



Weekly Activity Update

June 26 - July 2 • 2005 • Issue 92

Seeds and Fertilizer Distribution in Uruzgan Province

On July 2, 2005, the Minister of Agriculture, Governor of Uruzgan Province, USAID Director Patrick Fine, high ranking officials from the Afghan Government, the United States Embassy and USAID, around 300 farmers, village elders, and district officials, and hundreds of school students attended the opening ceremony of a seeds and fertilizer distribution program in Tirin Kot district of Uruzgan Province, southern Afghanistan.

The ceremony was hosted by the Minister of Agriculture and the Governor of Uruzgan, in recognition of the efforts made by the people of Uruzgan to reduce poppy cultivation. From 2004 to 2005, poppy production was reduced by 50% in Tirin Kot and Chora districts of Uruzgan Province, without outside assistance.

In recognition of this achievement, and with support from USAID, the Government of Afghanistan is distributing 46.5 metric tons of corn seed, enough to plant over 900 hectares of corn, and 232 tons of fertilizer to 3,500 farmers, permitting an expansion of this year's corn crop.



Discussing needs with farmers.



USAID Mission Director (in turban), Minister of Agriculture and Governor of Uruzgan Province officially open seeds at ceremony.

Competitiveness Project Works with Key Industries

In a unique approach to improving competitiveness, USAID and the Ministry of Finance jointly developed a 2 year competitiveness project. The program combines two important efforts to produce a sustainable and competitive private sector: 1) working with three existing industries (carpets, dried fruit and nuts and marble) to develop more complex products for which buyers will pay a premium; and 2) developing and supporting a cabinet-level National Competitiveness Council that is a forum for the public and private sectors to coordinate and debate the role of government in supporting private sector development.

Recent activity with the carpet cluster includes workgroup meetings on carpet buyers survey, carpet design award, wool and other inputs, and transportation. In addition, the project provided technical and management support to the Ministry of Commerce for the upcoming National Carpet Exhibition.

Market surveys are in process in India for fruit and nuts. In addition, a business plan for an integrated raisin processing plant is currently under consideration for the financing of the required equipment. The results of a preliminary survey of the Khogiani quarry, part of the marble cluster, indicates that the deposit is very valuable. A business plan is currently being developed for an initial investment of quarrying equipment.



Domestic Revenue Performance Against Targets

The Government of Afghanistan reported that due to improvements to administrative procedures it collected revenue more evenly throughout the year. The Mustofiats (provinces) reported nearly a 40% increase in revenue collections over last year.

The major revenue codes that exceeded expectations

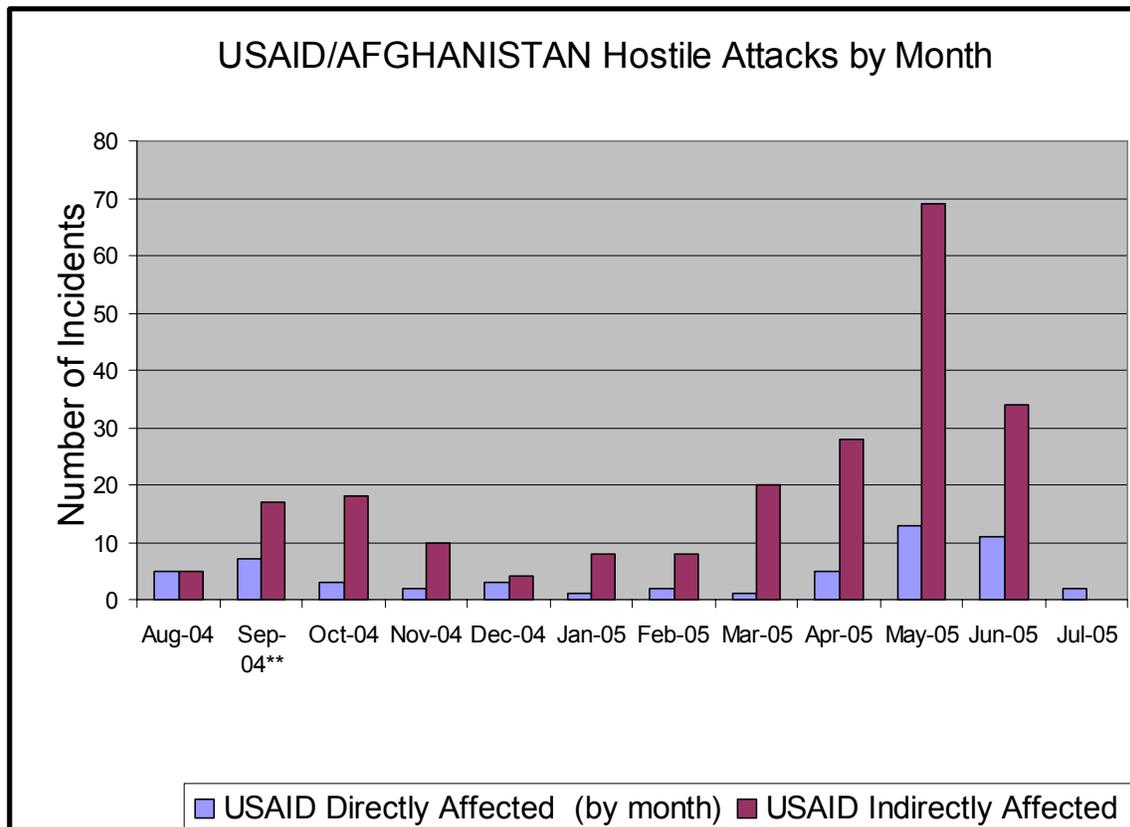
were direct taxes, indirect taxes (customs duties), sales of state property and services, and land and other taxes (mainly pension contributions). Revenue from rents for use of government property performed at or near expectations. Fees and licenses and miscellaneous taxes were the major revenue areas to perform below expectations.

Security Incidents

Number of Hostile Attacks: During this reporting period, June 27 – July 5, there were six hostile attacks resulting in three deaths and two injuries.

USAID Related: During this reporting period, there were four hostile attacks directly affecting USAID related projects and/or staff. There were two other attacks against other aid agencies and NGOs.

Last Attacks: On June 29 a rocket hit inside the Ghazni-Sharan Road Construction Camp and damaged an office/living quarters trailer that was under construction. The trailer was unfinished and no one was living in the trailer at the time. Another rocket landed nearby, but was outside the camp perimeter. There were 2 unfired rockets that were found nearby and some local villagers reported to have found some rockets about 2 km away from the camp. The rockets had been wired to fire off at 3 a.m. but had failed to detonate. The two rockets and detonators have been recovered. There were no casualties from this attack.



**ANSO Security Updates began Sept 2004