

Provincial profile for

- Kandahar Province -

Executive Summary

1 Natural Resources (ANDS Sector 3)

Kandahar Province is poor in terms of Natural Resources such as Minerals and Forests, but it used to have water resources in the past in its rivers and dams prior to the chronic drought during the last 5-7 years. In terms of *minerals*, Kandahar province has got only Gypsum mines, which is being used for construction purposes and semi-precious stone in Shahwalikot district being used for Tasbih by the traditional Tasbih-makers. There are places where granite can be mined, but these are in insecure areas in the mountains near Pakistan. It has natural firewood resources in Registan which are being illegally used, principally by Pakistani, who pay local people to cut and extract with tractors.

Kandahar has got one major water *Dam* called Dahla Dam. This Dam was constructed during the Kingdom of King Zahir Shah long ago for irrigation purposes. It has got a main canal (Zahir Shahi Canal) passes through and irrigates almost 5 districts of Kandahar province including Kandahar city (Shahwalikot, Arghandab, Dand, Panjwayi, and Kandahar City). This Dam was also used for power generation in 3 places (1-Dahla Power Station 2-Filko Power Station and Baba Sab Power Station) but since long time the Hydraulic Power system in none of the stations is operational for number of reasons: A) lack of sufficient water, B) technical problems, C) the dam is almost filled with silt. The drought has affected the water sources of the Dahla Dam; it can no longer produce sufficient water which can respond to the need of the agricultural purposes in Kandahar, because the inflow and the storage capacity are too low. During the construction of the dam, it was planned that an additional dam would be built upstream when the first dam would have filled with too much silt. This never happened.

There are many potential *water sources* that were planned in the past for improving the irrigation as well as power generation system in Kandahar province; for instance there was plan for construction of a water dam on Arghistan River in Jamala village of Ana Khil area in Maruf District; with construction of this dam thousands of acres of land could be irrigated. Another major water dam planned in the past was on Lora River in Dworband village of Shorabak District. Another very important water Dam planned in past was in Arghistan district on Lora River in called Tor Tangai, which according to Arghistan people will irrigate thousands of jeribs of land as well as will enable the district to have power and around 400 karezes of the district will get the water recharging source and produce water. It should be stated that Kandahar has a number of rivers mainly Dorai, Tarnak, Arghistan and Arghandab; on the other hand there are many potential parts everywhere in the province that could be considered for construction of water dams that will help in improvement of water table as well as irrigation and power generation.

2 Human Resources

Kandahar province has suffered badly from *lack of skilled and educated human resources*. This is due to the continuous instability. There are a sufficient number of primary schools in the province, every district has got at least one or two high schools and number of primary schools, but mostly in-operational due to:

1. insecurity
2. threats from sources who try to prevent people to attend schools
3. cultural barriers
4. lack of teachers and capable human resources
5. lack of teaching material
6. low level of salaries for teachers and staff

On the other hand, Kandahar city is very good in terms of education, there are many girls high and primary schools, English language and Computer literacy private centres, many private primary schools, as well as a technical high school located in Kandahar city which is not fully operational due to lack of qualified technical teachers and resources; however, UNAMA and PRT are working on development of a new curricula for the school. Kandahar also has a university.

The Department of Labour and Social Affairs in collaboration with non-governmental organizations and donors has got number of vocational and crafts training centres for different categories of people. One centre was constructed with WB assistance (250 places) and one with JICA support (450 places).

Kandahar has got lots of *crafts and technical skills* in its market such as:

- Construction field which covers number of skills such as (carpentry, Masonry, Steel work, Wiring, Plumbing and etc.)
- Blacksmithery (very famous in Kandahar)
- Jewellery making Art (Very famous in Kandahar)
- Automobile mechanics
- Turnery
- Handicrafts such as hat making, embroidery, carpet/kilim weaving
- Trade and business (Kandahari are natural traders)

Kandahar has very big *IDPs* concentrations in Zharai, Panjwayi and Maiwand districts. On top of that due to the recent fighting, thousands of families have been internally displaced from Zharai and Panjwayi districts to other parts of the province, in particular the influx of battle related IDPs to Kandahar city is very great. It is estimated that there are around 10.000 Kuchi IDP families from Registan and the so called long-range Kuchi, who used to migrate between Kandahar/Pakistan and Ghazni/Uruzgan. On top of this there are 3500 IDP families from the north, partly Kuchi, who are so-called protection cases and who are reluctant to return to their areas of origin.

