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PROJECT REVIEW

**ARR/VITA PROJECT
1987 - 1993**

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I. INTRODUCTION

The ARR/VITA project provided cross-border assistance in the rehabilitation of Afghan agriculture infrastructure from 1987 to the end of 1993. This was carried out in what was essentially a war zone situation, managed from across the border in Pakistan, and subject to great changes in policy and the rules of the game. This review is an attempt to reflect on that experience, critique the efforts made, and come up with some lessons learned that could well be relevant to similar projects in the future.

This review incorporates the views of three expatriate staff members of the project, who sought also the recollections of present and past VITA home office staff involved in the project and former VITA and USAID people concerned. It is not meant to be a definitive history or a final report, but rather seeks to present insights and opinions on what was done well or what was less successful, and the reasons why.

In the post-cold war world that is now struggling to find its way, the need for assistance to peoples facing warlike situations — as now in Somalia, the former Yugoslavia, or Cambodia — is going to be a common problem. If any of the lessons learned in Afghanistan and Pakistan in the course of the ARR/VITA project can be of help to others in similar situations, it is the goal of this report to point those lessons out.

The review is presented as a series of "chapters" covering different aspects of the project experience, it is not a single continuous story. And it certainly cannot presume to tell the whole story and cover all aspects of the project. There is seldom the chance to step back and take a long look at what was going on at a great pace on all sides for a long time. This is such an attempt to learn more about the forest by examining at least some of the trees in some detail.

II. WORKING CONDITIONS

The Agriculture Sector Support Project ARR/VITA component was carried on in Afghanistan from start to finish under security conditions that ranged from formal war to informal guerrilla banditry, with the grim danger of mines ever-present. In the beginning it was not too difficult to distinguish between areas controlled by the Soviet/Afghan communist regime in Kabul and those under the control of the mujahideen. But the Soviet air power, bombers and helicopters, often made the distinction irrelevant.

Strategies were adopted by VITA to blur, if not conceal, information about the projects under construction, for it was assumed there were Kabul regime agents in Peshawar seeking such information. Much of the work done in the early days of the project was in the cleaning and repairing of karezes and one of the reasons for this was that they were less obvious from the air than were large surface projects. Some safe project areas would become less safe as the battle lines shifted under new offenses and projects had to be curtailed and men and materials shifted to other places.

That project activity continued as well as it did under such conditions was due largely to the close relations the VITA field staff developed with the local leaders and the jihad commanders wherever they worked. They provided warning of increasing danger and information on the safest routes to travel in getting to Peshawar and back, taking reports and returning with funds and supplies. There was never an instance where project personnel were caught in the cross-fire of combat, so effective was the intelligence they received from the mujahideen they worked among.

There were casualties suffered by VITA field staff, however. From 1987 to 1993 there were bombs on buses in Peshawar and Farah City, road accidents in Afghanistan and Pakistan, a fatal motorcycle accident in Peshawar, and a pickup that hit a mine in Kandahar province.

When the communist regime in Kabul fell in April 1992, the war was over, but not the fighting. With the breakdown of the alliance of mujahideen leaders, the fighting took on a new shape, it did not go away. Instead of action on the battlefields, it was rockets into Kabul. Instead of air attacks on troops, it was hijacking and assault by independent commanders and uncontrolled mujahideen. It was not war, but in many ways was more deadly and destructive.

In the summer and fall of 1992, five ARR/VITA backhoe/loaders and two Hino 7-ton trucks were detained by commanders in Logar and Kabul provinces. One backhoe in Kabul province hit a mine and parts of it were lost. The other was finally released to VITA field staff by the commander who had held it.

In Logar all efforts to negotiate the release of backhoes and trucks, including getting Hisb-i-Islami leader Gulbuddin Hekmatyar to order his commander to release the equipment he held, were without success. In July 1993, Eng. Sediq, the VITA Chief of Party, was

authorized to go to Logar province and try once again to free the equipment held there. Again, all his efforts were fruitless.

