

PD-AAZ-016

REPORT OF APPRAISAL
OF
PROJECT PLANNING AND MONITORING ACTIVITIES
FOR
SELECTED TECHNICAL ASSISTANCE PROJECTS IN AFGHANISTAN

By the
Operations Appraisal Staff
of the
Office of the Auditor General

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HIGHLIGHTS OF REPORT

A. Summary of Findings and Conclusions

1. The Royal Government of Afghanistan's (RGA) capacity to plan, develop and implement projects is limited and its financial resources to contribute to its own development similarly are limited. Lack of continuity among high level RGA officials complicates project planning and implementation. There is a hesitancy on their part to engage in developmental efforts which may involve changes in the socio-political structure--and a reluctance on the part of the Mission to recognize this hesitancy. These difficulties, which reflect Afghanistan's current state of development, run as a thread through the whole USAID/Afghanistan program and contribute to difficult implementation problems.
2. The Mission is making satisfactory progress in responding to the Agency's reform program calling for greater use of intermediaries in lieu of direct-hire project implementation.
3. USAID/Afghanistan's involvement of intermediaries in planning, implementation and evaluation of existing and planned technical assistance projects is good.
4. The projects reviewed reflect chronic over optimism in progress expected and attained. The Mission tends, in planning and evaluating projects, to overestimate RGA willingness and capacity to perform. Mission planning has resulted in projects for which unrealistic goals, purposes, outputs and RGA inputs are set in excess of those which could be met. Also time frames for performance are too short and unrealistic for accomplishment. The RGA has come to know what kind of promises USAID/Afghanistan will expect and makes adjustments not to reality but to the Mission's expectations. In keeping with its original over optimism, the Mission, in its review process, understates and tolerates RGA nonperformance further affecting the reality of RGA commitments.

The Mission's over optimism in planning and evaluating projects may be due in part to the perception by the Mission (rightly or wrongly) that it has to "dress up a project" in order to get initial or continuing approval by A.I.D./W which may not appreciate the different cost/benefit ratio of a project in one of the 25 relatively less

developed countries (RLDC) as compared to a similar project in a more developed LDC. In any event, the USAID credibility with A.I.D./W has been affected and has resulted in an undue amount of friction between the USAID and A.I.D./W.

5. USAID/Afghanistan has not sought sufficiently to involve the RGA in project planning to insure (a) a realistic set of goals, purposes, outputs and RGA inputs, and (b) an adequate commitment to the project.
6. The Mission's record of preparation and submission of Project Appraisal Reports (PARs) is good. However, the evaluation process does not attack the real issues and downplays lack of host country performance and other problems. The process is inadequate as an analytical tool leading to problem resolution or replanning. The Evaluation Officer had received no training. (Pursuant to AG/OAS recommendation, he has since been sent to A.I.D./W for training. However, his transfer out of the USAID to another post is under consideration.) His many other duties dictated that evaluation could not be given the necessary priority. The Mission has had three Evaluation Officers since the installation in the Mission of the new methodology for improved noncapital project evaluation, for which the Logical Framework (Log Frame) is the key. As a result, the effect of the installation team had largely worn off, thereby reducing the quality of the Log Frame. The Mission's Log Frames appear to be a pro forma completion of an A.I.D./W requirement rather than a tool for developing and evaluating projects with greater precision and realism.

B. Principal Recommendations for USAID/Afghanistan Action

1. USAID/Afghanistan should seek increased collaboration of the RGA in project planning in order to insure a greater commitment on the part of RGA to a set of realistic targets which they could be reasonably expected to attain.
2. The Mission, to assure more objective analysis, should make greater use of the PAR process as a device for problem identification and resolution and for restructuring and replanning projects.
3. USAID/Afghanistan should request an A.I.D./W team from the Office of Program Methods and Evaluation to provide further training to Mission personnel in the need for and application of better evaluation techniques including better preparation and use of the Log Frame. (A.I.D./W now plans to send such a team to the USAID in March or September 1973.)

4. Other duties of the Evaluation Officer should be limited, consistent with USAID/Afghanistan manpower availabilities, to allow him adequate time to carry out his evaluation duties. He should have more direct access to the Mission Director in carrying out these duties.
5. USAID/Afghanistan should give more attention to the preparation of Log Frames to insure their effective use as tools in developing realistic and precise projects.

