

## Success Story of NGO-Private Sector Collaboration

Hilal Yasin Cows Farm Services Company &  
Organization for Relief Development (ORD)

Khost Province | December 2025

# CASE STUDY



### Why this case matters

This case documents how an NGO used a structured enterprise support model to help a locally owned dairy business formalise its operations, expand its rural milk supply network, and reach new markets. ORD's role went beyond funding: it acted as a bridge between the company and government institutions, and between the company and rural smallholder suppliers who previously had no reliable milk buyer. The case raises useful questions about how NGO-private sector collaborations are designed, who drives that design, and what it takes for the benefits to last once external support ends.

### 1. Background

Hilal Yasin Cows Farm Services Company (Hilal Yasin) is a small agricultural enterprise based in Matone, Khost Province. The company runs its own dairy farm and collects milk from smallholder households through a network of collection centres in surrounding villages, aggregating supply for onward sale. Before the collaboration described here, the business was limited in scale and largely informal. Milk collection was concentrated around the company's own farm, the business had not completed legal registration, and it lacked the market connections needed to grow.

Khost has an active smallholder livestock economy. Many rural households keep dairy cows as a source of income but lack access to reliable buyers. Small aggregators like Hilal Yasin could in principle serve as that link, but without formal standing, equipment, or market relationships, their reach was constrained.

## 2. ORD's Enterprise Support Model

Organization for Relief and Development (ORD) is a nationally registered Afghan NGO, officially registered with the Ministry of Economy. The collaboration with Hilal Yasin was implemented as part of a broader programme focused on strengthening livelihoods, enhancing market linkages, and promoting private sector development. The programme aimed to improve income-generation opportunities, support enterprise growth, and facilitate sustainable economic participation, particularly for vulnerable and underserved communities.

Hilal Yasin was one of several enterprises supported under this programme design. Enterprises were selected based on their potential to contribute to local value chains and generate sustainable livelihoods. Within this framework, the consortium was identified as a promising actor in the dairy value chain and received targeted support that contributed to local economic activity, employment, and strengthened supplier linkages.

ORD's support combined four elements:

- **Equipment provision:** ORD provided dairy-related equipment to support expanded milk collection and processing capacity. This support was primarily delivered as in-kind assistance, with an approximate value of USD 2,000 per beneficiary. The contribution mainly covered equipment and machinery tailored to enterprise needs, aimed at improving productivity and operational efficiency. While the primary component was equipment, the support also contributed indirectly to strengthening the enterprise's capacity to engage in market activities.
- **Business formalisation:** ORD facilitated the company's engagement with the Department of Agriculture and the Department of Industry and Commerce, enabling the consortium to obtain legal registration and an operating licence it did not hold before. Holding a valid licence from the Department of Industry and Commerce was a prerequisite for ORD support, meaning formalisation served both the company's interests and the programme's compliance requirements.
- **Regulatory navigation:** When a requirement emerged that any change to the company's livestock holdings required formal government approval, ORD's relationships with relevant institutions helped resolve this procedural barrier, which the company indicated it could not have managed independently.
- **Market and supplier connectivity:** ORD supported the expansion of the consortium's milk collection network into surrounding districts, connecting rural smallholder households to a more reliable buyer and integrating them into the company's supply chain.

## 3. Implementation

### What worked

Communication was identified as a key factor in keeping the collaboration on track. The combination of regular meetings and WhatsApp-based coordination allowed problems to be addressed quickly rather than waiting for scheduled reviews. The company also credited ORD's planning input and its ability to facilitate government relationships as important contributions.

### Challenges

- **Frequent plan changes:** Plans were revised a number of times during the implementation period, which disrupted operations and created uncertainty for company staff. The company identified this as its primary operational difficulty.
- **Staffing at short notice:** At certain points the company was asked to increase staffing quickly, which added pressure and contributed to delays. This need arose because the scope of activities expanded beyond the initial plan, and additional requirements emerged during implementation. As the project progressed, it became clear that greater operational capacity was needed to deliver the expanded set of activities effectively.
- **Technical guidance came too late:** Without upfront guidance on livestock pricing and market conditions, the company made investment decisions that did not yield expected returns. Equipment and capital reached the company before the knowledge needed to use them effectively.

“At the beginning, there was a lack of training. As a result, we purchased some cows at high prices, but the returns were not as expected.”

Hilal Yasin Representative

### Decision-making

The company described a degree of joint decision-making through regular consultations. At the same time, it noted that its primary role was to follow the plans and strategies set by ORD. According to ORD, the programme was implemented as an executing partner in line with UNIDO standards and criteria and followed a participatory approach. Private sector actors, including Hilal Yasin, were engaged at multiple stages, including consultations, planning discussions, and validation sessions. Their inputs on market needs, operational challenges, and value chain development were considered and incorporated into the programme design. These two accounts are not necessarily contradictory, but they do reflect a pattern that is common across NGO-private sector partnerships in Afghanistan: programme design authority largely sits with the NGO, while private sector partners contribute inputs and implement within an established framework. Based on the available data, it is not fully clear to what extent company input shaped core design decisions as opposed to informing implementation.