That equipment remained with the commanders and under the final phaseout arrangements it was "tentatively" sub-granted to an NGO in the hopes that at some time in the future there would be a possibility of recovering it and putting it to good use.

When it came time, under the project phaseout plan, to withdraw all capital assets (equipment with original value of \$1000 or more) to Pakistan other problems arose. The local population did not want to see the trucks and backhoes, water pumps and rock drills leave their area. They wanted the equipment to stay and the work to continue, one way or another. They resisted any plans by VITA to move the equipment. It was obvious that should VITA try to withdraw the equipment to Pakistan there would be great trouble in the provinces and even greater risk on the road to the border. By now hijacking of truck cargoes and of the trucks themselves had become all too common, with the UNDP and other NGOs suffering losses of goods going into Afghanistan.

Faced with this situation and not wanting to put VITA personnel at risk of violence, USAID agreed to grant the equipment remaining in Afghanistan after mid-September 1993 to VITA for the purpose of VITA sub-granting it to other organizations working in the same areas where the equipment was located. That met the concerns of the local people and permitted the equipment to continue to be used for ARR/VITA project purposes.

Thus security of personnel and security of equipment remained a problem right up to the final days of the project. In spite of the necessity for continued concern for security, ways were found to continue operations and continue working with the people in Afghanistan to restore the agricultural infrastructure so vital to their future.

III. CONTRACT AND COOPERATIVE AGREEMENT

To get American humanitarian assistance for Afghanistan started as quickly as possible in 1986, USAID received from Congress a waiver of the requirement for competitive bidding. This enabled them to choose known organizations with the capabilities needed in the areas of education, health care, logistics, and agriculture. VITA was asked to begin operations in agriculture under a small grant as fast as they could. This was, in the words of a USAID official closely involved, the greatest advantage the new program could have had.

After the initial grant from USAID had gotten things rolling, VITA signed a contract on 14 June 1987 with O/AID/REP that had an effective date of 1 April 1987 and an estimated completion date of 31 March 1990. This established the Agriculture Sector Support Project as an active part of the Humanitarian Assistance Program. The focus was on working with the Agricultural Council of the Seven Party Alliance (ACSPA) to expand agricultural production in liberated areas in Afghanistan.

The initial emphasis was on efforts to provide agricultural inputs such as seed and fertilizer, tractors and other farming equipment. It was intended that the project would be primarily advisory to the ACSPA, who would be the action element in delivering the inputs cross-border. When the needed cooperation was not forthcoming from the ACSPA, it became necessary to shift to direct implementation of activities and the rural rehabilitation of agriculture infrastructure became an important element of the project.

Under the contract, advances to meet project expenses were requested on a quarterly basis, with a report on the expenditures in the previous quarter. As expenditures varied substantially from one quarter to another, it was sometimes difficult to estimate funding requirements. And because separate advances to the ARS's inside Afghanistan were made to cover each subproject, a large total advance was continually outstanding.

When the decision to continue the ARR/VITA project after 31 March 1990 was made, it was decided to do so under a Cooperative Agreement rather than a contract. The Cooperative Agreement ran from 15 March 1990 to 31 December 1993. This change of form made a difference in several ways that were obvious immediately and in others that were not apparent until much later, when the project was phasing out.

One difference that made a big difference was reporting expenditures and requesting advances on a monthly rather than quarterly basis. While it was initially looked on as more work than it was worth, this proved far from the case. It enabled much closer control of expenditures and advances and a smoother flow of funds. Coupled with the establishment of imprest funds in each ARS, which could be used for all projects under construction, this kept advances at a minimum in the field and at project headquarters in Peshawar.