TEXT OF REPORT

A. Background and Scope

This examination of selected development grant projects in Afghanistan, completed in early August 1972, was made to test whether the Agency's technical assistance project planning and evaluation system is reasonably operative and effective there. We also sought to assess USAID/Afghanistan's progress in implementing the Agency's reform policies for technical assistance, as provided for in the Deputy Administrator's transition planning message of February 16, 1971, to USAIDs and subsequent A.I.D./W guidance.

At the time of our examination, in July 1972, USAID/Afghanistan was financing eleven active technical assistance projects. We selected for in-depth reviews some seven of these projects embracing three fields of activity: education (4), agriculture (2), and management (1).

We also reviewed the Mission's planning for follow-on assistance in the education and agriculture sectors.

In light of Agency trends toward greater use of intermediaries, six of the projects we selected are activities which are being implemented in whole or in part through intermediaries. The seventh project is one which is implemented through the use of U.S. direct-hire staff. It was selected because the Mission was considering follow-on assistance.

In addition to the seven technical assistance projects, we also reviewed the Helmand-Arghandab Valley Authority/Helmand-Arghandab Construction Unit Equipment Loan (306-H-012) (HAVA-HACU) because of its large technical assistance component which is an integral part of the Helmand Arghandab Valley Regional Development project (306-11-995-090).

Our review was a detailed study of the progress and problems of program planning and monitoring for each project activity. This report is an assessment of the current quality of project planning, monitoring, and evaluation system and the Mission's progress in implementing A.I.D./W's reform policies.

In examining technical assistance project planning and monitoring for Afghanistan, we talked with A.I.D./W officials, USAID/Afghanistan staff members, host government officials, and employees of the intermediaries. Our work was performed in A.I.D./W and in Afghanistan, including visits to the relevant project sites. It included observations on "interactions" between the above-mentioned interested parties. We looked at

the various project documents and files--e.g., the Noncapital Project Proposals (PROPs), PARs, the Log Frame approach, etc. We examined the Mission's program submission and its responses to A.I.D./W reform messages. Where the Mission was considering follow-on or related new activities, we examined planning documents and correspondence to see if the planning process was responsive to the new reform guidance.

The Area Auditor General for the Near East, together with Resident Auditors, have conducted a series of audits of USAID/Afghanistan-financed activities over the past several years--i.e., 38 audits in FY 1971 and 35 audits in FY 1972. We reviewed audits of technical assistance projects (12 in FY 1971 and 13 in FY 1972) and find they focus principally on operational problems in Afghanistan in contrast to our systems emphasis. The Mission has been responsive to this audit work and has put forth a good effort in overcoming problems disclosed by audit reviews.

For readers who are interested in further observations on Agency progress and problems in applying the new methodology for planning and evaluating noncapital projects, we invite attention to a similar AC/OAS report we issued in April 1972 entitled "An Evaluation of the Management of Technical Assistance Projects in Three African Countries." We also have prepared a companion report on selected projects in Turkey. Collectively, we believe these three reports may be useful in stimulating overall improvements in the application of the new methodology.

B. Project Planning and Monitoring

1. Project Preparation and Implementation

RGA's capacity to plan, develop and implement projects is limited and its financial resources to contribute to its own development similarly are limited. Lack of continuity among high level RGA officials complicates project planning and implementation. There is a hesitancy on their part to engage in developmental efforts which may involve changes in the socio-political structure. These difficulties, which reflect Afghanistan's current state of development, run as a thread through the whole USAID/Afghanistan program and result in difficult implementation problems.

Notwithstanding these limitations, we believe that there is not sufficient involvement of the RGA in project planning and this generally results in an overstatement by USAID/Afghanistan of the host government's commitment. Anticipated RGA policy changes, and budgetary and manpower

inputs are chronically overestimated. Statements of project purposes generally are too broad for accomplishment within the project's planned lifetime and U.S. inputs are inadequate for their accomplishment. As a result, most projects suffer from chronic implementation problems. For specific instances see C. Review of Selected Projects.