The level of *returnees* in the province is not very high in 2006. That obviously should be due to the security problems and instability in the region. However, according to UNHCR data (386 families comprising of 2113 individuals) have returned from Pakistan and Iran since January 2006 to the 14 Districts of Kandahar province. Planned settlements for these returnees in Damand District led to severe tension and political problems and the issue of resettlement is not resolved.

3 Agriculture (ANDS Sector 6)

3.1 Overview

Agriculture in Kandahar province could be divided into 2 categories A) Field Crops and B) Orchards; the main *crops* which are considered to be cash crop for farmers in Kandahar, apart from Poppy, are wheat, maize, corn, and in the rain fed areas melon and water melon; Kandahar is famous for its orchards with Pomegranates, Grapes and Apricots. The area under *orchards* was severely reduced during the drought: trees were cut for firewood. Also war destroyed some of them, especially in Panjwayi district.

Irrigation is from surface or underground water sources. The surface irrigation system sources are mainly the rivers (Dori, Tarnak, Arghistan and Arghandab) and Dahla dam. The largest irrigation system in Kandahar province starts from this Dahla Dam, located in Shahwalikot district which passes through 6 districts (Shahwalikot, Arghandab, Panjwayi, Dand, Daman and Kandahar city) and irrigates the majority of agricultural fields in the mentioned districts. The next surface irrigation is the traditional canals which are being separated from the named rivers everywhere along the way the river flows in the province.

The second irrigation system is the underground sources such as karezes and bore-wells, which have come up since the chronic drought of 5-7 years. The uncontrolled drilling of boreholes at ever greater depths poses a problem for the domestic water supply and is in the long run not sustainable as a way of irrigating the fields.

As Kandahar province agricultural system is mainly based on Karez irrigation system (60-70% of the irrigated agriculture), it was strongly affected by the recent drought years, the underground water table dropped significantly and it this has strongly affected the underground water resources such as streams and Karezes. The increased use of bore-wells for irrigation has further affected the under ground water resources and damaged the Karez irrigation mechanism and many are not functioning or with reduced amounts of water. Many Karezes were cleaned up either by the traditional mechanism of Hashar or by the external Aid such as WFP Food For Work or other organizations assistance but this did not help much in increasing the amount of available water as at source the water table has dropped below the start of the karezes.

The area under *dryland farming* has decreased significantly over the last 10 years as there were too many crop failures.

The challenge for irrigated agriculture in Kandahar district will be to come to a more rational use of the available water resources. This means more control on the drilling of boreholes and water extraction, change to more water efficient irrigation systems (e.g. drip irrigation in grapes and vegetable production) and growing higher value crops instead of e.g. irrigated wheat. Also the introduction of more drought resistant crops, both for food and processing, would be a way of “producing more with the same amount of water”.

3.2 Crops

The main field crop is *wheat*, followed by *maize*, *green gram* and *okra*. *Poppy* and *marihuana*, often grown on the same plot in succession, is an important cash earner. Also water melon and ordinary melon are grown and widely sold during summer to traders and Kandahari. There is some vegetable production. Kandahar is famous for its fruits in particular Grapes (Kishmish), Pomegranates, Palms and Apricots. There are different varieties of Grapes available which are being further processed (dried) through local and traditional mechanisms of (kishmishkhana) to raisins (kishmish) and being traded.

The *drought* has strongly affected the agriculture system in the province, lack of sufficient surface water has resulted in drying up of the orchards and reduction in wheat cultivation. People pay for each litre of water since the only alternative remaining is the underground water being pumped from deep bore-wells through diesel water-pumps, which is very costly. This has caused farmers to turn to Poppy cultivation which is being considered as the only cash crop paying for the production expenses under the current circumstances.

