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STRATEGY
FOR THE
AFGHANISTAN AGRICULTURE SECTOR SUPPORT PROJECT
(ASSP)

DEVELOPMENT ALTERNATIVES, INC.

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AFGHANISTAN AGRICULTURE SECTOR SUPPORT PROJECT

STRATEGY

I. INTRODUCTION

This document provides a strategy and implementation plan for the expanded phase of the Afghanistan Agricultural Sector Support Project (ASSP). Within the unique environment of rural Afghanistan, in the third year of cross-border assistance to rural works and agriculture, ASSP must address issues of integration of field activities, coordination with local and national quasi-government entities, the setting of priorities for commodity and service delivery, and the use of public and private mechanisms to provide sector support. The strategy contains options and recommendations for the remaining three years of the overall project, and each project component. The activation of the strategy proposed, or its modification, will require approval of the Office of the AID Representative.

Objectives

The objectives of ASSP are to:

- o help restore agricultural production through the rehabilitation of small-scale irrigation systems, farm-to-market roads, and other essential infrastructure;
- o help assure the provision of essential production inputs and other crucial commodities, primarily through commercial channels;
- o provide agricultural transfer and extension for high-production technology in selected farming regions; and
- o broaden the economic base of Afghanistan by building trade links and commercial ties with Pakistan and other open-market countries.

The Interrelationships of Objectives

The four objectives listed above are interdependent and are all part of the broad goal of putting the Afghan farmer back on his feet and getting the agricultural sector moving again. No

single activity will suffice to achieve the objectives. It will be a combination of recovery measures and development investments which will reverse the decline of the past decade.

The project activities are mutually supporting and call for a coordinated and integrated approach. Access roads and irrigation systems are essential to farmers for growing and marketing their crops. At the same time the rebuilding of roads and karezes also employs people and puts money in their pockets to buy seed, fertilizer and other inputs to increase farm production. The trade links provide the necessary inputs to farmers in their local bazaars at prices they can afford. ASSP will have its maximum affect as a unified and integrated development project and the strategy and organizational structure described here are based on this premise.

Issues in the Determination of the Strategy

A. Integration or Separation of the ARR Component

There are two contractors presently operating under the Agricultural Sector Support Project. DAI has the contract for the PSA and PPA (formerly the MAP) components through December of 1992. VITA, which has held the responsibility for rural works since the program was first initiated, has the contract for the ARR component, through March of 1990. Depending upon the decision of AID/Rep, field operations under ASSP will either be coordinated and directed by one organization, or separated and directed by two or more.¹ AID/Rep can integrate the components by placing all responsibility with DAI; separate the components by continuing VITA; or turn the ARR component into a foundation

¹ Chiefs of Party for VITA and DAI agree that it is not feasible for DAI to enter the ARR component and take responsibility for a subset of the total activities--agricultural development, for example. If VITA is to retain overall responsibility for the ARR component, VITA staff must direct their own activities in the field.

It will also be impossible for DAI-paid staff under a DAI-directed PPA component to be stationed in the ARS field units directed by VITA, and function effectively. This state of affairs is not related to contractor differences, but the administrative realities of rural Afghanistan. ARS staff report to and understand one set of authorities, not two. The potential confusion of having an ARS unit that has personnel bound to two different administrative, operational, and reporting chains has lead both contractors to agree that no crossing of contractual lines be attempted.

that provides government-like services to rural Afghanistan. These alternatives are considered below.

Adding ARR to the DAI Contract

This is and has been DAI's recommendation since this project was first proposed. The reasoning behind this conclusion has been often stated. In summary:

- o the ARS field structure and past development funding provides an important umbrella which legitimizes access for new components of ASSP. In the absence of the ARR component, the PSA and PPA components will have to begin again to establish relations with local shuras and commanders, to gain needed access to target areas of rural Afghanistan.
- o there is a natural complementarity between the public-sector approach of the ARR component, with its employment generating funding of public works, and the private sector approach of the PSA component, with its commercial provision of agricultural inputs for sale. This complementarity cannot be fully realized in the absence of one authority chain directing field staff.
- o the agricultural program of the ARR component has not been a major part of field operations. The commitment has been to engineering structures and public works, while agricultural support has received less attention. There is not, within the ARR component as presently constituted, the vision or technical capacity to launch a significant technology transfer or extension program for rural Afghanistan. In conjunction with a re-vitalized Agricultural Development and Technology component of ASSP, the existing agricultural capacity of the ARR component could provide the base for substantial and rapid expansion.
- o planning and field monitoring for the ARR component were programmed into the PPA unit under DAI's responsibility. In the context of rural Afghanistan, it is not feasible for one organization to monitor and provide evaluation and verification on the activities of a second separate organization. Thus, in the absence of integration, the PPA would provide planning and verification only for the DAI components of the project.
- o costs are invariably higher for two field operations, two headquarters, two communications systems and two sets of supervisory and management staff. As DAI places no charges on program costs in support of ASSP,

project funds will go significantly further under a DAI contract, than a VITA contract.