The Mission's over optimism in planning and evaluating projects may be due in part to the perception by the Mission (rightly or wrongly) that it has to "dress up a project" in order to get initial or continuing approval by A.I.D./W which may not appreciate the different cost/benefit ratio of a project in one of the 25 relatively less developed countries as compared to a similar project in a more developed LDC. In any event, the USAID credibility with A.I.D./W has been affected and has resulted in an undue amount of friction between the USAID and A.I.D./W.

a. PROPs - The Selection of "Quality" Projects and Host Country Participation

The limitation of U.S. funds available for Afghanistan's development means that A.I.D. should select and finance only projects which are supported firmly by the RGA and which have the highest development payoff potential. Weak projects should be terminated as recommended by the "Transition Planning for Technical Assistance" Memorandum of February 16, 1971.

Except for the Statistical Information System Development project (306-11-780-124) and the Curriculum and Textbook project (306-11-690-091), the projects reviewed and other Mission documentation raise some doubt regarding the Mission's success in searching out "quality" development targets with "host country participation" as defined by the transition reform guidance. We observed USAID/Afghanistan's tendencies towards (a) unilateral (rather than joint) project planning; (b) an over-generous assessment of RGA's ability and willingness to make the inputs and carry out the responsibilities to which they agreed; (c) excusing RGA nonperformance because of initial unrealistic performance criteria, and (d) a reluctance to recognize the hesitancy of the RGA to go ahead with developmental efforts which affect the socio-political structure. (See C. Review of Selected Projects for examples.)

Recommendation: USAID/Afghanistan should seek increased collaboration of the RGA in project planning in order to insure a greater commitment on the part of RGA to a set of realistic targets which they could be reasonably expected to attain.

b. Role of the Intermediary

Intermediaries are utilized by the Mission in all projects reviewed except for the direct-hire implemented National Agriculture Development project (306-11-190-002) and that part of the Helmand Arghandab Valley Regional Development project (306-11-995-090) (HAVA) assisting agriculture. (Assistance to HAVA in water resource development is provided through a Participating Agency Service Agreement (PASA) with the Bureau of Reclamation (BUREC).) Forward planning for both the above direct-hire implemented projects contemplates the use of intermediaries.

USAID/Afghanistan also now utilizes intermediaries in the planning process. A good example of intermediary participation in planning is the Statistical Information Systems Development project which the Bureau of the Census developed jointly with the RGA from the project's inception. The RGA requested assistance in 1970 for the improvement of its statistical development capacity. USAID/Afghanistan brought in a Census Bureau advisor from Pakistan whose report result in the RGA's establishing a National Statistical Advisory Committee. A Census Bureau TDY team then helped prepare enabling legislation, an organizational plan, a work plan, and a training program. After the RGA adopted these plans, USAID/Afghanistan commenced the project with a Census Bureau team.

An exception to the involvement of intermediaries in planning--on the Kabul University follow-on project--was corrected after the Mission received A.I.D./W's comments on the follow-on Preliminary Project Proposal (PPP). (See C. Review of Selected Projects.)

Forward planning currently going on in the Mission to assist in the Helmand-Arghandab Valley fully involves the present intermediary, the BUREC. The Mission also plans to involve a potential intermediary in the early stages of a follow-on activity as well as on future National Agriculture Development subprojects. In

addition, USAID/Afghanistan has urged early contracting and on-site involvement of the management team which will help implement the fertilizer loan, presently in the process of authorization.

2. Project Evaluation

USAID/Afghanistan's low priority given evaluation is indicated by the fact that it has had three succeeding Evaluation Officers since the installation of the Log Frame in February 1971. As a result, the impact of the installation team has been substantially eroded. Further key Mission management changes have occurred since our return from Afghanistan reducing even further the residual impact of the installation.

The current Evaluation Officer had no training in evaluation. (Pursuant to the recommendation of the AG/OAS team, subsequently he was sent to A.I.D./W for training; but is currently being considered for another post.) As a relatively junior member of a busy Program Office, he does not normally have direct access to the Mission Director. His duties include programming responsibility for Education, Private Enterprise and Public Administration and he is responsible for public relations activities and coordination with other donors. During the AG/OAS review, the Evaluation Officer was Acting Project Officer for four education projects in the absence of the Project Officer. A meaningful evaluation process under these circumstances is, at best, difficult.