In the final days of the ARR/VITA project, when it was proposed that USAID grant all non-expendable equipment remaining in Afghanistan to VITA for sub-granting to NGOs and

other organizations in the field, it was possible only because we were operating under a cooperative agreement. This enabled us to put the project equipment that could not be returned to Pakistan into the hands of those who could continue the kind of work we had been doing in the areas where we had been working. And in some instances a number of the former VITA field staff were taken on by the organizations using the equipment.

When the University of Nebraska at Omaha team requested the two warehouses ARR/VITA had constructed, hoping to use them for storing textbooks inside Afghanistan, it proved not possible. They were operating under a contract and not a cooperative agreement, therefore USAID could not grant the items to them. The warehouses, having been taken down, were placed in the RONCO/USAID warehouse until further disposition could be determined.

For the purposes of the ARR/VITA project it appears that the Cooperative Agreement was a better arrangement than was the Contract. While some of the differences pointed out above might have been due to the substance of what was included in the Cooperative Agreement, rather than to the form itself, it did prove a more comfortable working environment overall.

IV. VITA-USAID COMMUNICATIONS

With the ARR/VITA project responsibilities and activities extending from Washington and Virginia to Islamabad and Peshawar to widespread areas of Afghanistan, close communication was always of prime importance. Not only was it necessary for clear policy statements and directives to move in one direction and timely and accurate reports on activities to move in the other, but with the complex, remote, and war-affected nature of the project, close sharing of feelings, opinions, and intentions was required.

In the eight years of cross-border humanitarian assistance there were many changes of conditions within Afghanistan, from the all-out jihad effort to rid the country of the Soviet invaders to the fight to eliminate the communist regime left behind to the unfortunate inter-party struggle for power that still continues. Throughout this time the security situation on a national and on a local basis was constantly changing, allowing opportunity for project activities to go ahead or forcing curtailment and withdrawal when dangers increased. A very tight control of field activities was essential.

The information and instructions needed for this control of field activities were communicated as well as field conditions would permit. Projects kept pace with the opportunities presented in each locality where VITA was able to work. Reports on field activities were made regularly and kept USAID well informed on conditions and on progress of projects in Afghanistan.

What could have been of added value in keeping all parties fully aware of changes in conditions, in intentions, in policy would have been more frequent informal contacts between VITA/Peshawar and USAID/Islamabad, between VITA/Virginia and USAID/Islamabad, and between VITA/Virginia and VITA/Peshawar.

If the O/AID/REP offices could have been located from the beginning in Peshawar, where all the contractors and NGOs were based, it would have helped a good deal. But as that was not the case, a VITA liaison person in Islamabad all the time, or most of the time, keeping in close touch with all the USAID people concerned with project activities might have been most helpful.

Visits by the VITA home office principal officers and the program officer should also have been more frequent, as it is not possible to have a full understanding of what is going on, what changes are taking place, in Pakistan and Afghanistan only from reports and faxed memos. The planned schedule of twice a year visits by the VITA president and twice a year by the program officer was not adhered to, as authorization for those visits was often not forthcoming from USAID.

While there were two chiefs of party in the life of the project, there was one VITA president and one VITA program officer concerned with the ARR/VITA program from beginning to end. On the other hand, there were four AID/REPs and five program officers at

USAID/Islamabad who had responsibility for the project for varying lengths of time. This was another good reason for close informal association—to get to know each other as quickly as possible and to share knowledge and experience of what went before.

In the early years of the USAID humanitarian assistance program there were somewhat regular meetings of O/AID/REP officials and chiefs of party of contractors under the program, usually in Peshawar and usually on a monthly basis. This was very effective in allowing an interchange of information on conditions in Afghanistan, on progress and problems of the various contractors, and on present and anticipated USAID policy regarding the program.

Unfortunately, these meetings became rarer as the need for them was increasing in the uncertain times after the departure of the Soviet forces. As the rules of the game changed in Afghanistan and U.S. policy began to change as the cold war disappeared off the screen, the need for close communication was greater than ever. Regular contact, not just summit-type meetings when great changes in direction were announced, would have been most useful.