The other major problem in reduction of productivity and yield is due to *very poor variety and quality of seeds and chemicals* being used by the farmers. The tested and good varieties of seeds given to the farmers in the past by the government do no longer exist and the available seed stock has been crossed with different other varieties being imported by different NGOs and farmers themselves. This has reduced the harvest and yield level considerably. There is a great need for the establishment of a proper seed production industry, linked up to the national research network, to be able to give farmers the best varieties of seeds tested by professional agronomists in the farm; as well as the best variety of chemicals and fertilizers being introduced to the farmers. Help for farmers is needed to establish cooperatives and unions through which they could receive support such as tractors, water pumps, loans and etc. so that they are helped in a proper way to improve harvest level.

Kandahar *fruit* in both fresh and dried form has a good market locally and used to have good market in the past outside the country, mainly India. The lack of proper handling, packing, grading, storage facilities and transportation –due to bad accessible roads- has caused a reduction of the price and trade of fresh fruit out of the country. The prices of grapes and pomegranates are very low in the season, almost all the fresh fruit is going to Pakistan and is being further processed and packed and then sold under the name of Pakistan in other countries.

This is partly due to *lack of cold storage facilities*. One however has been recently built by India but due to high cost because of power being generated with diesel generators, the farmers cannot afford to utilize it and so they remain dependent upon the relatively low prices after harvesting. There is currently no fruit processing capacity worth mentioning available in Kandahar. However, there are one state fruit processing factory called (Shirkat-i-Miwa) in Kandahar which is fully paralysed and one small plant that is producing grape syrup.

3.3 Livestock

Kandahar used to be very rich in terms of livestock in the past. It was the route as well as road stop or temporary station for *Kuchi* movements from Ghazni and Zabul to Herat and Badghis. The devastating drought has severely affected the Kuchi's lives and their normal lifestyle, many Kuchi lost their livestock, mainly sheep & Goats, and became IDPs and are living in IDP camps during the last 6-7 years in Kandahar province and depend on outside assistance. This includes both the Kuchi from Registan and the so-called long-distance Kuchi.

The business of wool, skin, intestines and other *by-products* such as ghee, quroot (dried butter milk), milk etc has also been strongly affected due to the reduction in the number of livestock; while Kandahar was very famous for its wool trade with other countries. According to Businessmen Kandahar wool was sold in India, Russia and USA in the past. There used to be many wool washing and sorting yards in Kandahar. In Kuchi communities women had the skill for wool spinning as well as weaving of wool products such as Kuchi Tents, kelims (krasta) carpets and etc; the skill should still be existing but due to lack of resources they are not able to utilize their skills in full capacity. However, in certain cases the local wool businessmen who has got the capability of buying wool from different areas, utilize the skilled women as casual labourers to spin the wool for them and pay them around 40 Afghani per kg spun wool.

Kandahar farmers have been keeping few *cows* (1-5 depending on the wealth and living conditions of the farmer), to be used for their own family and house dairy consumption. The farmers living in areas close to Kandahar city are selling the surplus milk to local traders, who after boiling and inoculating further sell it to the Kandahar citizens as yoghurt for the production of "shlombe", a lassie-type drink and indispensable for the Pashtuns in summer. There have been few efforts in the past to establish milk collection in further away places to procure surplus liquid milk. These further away farmers resort to the production of quroot and ghee, which can be kept and sold later in town.

The possibility of establishing a *dairy* processing plant with collection and cooling points in the villages would create an outlet for especially the farmers with slightly more animals, who cannot process all their surplus milk. Such a factory could target the local market and transfer surplus to e.g. Kabul.

There is a strong impression that many *sheep* not yet in slaughter condition are taken to Pakistan and fattened over there, after which they will come back to Afghanistan. Mechanisms should be developed whereby the value adding takes place in Afghanistan, especially when the final market is Afghanistan.

Most sheep and goats fattened and slaughtered in either Afghanistan or Pakistan were born in the Kuchi production system, making use of the grazing in the more marginal areas of Afghanistan, which have no other possibilities for use. Especially the Registan Kuchi were hard-hit and lost more than 90% of their flocks. To restore the reproduction function of the Kuchi sheep husbandry system there is need for careful and steady restocking programmes: the number of suitable sheep available on the market is limited and the conditions in the range areas are still precarious, both from ecological and security point of view so that Kuchi with sheep will need substantial support the first year after restocking to find sufficient fodder and to build up a veterinary care system suitable for the conditions under which the Kuchi produce their livestock.

