

## Provincial Profile

### - TAKHAR -

#### Executive Summary

Takhar's capital forms the urban centre and main market place of the Province. The asphalted roads between Kunduz and Kabul, and Kunduz and Mazar-e-Sharif provide good access to the main Markets (Zone B). Takhar is well positioned between the main trade centres in the north and central Afghanistan and provides services to neighbouring Badakhshan Province.

Rural Takhar is characterised by diverse agro-ecological conditions that feature large areas of fertile land (Zone D) under permanent irrigation fed by big canal systems along the Takhar River. The River forms a part of the complex Kunduz River Basin that extends from Takhar to the edges of Kunduz Province. Approximately 85% of the productive land is found in the Zones E and F and in a few remote villages (Zone G). The majority population of Takhar Province belongs to a middle class level, and the region has good potential for economic growth.

Periodic factional fighting in Rustak district does not pose a serious threat to economic development in the Province. The northern-most plains along the Amu Darya River are believed to be the main poppy trade outlet towards the Tajik-Russia-Europe trade route. For this reason, the region is largely avoided by development agencies, and even ISAF. The main potentials in Takhar are Agriculture and Livestock as well as the services and SMEs sectors.

#### 1. Natural Resources

**Water:** The Takhar River is a good water source, feeding complex canal systems facilitating irrigation allowing for intensive double cropping agriculture. The smaller watersheds in the North of the Province carry water only periodically, though water is sufficiently available in rain-laden years. The traditional irrigation systems along the riverbeds feed the fertile flatlands, enabling the characteristic irrigated single-crop agriculture which now and again yields a second crop. Annual snowmelt runoff floods cause the most serious form of erosion and occasional damage along the river banks.

**Soil:** River plains have fertile land. Water logging and high levels of salinity affect agricultural productivity only in small areas. The mainly loess-covered, soft rolling hills are depleted of soil nutrients and have a low pasture quality and carrying capacities of below 0.1 UBL. The high-altitude mountains surrounding Warsaj valley feature rolling slopes with high skeleton porosity, water permeability and erratic vegetation. High-altitude plains like Kalafgan have fertile loess soils but lack water resources required for intensive agriculture. Opium poppy cultivation is common in these areas.

**Biomass:** The region's large pistachio forests that were destroyed during the war are now being rehabilitated with support from different actors. Reforestation is widely promoted by the NAC in Kalafgan District, but the overall natural vegetation in the higher altitudes of Warsaj valley is meagre and characteristic for shrub zones. The fertile River plain is cultivated with the traditional Poplar and Willow hedges for subsistence. Herbs and grasses are scarcely distributed in rangeland areas where invasive plants like thistles and *Artemisia* dominate. The prevalent vegetation can be taxed as *Artemisia steppe*. The rehabilitation of pastureland is possible through reseeded combined with rotational grazing or other means to protect the land from overgrazing.

**Minerals:** Takhar has coal reserves of fairly good quality which are being exploited by hand in some villages and sold in the region. The local population considers gold the most relevant resource for the Province. Gold is being washed in the Takhar River, and about 2kg are being marketed at specific weekly markets in Takhar. Construction materials like loam, sand, and stones are widely available and in huge quantities. Takhar's mountains have large deposits of fine salt. The Takcha Khanna salt mine in Takhar is one of a growing number of salt mines supplying the population in Takhar and northern Afghanistan with iodised salt. While

the mines offer economic opportunities, the availability of iodised salt considerably reduces the prevalence of health problems related to iodine deficiency.

## 2. Human Resources

Takhar Province is part of the northern cluster of higher education facilities in Afghanistan, comprising:

- Baghlan University with the Faculty of Higher Education in Pul-e-Khumri (Departments of Physics, Social Science and Literature)
- Faculty of Agriculture in Industrial Baghlan<sup>1</sup>
- Takhar University in Takhar Province with 4 Faculties, including the Faculty of Higher Education
- Mazar-e-Sharif University: Faculty of Engineering, Faculty of Medicine (trains doctors), Medical Institute (trains assistant doctors)
- Medical Institute, Faculty of Higher Education, Faculty of Agriculture in Kunduz City
- Pul-e-Khumri Teacher Training Centre
- Private College in Mazar
- Private Turkish High School in Mazar-e-Sharif

While the region has a good network of higher education facilities, there is a great need and potential to improve quality standards of these institutions. The rehabilitation needs include infrastructure (including hostels), revised curricula, teacher training, and timely and adequate salary payments of university staff.

A Government Hospital, private clinics of good standard and health centres offer basic health care services.

Takhar is home to different ethnic groups contributing to the cosmopolitan character, tolerance and peace in the region. The Province has a considerable industrial labour force. A growing number of small and medium initiatives for vocational and literacy training as well as for Business Development Services build capacity for economic development.