V. ARR/VITA STAFFING

The one thing that best characterized the VITA operation from the earliest days of 1987 to the final days of 1993 was that it was an Afghan operation. When the staff had reached its peak in numbers, before the final phaseout began in January 1993, there were 470 VITA employees in Pakistan and Afghanistan. Of these, more than 96 percent were Afghans.

There were two non-Afghan expatriates, the deputy chief of party and the chief financial officer, and there were about a dozen Pakistanis in administrative positions and as drivers. The rest, from chief of party and senior engineers to attendants and guards, were Afghans. Many of them had worked together in the Rural Development Department in Kabul before the communist takeover. And many were in school together at the Afghan Institute of Technology (AIT) and the Faculty of Engineering of Kabul University.

As the project and staffing grew, great care was taken in selection of personnel. There was always a danger of communist infiltration in the early days and the network of friends in other NGOs and in the refugee camps near Peshawar made quick and effective security checks possible. A careful balancing of party representation among employees and a policy of non-involvement in Peshawar party politics kept the VITA organization clear of identification with any party and on good terms with all.

Comments in the assessments of the ARR/VITA project and in the MIT feasibility study confirm the effectiveness of the organization due largely to its Afghan character.

RONCO, first assessment, December 1988

The project has made remarkable achievements in a short time. It is the only significant cross-border program in agriculture and rural development. It has a strong Afghan character.

MIT, feasibility study, December 1991

Our review of the ARR/VITA operation has led us to conclude that it has an effective management and engineering capabilities, and an impressive track record in implementing rural works projects within Afghanistan...All this is done within a Peshawar- and Quetta-based institution that is Afghan-operated and managed with only marginal involvement of non-Afghans and limited dependence on the VITA office in Arlington, Virginia...It is, in our judgement, capable of standing alone....

Chemonics, second assessment, December 1991

In the case of VITA, these [attractive features] were the quality and commitment of its staff, their technical competence, their network of relationships at both

headquarters and field levels, their sensitivity to local conditions and "the Afghan way" of getting things done — in short, the indigenous character of VITA in spite of its U.S. origins.

The Afghan character of the VITA organization carried over into its relationships with other Afghan NGOs. Not only were the VITA training courses frequently opened to other organizations, but assistance was given in many ways. The VITA chief of party served on the boards of a number of the new NGOs, sharing his experience and his knowledge of how things work.

And as the ARR/VITA project drew to a close and the highly-experienced and qualified staff had to be terminated, many were hired by other Afghan and expatriate NGOs and the UNDP. However, with the funding of cross-border projects in Afghanistan rapidly shrinking, many more of these engineers, technicians, and workers will remain unemployed and lost to the Afghan rehabilitation effort.

VI. TRAINING

From the first courses in 1988 to the final ones in early 1993, the ARR/VITA project conducted 31 training courses and 10 workshops or seminars. There were more than 450 participants in these courses, most of them VITA personnel, but including trainees from other NGOs involved in cross-border operations.

The training program was primarily aimed at specific project-related needs and under the cooperative agreement a needs assessment of the VITA staff was undertaken to guide future training planning. Technical training in engineering and surveying subjects formed the basis of the major long winter courses that were given each year. These were held when winter weather prevented field operations in many areas in Afghanistan and engineers and technicians came from the ARS offices to Peshawar.

Other courses were held for field accountants and administrative staff in ARSs and the Peshawar headquarters. English language courses were offered several times to all interested staff in Peshawar, held mostly after regular work hours, and were very well attended. Monitors were given training in measuring project impact and in assessing environmental impact of the projects completed and of projects under planning.

Twice-a-year seminars for the ARS directors and senior headquarters staff were held to review project field activities and prepare an implementation plan for the coming six months. These sessions enabled close coordination of project efforts to meet changing conditions in Afghanistan and changing USAID requirements.

