

Afghanistan RAMP Rebuilding Agricultural Markets in Afghanistan

Contract No. 306-C-00-03-00502-01

Trip Report and Outline of a Strategy Paper for Central Helmand Irrigation Systems, Afghanistan

by
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Submitted to:
U.S. Agency for International Development/Kabul

Submitted by:
Chemonics International Inc.



March 2004



This publication was made possible through support provided by the U.S. Agency for International Development, under the terms of Award No. 306-C-00-03-00502-01. The opinions expressed herein are those of the author(s) and do not necessarily reflect the views of the U.S. Agency for International Development.

**TRIP REPORT AND OUTLINE OF A STRATEGY PAPER
FOR
CENTRAL HELMAND IRRIGATION SYSTEMS, AFGHANISTAN
FOR
CHEMONICS INTERNATIONAL INC.**

13 FEBRUARY to 8 MARCH 2004

**REBUILDING AGRICULTURE MARKETS IN AFGHANISTAN PROJECT
BY
RICHARD B. SCOTT**

INTRODUCTION:

This paper outlines a strategy for addressing some of the regional issues of Central Helmand and its reconstruction. The analysis and conclusions stem from the observations and contacts made during a brief field trip to Kandahar, Lashkar Gah and Helmand between 17 and 19 February 2004. Background materials drawn from the past are incorporated to clarify current status. Very little has changed since my earlier stays in the region. A few more days in the area would have resulted in a better understanding of what is happening currently as it relates to the cotton industry, the privately owned cotton gins and the re-emergence of poppy.

GENERAL PLANNING STRATEGY:

To begin, I strongly suggest a strategy to focus actions first on the districts where the greatest impact, both economic and political, can be made in the shortest period of time. Address the biggest problems first in areas where you can assume success. Central Helmand is one of these areas.

- Focus actions on the districts that have the potential for producing most of the country's opium with the purpose to eliminate this crop through competition. (This is not difficult in central Helmand.)
- Focus the initial actions on the districts that have a past history of being the most productive cash cropping regions in the country that did not produce narcotics.
- Focus the actions on districts with an intelligent farming population with a living memory of very successful cash cropping (which they were already returning to last year) that included agreements not to cultivate narcotics. (The narcotics element must always be part of program and project strategy).
- Focus the actions where most of the people live. The concentration of people tells you where the economy is functioning and where the repair of the infrastructure (irrigation and roads) will have the greatest economic impact. These are also the areas where most of the agricultural infrastructure is located.

- Focus action where possible, to work with existing institutions, like HVA, HCC and, yes the Bost Cotton Gin. It takes time to re-invent the wheel and politically Afghanistan, and especially in southern Afghanistan, there is no time to waste. These institutions represent a body of knowledge, experience and local support that should not be ignored. While we may tend to ignore these local institutions, the local people depend on them.
- Focus action to include, where possible, the use of labor intensive methods to get ready cash into the pockets of the less affluent elements of the agriculture society and thus into the economy. Most engineers, and organizations, prefer to use heavy equipment rather than people. Machines are easier to organize and manage than people and you can move funds faster...especially with purchases of heavy equipment. But they do not have the same economic and political impact as utilizing a large hand labor force. The rule should be that if the work can be done by hand, heavy machinery should not be used. Past experience in Helmand indicates that when properly managed and supervised, there is virtually no difference in cost between the use of hand labor and heavy equipment work. A few exceptions exist, like the removal of massive cat tail root systems in drains.

These criteria are obvious and needed in project planning and design but are commonly ignored on the ground. These criteria describe the central Helmand region of Nad-i-Ali, Marja and Nawa (Shamalan), irrigated off the Boghra Canal.

The present Check Dam project meets virtually none of these criteria and the development funds would be better spent in a different location.

The present DAI Drainage Project in Marja does not meet the labor intensive criteria and should be reoriented.

TIMING:

In the present phase of the project all emphasis should be placed on immediate development actions focused on visible, important, income producing projects. They can easily be highly publicized by local radio. But timing is the key to success and impact and little has happened to date.

HOW:

One starting element in this equation is for RAMP to quickly establish an effective functioning office in Lashkar Gah in the space already provided by HVA. It should be staffed by personnel that know and understand the local situation, its problems and have the authority to act. This office should have the authority to monitor and supervise all RAMP funded projects in the area and be given maximum freedom to make things happen and to reorient misdirected activities. All RAMP funded projects must be monitored carefully in the field and not just from the Kabul office, even those implemented by known international contracting companies like DAI and CADG. The Kabul office does not/will not have the personnel necessary to carefully monitor projects in the several regional offices.

