach and facilitate learning and sharing of skills and opportunities to market their products, the project facilitated formation of 45 women self - help groups.

Participation in higher level dairy cooperatives activities will also help strengthen women's position in the smallholder dairy sector. It will also increase their access to income and decision making over the expenditure of dairy sector related income at household level. In any case women are key players in animal husbandry and smallholder dairy production.

C.3.3 Shortcomings and Issues Affecting Component Progress and Actions Taken

Whilst the innovation fund has registered early success with women already able to produce products for the markets, it will be important to identify sustainable markets for these products. The project will assist the women's groups to establish linkages with market outlets including supermarkets.

The products also need improved packaging and labeling (including sell – by dates) to enable them to better compete with other products on the market. The project has designed the labels and will assist with the procurement of packaging materials. The women's groups will be expected to quickly assume responsibility for all these product marketing related aspects in order to ensure sustainability of their operations.

Women who are involved in the dairy sector need exposure to more successful initiatives. The project is planning for an all women study tour to India or Thailand.

C.4. Component 4: Enterprise Development - Through business growth and enterprise development vibrant and dynamic Afghan dairy industry created

C.4.1. Summary and Main Achievements - Outputs

The milk collected by the cooperatives and delivered to KDU for processing is at 5.6 MT / day (target for the year is 5 MT/ day). 559 dairy producer households are currently delivering milk with support from the project. The project targets an additional 441 in 2015.

It is not decided as yet whether to increase the capacity of KDU milk processor to 30 MT or to set up smaller milk processing plants in the project's target provinces. An assessment is currently underway and its findings will be used by CLAP to make the final decision on this issue which also affects the establishment of milk collection centers.

559 farmers were trained in record keeping and provided with record books to ensure that they record the quantity and quality of milk produced and payment received from the cooperatives. Similarly 8 cooperatives were facilitated to ensure the same records are kept. 559 families are currently participating in this activity with support from the project.

The procurement process for one refrigerated truck for daily transportation of milk from the cooperatives to KDU has been initiated.

KDU is being supported to develop a marketing and branding strategy in order to increase its market share. The emphasis is to enhance quality along the value chain and emphasizing on the Afghan origins of the product. This will result in increased consumer confidence in the product.

The project supported KDU to establish 2 dairy shops affiliated to it. The shops sell milk on a commission basis and contribute towards increasing KDU's market share for milk and milk products.

15 refrigerators are in the process of being procured. This will cover the appraisal target. The refrigerators will be distributed to project locations to support the cold chain for marketing of dairy products and pasteurized milk.

1 awareness campaign on the hygienic processing of milk and dairy products by cooperatives and farmers was conducted. The aim was to improve the quality of milk and dairy products on sell in the market ultimately improving competitiveness, increasing consumer confidence and securing better prices for milk and milk products and ultimately increased incomes for dairy farmers.

C.4.2. Progress towards Component Outcomes

Establishment of the 30 MT / day milk processing plant is in a bit of limbo. It is not decided as yet whether to increase the capacity of KDU milk processing plant to 30 MT or to set up smaller milk processing plants in the 3 target provinces. An assessment is currently underway and its findings will be used by the CLAP coordination and MAIL to make the final decision.

The MAIL Livestock Director took up the task to identify suitable land that the government can donate as soon as the relevant decisions are made regarding the location of the milk processing plant.

KDU is being supported to develop a marketing and branding strategy in order to increase its competitiveness and market share.

C.4.3 Shortcomings and Issues Affecting Component Progress and Actions Taken

Uncertainty on location of the milk plant(s) planned under the project and subsequently the milk collection points means related activities remain on hold. The activities will be implemented after the ongoing milk production assessment being conducted by a CLAP consultant and subsequent recommendations from the CLAP coordination and MAIL.

D. PROGRESS TOWARDS PROJECT PURPOSE AND GOAL

Progress towards the purpose and goal of the project is still in early stages as the inception phase has just been completed. However some significant steps have been made in this direction.

The cooperatives supported by the project are delivering 5.6 MT of milk per day to KDU for processing ahead of the 2015 target of 5 MT / day. Hence milk production is already starting to increase. 559 dairy producer households are currently delivering the milk.

The project is in the process of procuring refrigerated milk collection trucks to ensure better quality and timely delivery of milk to the processing plant at KDU. 15 refrigerators have been purchased to support the cold chain for milk and other related products at the village level. This will help improve the quality of milk delivered to KDU. Additionally, a decision will soon be made by the CLAP coordination and MAIL with regard to the establishment and location of increased capacity for milk processing through the setting up of a milk processing plant(s).

The project is also supporting KDU to increase its selling outlets for milk and milk products. This will help KDU secure an increase in its market share. Additionally, the project is supporting KDU to develop a branding and marketing strategy.

The project has facilitated the establishment of 17 primary dairy cooperatives (appraisal target of 18) with 958 farmers as members. This is significant progress towards institutional development. Registration of these cooperatives with MAIL is expected as soon as the Cooperatives Bill is approved by the national Parliament. This will then be followed by the formation of dairy unions.

Efforts towards the establishment of the NDBB and the NFDU are underway with involving of key stakeholders including the CLAP coordination unit. It is anticipated that significant progress will be achieved by the end of the year with regard to the establishment of these 2 very important structures.