This training program for VITA staff not only met the current needs of the project, but was an important factor in the long-term development of a core group of rural development professionals and their administrative support. Many have already moved into other NGOs working in Afghanistan and more will be available when conditions permit resumption of more rehabilitation efforts in Afghanistan.

Courses were conducted in Peshawar by VITA senior staff members, by engineers from other NGOs, by consultants brought from the U.S., and by teams from the University of Wyoming and the U.S. Department of Agriculture. In addition, ten VITA staff members were sent for short-term courses at the U.S. Department of Agriculture and at the VITA home office.

The training component of the ARR/VITA project was recognized as of great importance by USAID and was supported substantially in the budgeting for training and in approving the proposed training activities. As a long-term investment in Afghan reconstruction and development, the former VITA engineers, technicians, and administrators will represent a valuable resource in the years ahead.

VII. PROJECT IMPACT

The best measure of the impact of the ARR/VITA project over the past seven years would be comparison of agricultural production in 1987 and 1994 in the areas covered by the project. This would have required benchmark studies at a time when security was extremely dubious and when resources were totally devoted to the project purpose of rehabilitation. It would have also required a similar study at the end of the project, when again there were more immediate demands on the VITA field staff.

A secondary measure of impact was compiled in the course of the project by the recording of the areas irrigated and the lengths of roads rehabilitated or built. The estimates of the number of families who were beneficiaries of the individual projects also gave a clear indication that the work of the ARR/VITA project was having a real impact on the local population.

There were a total of 762 juis (irrigation ditches and canals) cleaned and repaired and another 226 projects involving retaining walls, flumes, springs, and other structures needing repair or reconstruction. They affected the irrigation of 850,840 acres (340,336 hectares) of land and there were some 299,700 families who benefited from the improved irrigation. In addition, the cleaning and repairing of 2896 karezes (underground wells) improved or restored the irrigation of some 289,600 acres (115,840 hectares) of farm land, which brought benefit to 173,760 families dependent on the karezes for irrigation.

The improvement of irrigation, along with increased supplies of good seed and fertilizer, not only helped those people on the land, but encouraged refugees in Pakistan to return to Afghanistan and take up their own farms again. Monitoring reports told of areas in Konar province that had been deserted and barren of crops five years earlier now being green with wheat and alive with farmers and their families. This was the case in other areas where ARR/VITA project activities were carried out.

Besides the irrigation projects, there were 28 road rehabilitation projects and 14 new roads built to help restore the infrastructure of farm-to-market roads that had been hard hit by the years of war. In conjunction with the road projects, there were 32 bridges repaired or designed and built entirely. The total length of the roads thus put into service to help farmer get their crops to market and to get necessary materials to the farms was about 1080 kilometers. There were some 249,500 families benefiting from the improved transportation that was provided.

These indirect methods of measuring the impact of the ARR/VITA project tell a very important story of improving the conditions under which Afghan farmers were struggling to feed themselves and their countrymen in the midst of war and civil strife. The project monitors brought back reports not just of projects completed, but of more land under cultivation, more crops being produced, more people returning to their homes.

Another substantial impact of the ARR/VITA project on conditions in Afghanistan was the role played by the local population in the carrying out of the project irrigation and road and bridge projects. While VITA selected the projects to be implemented, it was done after close discussions with local shuras. They were partners in the projects from the beginning. When work started it was with the supervision and technical direction of the VITA field staff, but with the labor provided by the local population. This labor was paid for by the project, bringing much needed money into the local economy.

In return, the communities involved provided security and housing and other support to the VITA field staff where they were working. This cooperation at the local level was one of the most successful aspects of the VITA operations in Afghanistan. It was another direct benefit of the fact that the VITA team was 96 percent Afghan and had links and contacts wherever they went

Another impact of the ARR/VITA project not often given thought was the effect on the more than 700 Afghans that worked at one time or another on the project. They found not only a job, though for many that was important enough, but an opportunity to help their country when help was needed badly. They built an organization that was truly Afghan in its structure and procedures, that was not aligned with any party and remained on good terms with them all. Aside from the large scale departure of agriculturists when the agriculture component of the project was removed, there was little turnover of staff. Seven of the first ten employees (V-1 to V-10 on their ID cards) were still on hand when the final stages of the phaseout began.