The Kabul office should be focused on maximum support of the regional office(s). If the regional offices (whatever region) are dependent on Kabul for direction, nothing will occur on a timely basis, and Afghanistan does not have time to waste. There must be a quick and effective system of communications established between Kabul and the regional office(s) to insure that everybody knows and understands what is happening. In past projects, lack of effective communications has been a major barrier for an effective operation. And in the past, one of the most common reasons for project delay has been the lack of timely flow of funds to project sites, a Kabul function.

At some point, RAMP will likely be working in all 4-5 major agricultural regions of the country and have established effective regional offices. Each of these regional offices must be manned by experienced, knowledgeable staff with experience in project management, monitoring and evaluation. And, as noted above, they must have the authority to take effective action as necessary. Project success will depend on selection of effective staff and delegation of authority. The Kabul office will have its hands full providing effective support by the time RAMP has 2-3 regional offices.

Weak regional offices without the authority to initiate action or redirection, will serve no positive function and slow reconstruction actions to a snail's pace.

Past projects have commonly recruited supervisory staff from outside the region, stemming from the Afghan personnel practice of hiring friends and relatives. This practice ignores the fact that there are experienced, educated and knowledgeable people in Helmand.

Recommendation: Where possible, hire locally. It will save time and money. It will bring more benefit to the target region: Helmand. It will probably result in more people getting hired for their qualifications rather than relationships.

POPPY:

The existing poppy crop is the most pressing and complicated issue for development projects this year, at least in Central Helmand. This is especially true for RAMP because economically the opium market is in direct competition with the legitimate agricultural markets. Any infrastructure rehabilitation projects support opium poppy cultivation and marketing. Politically it is important because come spring, when the U.S. media reports the estimated record setting opium harvest, there will likely be political fall out for all development projects. It seems unlikely that the philosophy and policy behind the old project paper "poppy clause" will be ignored in the case of Afghanistan. At least USAID in Washington has a much stronger anti-poppy orientation with reference to the reconstruction effort than seems presently reflected in the Afghan Mission. RAMP must be prepared to address this issue.

One question is: **Why should there be a focus on the poppy issue for Helmand?**

1. Helmand has always been a precedent setting region for the country in terms of cash crops and agriculture innovation. To eliminate opium production from this region would send a strong message to the rest of the country.
2. During the major opium producing years of the Taliban, Helmand was said to have produced some 40 percent of all of Afghanistan's opium. It is argued that if poppy production were eliminated in Central Helmand, it will simply shift to another region. Most of Afghanistan is subsistence farming. It is unclear where this production could move to make up for a 40 percent loss of the total. Helmand has the largest and most mechanized irrigation system in the country with perhaps the most productive and innovative farmers. And according to UNDCP reports, most regions of the country are already producing opium.
3. Because of a combination of development and official actions, Central Helmand produced no opium last year. These actions were missing during this fall's planting season.
4. Through recent years, the series of events that led to virtually no opium production in 2003 crop year were:
 - (a.) The Taliban's ban on poppy cultivation in 2000.

(b.) The partially failed poppy eradication program initiated by the British in 2001 that eliminated most of the poppies in the region. While flawed, this action sent a message to the farmers that there was no future for poppy in Helmand.

(c.) Strong government statements in 2002, combined with well publicized development actions relating to cotton and Central Helmand drainage. The government's follow up eradication resulted in near zero opium produced in this region at harvest time of 2003.

Given the RAMP goals, if the goals are related to the project name, virtually every development action taken in Helmand will be or should be addressing the opium problem, directly or indirectly. RAMP should be in the position to indicate how each project element has addressed this issue when the political fall out occurs.

SUPPORT FOR GOVERNMENT INSTITUTIONS:

Among the donors, the NGOs and other agencies working in the Helmand region, there is a tendency to ignore the various local government agencies that have important official roles to play in the local economies.

This tendency to ignore the local government agencies likely stems from the time of the cross-border projects in the early 1990s when the government was still communist. It continued through the time of anarchy and on into the Taliban era.

While present U.S. policy is aimed at developing democracy (in this society that is so democratic that there is very little discipline) and privatizing government institutions, there is a tendency to ignore their existence, except when we need their help. Most of these long existing organizations are the repository of much knowledge and experience. There are useful skills available within these organizations. Why not make maximum use of these skills and organizations while we await the hoped for transformation of the society and economy?