## 4. Results and Outcomes

By the end of the engagement, Hilal Yasin reported growth across several dimensions: a broader milk collection network reaching additional districts, increased livestock holdings, new commercial customers, and greater operational capacity overall.

Approximate changes reported include:

- Milk collection centres: increased from 2 to around 5 centres
- Milk collection volume: increased from approximately 50 litres per day to around 150–200 litres per day
- Customers / business relationships: increased from approximately 10–15 to more than 30
- Number of employees: increased from around 8–10 to approximately 10–15

While these figures are indicative rather than exact, they provide a consistent picture of expansion across operations, market access, and workforce.



Yes, it contributed significantly to our business growth. Previously, our work was limited, but now our livestock has increased, and we collect milk from various areas and supply it to our customers.

— Hilal Yasin Representative —

Business formalisation was among the most significant outcomes. The consortium obtained legal registration and an operating licence through facilitation by ORD with government institutions. This gave the company formal standing it had not held before and, according to its own account, opened pathways for future cooperation with government and other institutional actors. This outcome is durable, as a registered business retains its legal status regardless of whether external support continues.

Income for rural households was generated through the expansion of the milk collection network. Rural households in surrounding villages and districts gained access to a more reliable milk buyer, enabling them to generate income at a greater scale than before.

Women and women-headed households were included among milk suppliers. In rural contexts, livestock care and milk production are often managed by women, and this was reflected in the supplier base. Based on approximate estimates, around 7 to 15 rural households are currently supplying milk to the consortium, with a significant proportion managed by women.

## 5. Can This Model Be Replicated?

The company believes it can. In its own words:

This model can be replicated in other areas because people in districts have both the interest and capacity. However, it requires some level of work, investment, and legal operation, in line with NGO requirements.

The following elements appear to be the core components of the model. A programme looking to replicate this approach would need to address each of them:

**Selecting partners with demonstrated operational capacity:** ORD's support worked in part because Hilal Yasin already had a functioning business. The company's own recommendation for future NGO programming is direct:

NGOs should select companies that have capacity and have already made investments. Companies that are active and employ people are more likely to succeed. If inexperienced or uninvested individuals are selected, the partnership is unlikely to succeed.

**Partner selection on the basis of operational readiness, rather than interest alone, appears to be a critical factor.**

In this programme, SMEs were selected through a competitive and structured process. Initial outreach involved local business associations, chambers of commerce, and SME holders through awareness sessions and provincial investment forums (held separately for male and female participants). This was followed by an open application process. Applications then went through multiple stages, including preliminary screening, technical evaluation using scoring criteria, and physical verification of shortlisted applicants, before final selection.

**Making formalisation a programme requirement:** Linking NGO support to registration and licensing creates a durable outcome that outlasts the engagement. This requires the NGO to have working relationships with relevant government departments, which ORD had built and was able to leverage.

**Sequencing technical support before asset transfer:** The livestock procurement experience shows what happens when capital reaches a partner before the knowledge to use it well. Market orientation, pricing guidance, and basic business planning should be delivered before or alongside equipment and capital, not after.

**Building in real-time communication:** WhatsApp-based coordination alongside scheduled meetings allowed the partnership to resolve problems quickly. This is a low-cost and widely replicable coordination practice.

**Treating government relationships as a programme asset:** ORD's ability to facilitate government engagement was useful not only for formalisation but also for navigating regulatory barriers that emerged during implementation. NGOs looking to replicate this model need to either bring those relationships or have a clear plan for building them.

## 6. Key Lessons

- Formalisation is both a gateway and a lasting outcome: Legal registration was required before ORD could provide support, and it is an outcome that Hilal Yasin retains after the programme ends. Formalisation assistance should be treated as a core programme element, not an administrative side task.
- Capital transfer without technical preparation creates risk: The livestock experience is a concrete example of a common problem in asset-transfer programmes. Sequencing matters: knowledge should precede or accompany resources.
- Operational readiness in the private sector partner reduces risk for everyone: Selecting enterprises that are already active and have made their own investments improves implementation quality and makes sustainable outcomes more likely.
- NGOs can add value as regulatory navigators: One of ORD's most practical contributions was helping the company navigate government procedures it could not manage independently. This function is worth naming explicitly in programme design rather than treating it as incidental.
- NGO-led design remains the norm: The planning process here was driven by ORD. Private sector co-ownership of programme strategy, where the business partner shapes the design rather than implementing plans developed by the NGO, remains limited in Afghanistan. This case reflects a participatory approach, but programme design authority largely remained with the NGO.
- Early signs of reinvestment suggest a pathway towards sustainability: The company reports that it is reinvesting its own profits into business expansion, including plans to establish additional milk collection centres, purchase new equipment and machinery, and gradually scale operations. This indicates movement towards a self-financed growth pathway, although the extent to which future expansion will rely solely on internal resources or continue to involve external support is not yet fully clear.

