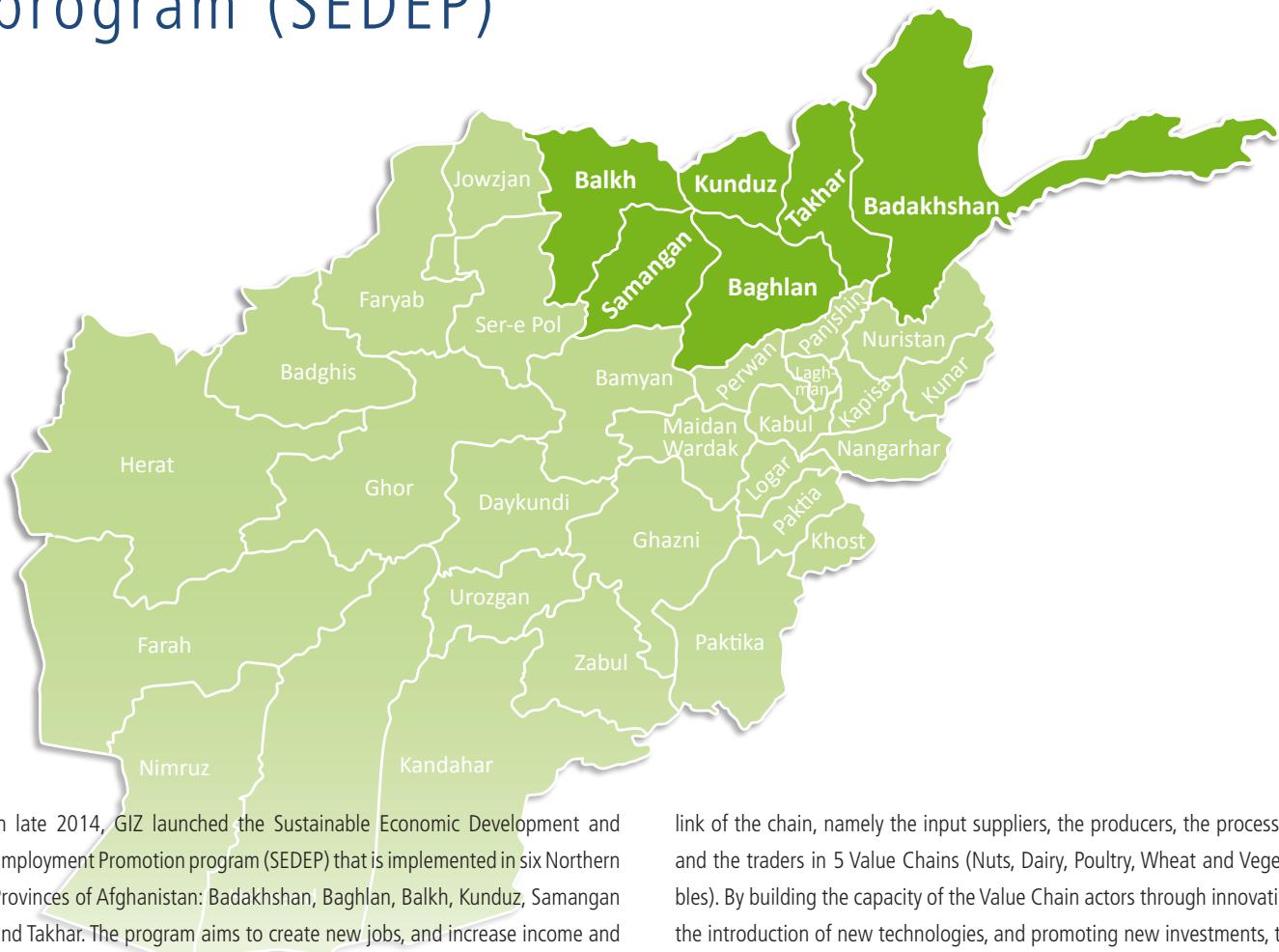


# AFGHANISTAN – Sustainable Economic Development and Employment Promotion program (SEDEP)



In late 2014, GIZ launched the Sustainable Economic Development and Employment Promotion program (SEDEP) that is implemented in six Northern Provinces of Afghanistan: Badakhshan, Baghlan, Balkh, Kunduz, Samangan and Takhar. The program aims to create new jobs, and increase income and business opportunities for the rural population through the design, facilitation, and implementation of commercially viable agricultural value chains enhanced with rural infrastructure projects. The program is built on three main components: the promotion of agricultural value chains (implemented by GFA), the implementation of small infrastructure projects, and working to improve the relations between the public and private sectors. It can be argued that in the past, jobs created by international organizations tended to be only temporary and clearly not sustainable without the continuation of aid support.

The SEDEP program has therefore adopted the 'Value Chain' approach where the overall objective is to build the capacity of the small businesses to become more competitive, thereby reaching to match the local market demand, and address the high levels of imports. In practice the first step in the strategy is to analyse how the market system operates (market analysis), and then design interventions to address the weaknesses or gaps that we find in the chain. Subsequently we support all the actors that operate in each

link of the chain, namely the input suppliers, the producers, the processors and the traders in 5 Value Chains (Nuts, Dairy, Poultry, Wheat and Vegetables). By building the capacity of the Value Chain actors through innovation, the introduction of new technologies, and promoting new investments, this will lead to more competitively priced products, with increased sales and the creation of new sustainable jobs with higher wages. If we can stimulate growth and new opportunities by strengthening the small business sector this will establish a platform growing the job market and will help to stem the flow of people from the rural to urban areas and to countries outside Afghanistan.

SEDEP is a very dynamic and progressive program that is delivered by a professional team of both National and International experts. In each Province we have a provincial office with a Team Leader, a Regional program manager, 4 Provincial officers and a number of support staff. The Provinces are divided into districts where most of the program beneficiaries who are mainly subsistence farmers live and work. It is estimated that over 60% of the employed workforce in Afghanistan are working in the agricultural sector, however, most are underemployed or casual workers with low wages and overall low-productivity.