1) HELMAND VALLEY AUTHORITY (HVA): In 2002, Engineer Dawari, the president of HVA with prime responsibility for the Central Helmand irrigation system, insisted that the NGOs and other organizations working in Helmand attend a monthly coordinating meeting and report on their activities that previously, he knew very little about. This demand seems to have grown out of my involvement with the DAI Drainage Project where we maintained a continuous dialogue with Eng. Dawari and submitted a weekly progress report to him about the drainage work.

To date there appears to be almost no material support for the HVA administration and management elements of the operation. To all outward appearances, nothing has changed since the time of the Taliban. HVA has no modern office equipment and still depends on some 1970s typewriters or ball point pens.

HVA has donated office space to various organizations in its building. Eng. Dawari gave a quick positive response to the RAMP request for space (offering perhaps the best of the rooms in the building.) Some organizations have used their space for temporary staff housing.

HVA is the primary source for copies of drawings and plans for central Helmand irrigation system structures and specifications. The archives custodian (Abdul Rahman) has maintained and repaired his ancient blueprint machine without outside help for years and

provides his own ammonia and paper with the meager funds he gets from making copies of drawings requested by the various foreign organizations. He could use some supplies and probably a new blueprint machine for one of the most complete archives of irrigation system drawings in the country dating from the 1940s on. When rehabilitating the largest irrigation system in the country, it is useful to have available copies of the original design drawings of every structure in the system.

The Soils and Water Lab, has been abandoned since the USSR occupation. It is located in a building constructed in the late 1970s near the Lashkar Gah grain bazaar. Like many of these facilities, the lab appears to have been kept locked. The Central Helmand Irrigation System needs a functioning Soils and Water Lab. The next RAMP visit should include a quick survey of the equipment in this lab and an estimate on what needs to be done to get it functioning. There are still people in the area that worked with this lab and might be useful to contact. One is a shop keeper in Cha-i-Anjir bazaar, brother to CADG driver Haji Gul Gul. One contact can result in many sources.

These are but a few of the examples in the situation. In short, HVA consistently has given aid and support to a large variety of organizations working in the area but gets little in return in the form of support. And HVA is a fruitful source of information.

Recommendation: Recognize that HVA has no budget for office supplies and equipment or anything else. There is no need to await their request for supplies - they have none. As the RAMP office is being established in the HVA building, at least double orders of office supplies and equipment and share all with HVA. In the past they have been asked to provide such lists of needs – but nothing has ever been fulfilled.

One of the most common complaints from government offices relate to the multitude of foreign study teams that have passed through the area, asking many questions, for lists of everything, and no results. An office supplies and equipment drop for HVA would be a major PR coup. It would also help their operation.

Recommendation: Utilize the 6 or so engineers of the HVA Engineering Department that have nothing to do: design skills exist among this group. They have limited survey equipment and the skills to use it. As noted during our visit, it would be useful and welcome if RAMP could work with this group and involve them at some level of the various projects. RAMP could use them directly or there may be ways to involve them with elements of sub-contractor projects. Surveying and monitoring work progress and quality would be an obvious starting point.

HVA Engineering identified a problem area several years ago along the lower Shamalan Canal where the Helmand River is said to be within 50 meters of the canal. They designed a plan, including at least one protective bund, to protect this section of the canal. The UN Shamalan study included this area in the list of potential work sites but it is unclear if they knew of the previous work done by HVA Engineering.

Recommendation: Direct RAMP engineers to study what HVA proposed, compare it with what the UNOPS is proposing and judge the quality of the original proposed plan. A question to answer: Could a combination of HVA engineering and HCC construction skills coordinate to complete this relatively simple plan? (This is not to suggest that any river bank protective action at this location would succeed in the long term, regardless of who does the design and construction.) The Helmand River is wild when in flood.

At the start of the CADG Cotton Project, the head of the Agriculture Department, Mr. Barak (no longer there) gave several acres of land for use by CADG on simple request. Soon after that, a fledgling ag extension service was started by CADG, ignoring HVA Agriculture and the

office responsible for government extension activities in Helmand. This CADG organization has rapidly spread over the region but it is not clear exactly what they are accomplishing. While CADG is (apparently) heavily into agriculture, (including okra seed multiplication for sale in Pakistan) I am unaware of any real working relationship between the two organizations. CADG still has their plot in the Bolan experimental farm. I was not able to look into this during our short visit.

Recommendation: As it clearly relates to agriculture and the rebuilding of agriculture markets, it might be useful to have a RAMP agriculturist study and evaluate the activities of the CADG extension work.