## 3. Agriculture (ANDS Sector 6)

### 3.1 Overview

Highest productivity is being achieved in the main Takhar river plain, which is fed **by traditional and complex canal systems** that were considerably improved during the Russian period a few decades ago. The Kunduz River Basin Programme (KRBP) is partly rehabilitating the functional but damaged systems and restructuring social water management.

Takhar used to have **mixed farming systems**, partly influenced by the local cotton/textile industry. Cattle (i.e. for meat and traction) and doubled mixed cropping mainly of rice, wheat and cotton in rotation with fodder, legumes, potato and vegetable crops dominated in the past. **Perennial horticulture** was well established in the more remote valleys that were out of reach for processing factories. Rustak has maintained its reputation as a main fruit producing district. While wheat and rice are the dominating crops, crop diversity is increasingly emerging, influenced by development initiatives and reactivated research to find modern varieties/crops best suited to local conditions.

### 3.2 Crops

**Wheat** and **rice** are the main field crops but an increasing areas is cultivated with **cotton, potato** and **fodder crops** (alfalfa, maize, barley, triticale) and **vegetables** (water melon, carrots, onion, tomatoes, okra). **Farm Forestry** and **cottage fruit** production is widely found. During the years of crisis markets were lost, forcing many households to restrict themselves to subsistence farming, growing grains and small quantities of vegetables and fruits, and to keeping cattle.

<sup>1</sup> Sub-district of Baghlan Province

Today there is a clear trend towards recovering the diversity of economic activities and livelihoods in the region. Market development and rehabilitation of local processing support this process and open opportunities for new potentials. There is unlimited potential for a variety of crops, i.e. oil seed (canola, sunflower, safflower, soybeans), but also *niche products* like sesame, strawberries etc. The production economy has to be well looked at as production costs are comparatively high and as long as cheap import or humanitarian distribution of products like vegetal oil continue, local production cannot be supported. Mechanisation is at a very low level

### 3.3 Livestock

Takhar Province has a *tradition in high-level meat production* and in the *production of milk* for local consumption. Herd improvement through cross breeding with Artificial Insemination (AI) is being promoted by FAO, while animal health services are being rehabilitated. In the remote areas of Takhar Province farmers keep small ruminants for wool, meat and milk the traditional way. The depleted pasturelands generate only limited amounts of fodder. Commercial poultry production is a promising option for the higher altitude zones of Warsaj and Kalafgan.

### 3.4 Fisheries

The sub-sector is known in Takhar. Mercy Corps has reconstructed the first fish farm. Further professional input is required to enhance this sector.

### 3.5 Land tenure

There are diverse forms of land ownership in Takhar.

### 3.6 Agricultural support services and input supplies

Agriculture research is being supported by CGIAR institutions like ICARDA, CIMMYT, FAO and NGOs. Agriculture extension services are being delivered mainly by NGOs. Livestock Development services are currently provided by AKF and PRB/CTA in almost all districts. Contract growing is not common and mainly found for field crops seed production supported by FAO and NGOs like SCA, which will soon be terminating its activities. Low quality inputs and little resources are available in the urban centres.

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

Farmers' associations (cooperatives) set up in the past still formally exist and many farmers still have a sense of institutional membership, even though they have been dormant for more than 20 years. New informal groups emerge as a result of NGO activities and include Farmer Field Schools and groups based on PTD/PID approaches. While mostly informally set up, these groups are important self-help arrangements. Groups like seed bank associations that were formed during the humanitarian relief period are being transferred to the CDCs.

### 3.8 Agriculturally related businesses

Small businesses are about to emerge and consolidate in certain subsectors like honey production, carpet making, poultry and fruit tree sapling/ornamentals production by certified nurseries. Plans exist for other medium scale processing units that show potential. The textile industry was relatively prominent in the past and there is a local interest to recover the employment opportunities, mainly for women.

## 4. Other business activities (ANDS Sector 8)

Some places like Warsaj valley and Rustak district show good potential for the development of *eco-tourism*. If rehabilitated and modernised, the traditional textile industry could realise its excellent potential to process part of the cotton fibre produced in Kunduz. All kinds of *SMEs* have a good growth potential in the

provincial capital of Takhar, where labour costs remain below the levels of Kunduz and Mazar-e-Sharif and where the roads provide good access to markets

## 5. Security (ANDS Sector 1)

Takhar is relatively safe though frequent factional fighting mainly in Rustak and Kalafgan districts poses a security threat for the region.

## 6. Physical infrastructure (ANDS Sector 8)

The major asset for the Province is the *new road to Kunduz and Kabul*, as it boosts north-south trade and exchange. Takhar is the first relevant urban centre on the road from Badakhshan to Kabul. The Takhar – Kishim – Faizabad road is currently under construction and will increase Takhar’s attractiveness particularly for the services sector. Large scale irrigation through the well-structured canal system has already been noted. The energy gap and bad access roads to the main road are the two key constraints to development in the remote parts of the Province.

