



A BDSP providing support to SME in the field

Background:

The Afghanistan Rural Enterprise Development Program (AREDP) is geared towards "improving employment opportunities and income of the rural men and women and substantially of targeted local enterprises. AREDP aims to achieve these goals by enhancing participation of rural poor in economic activities; supporting them through business development services, access to finance, improving market linkages, product development and value chains. The support also includes establishing and strengthening enterprise groups, individual entrepreneurs and market driven rural entrepreneurs by facilitating their access to market, technical and financial services.

Objective:

The Community-Based Enterprise Development Unit (CED) facilitates and supports community-led rural enterprise development through organizing rural men and women around Saving Groups (SG), Enterprise Groups (EG) and mobilizing SGs to integrate themselves into village level organizations called Village Savings and Loans Associations. This component paves the way for AREDP's entry into the villages, and facilitates community-level mobilization and capacity building targeted at EGs and SGs; thereby ascertaining men and women who engage in income generating activities can collectively access technical expertise, markets and eventually finance.

Facts and Figures:

After BDSP concept applied in the communities, number of community visits and support increased by 23%. The BDSPs are spending more hours with communities then regularly and are becoming organized in planning their work deliverables.

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Context: To encourage effective working environment and promote quality service, Afghanistan Rural Enterprise Development Program initiated the concept of Business Development Service Providers (BDSP) within its programming. The BDSP is a result oriented concept that is very new for Afghanistan and encourages paying against work delivered rather than time spent for service. AREDP piloted this concept in the field and converted Provincial Enterprises Facilitators (PEF) into BDSP from full time employees who are working on contract basis. In the past, the PEF were contracted as full time staff to provided support to rural enterprises. Their role included facilitating the process of application for AREDP support, to register Small and Medium Enterprises (SMEs) with AREDP, to conduct baseline assessment, development of business plans and to conduct technical and feasibility studies for potential SMEs.

Results: By applying this concept, AREDP took a step forward and created a sustainable and competitive business environment at the rural level. Initially, the BDSPs were reluctant toward this change however, AREDP's continual support build the capacity of BDSPs and encourage them to take initiative to provide quality service. According to Nawrozali, a BDSP working for AREDP, 'this concept was new to all staff members who were converted to BDSP from regular employees. 'Initially we were very concerned about our jobs and our ability to earn our salary. However, the end result was rewarding and very satisfactory because we demonstrated that we were producing concrete results'. To ensure good quality deliverables, Nawrozali invested his own money and bought a computer so that he can be more effective in providing service. Shoaib Rahim is managing the SME department in AREDP and he has been observing the process. He stated that in the last decade Afghans became very complacent with earning steady and fixed income or salaries regardless of how much they produced. The BDSP concept gradually creating healthy and positive competition in the business environment. The BDSP concept is result oriented and therefore, is very effective and efficient in delivering proper services. BDSPs are more focused and driven to create demand for their services and then provide good service at the rural level. The BDSP concept was piloted only in a few provinces and was evaluated by a team of experts from AREDP to assess the outcomes. The assessment showed that after converting the regular employees to BDSPs, the work delivered has improved to certain level. In particular the number of community visits and support provided by the BDSP staff has increased by 23%. It also illustrated that BDSPs are putting more efforts in their work and constantly has been asking AREDP to invest in professional development opportunities. BDSPs are now more focused on the deliverables and therefore, are more organized by planning their work and are spending more hours with communities then they were prior to the introduction of this new concept.

Way forward/Sustainability: To ensure good service is available at the community level, throughout this process, AREDP has supported the BDSPs by provided capacity building and learning opportunities to enable the staff to utilize their skills and time effectively and efficiently. In the next coming months, AREDP will direct its support to providing necessary training to the BDSPs in order to build their confidence. Gradually this concept will be replicated throughout the program starting from community to the national level.

'Commitment, conviction and optimism in achieving self-reliance through rural enterprise development.'

Together Towards a Competitive Afghanistan