3.4 Fisheries

This is not very common in Kandahar, however, there is possibility for fish farming in Kandahar as there are water resources. This needs to be looked into and pilot programmes could be introduced. With the decreased capacity in the Dahla dam this dam has lost its potential for fisheries and all rivers have now become seasonal, reducing their potential for fishery.

3.5 Land tenure

Land distribution and ownership is very complex in entire country and in particular in the southern region. Kandahar land tenure could be categorized into A) Private and B) State land.

- A) Private lands: There are different categories of land owners big land lords above 100 jeribs, Medium land owners from 10 to 100 jeribs and Small land owners from 1 to 10 jeribs. On the other hand there are many landless farmers who are working for other land owners on the basis of:
1. **Labourers:** Working for the land owner, the land owner has provided them with shelter/house and pays them on labourer whatever agreed upon either on monthly or yearly basis when the harvest is done
 2. **Bazgari or partnership:** The land owner gives his land in partnership to a farmer to work on it on the basis of agreement to give one-third, one-fourth, or one-fifth of the harvest to the farmer who cultivates the land of the owner. The harvest ratio depends on the nature of agreement and share of expenditures, for instance the owner takes the responsibility for provision of fertilizers, seeds, tractor, fuel for water pump or whatsoever and the farmer is only working on land for cultivation, in this case the 4 or 5 shares would belong to the owner and 1 or 2 shares will be given to the farmer.
 3. **Ijara (Lease):** Ijara is the form of agreement between the land owner and the farmer for a longer term that the farmer rents or leases the land of the owner for 1-2-3...5 years for a fixed sum of money or amount of product being cultivated in the land; for instance 100 kg of wheat per each jerib to be given to the owner on annual basis, while all the expenditures fall the responsibility of the farmer. This should be mentioned that for orchards there is another form of Ijara or lease in existence in Kandahar; once the orchard is close to yield or bear, someone is ready to buy the fruits of the tree on a lump sum basis from the owner, the picking, grading, packing and transportation remain the responsibility of the buyer.

Now coming back to land ownership, it is usually on inheritance basis, being distributed among the heirs. In certain cases it has either been given centuries ago by the governments of that time to the people or the people have just simply occupied the vacant lands and then it became their properties by laps of years and time.

There are occasional conflicts over pasture lands and especially the wells and navars. People hold firmams (decrees) of kings of more than 100 years ago on parchment, but there are also people waving documents issued by Taliban or by Mujahedin. It is therefore important to get Kuchi back to their traditional pastures before the status quo of pasture access and water rights will change.

3.6 Agricultural support services and input supplies

There are no major agriculture support mechanisms available in Kandahar and in the entire region, however, there is a number of organizations which try to support agriculture via implementation of projects directly or indirectly through Department of Agriculture and/or farmers' cooperatives and associations namely FAO, MC, ADA, VARA, ALP, USAID, CIDA and other donor agencies, but sustainable policy and institution.

There are also a number of banks active in the area but no loan program yet announced to farmers. PRT has given loans to farmers for wheat seed, which were not very well understood (agricultural credit in the past turned too often into grants).

Most agricultural inputs have been supplied to farmers the last 5 years through emergency projects. At the same time input suppliers have started up shop and seeds and fertilizers are available in the markets. IFDC attempted to set up an association of input suppliers.

3.7 Agricultural structures (farmer groups/organisations/larger farmers etc)

There are two big agricultural research farms in Kandahar:

1. Tarnak Farm located in Dand district near to Kandahar Airport, which has got 4800 jeribs of land at disposal of the farm; the farm has got 12 staff but no technical and professional workers due to low salary scale. Not much happening due to lack of water, plans and funds.
2. Nawrozi Farm also located in Dand District in the west of Kandahar has over 1000 jeribs of land and is also sort of paralyzed due to lack of human and other resources. A fairly detailed plan for the development of this farm into an applied research, training and demonstration farm was prepared by

Cordaid in collaboration with Agricultural Faculty and the then DAAH, but was not approved for funding and development.