The VITA staff grew in numbers as the project progressed, reaching a maximum of 470 before reductions began as part of the phaseout plan. They grew also in experience and in knowledge, with responsible work in the field and in the Peshawar headquarters and with participation in the numerous training courses and seminars conducted by VITA. It is fair to state that one of the most important potential impacts of the project will be the contributions made by former VITA staff members in the reconstruction and development of Afghanistan in the years ahead.

VIII. A LOST OPPORTUNITY

A. First Assessment - December 1988

The first assessment of ASSP, carried out by RONCO Consulting Corporation in association with Devres, Inc., was a precursor of the redefined and reorganized ASSP that led to the removal of agriculture activities from the VITA operation and finally to the new Cooperative Agreement that took effect in March 1990.

One significant observation in the report points up a lost opportunity that could have forestalled the eventual phasing out of the ARR project. In reply to the posed query "Should the (ADS) [later ARS] operating arm be spun off, say as an independent foundation which could accept assistance from a variety of sources?", the report concludes:

The Rural Works Division, which implements the ADS program, has the potential to become autonomous. It employs a large Afghan staff and has become an institution with important potential for the post-war reconstruction effort. As an organization with an Afghan character, it has attracted the attention of many agencies ranging from foreign PVOs, whose planning abilities are rudimentary, to the United Nations, which will need to rely more heavily on Afghans as it begins working within the country. Allowing Rural Works to assume a more international role in meeting its program goals, with funding from a variety of sources, could accomplish more than the budget currently permits. It would also mean that if there were a reduction in the level of U.S. funding, program commitments could still be met.

At about the same time as this report was submitted to O/AID/REP, the UNDP was offering VITA funding to carry out additional projects of the same kind already under way. This would have led to additional funding from UNDP and other "non-USAID" donors over the coming years and could indeed have greatly extended the program of rural rehabilitation in Afghanistan. And it certainly could have allowed the very capable organization developed under the ARR project to continue a viable operation when U.S. funding did shrink and then disappear in 1992 and 1993.

But O/AID/REP turned thumbs down on VITA receiving funding from other sources and thus prevented the emergence of a viable "Afghan entity" capable of eventual independence from both USAID and VITA.

B. MIT Feasibility Study - December 1991

A study of the feasibility of establishing an "Afghan entity" from the existing ARR/VITA organization was called for in the Cooperative Agreement. The study was done by the Reconstruction Group of the Center for International Studies of the Massachusetts Institute of Technology and once again recommendations were made that the experience

and capability developed in ARR/VITA be preserved so as to continue rural rehabilitation even after the ARR/VITA project and/or USAID funding ended.

"The ARR/VITA operation is a prime example of a U. S.-run NGO that has the capacity to be transformed into an independent Afghan non-governmental organization."

The MIT plan for the conversion of ARR/VITA *"into a new organization, Afghan Engineering for Rural Reconstruction (AERR), as a non-profit, professional, politically nonpartisan engineering organization committed to the design, rehabilitation, and reconstruction of rural infrastructures within Afghanistan"* fully supported the concept of getting funding from additional sources.

In the two options explored for the formation of an Afghan entity from the ARR/VITA organization it was proposed that the new organization *"be encouraged to seek contracts from other donors"* or to *"aggressively engage in competitive bidding for grants and contracts."*

The MIT study went into great detail on the structure, formation, registration, and legal status of the proposed AERR. A seven-step process of Afghanization was outlined and was predicated on the present ARR/VITA organization being transformed into the new AERR primarily through the addition of funding from sources other than USAID.

