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### **Five Rural Businesses to be Launched in Bamian, Hirat and Balkh**

The National Area-Based Development Program (NABDP) of the Ministry of Rural Rehabilitation and Development has taken the first steps in establishing rural enterprises for potato storage, saffron, almond, carpet and melon in Bamian, Balkh and Hirat provinces of Afghanistan. The project will begin on June 20th 2008 and will run for a year. In total, 480,000 USD will be spent on establishing the businesses, which will create around 250 direct permanent jobs and more than 1000 indirect permanent jobs.

As well as the funding provided for implementation, each business will be given 50% of the total money they have invested on their businesses as a grant. The grant secured from donors ranges from 50,000-60,000 USD for each of the five enterprises. The majority of the funding for this initiative is provided by Japan CRD (Comprehensive Rural Development) while CIDA (Canadian International Development Agency) is funding the saffron enterprise in Hirat Province.

Based on the business plans prepared after several economic studies, the implementing partners will structure the enterprises and build the capacity of their runners/staff leading to establishing and sustaining the enterprise. These enterprises will be set up with the assistance of local and international NGOs which have been selected as facilitating partner. They will help the entrepreneurs sort and package their products to comply with international standards, expose their products to high-end markets and establish working business ties here and abroad.

Cooperation Center for Afghanistan (CCA) will work on the potato storage enterprise in Bamian, enabling the farmers to store their potato crop when there is low demand in the market for the crop, and sell it when the demand increases.

With support from Hand in Hand (HIH), melon and almond enterprises in Balkh province will be provided with technical capacity to sort and package their products so that they can become marketable and worth exporting abroad.

Also in Balkh, the existing carpet cutting and washing facilities will be upgraded with the assistance of Sanayee Development Organization (SDO), helping the carpet weavers to cut and wash their carpets inside the country and export them directly from Afghanistan. Now, most of the carpets woven in Afghanistan are sent to Pakistan for cutting and washing which are being exported from Pakistan underestimating Afghanistan's role in hand-woven carpets. SDO will also work with saffron enterprise in Hirat province to improve its economic prospects.

With support from the international community, MRRD is working to rebuild rural Afghanistan through national programmes such as the National Solidarity Programme (NSP), National Area-Based Development Programme (NABDP), Water Supply & Sanitation Programme (WATSAN), National Rural Access Programme (NRAP), and the Micro-Finance Investment Facility for Afghanistan (MISFA).