Recommendation: a) Other duties of the Evaluation Officer should be limited, consistent with USAID/Afghanistan manpower availabilities, to allow him adequate time to carry out his evaluation duties. He should have more direct access to the Mission Director in performing evaluation duties. b) USAID/Afghanistan should request an A.I.D./W Evaluation Team to provide further training to Mission personnel in the need for and application of better evaluation techniques including the Log Frame. (A.I.D./W now plans to send such a team to the USAID in March or September 1973.)

a. Project Appraisal Reports

The Mission's record of preparation and submission of PARs is good. PARs for all projects reviewed were submitted in FY 1972 with the exception of PARs for two of the three subprojects of the National Agriculture Development project. USAID/Afghanistan also held mid-year project reviews. The Mission has also made a good effort in involving host country officials and intermediaries in the PAR process. In fact, the recent and unusual appraisal review of the Industrial Development project (306-11-910-116) held in the office of the Minister of Commerce, with the Minister and the Mission Director presiding, including representatives of the RGA, USAID/Afghanistan, the intermediary, other donors and industrialists from the private sector. Reports of the sessions indicate a wholesome dialogue on project issues. A wide variety of problems in the entire sector were raised.

However, project appraisals of most projects reviewed by us did not attack the real issues and downplayed the lack of host country performance and other problems. There is little evidence of an attempt to restructure projects to meet those problems which were identified. Identified problems are generally accompanied by hopeful statements of future improvement. USAID/Afghanistan's appraisals for the most part, appeared to be an exercise in advocacy or justification of projects rather than an analytical assessment serving not only to identify and resolve problems, but as a tool for replanning. Specific instances are discussed in detail in C. Review of Selected Projects.

Recommendation: The Mission, to assure more objective analysis, should make greater use of the FAR process as a device for problem identification and resolution and for restructuring and replanning projects.

b. Logical Framework

A.I.D. developed the Log Frame first as a tool for comprehensive and effective evaluation and subsequently applied the methodology to project preparation so as to achieve more precise and realistic projects.

The Log Frame system was installed in USAID/Afghanistan by an A.I.D./W team on February 21-26, 1971. That team helped prepare Log Frames for two of the three subprojects (Development Services and Extension) of the National Agriculture Development project as part of the FY 1971 PARs for these subprojects.

Log Frames have since been prepared on most ongoing projects reviewed by us.

Log Frames were also submitted to A.I.D./W for PPPs as follow-on projects to the three Kabul University projects and to the National Agriculture Development project.

Of interest, is the preparation by the Program Office of a Log Frame for a five-year projection of the entire USAID/Afghanistan's technical assistance program. Although primitive in content and not further utilized by USAID/Afghanistan, it represents an innovative effort to broaden the use of the Log Frame.

USAID/Afghanistan's preparation and use of the Log Frame generally leaves much to be desired as a tool for project preparation and evaluation. Preparation of the Log Frame appeared to be a pro forma completion of an A.I.D./W requirement. USAID/Afghanistan's Log Frames are patently optimistic in their assumptions and are insufficiently precise to be used for the purpose intended, to wit: for charting a course of action and for subsequent measurement of progress along the course.

Recommendation: USAID/Afghanistan should give more attention to the preparation of Log Frames to insure their effective use as tools to develop realistic and precise projects.

Specific instances of the preparation and use of the Log Frame by USAID/Afghanistan are discussed in detail under C. Review of Selected Projects.

C. Review of Selected Projects

Previous sections have referred to problems encountered in USAID/Afghanistan planning, implementation and evaluation. This section reviews selected projects which illustrate these problems.

1. Kabul University

Kabul University is a rapidly growing institution without continuity of leadership (eight Rectors since 1965), receiving spotty moral and financial support from the RGA, troubled by strikes and student dissent, with a poorly prepared student body, and an underpaid, undersupported faculty. A number of aid donors are assisting various Faculties. In this framework the U.S. has expended over \$30 million. Continued U.S. assistance is proposed on the grounds that, as stated in the 1974 Development Assistance Program (DAP), "it requires assistance if it is going to have any hope whatsoever of paying off on our already large investment and that we should work within this unstructured milieu until our intermediate activities can be displaced by something more structured, something more target-oriented-- in other words, until there are people in Kabul University who not only have the willingness and the understanding to formulate a plan for academic development but also have the authority to develop, negotiate and implement it."