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In 2015, SEDEP delivered capacity building programs to over 11,000 small businesses mainly on the farm but also reaching to enhance the skills of processors and traders, both on technical and managerial levels. As a result of the increased productivity and income, this has raised and improved the standards of living, making a tangible impact on the lives of farmers and their families. By the end of 2016, SEDEP will have reached 29,000 direct beneficiaries creating many new business opportunities that will provide many direct and indirect jobs in the targeted provinces.

Each function of the Value Chain is confronted with many challenges specific to the area of enterprise development. Innovation therefore is a key component of the program, and this together with the introduction of new technologies and improved measures has a direct effect on the region's economic performance.

## Selection of SEDEP interventions

### Poultry VC

In the poultry Value Chain SEDEP focuses on optimizing local commercial poultry production and providing commercialization opportunities for small-scale operators through the introduction of new technologies and farming models. To address the poor growing environment of the existing poultry stables SEDEP has introduced innovation around the design and construction of new energy efficient poultry farm designs with a capacity of up to 5,000 broilers ([photo 1](#)).

To promote these new business models, provincial roadshows and workshops have been organized in the 6 provinces. These public demonstration activities are designed to raise awareness for the opportunities in commercial poultry farming and to attract new entrepreneurs who are keen to invest in the sub sector.

With SEDEP's support, the Taj-e-Telaye poultry association has installed a solar collector system at its biggest hatchery in Balkh. By converting the direct charge from the sun through a configuration of batteries and inverter, the new energy scheme now generates 30% of its overall electricity consumption. The reduction in energy costs now enables this association to be competitive with the imports of day old chicks from Pakistan ([photo 2](#)).



**Photo 1:** The new energy efficient poultry farm in Takhar has eight growing cycles per year and has a potential gross profit margin of \$16,000, making it a great investment opportunity.