Recommendation: Initiate contacts with a good state land-grant university with specialties in semi-desert cash crop irrigation, like Texas A&M and Colorado State University with an eye to initiating renewed on-site training for HVA staff and water user groups. All levels of training are needed to move the system toward greater farmer participation in control, better water use, and eventually, water charges.

We need to find out if the land tax, which was minimal before the USSR invasion, might have been re-started. It seems very unlikely that this would have happened at this stage in history. Eng. Dawari could answer this question with a telephone call.

2) HELMAND CONSTRUCTION CORPORATION (HCC): This is the semi-government construction company established when Morrison Knutsen Construction Company/Afghanistan (MKA) left the region in 1958 after building most of the central Helmand irrigation system. MKA left perhaps the largest heavy equipment repair facility in the country with functioning equipment and a highly trained staff. Their primary responsibility is the maintenance of the Helmand irrigation systems and the infrastructure that supports them, contracted by HVA. Neither organization has any significant budget.

Since the USSR occupation and the period of anarchy that followed, the HCC facility has been reduced to a very marginal equipment repair capability. HCC has had a variety of contracts with reconstruction organizations like MCI, DAI and UNOPS. With the funds earned from these contracts they have been able to buy some spare parts for their aged equipment but there has been no support for their organization or their facility from any donors that I am aware of. I did not visit the site during the recent short visit to the area.

Rather than work in conjunction with HCC, CADG purchased some used heavy equipment from Thailand and used it in road building projects in the central Helmand region. The Lashkar Gah to Marja road has been completed and the Lashkar Gah to Darwishan road along the Shamalan Canal service road is under construction with the use of two Thai engineers. Profit motive somehow may be behind this move but it undercuts an existing, viable construction company in need of support and does nothing for local institution (re-) building.

According to one source, Louis Berger sub-contracted work on a series (5?) of district schools in Helmand. Through some of their road connections to the north, Berger reportedly brought in an NGO or sub-contractor from the Wardak area. (More information is needed) HCC or HAFO (who built their own vocational training school in Kandahar with large steel framed windows) or a combination of the two could have accomplished this work and kept most of the funding in Helmand.

3) BOST COTTON GIN: USAID and INL jointly funded a Cotton Project in 2002 through CADG that allowed the cotton gin to begin selling their processed cotton on the international market through Steve Shaulis. The original project allowed the gin to begin paying farmers for cotton on delivery to the gin and for cotton delivered to the gin the previous year without

payment. It also provided spare parts for the ginning equipment. Under CADG a break in the relationship between CADG and the management of the gin occurred, apparently over the major sale of some cotton to an Afghan buyer (more information is needed). There has been a continuous dialogue since early 2002 about the potential for privatizing of this facility. The present status of this potential is not clear and it was not possible to follow up on this issue in the time allotted in this brief visit to the area.

Apparently, present U.S. policy discourages involvement with or support for the Bost Cotton Gin. If true, this seems a misguided policy at this time and may have been influenced by CADG. There is no question that in many parts of the world private enterprise is more efficient than government-owned and operated businesses. But successful private enterprise like democracy is based on a set of shared values. And presently the Bost Cotton Gin serves very important economic and political purposes for the local population. Among other things, the gin has long been the primary market for their cotton. And an established market is important for cash cropping farmers.

One question to ask: If the Bost cotton gin were privatized, would the management be any less dishonest than the present management? I think not. As my business law professor opened his course some 50 years ago: "Business is amoral and that is why we must have business law." Does Afghanistan have the necessary regulations and laws to control business? No. Under the present conditions of corruption and nepotism, is it likely that the new private owners would be any more effective or honest than the present management? Not likely.

There is no question that the gin is poorly run by western standards and is not paying the farmers an acceptable price for their cotton. CADG hired the gin's mechanical engineer away who had kept the gin running through the war years until 2002 without benefit of spare parts. But the gin is the primary market for the cotton crop of central Helmand and has been since about 1965. And cotton has been the most important cash crop in the region since the coup of 1973 when the government changed its pricing policy for cotton for the farmers based on the price for which it could be sold and not on how much the central government could profit. In a relatively short time, the farmers were producing more cotton than the gin could process in a season. In response, the British built a second gin at Girishk which the U.S. military recently bombed out of existence.

The world's narcotic control agencies are always in search of a crop substitute for opium poppy. Not infrequently they focus on exotic crops unknown to the farmers. In Helmand, as the farmers will tell you, (if anyone asks) cotton is one of the known crop substitutes for poppy. The farmers understand this crop and use modern farming techniques; they need fertilizer at reasonable prices; they require a fair return on their investment. Cotton production in Helmand is not perfect but nothing is. To ignore and not support the farmers and the cotton gin at this most critical time in history for Afghanistan is a great disservice to the region and a greater political error. The present policy of non-support for the Bost cotton gin in Helmand should be changed. This policy does not fit with the present political or economic context.