When the MIT report was submitted to USAID, with a copy to VITA, no action was taken by O/AID/REP to implement any of the recommendations or to pursue the idea of establishing an "Afghan entity" from the ARR/VITA organization.

C. Second Assessment - December 1991

At the same time that the MIT study was being completed, the second assessment of the ARR/VITA project was being conducted by a team from the International Consulting Division of Chemonics Inc. This was done in the context of a study of cross-border programs funded by O/AID/REP and managed by CARE, IRC, MCI, and VITA.

A key observation by the team was that *"VITA runs a very effective cross-border program which should be kept going"*. The suggested way this could be accomplished was through collaboration with an Afghan PVO.

This idea might be explored as a more straight-forward alternative to the creation of a new Afghan entity. Strengthened through work with VITA, the Afghan PVO would be able to compete for new sources of bilateral and international funding. Besides, VITA would continue to be identified with the longer-term rehabilitation of Afghanistan, which is appropriate given the solid reputation it has established.

Two of the specific recommendations made at the conclusion of the assessment were that:

VITA's agreement with USAID should be amended to provide more flexibility in the kinds of cross-border activities that VITA can undertake, to facilitate collaboration with an Afghan PVO, and to allow VITA to receive funding and other support from UNDP, WFP, and other sources.

The possibility of VITA establishing a collaborative arrangement with an Afghan PVO should be explored as an alternative to the creation of a new Afghan entity.

While this assessment of the ARR/VITA project, with its positive impressions of VITA's performance, led to the extension of the Cooperative Agreement, first to the end of 1992 and later to April of 1994, the specific recommendations regarding opening access to funding from other sources were not recognized at all.

D. VITA Proposal to Create an Independent Afghan Entity - August 1993

Faced with the dismantling of the organization that had been developed in the ARR/VITA project and seeking ways in which it could be preserved to continue the work of the Agriculture Sector Support Project, VITA sent a proposal to O/AID/REP in August 1993. The proposal said in part:

The technical and managerial team that was recruited and which worked together the past eight years is virtually all Afghan. Its extraordinary effectiveness has been described in evaluations and its personnel are respected by both the Afghan and expatriate community. VITA is confident that this team has both the technical and managerial skills to be successful as a private company. This is a rare opportunity to turn a major foreign assistance project over to a self sufficient private entity capable of continuing the work begun with such assistance. VITA is prepared to act on that confidence and to make a modest financial commitment if the mission approves this plan. VITA will also remain engaged in a monitoring capacity.

VITA proposed that a carefully selected group of its present personnel would form a private company to engage in construction activities within Afghanistan. VITA would provide \$10,000 a month for six months from its own resources to help support the company during its early existence. The plan called for the equipment then remaining inside Afghanistan to be provided to the new company through VITA, with VITA retaining ownership through the period of accountability and then turning it over to the company.

The proposal ended with the statement that:

It is VITA's judgement that this plan is workable and is in keeping with the letter and spirit of the cooperative agreement. It will also provide a structure for

holding a remarkable group of people together so they can continue to make a very important contribution to the rebuilding of Afghanistan.

This proposal met with no favorable support within USAID and so the phaseout of the ARR/VITA project continued. All project activities in Afghanistan were halted at the end of September. The equipment inside Afghanistan was granted through VITA to a number of NGOs and to UNDP/OPS. The personnel were terminated on schedule. All items of equipment and furniture in Pakistan were returned to USAID custody. The project ended on 31 December 1993.

IX. PHASING OUT

At the monthly meeting of Chiefs of Party and O/AID/REP officials in Peshawar on 16 November 1992, a reduction of the FY93 program budget from an expected \$50,000,000 to \$20,000,000 was announced. The funds already obligated to ARR/VITA would fall some \$5,000,000 short of estimated costs for the project to April 1994 and no further funds were to be obligated, so a major revamping of the program became necessary

A Work Plan for the period from January 1993 to April 1994 was requested and was submitted on 26 December. First staff reductions took effect at the beginning of the new year. The plan was based on the possibility of continued operations if the situation changed and more funding became available in the future. It was designed to keep the VITA organizational structure intact as long as possible.