If both farms were included in the regional agricultural development policy and a clear strategy would be developed how they could play their role, together with investments in buildings, infrastructure, equipment and inputs these farmers could play an important role in improved seeds multiplication, provision of e.g. budding and grafting material, small livestock for restocking and becoming a place for training, demonstration, applied research and extension.

According to Department of Agriculture, there are around 120 Farmer cooperatives with 1200-1500 member Farmers, registered with the department. Apart from receiving seeds and fertilizers, no major activities of the cooperatives are visible to help the farmers. There is also one association of the cooperatives where around 30 cooperatives are the, the cooperatives require proper training and capacity building how to run and give benefits to its members names of some are listed below:

1	Faiz Wadan	7	Noor	13	Nahr-i-Kariz	19	Chahar Gonbad
2	Haji Neeka	8	Spin Ziarat	14	Sohbat	20	Tsagai Kariz
3	Shahid Baba	9	Bahayee Bar	15	Tabeen Sofla / Mohd Rafiq Bargait	21	
4	Bostan Baba	10	Shaheed Nazar Jan	16	Haji Bayazeed	22	
5	Boji Kariz	11	Ab. Rahman Neeka	17	Podeena	23	
6	Haqiqat	12	Baboo Nika	18	Shah Agah	24	

The cooperatives require proper training and capacity building how to run and how the farmer can benefit from being a member of a cooperative.

3.8 Agriculturally related businesses

As mentioned above, Kandahar is famous for its fresh fruits (grapes, pomegranates, and apricots) and raisins of different varieties, which traditionally are considered the cash crops for the farmers, but this role has been taken over by poppy. The *fresh food trade* is mainly between Kandahar and Pakistan while sometimes the fresh fruit are being sold to India and UAE as well. NGOs such as CADG and ALP are trying to find markets for the Kandahar products outside the region as well.

The *raisins*, in particular the brown sun dried raisins (Kishmish or Aftabai), are being processed and traded to Pakistan and Russia. The UK market was lost due to the poor quality. India purchases on a large scale for further processing and commercialization; especially the green raisins have a very good market in particularly India. There are 1-2 small raisin processing factories available in Kandahar which don't have the capacity and facilities for proper processing and packaging of big quantities of raisins in Kandahar province; the unclean raisins are usually being processed in Kabul for export or exported unprocessed to Pakistan and India.

Kandahar is for all products the regional trading centre from where the export to Pakistan is organised. It serves as the wholesale market for Uruzgan, Zabul and partly Helmand. Kandahar has a number of agri-businesses which are down:

- 1) the Kandahar fruit processing plant: built in the early seventies with Czech equipment: now all oversized, obsolete and beyond rehabilitation
- 2) a wool factory, which tries to continue production of woollen blankets
- 3) a textile factory, which is paralysed
- 4) a number of raisin processing factories (2-3), with too little capacity and capital to process the total regional raisin crop, which results in raisins being further processed in either Kabul or in Pakistan.

The overriding problem for agribusiness in Afghanistan is that they have been cut off too long from the rest of the world. The existing equipment is obsolete and/or outdated. The technical knowledge, especially in the

fields of food safety and quality assurance, is absent. Paired with the absence of government regulations being implemented and services for e.g. inspection and quality control, back up laboratories etc. any agribusiness would be struggling to produce for other markets but the domestic one.

4 Other business activities (ANDS Sector 8)

There are many businesses going on in Kandahar province as it has got two good and beneficial elements for business:

1. It is located on the highway (or Transit route) between Herat which is bordering with Iran and Turkmenistan and Kabul as well as Spin Boldak which is bordering to Pakistan so the goods coming from Herat, Farah, Nimroz is passing through Kandahar to both Pakistan as well as Kabul.
2. It is bordering with Pakistan which has a very good sea-port for business and Spin Boldak is a potential place for business for the people of the district and Chaman of Pakistan. There is a big potential of work for the people of the province in particular Spin Boldak as well as Maruf and Shorabak to smaller level.