The government confiscated a number of privately owned cotton gins in the region, apparently an attempt to eliminate any outside competition. CADG indicated that the number was about 50 gins. My own impression after touring around the area with two other field projects between 1998 and 2002, and talking with a variety of gin owners was that the number was some 15-20 gins in central Helmand, the center of cotton production. These gins do not appear to be in serious competition with the Bost Gin if farmers could move back into major production with fair pricing. Their markets are primarily local, Lashkar Gah, Kandahar and Herat, cotton for household uses. They had a small market with a weaving mill in Miran Shah (Pakistan Tribal Areas) until the Taliban banned this export...or tried. The government cotton gin has little interest in selling one bail of cotton on these local markets. Through the

years, my impression has been that the private gins and the government gin do not compete for markets.

Our brief visit with Haji Rahim's brother in Nad-i-Ali indicated some of the variables in the private cotton gin situation. Haji Rahim owned 3 of these gins last year and is a man I have been discussing the cotton industry with since 1998. Not all the gins were confiscated. Some were hidden and some keep operating clandestinely. Some were moved to Kandahar where there are no restrictions and continue to operate. Many farmers are holding their cotton off the market. (The last report indicated that only 3,500 tons of cotton had been delivered to the gin.) Unstated: speculators are buying cotton to hold in anticipation of a better price. A more accurate and detailed picture would have come from Haji Rahim.

Recommendation: Work with the Ministry of Small Industry to get the price of cotton increased and to allow the privately owned gins back into service. Other interested ministries also should be involved to provide support and pressure. Outside foreign pressure alone will not do it and there is little incentive. The starting points would be with the Minister of Finance who frequently states his support for free enterprise, and the Ministry of Interior who has apparently taken an interest in the cotton problem both in Kunduz and Helmand. A large dissatisfied cash-cropping group of farmers have some political influence if not power, and could very well develop into a Ministry of Interior problem - and they do not need more problems. The Minister likely understands the relationship between the low price for cotton and the move into opium poppy. Opium cultivation and trafficking are Ministry of Interior problems. The Minister of Interior could likely have the private gins released through the governor. I could possibly help with this since I have known the Minister for 20 years.

This pressure to change the Ministry of Small Industries policies should be exerted by a combination of embassies and donors. The U.S. and the British should be the leaders in this movement since they were the ones to initiate the cotton industry in the south. I do not know who, as foreigners, represent the interest in cotton in the Kunduz area.

The pressure to privatize the cotton industry should come at the same time from the same sources, but to delay taking any action to solve the present problems until the gins are in private hands would seem an economic and political mistake. The present policy of what amounts to inaction in response to a problem will reduce cotton production and exports, reduce farm incomes, and complicate the elimination of opium poppy cultivation. This year in Helmand, poppy has become the alternative crop to cotton. And, yes the two cropping seasons do overlap if you want maximum cotton production. Cotton and peanuts are planted well before opium harvest which results in a single crop year for some parcels of land. The potential of early frost is the reason for this cropping pattern.

While there are unclear hints at the interest in privatizing the cotton industry, there is no clear indication of timing. In a society where the concept of government ownership of industry is well entrenched and was reinforced during the decade of USSR/communist occupation, it would be a mistake to assume that anything will happen quickly. It should be assumed that this government with limited salaries and no tax base will delay privatization of government industry as long as possible. And as noted above, it is not clear that privatization of the cotton industry at this time is a good idea. But the industry needs continuing help with marketing cotton on the international market.

The US policies of democratization and privatization are long term goals. They will not likely happen tomorrow in Afghanistan. But for farmers in central Helmand life is based on a series of short-term goals, e.g. this crop season. It does no harm to solve short term problems upon which the lives of the people we are supposed to be helping depend, while at the same time we pursue our long term, more elusive policies.

COMMENTS ON AND RECOMMENDATIONS FOR: DAI Proposal for Change Order No. 1 to RAMP Job Order No. 3, Addition for Emergency work on Shamalan S-10.7 Lateral Canal (Helmand) and Cleaning the Marja Drains (Helmand): 5 February 04.