Establishment of the NDDDB and the NFDU will help create an enabling environment for the dairy sector. The NFDU will create a common platform for dairy farmers for advocacy, capacity building and sharing of information (e.g. through field days and farmer field schools), collaboration in marketing of products and procurement of inputs among other benefits. The NDDDB will focus on the bigger picture including marketing of dairy products, advocacy on behalf of farmers, monitoring of importation of milk and dairy products and international trends in the sector, facilitating breeding programmes, setting standards and dairy sector targets at the national level as well as providing advice to the government with regards to the dairy industry.

The 5 year Strategic Plan for the dairy sector is still outstanding. There is also lack of proper oversight for the sector by MAIL. Food safety regulations and a framework for the dairy sector are lacking. These issues will require immediate attention for meaningful progress to be made in the Afghan dairy sector.

E. PROJECT SUSTAINABILITY

The project has created linkages with and works through existing local structures at the MAIL and DAIL levels. It also works through KDU, VFUs, field based AI technicians and volunteer farmers; these cadres are connected to the DAILs for overall supervision with regard to standards and quality services delivered. VFUs supported by the project offer services to farmers with cost recovery approach to ensure sustainability of their operations. Additionally they are also provided with high quality veterinary drugs and vaccines to ensure delivery of the right products and quality outcomes. This is expected to generate increased demand for services by farmers as they see the benefits of the inputs.

The project further aims to build capacity of government technical extension staff at the central, provincial and district levels. This is also being done at farmers' level to operate, own and manage dairy enterprises through dairy cooperatives which have integrated local inputs and service provision for their members. This involves among others the production of fodder through use of improved fodder seed varieties.

During this early phase of implementation, the project has supported establishment of the majority of cooperatives anticipated to be established; these will receive further support over

the life of the project and are expected to develop into self-sustaining enterprises that will prevail when the project ends. The project has also initiated efforts towards the establishment of institutions for the sector, such as the NDDDB and NFDU. In this regard a link with the India NDDDB is being created to facilitate mentoring and capacity building of the nascent Afghan dairy institutions when they are established. Additionally this will also create a platform for capacity building initiatives for the Afghan dairy sector through study tours and targeted trainings by Indian colleagues. Similar linkages have been created with the Thailand dairy sector with facilitation from the FAO Regional Office in Thailand.

A Trainer of Trainers (TOT) course was conducted for project staff, district level women trainers, MAIL and DAIL extension technical staff. The TOT training will ensure training of many more dairy farmers by the trained technical staff as well as better capacity by government staff to provide technical backstopping to VFUs, AI technicians and farmers. There is greater emphasis on capacity building of women. Women trainers are used to reach women beneficiaries ensuring the involvement of women in project activities as well as in the key activities of cooperatives and the milk value chain. This is important for sustainability as women are key players in the smallholder dairy sector. Women have also been supported to establish women's support groups for joint learning of skills and collaborative production and marketing of a diversified range of dairy and vegetable products for income generation.

The project has started to establish links with the Asia Dairy Network to ensure that the dairy sector in Afghanistan benefits from experiences from elsewhere in Asia. Extension materials from the Asia Dairy Network are being translated and adapted to suit the Afghan context.

There is regular coordination with other CLAP Implementation Partners. The project also works closely with relevant FAO projects maximizing utilization of inputs, harmonizing approaches where possible, and utilizing the existing community structures as entry points for livestock interventions. This is particularly with regard to vaccination programmes for Foot and Mouth Disease.

Lessons learnt from previous dairy projects implemented in Afghanistan are taken into considerations during project implementation. It takes an industry approach to dairy value chain based on the experiences with the Integrated Dairy Scheme approach, tried and tested in various locations in Afghanistan.

F. PROJECT MANAGEMENT

F.1 Financial Management

The financial status report for the reporting period and from the starting date of the project is reported in the Annex 4:

Expenditures and Disbursements:

The project effectively started in May 2014. The total expenditures including legal commitments are USD 1 083 632 as of 30 June 2015 out of USD 1 500 000 cash received on 14 July 2014. The budget was revised as recommended during the inception workshop in 2014.

Flow of Funds

Flow of funds is in accordance with the AWPB submitted. Revised AWP has been submitted as Annex 2B and Annex 4.

Certified Statements of Expenditures/Audit:

Financial Statement is submitted as annex 4.

F.2 Human Resource Management

The current status of project staffing is shown in table 3 below:

Table 3. Project staffing

<i>Category</i>	<i>Project Staff (SP)</i>			<i>Kabul Dairy Union Staff</i>			<i>MAIL/VFU Staff *</i>			<i>Volunteer Farmers</i>			<i>Total</i>		
	<i>Women</i>	<i>Men</i>	<i>Total</i>	<i>Women</i>	<i>Men</i>	<i>Total</i>	<i>Women</i>	<i>Men</i>	<i>Total</i>	<i>Women</i>	<i>Men</i>	<i>Total</i>	<i>Women</i>	<i>Men</i>	<i>Total</i>
<i>Technical Staff</i>	2	6	8	6	4	10	0	23	23	36	22	58	44	55	99
<i>Support staff</i>	0	5	5	1	0	1	0	0	0	0	0	0	1	5	6
<i>Total</i>	2	11	13	7	4	11	0	23	23	36	22	58	45	60	105
<i>Gender %</i>	15.4	84.6		63.6	36.4		0	100		62.0	37.9		44	56	

* 8 extension works, 8 VFU, 2 head of dairy unit, 5 A I technicians

- One international (Senior Dairy Advisor) recruited from the 1st June 2015.
- One National Input Services Officer since 2nd February 2015 and one Communication and Knowledge Management Assistant recruited from 3rd June 2015.