Kandahar has got business of all goods starting from Automobiles and spare parts to medicines and food items being supplied to other provinces of the region and even all over the country. This industry is largely based on the import-export trade which is being practiced by rich Afghani in Kandahar province.

Kandahar also has got number of industries which are established in recent years in the *industrial park* which has not been given with any facilities such as power, roads and etc. The industrial park is very complicated with no facilities while USIAD funded AISA for construction of a pilot industrial park project in the same industrial area which will be supplied with power, drainage, roads fence wall facilities, but the problem is that the price for the land is very high, considering that the normal services as water and electricity are absent.

According to Mr. Haji Mohammad Qasim the Chairman of Kandahar Association of Industries there are around (63) industries of different types operational in Kandahar such as:

- Beverages & soft drinks, 1 big and 18 small
- Plastic pipes
- Steel Plant 3
- Stone & Marble 2
- Crash plants 13
- Cold Storages 3
- Food Processing
- Flour Mill 1
- Construction material (not registered such as Cement Beams)
- Timber
- Ice factories 10

According to AICC there are three unions/associations of Dry Fruit, Fuel and Industries and (250) individual businessmen registered with this organization. However it should be mentioned that every branch of business and trade has got their own unions in Kandahar; for instance there Bakers Unions, Jewellery Union, Medicines Traders Unions and etc. but as they are not registered with any larger business support bodies such as AICC and ACCI it is difficult to trace them for this inception report.

5 Security (ANDS Sector 1)

Security is major constraint towards development of the province as well as economic development of the region in general; in particular the recent insecurity and fighting has further frustrated and frightened people in particular the businessmen and traders. The prices of properties have dropped by 50-60%, business is sort of on suspense; the repatriation rate of refugees has reduced considerably and in certain cases people are going back to Pakistan; the property prices are booming in Quetta of Pakistan. The developmental projects of different nature, development and relief are also almost none or stopped due to security reasons.

6 Physical infrastructure (ANDS Sector 8)

Kandahar is comparatively rich in terms of availability of physical infrastructures of every kind and type such as:

- Power, it has got both diesel generators assisted by USAID as well as Kajaki power (USAID has indicated that they will stop financing the diesel for the generators)
- Water Dam with water canals (low water holding capacity due to silt)
- Hospitals and health facilities almost in every district apart from very insecure ones
- Educational institutions, primary, secondary and high schools for boys and girls in Kandahar city and for boys almost all over the province; one University with very good and large compound
- City, Markets, big bazaars with all kinds of goods going to all over the region
- An international airport but not at Afghan government's disposal yet
- Roads, inter provincial asphalt roads, inter districts secondary roads, and tertiary roads
- Bridges, in different directions connecting Kandahar to other provinces and districts
- Military garrisons and barracks; police check posts etc.
- Industrial park

7 Institutional constraints (ANDS Sector 8)

The Business field has got lots of problems in smooth implementation of their businesses, according to the Union of Industries, Farmers and businessmen being met by myself, they have the following problems:

- Inadequate and less supportive governmental policies in particular in terms of Taxation
- Lack of reliable power and accessible roads
- Air transport is very expensive and then Kandahar Airport is not allowed to be used by civil aviation
- Lack of storage capacities, both dry and cooled
- Lack of facilities in the industrial park, Power, water, drainage, roads, security etc
- Government bureaucratic procedures
- Lack of quality control and standardization procedures
- Lack supporting mechanism in the government
- Lack financing mechanisms and institutions
- Afghan transport is not allowed into Pakistan and Iran which creates problem in particular for transport of fresh food, has to change goods from one truck to the other in border, while Pakistani trucks are allowed to cross the border and come inside Afghanistan
- Lack of technical and professional agriculture extension workers

8 Credit

There are almost no credit institutions apart from AIB and Kabul Bank exists in the province that can provide finance and loans; AIB and Kabul bank loan are not very much welcomed by the people due to the fact that interest is not allowed in Islamic and Shariat laws. BRAC started the loans projects but due to unknown reasons the project was stopped. The Afghanistan International Chamber of Commerce (AICC) and Afghanistan Chamber of Commerce and Industries (ACCI) under ministry of Trade have got representational offices with very little activities and low human resource capacity in Kandahar.