At the time of the review, U.S. assistance to Kabul University included three projects assisting (1) the Faculty of Agriculture, (2) the Faculty of Engineering, and (3) the University's Central Administration. Subsequent to our return to Washington, A.I.D./W approved a "three-year interim" follow-on project for implementation "until the Government of Afghanistan and Kabul University can begin to identify its priorities and develop the rudiments of a development plan." (PROP Approval Memorandum of August 18, 1972.) This project, Higher Education - Kabul University (306-11-660-121), is intended to supplant the aforementioned three projects.

Considering the problems facing Kabul University, the projects which offer assistance to the Faculties of Agriculture and Engineering have shown adequate progress. This is due principally to the desire on the part of the Afghans to develop these individual Faculties.

Present relationships between the Mission and the two implementing intermediaries (United States Engineering Team and the University of Wyoming) assisting these Faculties are good. Implementation is left in the hands of the intermediaries who find responsive and cooperative counterparts in their respective Faculties.

Although no Log Frames were prepared for these two projects, the PROPs, later PARs and mid-year reviews, involving all interested parties, set fairly definitive targets, surfaced and resolved most tactical problems. However, in the area of forward planning and reprogramming, serious differences developed between the intermediaries (United States Engineering Team and the University of Wyoming) and USAID/Afghanistan and are discussed hereinafter under Post-73 Assistance to Kabul University.

a. Kabul University Administration Improvement (306-11-680-013)

Historically Kabul University, in the style of a traditional European university, has been a confederation of loosely knit and autonomous Faculties.

An inherent conflict has existed between the many successive Rectors of the University and the Faculty Deans as to whether central University administrative structure should be strengthened at a cost of the surrender of autonomy by the Faculties.

Following a report in 1966 by the Chancellor and Vice-President of Indiana University, USAID/Afghanistan decided to support the then U.S.-trained Rector in his efforts to strengthen central administration through a contract with Indiana University. Beyond the support of the transient Rector, there proved little real host country initiative to implant this American concept.

The issue of host country initiative versus an "American project" is highlighted in the FY 1968 E-1 narrative with language such as "move toward a more American pattern" and "introduce features of an American land-grant college." The Action Memorandum for approval of the 1969 PROP adds: "Implicit in the project design is the emergence of an American style university wherein a strengthened central administration will assume administrative and academic policy authority presently held by the separate Faculties."

The first PAR (April 17, 1969) noted the inherent instability at the University and its adverse effect upon the project and also noted the mixed receptivity "to new ways." While indicating "unsatisfactory progress" in one section, the PAR rates overall achievement as highly satisfactory, actual impact of the project on program goals as satisfactory, and overall implementation as being "superior." It concluded by recommending continuation of the project as planned. This PAR accompanied the initial PROP to A.I.D./W, which conditionally approved the PROP in November 1969. However, A.I.D./W noted the aforementioned problems and lack of real progress toward the goals and purposes and directed an in-depth joint A.I.D./USAID/Afghanistan field review.

The subsequent PAR (May 1, 1970), in spite of the warning flag raised by A.I.D./W in conditionally approving the PROP, also rated overall achievement as highly satisfactory. This PAR stated that: "This is a project in which Afghans are sincerely interested and deeply committed. The Mission believes that this project should continue as planned with no change in purpose or design."

The aforementioned joint review was then held and A.I.D./W approved a revised PROP (March 1, 1971), which delimited the purpose to improving the housekeeping capability of the Central Administration. Nonetheless, the intermediary's efforts to meet even the limited goals of the revised project have been inhibited by instability of this higher institution characterized by the lack of Rector continuity, two lengthy student strikes, and a difficult battle over the approval of a constitution for the University.