F.3 Procurement

Refer to Annex 3 - Active Assets List (Inventory) which is procured as FAO Co-financial contribution with this project.

F.4 Monitoring and Evaluation (M&E), Communication and Knowledge Management

With an increasingly decentralized structure, the FAO Representative is the budget holder for the project. At the country level, the technical project supervision and management is the responsibility of the Senior Dairy Consultant/Advisor who reports to the FAO Representation in Kabul and is technically supervised by the Lead Technical Officer in the FAO Regional office Asia Pacific (RAP). All operational and administrative activities are dealt through the FAO Representation in Kabul.

Regular monitoring and progress reports are prepared based on the surveys, market studies, performances and delivery of technical services, workshops and trainings etc. conducted. The CLAP project coordination also conducted regular monitoring visits to field locations and provided the project with feedback.

Based on the knowledge management strategy of the CLAP project implementation coordination unit, the data on project activities and achievements is collected and analyzed on a monthly basis. The M&E system is mainstreamed into the management information system (MIS). A Knowledge Attitudes and Practices (KAP) survey has been designed for the project. It will be implemented from July 2015. It is planned to conduct 2 – 3 KAP surveys during the lifetime of the project.

In June 2015, two project staff attended a workshop in Bangkok (Thailand) on an FAO led smallholder dairy development project that was implemented in Myanmar, Thailand and Bangladesh. This was followed by a field visit to Saraburi and Nakorn Ratchasima districts of Thailand. In the farming districts, the team visited a livestock nutrition research centre, a 300 MT/day milk processing plant, semen collection and processing centre, feed (Total Mixed Ration) processing centre and smallholder dairy farms. The lessons learnt from the workshop and the field visit will be applied in the Afghan context of smallholder dairy production. The project established linkages with the Asia Dairy Network. This will facilitate increased access to extension materials to be adapted to the Afghan context as well as support with capacity development initiatives for the Afghan dairy sector.

A project website is being developed to be up in August 2015 subject to relevant approval by MAIL. It will contain dairy related information relevant to the Afghan sector and will also have links to the MAIL, IFAD, CLAP and Asia Dairy Network among others. The website will be an important depository of important information relating to lessons learnt, success stories and other important activities. It will also provide information from previous dairy projects that were implemented with a similar approach as the current one. Twitter and facebook accounts have also been created.

Success stories have been shared with the CLAP project coordination unit. These included (a) stories on successful fodder production by dairy farmers (b) increasing income of a farmer family via selling surplus milk.

FAO is working with the relevant sections of the MAIL, the main project partner at both central and provincial levels, the CLAP project coordination unit, a range of cooperative societies and dairy unions, and other CLAP project implementing partners with whom strong productive relationships have been established for the benefit of dairy farmers and rural

women. The CLAP project coordination unit facilitates the coordination between MAIL, in particular the General Directorate of Livestock Production and Animal Health, Directorates of Cooperatives and Extension Departments, and based on need with other relevant ministries in particular the Ministries of Public Health and Rural Rehabilitation and Development. There is strong collaboration with UN Agencies, Non Governmental Organizations and DAIL officials from the provincial to the district levels. DAIL staffs closely working with the project in the districts are from the departments of Livestock Production and Animal Health, AI, extension / fodder development, cooperatives departments and so on.

The Dairy Industry project was introduced to other development partners e.g. ICARDA and DCA; and the IDS experiences shared with *Government institutions*, *CARD-F*, *JICA*, and technical working teams (UN agencies, NGOs etc). There are potential prospects of collaboration, and these will be expanded as project implementation progresses.

G. OTHER EVENTS AND RELEVANT ISSUES IN THE REPORTING PERIOD

Due to the security problems and extended election period, access to the field has generally been restricted. The project manages this by traveling to the field as and when the security situation allows. It has also been difficult to implement any activities in Charkh district of Logar province because of a high level of insecurity. As a result, an alternative district needs to be identified for the project. There were delays related to the recruitment of the project Senior Dairy Advisor or Chief Technical Advisor. The first candidate joined the organization but declined his decision to continue because of the short term nature of the assignment. Finally, the decision pertaining to the establishment of a 30 MT /day dairy processing plant remains pending as highlighted in earlier sections. This has affected the timely establishment of other infrastructural components such as milk collection centres etc.

H. FOLLOW UP OF LAST SUPERVISION MISSION'S RECOMMENDATIONS:

The implementation status of recommendations following the November 2014 IFAD supervision mission is shown in table 4 below:

Table 4. Implementation Status of IFAD Recommendations

Agreed action	Responsibility	Implementation status of IFAD supervision mission recommendation on 02 June 2015
<i>CLAP will contract two consultant, one international and one national (IFAD national consultant) to conduct a detail study for current milk production in the target provinces and districts and potential increase in one or two years with project support and feasibility study for the location of modern dairy processing plant</i>	<i>CLAP</i>	
<i>Develop business plan for the establishment of new cooperative</i>	<i>FAO</i>	<i>In accordance with the cooperative law and new</i>

<i>groups</i>		<i>regulation; the business plans have been developed and registration of the 18 milk producer cooperatives society at village level is in progress.</i>
Assess the possibility for including the other potential milk producing districts for meeting the target of 30 MT per day	CLAP	
Develop business plans for all the cooperatives and unregistered cooperatives on priority basis for registration purposes	FAO	<i>Based on the new regulations for cooperatives and all registered primary and secondary cooperatives societies and dairy unions, the business plans were prepared and shared with MAIL Directorate of Cooperatives for final review and approval.</i>
Re-furbish the existing storage for the inputs of the feeding mills KhDU	FAO	<i>This is related to IDS project in Nangarhar (RMLSP).</i>

I. SUMMARY AND LESSONS LEARNT

- The participatory approach encouraged community participation;
- Close coordination of activities with the relevant departments of the MAIL established better coordination between MAIL – Project – Farmer Communities;
- The innovation fund provides flexibility for support to women’s enterprises and income generating activities. Women are very keen to work in groups and to learn from each other.
- Linkages with the Asia Dairy Network can facilitate capacity development for the Afghan dairy sector as well as access to valuable dairy extension material that can be adapted to the local context.