**Photo 2:** Solar collector system hatchery

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On August 3rd 2015, 50 businesses presented their services and products to each other and visitors in a poultry sector exhibition in Mazar-e-Sharif. This event was held in close collaboration with the Balkh Chamber of Commerce and Industry (BCCI). A clear sign of the potential of such an events is that the available 50 booths were quickly booked (photo 3). The one-day event was well visited by operators in the poultry business who expressed great interest in participating in similar events. Many business links were made and business deals of nearly 25,000 US\$ were agreed on that same day.



**Photo 3:** Poultry Sector exhibition Mazar 2015.

### Nut VC

In 2015 SEDEP supported 1470 rural nut cracking women who have received improved equipment and tool kits together with technical, business and life skill training courses to improve their processing techniques. The women have also been organized into small working business groups that are linked to the Nuts Associations to ensure continued support in producing a standardized quality. The establishment of this small business model has tripled the earnings of the women and subsequently, this year, SEDEP will expand on the success and target an additional 3750 rural women (photo 5).



**Photo 4:** Improved poultry butchery facility.

There is an upward trend in the consumption of locally produced poultry products and this makes the poultry sector an interesting investment opportunity for local farmers and businesses and for SEDEP to support. SEDEP has worked with local fabricators to design, develop, and manufacture improved poultry outlets in 5 provinces. By introducing new storage and butchering facilities for the processing of the live poultry, operators of these outlets report a 50% increase in their daily turnover (photo 4).



**Photo 5:** Rural Nut cracking women have been supported with new equipment and trainings to upgrade their skills on primary processing and the production of a better quality nut product for the regional market. The women have also tripled their income.

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### Dairy VC

In 2015 we trained 2780 dairy farmers across 5 Provinces on cattle and fodder management. The trainings were aimed at upgrading the skills of the farmers to realize a higher milk yield with a better quality. The trainings have resulted in higher yields of milk with a better quality. This training together with the support to the Association members to purchase improved aluminum milk cans has significantly reduced the losses, has resulted in higher incomes, and additional new jobs at the processing level (photo 6 + 7).

**Photo 8 (right):** Balkh will now see 10 milk carts operating on the streets of Mazar-e- Shafi this year.



Photo 6



Photo 7

With the support of SEDEP, Pakiza dairy has introduced a new business model established around the mobile milk cart that sells fresh milk together with yoghurt and cheese. Building on the success of the pilot it is planned to develop this enterprise model in four other Provinces (photo 8).

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### Wheat & Vegetable VCs

In the vegetable and wheat value chains a comprehensive training plan was developed along the 'seasonal calendar' that targeted more than 2000 famers who regularly attend the monthly training sessions ([photo 9](#)). The trainings delivered included: integrated pest management, improved pre/post harvesting methods, off-season production, marketing and the planning for the following season of cultivation. Farmer groups were also established and encouraged to investigate on how to make joint purchases of input supplies, thus reducing the costs to the individual farmer. They also explored ways to share transport costs to reduce the costs of getting their produce to market.



[Photo 9](#)



[Photo 10](#): Improved energy efficient rotating oven.

Our interventions also supported producers with a focus on upgrading women's bakeries with improved baking equipment and practices ([photo 10](#)). SEDEP has supported a local fabricator in the production and marketing of new innovative baking technology. The rotating oven offers improved production, is more energy efficient, and removes the local environmental problems around pollution as a result of burning coal and wood.

One business that benefited from the support from SEDEP is the Balkh women association. With the installation of new improved energy efficient ovens for the bakers, this has resulted in reduced production costs, more jobs, increased income, and new products for the local market ([photo 11](#)).



[Photo 11](#): A group of women in Rabia Balkhi market has been supported with upgrading their existing business with the installation of a new energy efficient oven.

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### Agriculture Fair

SEDEP supported the Afghan Chamber of Commerce and Industry (BCCI) to organize the Balkh Agriculture Fair aimed at promoting Business Match Making during 28th – 29th April 2016. All 90 booths were booked, 180 exhibitors participated, over 8,000 people visited the Ag-fair. ACCI reported that the 50 Businesss to Business Meetings (B2B) organized resulted in firm contracts worth over 3m USD (photo 12-15).



Photo 12/13



Photo 14/15

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