## 7. (Institutional) constraints (ANDS Sector 8)

The ongoing total deregulation can be seen as a chance as well as a threat to development. The crucial facts that mentioned in interviews are:

1. *Lack of knowledge and access to information*
  - The education system is set up but not yet functional;
  - Approximately 15% of Afghan expertise is abroad and not supporting the country;
  - Many emigrants just have returned to secure their assets but emigrate after a short stay;
  - Trained local staff tends to shift away into donor influenced positions promising higher salaries;
2. *Lack of services*
  - Financial and non-financial services are emerging but still do not reach out to the majority of the population;
  - Cheap imports and humanitarian distribution prevents the development of local enterprises;
  - Block development of entire sub-sectors (e.g. vegetal oil industry, poultry, leather, garments industry etc.) is not conducive;
3. *Competitiveness*
  - High salary expectations enhance production costs or block sub-sector development;
  - A lack of comfort in the country and the psychological (or justified) feeling of insecurity prevent serious investment.

The institutional constraints are complex and general and therefore difficult to localise and address. This reflects in an environment supportive of pioneers but uncondusive to rapid economic growth.

## 8. Credit

*Formal finance services are mainly available* in Takhar. Financial institutions offer individual loans, group loans, specific loans for trade etc., micro leasing and other products. The First Microfinance Bank (FMBF), Kabul Bank and other relevant institutions are being established in Takhar or in Kunduz. Finance institutions like ARMP, and BRAC are active in the Province. The main clients are traders or individuals who take loan for trade though SMEs are more relevant clients than farmers. Statistics are available with MISFA and Projects like ARMP and BRAC.

While financial services in various forms are available, the terms and conditions to operate in a volatile environment are problematic and often result in abusive service charges and complicated procedures. Informal loans are widely available though are largely provided at unfair conditions and mainly used as consumption loans by households, which often find themselves trapped in high levels of indebtedness.

## 9. Stakeholders

The main Stakeholders are Government Institutions, even if they still lack the capacity to fulfil their functions. There are only a few local CSOs and Common Interest Groups form the new potential of CSOs. These groups are being formed and trained in Human and Institutional Development (HID) and will, with time, take on considerable roles and responsibilities.

National authorities ranking (1 strong – 2 medium – 3 weak)

### National authorities

National government:	2 (always supportive but not reaching out to the Provinces)
Political figures:	2
Political parties:	3 (largely occupied with political and party issues)
Military:	1 PRT as a donor (3 for other PRTs and the national army)
Central Ministry official:	Assistance has been received from a number of Ministries.

### Regional and local

Local ministry official:	2 (Partly support through observing and advice partly)
Mayors and city council:	To be assessed in the future
Local party officials:	3
Provincial and district administrators:	2 (Communication is established.)
Local law enforcement:	3 (Law enforcement is not yet observed.)
Educational institutions:	2 (In need for funding.)
Regional or local organizations:	To be assessed.
Community-based organizations:	1 (CDCs and soon DDAs will become relevant.)
Rural or other cooperatives:	3 (Concepts exist but are not functional, considered “communist” by some)
Water use groups (MIRABs):	3 becoming 2-1      Process is ongoing within KRBP
Mass organisations:	N/A
Labour or craft groups:	1 (Common interest groups growing into formal Associations.)
Agricultural extension services:	3 (Dormant as outdated. Staff without salaries for the last 20 years.)
Poor unions:	N/A

### NGOs/CBOs

Advocacy NGOs:	2 (In Kabul only.)
Local and regional non-profits:	2 (Only few in number.)
International non-profit:	1 (NGOs do the job!)
Environmental groups:	2-3 (NEPA can answer.)
Women’s advocacy groups:	1-2 (Helpful were existing)
Religious organizations - clerics, imams:	1-3 (Can be supportive or destructive.)
Traditional organizations - tribal leaders, organizations (e.g. Zakhat):	2 (erratic)
Commercial and business groups: credit co-operatives, bank officials, business organizations, civic clubs or chambers of commerce:	2 (Growing relevance.)
Groups defined by beneficiary status, social analysis, rural appraisals, or gender analysis: the poor, the landless, the displaced, the elderly, youth, agricultural workers –	2-3 Its still “target groups, not groups

**The Press**      2      Radio and TV, press does not exist

**Donors**      1      Funding impact to be assessed.

## **10. Summary of key potential development opportunities**

Agriculture and Livestock, SMEs (Agriculture and non agriculture value addition), Tourism, the industries listed above (Coal, Textile, Flower mills, storage/grading/packaging) summarise Takhar's potentials for economic growth.

A clustering of Balkh, Kunduz, Takhar and Baghlan would be helpful to evaluate the effectiveness of priority inputs.