J. RECOMMENDATIONS FOR FOLLOW UP

(a) The project baseline survey was completed in December 2015. A revised AWP&B was also submitted to CLAP. FAO is planning to conduct a KAP survey from July 2015.

(b) Selection of districts for the project must be finalized. This refers to replacement of Charkh district with a district that has better potential for milk production and low insecurity levels. The CLAP coordination unit must give direction on this issue.

(c) A decision must be made as soon as possible with regard to the establishment of the new milk processing plant. This has already been discussed under different section. The CLAP coordination unit is responsible to finalize this matter.

(d) Planning for the study tour on the proposed formation of the NDDDB and the NFDU is already in progress. The CLAP project unit and FAO need to expedite the consultative and approval processes in order for the tour to take place in September 2015.

(e) There should be discussions between MAIL and the relevant ministries with regard to the taxation regime for members of dairy cooperatives. The rate is very high at around 25%; this is discouraging smallholder dairy farmers from joining the dairy cooperatives.

(f) Selection of Young Professional Consultant for capacity development under the project must be expedited by the CLAP project coordination unit for implementation starting from the second half of 2015.

Reporting Officer: Wilson Makuwaza, Senior Dairy Advisor	
Date :	15 th July 2015
Signature:	

ATTACHMENTS

1. Annex 1 : Physical progress measured against AWP&B targets
2. Annex 2A : AWPB Part I – Narrative
3. Annex 2B : AWPB--AWP/B-2015
4. Annex 2C : Work plan (Gantt chart)
5. Annex 3 : Active Assets List (Inventory)
6. Annex 4 : Financial statement (Provisional) - 30th June 2015

ANNEX 1A: PHYSICAL PROGRESS MEASURED AGAINST APWB TARGETS (FOR ANNUAL PROGRESS REPORT)

PERIOD: 01-01-2015 TO 30-06-2015				
IMPACT AND OUTCOMES	INDICATOR	ACHIEVEMENT TO DATE	RIMS Rating	Remarks
<p>Overall Goal (Impact): Dairy milk production, processing and marketing increased, dairy coops, union, and federation created and enabling capacity and policy environment established</p>	<ul style="list-style-type: none"> ▪ Net increase of average annual HH income from dairying (+200 %) ▪ Net increase of milk consumption at HH level ;(average 1.5l/day) ▪ Net increase in value of assets; UD 590 plus 90 as value of share of milk collection centre ▪ Net increase of local employment due to dairying; (± 132) ▪ Net increase of marketable milk; ±aver. 7 liters/HH/day 			
<p>Project Purpose: The project purpose is to improve production and efficiency of milk production and processing, and to establish a member-owned network of dairy producers.</p>	<ul style="list-style-type: none"> ▪ 3,000 milk producers organized in financially viable associations ▪ Volume of milk additionally produced in 1.7million litter/year. ▪ Average, net annual profit generated by producers' associations. • 3,000 livestock owners supported to engage in commercial fodder and milk production 	<p>2,588 milk producers associated as project beneficiaries</p> <p>1,086 livestock owners engaged for fodder crop and milk production</p>		
<p>Component 1: National Capacity Developed regarding dairy husbandry (incl. health, breeding, feed and fodder production), dairy processing and</p>	<ul style="list-style-type: none"> ▪ Net increase of marketable milk; ±aver. 7 liters/HH/day ▪ Net reduction in reported diseases, ailments among 	<p>30% reduction in reported diseases</p>		

marketing at field, district and provincial level (MAIL, Dairy producer organization, Input and Service providers)	<ul style="list-style-type: none"> ▪ Dairy Animals ▪ Dairy coops function (18) -do-; ▪ Fair price paid to f/m dairy producers ▪ Net increase in fodder quantity and quality (improved seeds) ▪ Net increase in female extension and field workers (ToT approach), 	<p>17 milk producer cooperative societies</p> <p>12%</p>		
Component2: Public and Private Institutions established and capacitated.	<ul style="list-style-type: none"> ▪ Dairy producer organizations set-up and functional ▪ Dairy industry federation set-up and functional ▪ Women representation in coops and federation substantial ▪ Dairy sub-sector policy, strategy and rules and regulations in place (led and implemented by MAIL). 			
Component3: Women’s Development; Through specifically targeting women at HH and staff level, skills, self-confidence and capacity increased.	<ul style="list-style-type: none"> ▪ 50% of activities at community level reach out to women ▪ 50% of innovation fund used for women ▪ 20% of all trainers are women ▪ Increased participation and involvement of women in cooperative decision-making level –piloting it- 	<p>2%</p> <p>2%</p> <p>25%</p>		
Component4: Enterprise Development ; Through business and enterprise development vibrant and dynamic Afghan dairy industry created	<ul style="list-style-type: none"> - Net increase in certified milk products - Net increase of turn-over of local dairy industry (coops, union) - 30 milk collection centers set-up and served by at least 3,000 HHs - Kabul Dairy Plant improved and 			