Continuing VITA's Contract for the ARR Component

This decision by AID/Rep will make two separate implementation channels for ASSP. If this decision is selected, then further divisions of the responsibility for the overall project activities must be made for:

- o agricultural development, extension and training (perhaps VITA for the immediate area's of the ARS units in conjunction with rural works; DAI for commercial market center in conjunction with PSA commercial agribusiness operations).
- o planning, budgeting and monitoring; and
- o support to the AIG.

Creating a Foundation to Deliver ARR-Component Services

In the turbulent circumstances of Afghanistan, where there is no central free government operating in areas controlled by the majihadeen, the ARR component provides quasi-governmental services to local authorities: commanders, religious leaders, and shuras. The 300-person ARR component engaged in cross-border operation is totally unlike a contractor providing technical assistance to a government. It is quasi-governmental. Rather than add this component to an A.I.D. contractor, an alternate solution might be the chartering of an Afghan Foundation, based in Pakistan but operating across the border, that provides services to local government-like bodies.

The Foundation could incorporate all existing ARR staff, and be headed by Eng M. Sediq. DAI, under the ASSP contract, could provide technical assistance to the Foundation, but not be contractually responsible for activities inside Afghanistan, more than for any technical assistance contract. Since the administrative and policy issues involved in chartering a Foundation would likely exceed the length of VITA's present contract, a six-month extension could be provided in order for the planning and implementation to take place.

The Foundation could also provide direct assistance to the Ministries of Agriculture and Reconstruction of the AIG. In these times of uncertainty, with high potential for changes in both policy and the structure and makeup of the Interim Government, it might be more appropriate for U.S. assistance to be channeled through a Foundation, rather than directly from a U.S. A.I.D. contractor.

This strategy has been written to provide integrated management for ASSP under one DAI contract.² The selection of other options by AID/Rep will call for a modification of the strategy to take account of the necessary separateness of the two ASSP program tracks.

B. Relations with the Interim Government of Afghanistan

The strategy calls for an explicit capacity to support the activities of the AIG Ministry of Agriculture, and to coordinate rural works with the Ministry of Reconstruction. While the entire project should not be placed under the AIG, as the Interim Government has not yet demonstrated the capacity and constituency necessary to justify that commitment, Development Alternatives, Inc. will work in close coordination with the Interim Government of Afghanistan in the support and execution of the AIG-related portions of the project. Appropriate relations with relevant Ministries and Agencies of the Interim Government and support for special projects with the AIG will be developed in congruence with O/AID/REP developmental and foreign policy objectives and requirements.

ASSP Structure

A. Components

The original project design as defined in the technical assistance contract specifies three components for ASSP: Agricultural and Rural Rehabilitation (ARR), Private Sector Agribusiness (PSA), and Monitoring-Analysis-Planning (MAP). Several modifications are proposed in the original structure.

The MAP unit should be renamed to Program, Planning, and Analysis Unit (PPA) to remove the possibility of other meanings for the term "monitor" being inferred. The PPA will function as a staff unit along with Administration and Finance (AF) attached to the Chief of Party. The PSA and ARR will function as the two primary operational units. A third operational unit, Agricultural Development and Training (ADT) is recommended for addition sometime during the first year to be responsible for the development and testing of technologies and inputs and for training of staff members and farmers, in association with commercial input distribution, and to provide a mechanism for providing support to the agricultural activities of the Afghan

² Arrangements, based upon a fully competitive process, have been made to allow integration of the ARR component into DAI's contract, to take place as of 1 April 1990, should that be the decision of the AID Representative.

Interim Government.

Rural and Civil Works (ARR): This component is responsible for rural infrastructure rehabilitation. Typically this involves the restoration of irrigation systems, road reconstruction, and the construction or rehabilitation of other important structures, like mills and storage facilities. Within the ARR component is an nascent agricultural capacity that can be used to increase the agricultural returns on farms benefiting from infrastructure improvements.

Agribusiness (PSA): This component provides support and assistance to the regeneration of commercial distribution and sales of agricultural inputs and equipment, providing a war risk premium to allow trade channels to be re-opened. In most cases, agricultural market centers, or bazaars, supported by the PSA component, will correlate geographically with existing or future ARSs. These bazaars will be the focal points for making the required inputs available to farmers, and in providing agricultural demonstrations, extension and technology introduction that accompanies commercial distribution and sales of agricultural commodities.