The Mission prepared a Log Frame in January 1971. With the exception of indicators for outputs, the objectively verifiable indicators are vague, thus making it difficult to ascertain progress toward project purposes and to make an ultimate decision of project success. For example, End of Project Status expects "trained Afghan staff" and "improvement in institutional practices and institutional management in the three target areas." It is also difficult from the Log Frame to relate outputs to inputs; i.e., the extent to which output accomplishments are the result of, or independent of, U.S. inputs. Imprecise terms relating to goals, purposes and outputs such as "Improvement in," "To assist," "The development of," are used. An example

of the kind of problem we found with this Log Frame is that, in spite of the project's history, it lists as an Important Assumption "Firm RGA commitment to a unified university."

b. Post-73 Planning for Kabul University

The issue of continued assistance to Kabul University has been the subject of intense Mission consideration for a number of years.

In May 1971 the Mission submitted a PPP to A.I.D./W. The proposal suggested that the assistance to Kabul University be continued through FY 1978 with a U.S. contribution of \$5,018,000. The Log Frame attached was as imprecise as the earlier one, discussed above. Assumptions, in the face of admitted problems, still were over optimistic.

RGA participation in the preparation of this PPP was minimal. Also, Indiana University was the only intermediary involved in the Mission planning process. The other two intermediaries and the other donors were not consulted at that time.

A.I.D./W criticized the PPP as lacking the involvement of Kabul University and as not reflecting a clear sense of direction within the University as to the University's role or its development as an institution. The President of Kabul University also commented critically to the Mission on the PPP. He, together with the intermediaries on the Faculties of Engineering and Agriculture, wanted greater continued assistance to the Faculties themselves.

Following A.I.D./W comments on the PPP, the Mission involved all of the intermediaries in the planning process and attempted a closer collaboration with Kabul University. However, a student strike from December 1971 to May 1972 and the resultant resignations of the President of Kabul University and the Minister of Education made such collaboration difficult. In any event, A.I.D./W's expressed desire for the development by Kabul University of a rudimentary plan for its own future growth did not evolve.

The Mission prepared and submitted (June 5, 1972) a new PROP to A.I.D./W, who approved it on August 18, 1972 (Higher Education - Kabul University project number 306-11-660-121). The thrust of the new PROP is

on continuing current programs in selected faculties and in administration improvement on a limited interim basis while the RGA prepares an overall development plan for Kabul University. As of August 3, the new Rector (appointed early in July 1972) has not yet responded to the Mission concerning acceptability to him of the new PROP.

Although the PROP tried to follow the Log Frame concept, assumptions were made inconsistent with the realities of past history, and conditions at end of project were hopeful expectations. The strategy of the Mission is best characterized by USAID/Afghanistan's statement in the 1974 DAP, cited on page 11.

2. Agriculture

Our review of the planning, implementation, and evaluation process of projects in the agriculture sector also surfaced the problems of over optimism in setting project goals and assessing host country commitment.

a. National Agriculture Development (306-11-190-002)

This project was begun in 1954 as an umbrella project but in 1966 was limited to achievement of self-sufficiency in wheat production. The 1969 PROPs for subprojects on Agriculture Research, Extension, and Development Services added the building of institutional and policy infrastructures as primary objectives. Implicit in the PROPs were assumptions that the RGA could and would make adequate manpower and budgetary inputs, develop the required administrative and management capacity, and give a high priority to accomplishing the reforms agreed upon. Subsequent review of Mission documentation gave evidence that these assumptions did not prove valid.

A Log Frame was prepared in conjunction with the submission (May 23, 1971) by USAID/Afghanistan of a PPP for follow-on projects in research and extension. Important Assumptions, such as adequate RGA budgetary allocations, are overly optimistic and unrealistic in light of previous experience. The PPP itself is equally over optimistic.

In February 1972 A.I.D./W provided USAID/Afghanistan with an Agriculture Review Team (ART) subsequent to USAID/Afghanistan's submission of the aforementioned PPP. The ART concluded that, although the goal of

self-sufficiency of wheat was in striking distance (later drought conditions adversely affected this goal), the project would fall far short of its other primary objective of creating soundly functioning and efficiently administered institutions in research, extension and other development services to assist the farmer.

The ART noted significant RGA institutional restraints including lack of sufficient priority given to economic development, limited management skills, no sound development planning and failure to provide inputs for mutually-agreed-upon projects.