	profitable; capacity \geq 30 MT/day, variety of milk products (at least 7) - Female dairy keepers benefit relatively more from established dairy industry							
Outputs by component/sub-	Indicator	(Physical) Targets						
		AWP&B (planned)	Actual (achieved)	%	Appraisal (Global)	Cumulative (so far)	%	
Component 1: National Capacity Developed National Capacity Developed regarding dairy husbandry (incl. health, breeding, feed and fodder production), dairy processing and marketing at field, district and provincial level (MAIL, Dairy producer organization, Input & Service providers,)	Average increase in marketable milk - lit/HH/day	2	0	0	7			
	Reduction in reported diseases among dairy animals	20%	10%	50	85%	30%	35.29%	
	% of dairy farmers using quality improved fodder crops and supplementary feeding	30%	6%	30	85%	12%	14.1%	Fodder production by farmers has just started
	% improvement in sires availability and use	15%			75%			
Output 1.1: Delivery of a range of appropriate, quality services and materials by local service providers	Project staff and local service providers able to effectively implement the project activities	0			100%			
Activity 1.1.1. Recruit and train men and woman staff in technical aspects of dairy production and extension work with farmers.	Nb of technical staff recruited (Female and male)	2	3	150%	10	9	90%	

Activity 1.1.2. Set up and equipped of the three district milk cooling and services center for both output delivery and inputs and services provision.	District milk chilling and livestock services center building construction	0	0	0	3	0	0	
	Set up and equip district milk chilling center	0	0	0	3	0	0	
Activity 1.1.3. Increased involvement of local service providers – public and private (input and service providers) to be strengthened and increased in rural areas through provision of contracts such as for the formation, training (milk hygiene, quality, husbandry, cooling, fodder harvesting and storage, fodder seed production), including by women for women.	Involvement of local service provider through contract	1	1	100	5	1	20	
Output 1.2: Increased availability of affordable feed resources	85 % of farmers use improved fodder crops and supplementary feeding	16%	8.64	54	85%	8.64	10.16	
Activity 1.2.1: Feed processing units and small storage facilities will be established in partnership with private sector entities in order to produce mixed feed on a commercial basis	Feed storage construction	0		0	3		0	
Activity 1.2.2: A demonstration programme will be set up for demonstration of 50 improved varieties of fodder	Nb of demonstration plots	500	206	41.2	3,000	259	8.63	

	Seeds distributed (Kg)	2500	629.5	25.18	15,000	963.5	6.42	
	Nb of farmers receiving seeds	500	206	41.2	3,000	259	8.63	
	Fertilizer(DAP and Urea) (MT)	6	6.19	102.5	36	7.21	20.03	
Activity 1.2.3. Fodder production will be stimulated in selected districts for at least 180 farmers, and eventually expanded in other districts	Establishment producing fodder seeds	10	13	130	180	13	7.22	
Activity 1.2.4. Selected farmers organized in producers' groups will be contracted to produce fodder seed as an enterprise activity under strictly monitored conditions. 3,000 livestock owners will receive improved fodder seeds.	Nb of farmers producing fodder seeds	10	13	130	300	13	4.33	
	Monitored and data collection from seed production and demonstration	100	109	109%	450	129	28.67	
Activity 1.2.5. Train, support and provide motorcycle to 9 extension work of MAIL / Union in district level as counterpart to provide fodder crops service to beneficiaries.	Nb of technical staff and extension worker train	9	8	89	18	8	44.44	
	Support and distribution of field kit to extension workers (motorcycle, data collection tool and registration)	9	8	89	9	8	88.89	
	Nb of farmers reached through extension of fodder crop and feed	500	206	41.2	3,000	259	8.63	
Activity1.2.6. Assistance in improving winter animal feeding (hay) and housing will also be provided. Timely and affordable delivery of concentrate feed to the dairy farmers will be facilitated either through the establishment of a farmer-	Train dairy union staff to run animal feed business	3	1	33.3	3	1	33.3	
	Volume of concentrate feed produced per day (in	1	0.97	97	3	0.97	32.33	

owned feed mill or through access to already established private feed mills.	MT)							
	Nb of dairy farmers using concentrated feed and hay	500	670	134	3,000	670	22.33	
Output 1.3. Dairy cattle of the member farmers protected from infectious and non-infectious disease through preventive measures and training, resulting in safer milk for local consumers.	Reduction in reported diseases among dairy animal	20%	10%	50	85%	30%	35.29	
Activity 1.3.1. Set up a community-based process in which the 3,000 farmers are directly involved in ensuring and investing in their animals health.	Set up veterinary services to beneficiaries at district level	6	5	83.33	9	8	88.89	
Activity 1.3.2. Assist to improve the status of their livestock by raising their knowledge of the impacts of animal parasites and diseases and on the actions required to combat them.	Nb of men trained in preventive animal health	1,000	620	62	3,000	620	20.67	
	Number of women farmers trained in preventive animal health	1,000	1051	105	3,000	1086	36.20	
Activity 1.3.3. Train, support, equip and provide motorcycle to VFUs in nine targeted district and through dairy service centers providing the service to beneficiaries.	Nb of VFU staff trained	9	8	88.89	18	8	44.44	
	Support and distribution of field kits to VFUs (motorcycle, equipped and registration)	9	8	88.89	9	8	88.89	
Activity 1.3.4. Monitoring and control of the dairy cattle of the member farmers for Zoonosis	Number of dairy cattle tested for zoonotic diseases	1,000	0	0	9,000	0	0	
Activity 1.3.5. Providing regular vaccination for the cattle of member farmers of the dairy schemes.	Number of cattle vaccinated	2,000	416	20.8	12,000	2041	17.01	
	Number of cattle de-wormed	2,000	2,448	122.4	12,000	2743	22.86	