9 Stakeholders

No	Description (Name)	Importance Rate			Comment
		1	2	3	
1	Government Authorities	X			To take the lead role & build its capacity
2	Provincial Council	X			As advisory & regulatory body
3	Village & District Councils (CDC)	X			As advisory, participatory and owner
4	National Security Forces (ANP &		X		As security & stability enforcement bodies

	ANA)				
5	International Security Forces (NATO & Coalition)		X		As security & stability enforcement & support to National security bodies
6	Local Commanders	X			As the main influential group
7	District level authorities (District Head/ District Police Commander)	X			As facilitators but also in most instances as problem creators
8	Taliban Groups	X			Could be a threat to implementation
9	Religious scholars and Mullahs	X			Very important to be brought in the implementing process to avoid their passive views
10	IDPs, Returnees, Disables & Kuchi				As vulnerable groups to be targeted
11	Media		X		As information & communication bodies
12	PRT & CIMIC				Can facilitate implementation as participant
13	United Nation Agencies	X			As financing & business promotion bodies
14	IDPs, Returnees, Disables and Kuchi and women and children		X		As vulnerable and marginalized groups to be targeted
15	Media				As information & communication bodies
16	PRT & CIMIC	X			As influential bodies in terms funding agencies, but also as constraints due to military involvement
17	United Nation Agencies	X			As funding and capacity building as well as supporting & participatory bodies
18	USAID / CIDA and World bank reps	X			As influential bodies in terms of funds & resource owners
19	Cooperatives and Unions	X			As managing, organizing, leading & participatory bodies

10 Summary of key potential development opportunities

1. Improving water use efficiency

- More rational water use in agriculture: introducing measures for reduction of water use through drip irrigation, more drought resistant crops and higher value crops than wheat.

2. Opportunities related to geographical location of Kandahar

- Kandahar is geographically situated on the link between Pakistan/Indian Ocean port and Central Asia/Iran. It makes it potentially an important trading hub, especially when Highway number 1 has been rehabilitated. The good state of the road to Kabul has already brought an intensification of transport and trade between the two cities. Kandahar is also the centre where the produce of the neighboring provinces is being aggregated and prepared for further trading. For these reasons any investments made in the business infrastructure in Kandahar will have a positive effect further up and down the value chain.
- Especially the handling of fresh fruit has to be improved: better roads to the districts, linked with grading and cold storage in Kandahar. If cold storage were to be situated near the airport export of perishable produce once the airport becomes civilian again would be possible.
- With improved electricity supply and improved security processing industry could restart its activities and add value to the local produce. One can think in this respect of fruit processing, raisin and nut processing, cleaning of spices (black and white cumin).
- Awareness raising among farmers of the benefits of joint marketing (better bargaining position and more interesting to traders due to larger volume) would pave the way for the formation of farmer associations, which can engage themselves in procurement of inputs and the running of grading and packaging sheds.
- Kandahar's fame was in its orchards. Many have been destroyed by drought or war. This is the time to replant them with the varieties the trade wants and to have support programs for farmers for the first 2-3 years when these trees are not yet bearing fruit. Intercropping with new high value crops such as cumin, safflower, soya or sunflower, with guaranteed marketing channels

and producer prices, will go a long way in assisting farmers to re-enter into high value fruit and field crop production as an alternative to poppy and wheat production.

3. Dairy development: breeding and demonstration farms

- There is potential for increased milk production in both peri-urban and rural setting, if the collection and processing is well organized. Many farmers would like to change their traditional less productive cows for higher yielding dairy cattle. In many countries such animals are given out as part of a loan package (money to construct a standard suitable barn, first amount of fodder, seed to establish Lucerne and one or two cows). Usually the contracts are tripartite contracts between a milk processor (to deduct the repayments), the farmer (to comply with the requirements of the contract) and a project/ministry (to give the loan and animals). The availability of suitable animals for such a program is usually a bottle neck.
- The rebuilding of the Bolan dairy farm in Helmand and the construction of a dairy unit in e.g. Nowruz farm in Kandahar would serve the above mentioned programme in many ways:
 - a source of suitable animals
 - a demonstration of low cost but adequate housing systems
 - a place for training in fodder production and cow management
 - a place for training in milking technique and dairy hygiene
- Dairy cows fit in well in an agricultural production system, where there is no grazing possibility, where land is expensive and should be used to the maximum. Increased area under Lucerne, resulting in a steady income from the sale of milk, will outcompete the poppy from the land.