In April 1993 a Phaseout Plan was requested, with a definite termination date of 31 December 1993. This meant an acceleration of all phaseout activities even as the Phaseout Plan itself was being prepared and approved. The new plan, along with the new termination date and a realigned project budget, was made part of Modification # 11 to the Cooperative Agreement, which was approved on 12 August 1993.

The main elements that had to be addressed in phasing out the ARR/VITA project are easy to list, but not so easy to implement. That the phaseout was orderly and without complication or undue delay is a tribute to the cooperation of the entire VITA staff. They did all that was asked of them right up to the time of their termination, then departed quietly and without fuss. It was not an easy time, as the prospects for future employment were dim indeed.

Those main elements were: 1) termination of field activities and final reimbursement of expenses; 2) phased termination of all staff; 3) transfer of project equipment to RONCO and USAID; 4) sub-granting of equipment in Afghanistan to other organizations; and 5) vacating all VITA office buildings and residences. Under each heading there were many things to be done, many records to update, collect, and dispatch to the VITA home office or to USAID.

Terminating field activities meant finishing up projects under construction, turning some projects that could not be finished by the end of September over to local groups who committed themselves to finishing the work, and getting all possible materials needed to finish those projects shipped to the sites. It also meant making final reimbursement to the local workers before closing the ARS offices.

And it meant trying to return all the non-expendable equipment — trucks, backhoes, loaders, etc. — to Pakistan as instructed by USAID. This proved not possible in many cases, due to local reluctance to let the equipment leave the area where it was working and to the prevalence of predatory commanders who were hijacking such equipment on

the roads. By mid-September it was apparent that most of the remaining equipment could not be withdrawn. Of 176 such items, 31 had been withdrawn to Pakistan, 11 had been detained by commanders, and 134 remained at the ARSs.

VITA made a proposal that the equipment be granted to VITA for the purpose of sub-granting it to other organizations who were carrying out similar projects in the areas where the equipment was located. This proposal was approved by USAID on 17 October and implementation began immediately, forms and contacts having already been made. It was necessary to extend the contracts of some ARS directors beyond the end of October, as there was too little time remaining to complete the granting and turnover of the equipment.

When the ARR/VITA project ended on 31 December there were still eight items for which grant forms had not been returned. Four were in Herat and communications had not brought any final information. Four were in Parwan/Kapisa and the recurring fighting in the Kabul area prevented anyone from bringing the reports to Peshawar. The VITA agent who would follow up and collect the forms to turn over to USAID was the former VITA director of Field Coordination.

Had the decision to sub-grant the equipment been made by USAID earlier, the process would have been smoother and could have been completed before the project ended. It was a complicated policy matter with complex legal implications that took place at a time when USAID was itself undergoing changes. But the decision finally made was the right one and served the purpose of the project well.

All project equipment, furniture, appliances, and materials in the Peshawar headquarters and in the Quetta branch office had to be returned to the RONCO warehouse or later to USAID directly. The items in the ARR/VITA warehouses and yard were transferred beginning in June and continued right up to the end of December. As VITA office buildings and residences were vacated, the furniture and appliances were inventoried and turned over to USAID. Copies of all warehouse receipts from RONCO and USAID were sent to the VITA home office. The close cooperation of both RONCO and USAID/Peshawar made a very difficult task under trying conditions much easier than it might have been.

The phaseout operation continued right up to 30 December, when, having moved out of the last VITA office building and turned in the last equipment and furniture on 27 December, the last two LandCruisers were turned in to the USAID motor pool in Peshawar. That the whole procedure worked out as well as it did was due to getting an early start in January and to continual review and updating of the schedule as the work continued. The determination of all VITA staff to end the project in the same manner in which it had been conducted, to keep the ARR/VITA reputation intact, was also an important factor.