1. Emergency Work on Shamalan S-10.7 Lateral Canal: It is my understanding, from information gathered from Eng. Dawarai, HVA President, that the Boghra Canal was re-opened about 20 February. Since the work had not yet started, most of this repair work cannot be started before about next 10 January 05 with the annual maintenance shut-down. Most of the work will at least start below waterline and requires some concrete work. While sections of the canal may be shut down for short periods during this year's regular flow time, fresh concrete needs sometime to cure before being submerged. (I may stand corrected by our engineers.)

During this coming hot season, it is unlikely the farmers will allow the water to be closed for any length of time. They get nervous when the irrigation water is cut off as their crops approach maturity and temperatures near 100 degrees F. See the S-10.7 lateral work schedule on p. 8 of the subject report. The work is scheduled for the months of February and March while the usual shut down period is between mid-January and mid-March. It has always been my understanding on work like this (that has been proposed in the past) needs to be done during the shut-down period.

There are references to the length and location of the work in the report on p. 3, para. 3, and p. 5 para. 3, where it said, "We will improve 2.9km of canal bank through this emergency initiative." And "There are 70 different, non-contiguous sections of the S-10 located on either side of the canal that need emergency repairs prior to March 15." Since this is the primary document that may be used for future field monitoring and evaluation, a simple list of these sections with survey station and length noted should be required. This should be simple since, in theory, they have surveyed these sections of the canal. This could be added to the quantities lists on pp. 36-37. There is time.

Over the past year, there has apparently been considerable erosion on the left bank of the intake that may need immediate attention. (I was not able to check on this during my recent short visit.) While complete repair is not likely, some emergency action, like filling this service road hole with large stone, could be taken. Vehicles passing over this repair would help compact this weak spot in preparation for next year's shut down.

Most of the work on the S10-7 Lateral will be delayed until next winter's work season when there is no water in the canal. Rather than limit the work to the presently unlisted repairs, It would be useful to request a new proposal for total rehabilitation of the S-10 and open it up for bid. RAMP can get more work for this amount of money.

The S-10.7 lateral has not seen serious maintenance for more than 20 years. It also needs desilting. And there are in fact very few places along this lateral that need emergency repair other than at the intake.

It should be kept in mind that one of the reasons for the present damage to the lateral stems from the fact that more water is being pushed through the lateral than it was designed to handle.

2. Cleaning the Marja Drains: It is noted that about 60% of the Marja drains have been cleaned and that "the remaining 15 deep drains"...are being proposed for cleaning. (p.4, para. 2.), some 87 (p. 1) or 109 (p.9) km. Since this is the primary document that may be used for future field monitoring and evaluation, a simple list of these deep drains should be required. Each deep drain

in this irrigation system has a number, cross section and official length. Their listing would be simple. This could be added to the quantities list on pp. 38-39.

For RAMP reference, it would be useful to request a copy of the final report from DAI for the USAID funded Drainage Project that ended last fall. The Afghan NGO, HAFO, did most of this work. It is my understanding that they wrote a final report on their work for DAI. A DAI report on accomplishments should have been written for USAID, the original funding agency and should list the drains cleaned to date.

In the budget, hand labor is budgeted at \$185,159 or 36% of the activity budget. In the text, there is no indication that hand labor will play an important role. "DAI will use heavy equipment to complete the cleaning of the Marja drains." (p.5)Using heavy equipment will ensure that we complete the work quickly and efficiently. We will engage local labor laborers on an as-needed basis to remove sediment and re-shape the drains in areas that are inaccessible to large machines."(p.6) This is an engineer's project, not planned as labor intensive, with limited economic impact on the less affluent but most numerous elements of the society. Machines are easier to manage than people. This project needs to be re-oriented to better fit with project criteria and have a more positive economic and political impact. As it is , it is not an eye catcher.

Keeping the very large farm labor force in this region busy is important...economically, politically and for any future poppy projects. As designed, this project does not meet the labor intensive project criteria and should be reoriented. When I started this project for DAI in the fall of 2002, It was primarily a labor intensive project with HCC equipment support in the main drains. It should have remained a labor intensive project.

3. Local Contributions: (p.11) In the usual use of the term, there are no "local contributions" in these projects. These "local contributions" all appear in the budget. "Local contributions" normally refer to local contributions in labor, equipment or supplies, like sand, by the community at no cost to the project.

4. General: While this document looks good in make up, quality paper and color photos, it is difficult to use with reference to any one of the four projects proposed for funding. The document reads well with the liberal use of standard "buzz" words and phrases but not always accurately, like the use of "local contributions", above. To find the information on any one project, you must scan the entire document since the information is scattered through out the document.