Activity 1.3.6. Monitoring reproductive performance of the cows and providing veterinary services	Number of dairy cows regularly monitored for fertility.	500	400	80	6,000	454	7.57	
	Treatment of individual cattle	500	1,283	256.6	5,000	1583	31.66	
Activity 1.3.7. Training of veterinarians in production limiting diseases, in particular reproductive inefficiency, mastitis and abortion diseases.	Nb of veterinarians trained	9	8	88.89	18	8	44.44	
Output 1.4. Genetic potential of the dairy cows with the provision of improved sires through Artificial Insemination (AI) and monitoring of the impact of the breeding programme.	% improvement in sires availability and use	15%			75%			
Activity 1.4.1. Procure semen straws and equipment for Artificial Insemination (AI)	Nb of AI technicians provided with semen straws and AI field kits	10	8	80	10	8	80	
	Nb of improved bull semen straws	5,000	2,608	52.16	24,000	3,163	13.18	
	10 kits distributed to AI technicians	6	5	83.33	10	8	80	
Activity 1.4.2. Support 9 local AI technicians (Gov and private) to provide quality and sustainable services for co-operative and other service users.	Nb of inseminators providing AI services	6	5	83.33	10	8	80	
Activity 1.4.3. Monitor the results of the AI activities and advise and assist the farmers for proper management and feeding of the progeny.	Nb of inseminated cows	3,000	1,077	35.9	23,000	1356	5.9	
	Nb of pregnant cows	2,000	400	20	12,000	520	4.33	

	Nb of calves born	180	15	8.33	12,000	15	0.13	
	Nb of farmers families trained for management and rearing of calves	500	620	124	3,000	620	20.67	
Output1.5. Assistance to help develop and strengthen the technical capabilities of manpower working in the dairy sector to specially implement the integrated dairy programmes including how to set up a dairy business enterprise, business management under cooperative ownership, and overall dairy development practices.	Dairy schemes have independent management structures with full involvement of farmers and trained union staff	1						
Activity1.5.1. Trainers selected and trained in technical aspects of dairy production and participatory methods and training implemented up to village level.	Nb of women trainers trained	9	8	88.89	9	8	88.89	
	Nb of men staff trained	18	16	88.89	18	16	88.89	
Activity1.5.2. Train, advice and support cooperatives leadership (men and women) in management, governance, accounting and organization aspects.	Nb of cooperatives leadership receiving training at village level	90	35	38.89	270	35	12.96	
Activity1.5.3. Train, advice and support union leadership (men and women) in management, governance, accounting, networking, marketing and other aspect to improve dairy industry business.	Nb of coops leadership receiving training at district and province level	30	7	23.33	120	7	5.83	
Activity1.5.4. Prepare training packages for the different subjects in the dairy development field.	Prepared training and extension materials	2	1	50	12	2	16.67	
Activity1.5.5. Publishing of the extension material and distribution to all provinces and organization involved in livestock development in Afghanistan, including educational institutions like Universities	Printed training and extension materials	2	1	50	12	2	16.67	

and Agricultural schools;								
Activity1.5.6. organize international study tours (1 per year) to foster enhanced understanding and capacity in the enhancement of approaches and options for successful dairy industry development for Afghanistan. MAIL and other stakeholders will participate and the tours will be organized and led by FAO.	Nb of external study tours organized	1	0	0	4	0	0	
	Nb of in - country study tours organized	1	0	0	4	0	0	Starting in the second half of 2015
Activity1.5.7. Local specialized and regional advanced training in dairy production, processing and marketing for four (4) young Afghans from the YPP.	Nb YPPs trained	4	0	0	6	0	0	Not selected by the CLAP project coordination unit
Activity 1.5.8. Engage a competent national team of core technical staff as a project team supported by essential short term national experts and support staff.	Core technical National staff engaged	2	2	100	9	8	88.89	
	Nb of support staff	0	0	0	4	4	100	
	Nb of National consultants	0	0	0	2	1	50%	
Activity1.5.9. Site visits and exchange tours for Shura, CDC's, dairy cooperative members and development partners on past experiences and sustainable enterprise and job opportunities in the Afghan dairy industry.	Nb of site visits	2	0	0	6	1	16.67	
Component 2. Public and Private Institutions established and capacitated	Dairy producer organizations set-up and functional	3	0		3	0		

	Dairy industry federation set-up and functional	0	0	0	1	0	0	
	Women representation in coops and federation substantial	5%	0	0	50%	0	0	
Output2.1 Strengthened national public and private institutions	National Dairy Development Board established	1	0	0	1	0	0	
	Creating dairy federation	0	0	0	1	0	0	
Activity 2.1.1. Support MAIL to establish of Afghan National Dairy development Board	National Dairy Development Board established and functional	1	0	0	1	0	0	
Activity 2.1.2. Creating dairy federation as National level for supporting dairy unions, coordination, promotion marketing, making strategy and policy as per needed and training	National Dairy Federation established and functional	0	0	0	1	0	0	
Activity2.1.3. Organize regular meetings and interaction on project intervention and involvement of technical staff from DAIL (production and cooperative staff where available) at the provincial DAIL level	Regular meeting with DAIL staff	12	6	50	72	10	13.89	
Activity2.1.4. Organize the direct involvement of extension and technical staff for a range of activities covering production, productivity and farmer group at district level organization	Nb of extension workers involved	6	5	83.33	9	8	88.89	
	Nb of AI Technicians	6	5	83.33	9	8	88.89	
	Nb of district women trainers	0	0	0	9	6	66.67	
	Nb of VFU staff	6	5	83.33	9	8	88.89	
Output 2.2 Primary milk producer co-operatives set up and operational	Nb of primary coops	18	17	94.44	27	24	88.89	
	Nb of secondary coops	6	0	0	9	2	22.23	
	Nb of dairy unions	2	0	0	3	1	33.33	