Agricultural Development and Training (ADT): This component is a combination of activities previously undertaken through the ARSs and anticipated for the PSA. These activities represent a bridge or a connecting link between the rural works component, the PSA component, and special projects in direct support of the Afghan Interim Government. Typically, ADT activities will consist of testing and demonstrating improved land use and cropping technologies, uses of improved agricultural machinery, together with proper application of inputs like agrochemicals and fertilizers in those bazaars where PSA-supported commercial agricultural inputs are being made available, and within ARS units on land that has benefited from infrastructure rehabilitation. In addition, this component will have a special projects office that will be able to manage programs in support of the AIG, directly, or indirectly, through an Afghan foundation.

The Administration and Finance Unit (AF) and Program Planning and Analysis Unit (PPA) are both staff functions to assist in supporting, coordinating, and integrating the activities of the operational units. The PPA will work closely with all three line components to provide planning and analytical support and help to integrate their work. The AF unit does general administration and manages the flow of funds to the line units.

B. Staff and Field Structure

This section delineates an expanded structure for the ASSP project. Under this model, the existing ARR component activities would be complemented by PSA and ADT functions. All three operational components would be provided planning, monitoring and evaluation services by the PPA office. These are described below.

The ARR Component In the past, a typical ARS consisted of approximately 14 staff, half of whom were civil works engineers or technicians. The other half of the ARS staff were nominally agriculturalists. These staff were supervised by a senior officer, called an Area Development Officer (ADO). Under the strategy being proposed in this paper, several staff would be added within this broad framework to constitute the expanded structure for ASSP activities.

The expanded Area Rehabilitation Schemes (e/ARSs) would be augmented by the recruitment of additional Afghan staff and the provision of enhanced technical assistance and expanded capacity to plan and integrate field activities. Each e/ARS, for example, will have one additional new Afghan field staff person assigned from the PPA to work with ARS field staff in the collection of field data. This new staff person will work closely with the ADO and other field staff to help carry out systematic planning endeavors.

Area Development Officers will continue to be the senior officers, with responsibility for supervising fieldwork in each e/ARS. Each of the seven key planning regions proposed under the framework of the PPA will also have a regional coordinator assigned to it. In addition, over time, it may become appropriate to add provincial level supervisory staff for certain key provinces such as Logar, Wardak, or Ghazni where there are a series of ARSs and where there may be a series of PSA bazaars.

The augmented ARS would have the following staffing components:

ARS Staff*	10 to 14
PPA Staff	1 to 2
	<hr/>
Total	11 to 16

[* ARS staff currently includes 7 agriculturalists, and 7 rural works technicians and engineers. PPA field staff would be assigned with ARS staff.]

The PSA Component The majority of PSA bazaars established in the first year of ASSP will be located in

relatively close proximity to ARS units. To function as an ARS, the area must have one or more bazaars located in close proximity. Bazaars, in turn, derive their economic base from an agricultural region that is strengthened by the ARSs. Each PSA bazaar is expected to have three or four field staff assigned to work with the private sector traders and commodity dealers in their area. These field staff will coordinate closely with the ARS-based agriculturalists and civil works personnel. The PPA staff member assigned to the ARS will also have responsibility for coordinating with PSA bazaars which fall within their purview.

The ADT Component This component would assume responsibility for all agricultural technology transfer, demonstrations and extension, and training. A select cadre of agriculturalists would be assigned with the PSA staff to provide support for on-farm demonstrations and training. This would link the commercial distribution capacity supported by the PSA with the technology and extension capacity necessary to utilize new agricultural inputs and methods. All agricultural officers working in the ARR component would be assigned to the ADT component, working under a senior agriculturalist, the deputy ADO. The headquarters unit would have four professional agricultural specialists to design programs and oversee training. This staff would be engaged after the work plan for the ADT component is prepared, by June, 1990.

ASSP Implementation Strategy

In the unsettled environment of rural Afghanistan, ASSP should be implemented through three interrelated components, all operating under a planning framework that provides systematic feedback on field activities. The approaches should be:

ARR Component This component helps support quasi-government local units (shuras) in infrastructure rehabilitation. The most effective projects are those that are substantially public, serving a community or larger group of farmers under a selection process worked out with the local leadership. Irrigation systems, karezes, and feeder roads are excellent examples of support that can be furnished by the ARR field staff. The ARS units are currently independent of a central government structure, and can continue to function when there is no central leadership of free Afghanistan.