Unless I missed it, there is no mention of a continued dialogue with the farmers and government on the subject of opium poppy. This dialogue must always be a part of any project in Helmand and should be added to this document as well as to the filed activities. It is my understanding that this dialogue died when I left the project in January of 2003.

Recommendation: Given that this DAI document proposes the expenditure of about \$1 million on the two Helmand projects alone, it should be rewritten, reorganized and completed with the necessary information. I cannot imagine that a normal USAID Mission Program Office would not accept this document as a basis for funding.

LACK OF COORDINATION AMONG DONORS ON ROAD RECONSTRUCTION (OR ANYTHING ELSE):

In the meetings held with Governor Pashtun, the Provincial Reconstruction Team and discussions with various members of the CADG staff, it was clear that there is limited sharing of information between the groups and no one, that we met, was keeping track of what roads were going to be re-built and by whom. Surely the donors have some idea of who is doing what. But if it has developed into a situation like that relating to the cleaning of *korez* systems in the 1990s, it could result in the misuse of funds at best. _

Recommendation: For planning purposes there needs to be a central coordinator for roads on a province basis, at minimum. Roads should probably be the easiest to keep track of. And for Kandahar the center should be in Governor Pashtun's office. It was clear he did not know what was happening in his province on roads or who was doing what. No doubt having the governor's office as the center would rub some organizations the wrong way but it would be a matter of keeping the center informed of the present status of road repair. This has nothing to do with control. And the governor should be kept informed of what is happening in his province.

Given that virtually all roads in the region are market roads and RAMP has a clear interest in market roads, perhaps RAMP or its primary contractor in the region, CADG, could take the lead in keeping track of road repair.

We might assume that the same sort of lack of communications is occurring in most other sectors as well.

THE CHECK DAM PROJECT:

We visited the two check dam sites in Kandahar province on 17 Feb 04. One was complete and had watermarks from a recent rain/small flash flood. The stone and concrete work appeared good but there were problems with the design not tying the structure into the canyon walls. And some rather large boulders were protruding out of the structure. In short, it was a slap dash job. There was discussion about the design but it was unclear if in fact they were working from an actual design. Riprap should have been added along the lower edge of the structure. At the second site, only the foundations were completed up to ground level. It was unclear if this site had a design as well. The site engineer did not have any drawings with him for the visit, which is unusual.

The purposes of the check dams were to slow the flow of the rare rain water out of the area; to perhaps establish a water source pool behind the dams; and to increase the seepage of water into the nearby *korez* systems for agriculture and village use. There were two villages a mile or so down slope from these structures. On enquiry, one village had 70 households, the other had 35. In the two villages, the primary beneficiaries will number less than 1,500 people. Given the estimated cost of some \$80,000, is this the best way to spend the limited development funds? This project meets none of the criteria noted above. At some point in the reconstruction process it will be important to address the problems of the rural, isolated poor. But when considering other *korez* related projects, keep a few details in mind: (1) It is rare for any one *korez* system to irrigate a sizable piece of land as *korez* systems are small scale irrigation. (2) Populations dependent on *korez* systems tend to be small because of their subsistence level economy. In this case, there appeared to be a local khan with a pickup truck. One of their cash crops was a good one: cumin. More information is needed to understand this particular location.

Recommendation: Stop this project and redirect these funds into a more productive region for greater impact. Given the outlined criteria for project selection above, the investment of the same funds on the irrigation systems of central Helmand would have much greater economic and political impact than these check dams. First, focus projects where most of the people live, in the cash cropping areas. Check dam projects in isolated areas can wait.

LASHKAR GAH WHOLESALE VEGETABLE BAZAAR:

The present wholesale vegetable bazaar is located one block off the main bazaar street in a crowded and blocked area. There is a one lane drive through that is difficult even to turn into. When a truck is being loaded or unloaded, all traffic stops. There are 15-20 merchants with open front shops of local mud brick construction. I do not know the ownership of this bazaar.

The idea of building a new vegetable wholesale market for Lashkar Gah (Central Helmand) is a good one. Even through the slow winter season, the present bazaar is a bottleneck. They need additional space and easier access. As Tom Brown pointed out, in melon season, the present bazaar is bypassed and the melon bazaar locates itself elsewhere and without cover. Building a

new Lashkar Gah vegetable bazaar sends the right signals to the region about the future. A new marketing facility would catch the attention of the local farmers and wholesalers.