Activity 2.2.1. Set up 18 new primary milk producers cooperative at local level the project through consultations with the local Shura and CDC's	Nb of primary cooperatives at village level	18	17	94.44	27	24	88.89	The coops have been established and registration is in progress.
Activity 2.2.1. Set up 6 secondary cooperatives at district level and legally register with MAIL.	Nb of secondary cooperatives at district level	6	0	0	9	2	22.22	
Activity 2.2.3. Establishment of two dairy unions at the provincial level if required.	Nb of dairy union at province level	2	0	0	3	1	33.33	
Activity 2.2.4. All project beneficiaries in the targeted villages will be given an opportunity to become members of the cooperatives.	Nb of farmers organized in cooperatives as members	1,200	762	63.5	3,000	1,857	61.90	
Activity 2.2.5. Regular meetings will be held in order to inform members of cooperative activities and enterprise development.	Nb of meetings conducted	12	6	50	72	10	13.89	
Activity 2.2.6. Decisions regarding purchase price for milk and selling prices for dairy products will be made by cooperative members	Established decisions committee from Milk producer Coop / union/ federation	1	0	0	1	0	0	
Output 2.3: Effective management and ownership structures for the dairy scheme in place and operational.	Milk schemes have independent management structures with full involvement of farmers and trained union staff	0	0	0	1	0	0	
Activity2.3.1. Development and approval by the Government of a legal framework for the dairy scheme.	Develop legal framework for the milk scheme and is recognized by the Government	1	0	0	1	0	0	

Activity2.3.2. Development of cooperatives/union for the ownership and management of the dairy scheme.	Representatives of the milk collection centers/coops and milk scheme/dairy union elected yearly	18			27	7	25.93	
Activity2.3.3. Development of independent staff and management structures for the dairy schemes including their dairy and feed processing centers.	Milk scheme has independent management structures with full involvement of farmers. Technical staff are recruited by the milk scheme/dairy union	1			2		0	
Activity2.3.4. Creation and development of structures for financial management and performance monitoring of the dairy scheme.	Computerized recording, monitoring and analysis of all performance and financial records of the dairy schemes	0.2			1		0	
Activity2.3.5. Transfer of full financial and operational responsibility to the management of the dairy scheme.	All financial and operational issues are decided by the management of the dairy scheme/dairy union	0.2			1		0	
Activity2.3.6. Support will provide for the set up and initial operation of Dairy Industry Federation for the first three years of its operation	Support dairy federation	0			1		0	
Component 3: WOMENS' INVOLVEMENT Through specifically targeting women at	% of activities at community level reach out to women	10%	2%	20	50%	2%	4	

	% of Innovation fund used for women	10%	2%	20	50%	2%	4	
	% of all trainers are women	5%	5%	100	20%	5%	25	
	Increased participation and involvement of women in cooperative decision making level	8%	2%	25	30%	4%	13.34	
Output 3.1: Improved participation of women in capacity building activities	Nb of women participating in capacity building activities	600	914	152.3	3,000	914	30.47	
Activity3.1.1. Include a number of levels including milk hygiene, collection, milk co-operative formation and operation etc.	Nb of women included in milk hygiene, collection, milk cooperative formation	10	0	0	18	6	33.33	
Activity3.1.2. Ensure fullest representation, two women trainers / capacity building will be recruited at central level to guide and ensure fullest participation by women across all project activities.	Required women trainers and capacity building at central level	0	0	0	2	2	100	
Activity3.1.3. 3,000 women will benefit from capacity development activities ranging from clean milk production, dairy animal feeding and husbandry to milk preservation, cooling and milk processing	Nb of women benefiting from capacity development activities	600	914	152.3	3,000	914	30.47	
Activity3.1.4. Women actively encourage contributing and participating in co-operative activities and management.	Nb of women participating in cooperative activities and management	20			100		0	
Activity3.1.5. 50% women are to be trained in co-operative issues including finance and accounting and governance.	Nb of women trained in cooperative financial management and accounting	10	0	20	50	1	2	