The ART also was critical of the Missions' philosophy of program selection and project development because it did not take sufficiently into account the RGA's passive involvement; because Afghan officials were not involved in project conception but "presented with full-blown programs and even the documents and words they will need to sell the rest of the RGA;" and that the RGA therefore accepts these programs as "a gift" without substantial commitment of its own. The ART report goes on to point out the many difficult implementation problems resulting from such planning.

Review of the PARs did not reveal a similar realistic USAID/Afghanistan assessment of the project. Although the PARs manifest various degrees of frustration with progress, they still appear over optimistic in anticipating resolution of problems rather than analyzing and resolving them. We believe that the Mission did not use the PAR process adequately as a tool for Mission problem resolution and, more especially for forward planning.

We conclude that the Mission historically has (1) insufficiently involved the RGA in planning the project, (2) overestimated the RGA's commitment and implementation capacity, (3) set sector goals and project purposes too broad for accomplishment within the time frame set.

b. Helmand Arghandab Valley Regional Development (306-11-995-090)

The U.S., since 1952, has provided technical assistance to the RGA in its efforts to utilize more effectively the water and land resources of the Helmand-Arghandab River Valley basin of over a million acres of land.

USAID/Afghanistan's principal efforts, under the grant project, have been directed to building and strengthening the RGA organization, Helmand-Arghandab Valley Authority (HAVA), charged with this regional development program. The interrelated loan (306-H-012), HAVA/HACU Equipment Loan, is presently providing equipment and technical assistance to the Construction Unit of HAVA (HACU) for land irrigation improvement in the valley.

The Bureau of Reclamation, through a PASA, provides technical assistance under the loan and assists HAVA, under the grant project, in improving water and land management. A direct-hire team provides technical assistance in the field of agriculture development. USAID/Afghanistan is considering follow-on assistance to the valley through an intermediary.

A comprehensive review of U.S. assistance in the Helmand-Arghandab Valley Region by the Area Auditor General for the Near East was in process concurrently with this appraisal. The Audit Report No. 5-306-73-16 was issued October 31, 1972. We are in general agreement with the findings and recommendations of that perceptive report. Our review focuses more narrowly on an examination of host country initiative and commitment and concludes that the Mission, as with other projects, has tended to extract unrealistic commitments from the RGA.

USAID/Afghanistan accomplishments in this important regional development effort have been significant in real terms, but, when measured against the targets, the projects fall short in many regards.

Our review of loan and grant documentation revealed unrealistic planning and a miscalculation of the RGA's willingness and ability to perform. In most cases, the Mission's over optimistic targets could have been corrected initially, and when later recognized, should have resulted in project restructuring. Draft Log Frames prepared early in 1971, assume away thorny issues, such as RGA budget commitments, of which USAID/Afghanistan was already aware.

Although subsequent PARs often identify host country nonperformance, the resultant action taken is to continue to chide and pressure the RGA year after year, while moving ahead with the project without restructuring it more realistically.

In one case USAID/Afghanistan while recognizing a problem, replanned in a manner inconsistent with the problem. The Mission-approved PAR of June 30, 1970 (Water Resources Advisory Group), noted the severe difficulty being encountered by HAVA in recruiting, training and retaining adequate Afghan personnel for the development and management of irrigation systems. The PAR in commenting on the HAVA counterparts further noted the insufficiency of skilled managers, administrators and technicians.

A week later USAID/Afghanistan (TOAID A-303, dated July 6, 1970), over the objection of the intermediary, proposed to reduce the grant-funded intermediary technicians for this project from ten to five, and to reduce the interrelated loan-funded technicians from eight to five on citing, as a basis, conclusions contrary to those contained in the PAR:

"The Mission feels both HAVA and HACU are capable of performing a greater percentage of the work involved in the project than was envisioned when the PIO/T was first drafted. Since that date HAVA and HACU have upgraded the general level of skills available in both organizations and filled formerly vacant positions.

"The improvement of HAVA and HACU capabilities makes it possible to cut back on the number of U.S. personnel needed for the project.

"The proposed reduction in total U.S. personnel will not weaken project implementation and will support the institution building aspects of the project by forcing the local organization to do more of the work."