This is a very busy bazaar that indicates the size of the markets both inside and outside Helmand being served. In any bazaar in central Helmand, you can find apples and citrus from Pakistan and Iran. Onions and potatoes are imported from a variety of places although onion production is growing rapidly in the area. Early season vegetables are brought in from Farah province and Pakistan. As Helmand comes into production, some of the same types of vegetables are exported to these markets. A handful of innovative farmers have begun to experiment with early season vegetables using plastic sheets spread over the fields. With a little help with market development, central Helmand farmers could flood the market with early and seasonal vegetables...if they thought there was a market. This includes melons and watermelons.

Much of the vacant land around Lashkar Gah is government land. With a little pressure from Kabul or RAMP, it is likely that the governor would give the land necessary to build a new market. The question to be answered is: What sort of market ownership fits with U.S. policy at this time?

It could be a municipality-owned market or one or more businessmen from the town might be interested in building it as a joint venture. The Bean Bazaar, which includes peanuts, is under private ownership. It is not clear what would happen to the idea of free land if the structure were privately owned. You can be sure that the present governor will be personally involved in such an institution regardless of ownership. He appears to be a business man at heart, somewhat out of control. But he is very cooperative. The rumor from several sources is that he recently built a new general purpose market area and forced shopkeepers to move there. There was an old regulation, generally ignored during the war years, that there can be no shops in the residential areas. Apparently he brought this regulation into play - but this needs to be confirmed.

Perhaps CADG could be nudged to focus on this important sector of substitute crops for poppy. As I remember, there was an element of the Cotton Project that related to crop substitution, besides cotton. But for some reason they have stayed away from vegetables, except for their okra seed project. They have the skills, knowledge and contacts to support the international marketing of vegetables.

As I noted in previous discussions, one of the justifications for building the Kandahar airport was for the purpose of moving produce from Kandahar and Helmand to the Gulf States. It did not happen. If markets could be developed in this region perhaps Lashkar Gah airport could be used for melon and vegetables. It is a well packed dirt strip that could be used most of the year. In recent times it has accommodated loaded C-130s.

At some point in the mid-1980s DAI had a project working with the municipality of Peshawar, wholesalers and farmers for the development and organization of regional wholesale markets for fruit and vegetables, including buildings. This might be a quick starting point for RAMP. The problems would be similar except that the Peshawar market was already massive in volume at the time.

Recommendation: Contact DAI/Washington for relevant materials. As I remember, Don Mickelwait was directly involved in this project, among others. Visit the Peshawar wholesale market to see what was done and how. Information on organization and ownership would not be difficult to collect. Quetta may also have been involved in this project.

I have discussed this Peshawar project with Eng. Jawed of HAFO. He indicated that he would visit the facility and get the details of its organization and structure, and write a proposal for Helmand.

A JOINT HAFO AND HCC PROJECT:

Build on the success of previous joint HAFO/HCC projects for the repair of the infrastructure of the central Helmand irrigation system. The two organizations have worked together on at least two other related projects: The MCI project for de-silting sections of the Boghra Canal and the more recent DAI Central Helmand Drainage Project. In both cases they were the primary subcontractors that did the work with HAFO having the lead role. HAFO organized and managed the hand labor. HCC provided the heavy equipment work with HAFO engineers monitoring. I worked with them as organizer and coordinator in both cases.

HAFO and HCC can be quickly mobilized to start identified project activities focused on the rehabilitation of the central Helmand irrigation system at reasonable costs. Much of this needed work is not highly technical in nature, like cleaning the drains, and would not be difficult to plan, organize or execute. Politically and economically, timing is very important. And in the farmers' view, we are well behind schedule.

IN CONCLUSION:

This trip, however brief, was useful for me in continuing to build on years of experience and accumulate first hand knowledge of current trends in Helmand. Very little has changed since my 4 months stay in the area last year. Except we have fewer field projects now.

RAMP has the mission to re-build agriculture markets for Afghanistan and the infrastructure that supports them. Like it or not, this ties RAMP to the international opium poppy cultivation control efforts. Opium competes with the legitimate crops for land and markets. With a focus on Helmand (the largest irrigation system in the country with perhaps the most productive farmers) hopefully RAMP can help bring these farmers back to legitimacy. This would not be difficult to do with a few key, coordinated and timely moves, and a lot of face-to-face discussion with farmers and officials. Helmand farmers do not need opium and they know it.

Properly organized and implemented in a timely manner, RAMP can establish a model for agriculture reconstruction....much needed in this country. And the key to success in these early phases is quick and timely action on priority projects. Nothing I have proposed in this report is difficult to understand or do....except perhaps the privatization of the cotton gin.

Politically and economically there must be serious and well publicized development actions now.