Activity 3.1.6. 3,000 dairy kits are to be provided in addition to guidance and material kits (3,000) for improved local structures for enhancing animal productivity and milk hygiene	Nb dairy kits distributed to women	600	55	9.17	3,000	55	1.83	
Output 3.2: Increased opportunities for women in Innovation and diversification	% of opportunities for women in innovation and diversification	10%	1.5%	15	50%	1.5%	3.00	
Activity 3.2.1. An innovation fund will be established under the Enterprise Development component.	Establishment of an innovation fund	0.25%		0	1	0	0	
Activity 3.2.2. 50 % of that fund is reserved for the activities which will directly benefit women.	Fund reserved for benefit of women	0.12%		0	0.5	0	0	
Activity 3.2.3. Women are expected to also have an active role in the diversification of the new and existing enterprises due to their role in fruit and vegetable value chains and will be encouraged and supported to present proposals for the Innovation Fund on diversification and value addition by the project team.	Nb of women participating in the diversification of their enterprises	10	15	150	100	15	15.00	
Output 3.3: Increased diversification of dairy household incomes	Nb of women with increased diversification of dairy household income	100	45	45	1,000	45	4.50	
Activity 3.3.1. 1000 women trained in basic enterprise development, identification of marketing opportunities	Nb of women trained	100	45	45	1,000	45	4.50	
Activity 3.3.2. Train women in specific hands on skills in value addition, product diversification and enhanced food storage techniques based on demand.	Nb of women trained in the subject	100	45	45	1,000	45	4.5	
Component 4: ENTERPRISE DEVELOPMENT Through business growth and enterprise	Net increase in certified milk products	0%			100%			

development vibrant and dynamic Afghan dairy industry created	Net increase of turn-over of local dairy industry (coops, union)	0%			100%			
Output 4.1 Collection of a minimum of 30 tons of milk daily through village Milk Collection Centers (MCCs) involving at least 3,000 families in the Kabul, Logar and Parwan Provinces and farmers regularly (weekly) remunerated for collected milk according to quality and quantity.	Milk collected by the dairy union (Mt)/day	5	5	100	30	5	16.67	KDU collected an average of 5MT/DAY
Activity4.1.1. Establish/develop 30 village milk collection centers and provide the necessary tools and equipment for measuring of quantity and quality.	Nb of village milk collection centers established	10	0	0	30	0	0	
	Place allocated for milk collection center by communities at village level	10	0	0	30	0	0	
Activity4.1.2. Set up and equip three milk chillers at milk cooling and services compound in project targeted area.	Nb of Milk chilling and livestock service center established at district level	0	0	0	3	0	0	
	Land allocated for district milk chilling centers by coops at district level	3	0	0	3	0	0	
Activity4.1.3. Regularly daily milk collection from member farmers and inspection of quantity and quality of the milk.	Number of families delivering milk.	1,000	568	56.8	3,000	568	18.93	KDU members
Activity4.1.4. Proper recording of milk collection and weekly payments according to quantity and quality.	Existence of proper recording system for quantity and quality of milk and payment of milk money to farmers	1,000	568	56.8	3,000	568	18.93	KDU members
Activity4.1.5. Procure and install the	Milk Chilling	0	0	0	3	0	0	

necessary equipment for transportation and milk cooling facilities.	equipment procured							
	Dairy transportation and delivery vehicles purchased	5	0	0	5	0	0	
Output 4.2. Expanded dairy processing plant established.	Kabul Dairy Plant improved and profitable; capacity ≥ 30 MT/day, variety of milk products (at least 7)	0	0	0	1	0	0	CLAP Study is underway to inform final decision on location of milk processing plant
Activity 4.2.1. Expanded and diversified milk processing capacity of the Kabul Dairy Union day for processing of milk into pasteurized milk, yoghurt, butter milk, butter, cream and fresh cheese and other market based products.	Increased processing capacity ≥ 30 MT/day, variety of milk products (at least 7)	0	0	0	1	0	0	As above
Activity 4.2.2. Set up a new dairy processing plant on a Greenfield site which would allow for the multiple business units of the integrated Kabul Dairy Union activities to continue smoothly and also leave room for expansion.	Land allocated for dairy plant (Jerib)	5	0	0	5	0	0	
	A new dairy processing plant established	0	0	0	1	0	0	
Activity 4.2.3. Produce pasteurized milk and dairy products with good hygiene for the public in three main centers	Hygienic dairy products supplied to the public	1	1	100	3	1	33.33	
Output 4.3. Enhanced dairy market linkages for increasing volumes and efficiencies of selected local dairy value chains	Sale of the processed milk and dairy products with good profit margins				1			
Activity 4.3.1. Significantly expand the forward and backward linkages in the dairy value chain. This will include investments in milk cooling/bulking centers and equipment (including transport) in both new areas but also the expansion of the	Upscale and support the existing IDS dairy marketing network	0.2	0.2	100	1	0.2	20.00	

existing limited network of the Kabul Dairy Union.								
Activity4.3.2. Establishment of shops for selling the milk and dairy products or through commission agents.	Nb of dairy selling shops established	10	4	40	40	4	10	
Activity4.3.3. Providing cold chain for market development and strengthened to cover and supply dairy products to project area.	Refrigerators producers	10	15	150	20	15	75	
Activity4.3.4. Awareness creation of consumers about hygienic and quality dairy products.	Awareness campaign about hygienic use of milk and dairy products	2	1	50	10	1	10	
Activity4.3.5. Organize dairy promotion campaign for increasing consumer awareness about 100% National Afghan dairy products	Nb of campaigns organized	4	0		20		0	
Output 4.4. Enhanced animal feed market linkages for increasing volumes .	Upscale and support the existing IDS animal feed marketing network.	0	0		1	0	0	
Activity4.4.1. Significantly expands the forward and backward linkages in the animal feed value chain.	Expand animal feed value chain	0.2	0.2	100	1	0.2	20	
Activity4.4.2. Establishment of shops for selling the animal feed through commission agents.	Nb of animal feed selling shops established	1	0	0	3	1	33.3	
Activity4.4.3. Organize animal feed promotion campaign for increasing farmers awareness about using animal feed for feeding their animal	Nb of campaigns organized	1	0	0	5	1	20	