4. Development of Fish Farming:

- The southern part of Afghanistan has had irrigation for many years. Quite some areas have become useless because of salination. There are also many landless or farmers with too little land to make a living. With the presence of e.g. drainage water, which is no longer suitable for irrigation the possibilities for fish farming should be explored. The high ambiental temperatures will guarantee fast growth of e.g. grass or silver carp with ponds fertilized with either organic or artificial fertilizers. Production levels of 3 tonnes/ha per year can be reached. This will bring a welcome additional source of high value protein in the diets of people in the south.

5. Restocking of Kuchi:

- One of the major export articles derived from agriculture in Afghanistan is carpets. Each year carpets at the value of 250 million dollar is being exported. This is the official figure and if locally used and illegally exported carpets are added this figure would be higher. Only 40% of the required wool is locally produced. The wool from Kandahar/Gazhni, handspun, produces the highest value carpets. The sheep breeding flock used to be in the hands of Kuchi. These have lost 90% of their sheep during the drought years and many are now destitute IDPs in IDP camps. Especially those who have some sheep left would be greatly helped with a restocking in kind loan of ewes. Good experience has been gained with in kind loans and repayment in kind to fellow Kuchi. This project intervention would improve the livelihood of the Kuchi, increase the availability of meat and wool, which would have a spin off for especially women who spin wool and/or make carpets.

6. Development of Kuchi business centres:

- Kuchi in Afghanistan used a wide range of livelihood strategies. Besides the livestock keeping they would make qelims out of the wool of their own sheep, make quroot and ghee, work on neighbouring farms and engage in (petty) trade. With the severe reduction in their sheep flock and their decapitalization the spinning, ghee, quroot and qelim making options have been cut off. The reduction in the area under cultivation has resulted in fewer possibilities for casual labour.
- The Kuchi would be helped if there were centres where they can sell their wool, where women can get wool in-kind credits so that they can spin and make qelims, get support in marketing the wool and the qelims; for the migrating Kuchi if there is a number of these centres it should be possible to e.g. take out a wool loan in centre A and hand the ready product in in centre B.
- The sheep husbandry system has changed: the great mobility to look for greener pastures has disappeared with the exclusion from certain pasture areas and supplementary feeding will be more necessary than ever. In these centres strategic stocks of fodder could be built up at the time of low prices to be sold to the Kuchi in the times of need against slightly higher prices. The

centres should have facilities to assist Kuchi in ram fattening so as to gain more money from a limited number of sheep or to carry ewes against payment (in kind) over drought periods to avoid future destitution like the last drought caused.

7. Replanting of orchards:

- The most profitable crop after poppy in the south is fruit and grapes. Many orchards and vineyards suffered of the drought and/or war and need replacement. The country has to prepare for a high demand of virus-free grafted planting material of the for the trade desirable varieties, so that in a few years farmers can reap the fruits of their efforts to rebuild their livelihood. During the first years of the establishment of the orchards higher value crops than wheat can be grown in between the newly established trees, such as safflower, sunflower, soya etc.
- Support is needed for the further development of tree nurseries where with certified virus free material good grafted trees are being produced for sale to farmers who want to re-establish his orchards.

8. Poultry development:

- Poultry is traditionally the women's domain. Many restocking activities have been done with commercial layers from Pakistan. The disadvantage is that these chickens have lost their capability to become broody and so for the replacement of these chickens one needs to buy again from commercial sources. A project can be made to establish breeding units, where these commercial hens are back-crossed with local cocks to increase rusticity and restore the capacity for broodiness. These first crosses can then be distributed to village women after a thorough training and demonstration programme.