Later documentation attests to the failure of this move to force the local organization to do more of the work and to the fact that implementation was weakened. At the time of the AG/OAS review, USAID/Afghanistan was seeking RCA approval to increase the number of intermediary technicians.

The Mission, in cutting back, was responding to OPRED. We cannot comment on relative Mission manpower priorities in making this cut. However, the rationale, as indicated from the above, was faulty.

Other examples of chronic problems which represent over optimism in planning and failure to reprogram more realistically in terms of RGA ability and willingness to perform are as follows:

- (1) Inadequate RGA budgetary and personnel support to HAVA.
- (2) Inability of HAVA to improve water management to eliminate salinization and water-logging in some areas and which will result in inadequate water for other areas.
- (3) Inadequate effort to increase HAVA's revenues by assessing benefitted farmers.
- (4) HAVA has been loath to proceed with intensive development of areas of the Shamalan Valley now supplied with elementary irrigation systems because to do so will entail substantial disruption to existing farmers. HAVA would much prefer to extend its irrigation systems into new uncultivated properties which would be politically more beneficial and less costly though developmentally less productive.

These problems are long-standing. The Mission, until recently, has not taken to heart its own assessment as contained in the PAR (March 29, 1969) on HAVA (Water Resources Advisory Group) project 090 when it commented:

"The experience of the WRAG highlights the necessity for making a thorough and detailed analysis of the capabilities of the host country to provide personnel and resources before entering into an assistance agreement. A stipulation of the extent of host country contributions introduce delays between a feasibility study and implementation of a final agreement. To do less, however, can lead to an obviously untenable or unreasonable position. On the other hand, once having made a reasonable judgment as to host

country capability to furnish personnel and other resources AID should not proceed with implementation of a project until satisfied that the agreed host country personnel and other resources are available or will be available at the specified time."

USAID/Afghanistan's programming efforts in Helmand Valley are an example of an inadequate analysis of host country commitments and priorities. They assumed that Afghanistan can and will take steps which, for it, are politically difficult in order to obtain obvious developmental benefits. Afghanistan, as does any traditional society, views its precarious political stability as paramount and will not take developmental steps which may result in undue political instability.

Therefore, the RGA is reluctant to force water control measures on farmers; institute measures to charge farmers for benefits received from irrigation; and move ahead rapidly with intensive water development on presently farmed land that will temporarily move farmers off their land and may eventually redistribute different land parcels to them.

The Mission's planning for future assistance to this important regional project (see FY 1974 DAP) faces up to these problems and is predicated on a set of preconditions related to the RGA's agreement to support HAVA with adequate finances and personnel and to provide for farmer contribution through increased taxes and assessments. In view of past problems with RGA budgetary manpower, institutional and political limitations, the Mission should assess more realistically the real willingness and capability of the RGA and its institutions to meet these preconditions; tailor the project to these realities; and then insist that the RGA's performance meet the planned targets and goals.

ANNEX

List of Projects Reviewed

<u>Name of Project</u>	<u>Project Number</u>	<u>Project Initiated</u>	<u>Final Year of Funding</u>	<u>U.S. \$ Grants</u>	
				<u>FY 1972 Obligations</u>	<u>Life of Project Auth.</u>
National Agriculture Development	306-11-190-002	6/52	6/73	\$888	\$11,814
Helmand Arghandab Valley Regional Development	306-11-995-090	1/54	6/74	707	19,737
Statistical Information Systems Development	306-11-780-124	3/72	6/76	58	2,674
Kabul University Administration Improvement	306-11-680-013	6/66	6/72	341	1,647
Elementary and Secondary Education (Curriculum & Textbook Project)	306-11-690-091	1/52	6/72	760	19,208
Agriculture Education	306-11-690-092	2/56	6/72	447	6,283
Technical Education	306-11-660-093	2/56	6/72	532	9,956 (Est.)
Higher Education - Kabul University*	306-11-660-121	8/73	7/75	-	2,087

<u>Loan</u>	<u>Project Number</u>	<u>Date of Obligation</u>	<u>Amount</u>	<u>Disbursed as of Sep. 30, 1972</u>
HAVA-HACU Equipment (Land Reclamation)	306-H-012	5/68	\$4,600,000	\$482,329

* PROP recently approved.

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