As a adjunct to infrastructure rehabilitation, the ARS units maintain a limited agricultural capacity that should be directed to improving the returns from the newly-regenerated irrigation systems or feeder roads. Bringing improved technology, seed stock, fertilizer and other agricultural inputs to an ARS area can significantly increase

agricultural outputs beyond that from the irrigation system or road. The ARR component should not engage in distribution of agricultural commodities beyond the immediate reach of their rehabilitation projects.

The ARR component should move toward relatively more complex irrigation systems and engineering projects, leaving the simplest rehabilitation schemes that call for local financing of labor to the less-well-equipped NGO community operating in the same ARS regions. In addition, the ARS units should amalgamate and expand to become district-level and then provincial-level reconstruction service units. Over the next three years, an additional 10 new ARS units should be targeted for the program. A liaison office to coordinate activities and share information should be established with the Ministry of Reconstruction and other relevant agencies within the AIG.

The PSA Component This component is intended to re-establish private sector commercial channels for agricultural inputs needed for Afghanistan's rehabilitation. With the exception of fertilizer and other items procured offshore, the PSA unit will not buy or engage in the distribution of commodities but will provide brokerage services to link suppliers with buyers. This includes wholesalers, distributors, and importers of agricultural inputs. Working through target market centers, the PSA staff will expand demand for agricultural inputs and equipment, as well as certify the arrival of commodities that are part of the "approved" ASSP transportation subsidy.

The purpose of the PSA component is to strengthen commercial linkages so that the unit is no longer necessary-as trading channels are established that do not require project assistance or war risk premium payments.

The PSA Component is not dependent upon government for its operation and can proceed in the absence of strong leadership from a free Afghanistan. It represents the activation of the latent capacity of Afghanistan's private agribusiness sector.

The ADT Component This component provides the capacity to arrange demonstrations of new agricultural technology and equipment and provide extension services to farmers in the production areas surrounding market centers where PSA-supported commodities are available. A small cadre will contract with farmers to establish highly-visible on-farm trials, hold field days to publicize the results, and make contact with those who influence the introduction of new agricultural technology. In this way, they will also boost

demand for commercially-available inputs from the PSA program.

This component could also house special projects to support the AIG. This might involve the establishment of an Afghan Foundation as one mechanism to channel commodity support from ASSP to the Foundation, and through the Foundation to the AIG, without placing the entire project at the disposal of the as-yet untested AIG Ministry of Agricultural.

The PPA Component This component provides the conceptual framework for the three operating components. It also helps to generate the information and analysis to allow planning to take place and support for the implementation of the actual programs. In addition, it will assess the results of the activities supported by the project through its cross-border monitoring capacity.

II. PRIVATE SECTOR AGRIBUSINESS COMPONENT

Introduction

Throughout history the people of Afghanistan have been traders. In recent decades Afghans have enjoyed a vibrant private sector market economy consistent with their independent nature. Before the war, the commercial traders of Afghanistan were free to deal in a wide range of commodities internally and externally with their three primary neighbors (USSR, Pakistan, and Iran) and with their two secondary neighbors (China and India) as well as with a host of other more distant countries. Agricultural inputs such as seed, chemicals, tools, and much of the fertilizer were imported. Tractors, pumps, and other farm machinery were all imported as well. Afghanistan's largest exports were agricultural. Fresh and dried fruits, cotton, and animal skins were the main commodities going into world markets.

Although the private sector has survived the war, it is in critical need of revitalization. The previous "open market" situation has deteriorated during the war to the point today where:

- o the supply of many essential commodities to the trade centers of the liberated rural areas is either restricted or completely blocked;
- o the limited supplies of essential commodities present in Afghanistan are only available to farmers by way of trade centers under the control of the Kabul regime; and
- o the cost of essential agricultural inputs has increased to the point where most farmers can no longer afford to purchase their full requirements.

This debilitating situation exists because, through their military and political control of the traditional provincial trading centers of Afghanistan, the communist regime has effectively inhibited "free market" forces within the country. Without access to cost effective imports and profitable export markets, the farming sector will not be able to rehabilitate or maintain the country's agricultural production. Accordingly, the focus of the project is on two-way Afghanistan - Pakistan trade, which will include Afghan trade passing through Pakistan to and from world markets.

The Present Pak/Afghan Trade Situation

A. The main factors currently restricting the commercial flow of essential agribusiness commodities from Pakistan to Afghanistan are:

- o the limited financial resources of the Afghan farming sector;
- o the high cost of transporting agribusiness goods from the Pakistan "border zone" to the bazaars that service the Afghan farming sector (transportation rates up to this zone appear to be cost effective);
- o retail price competition in Afghanistan from similar commodities exported from or through the Soviet Union at heavily subsidized prices;
- o the recent major (75%) devaluation of the Afghan currency, which is reportedly printed in Leningrad;
- o the refusal of the Kabul regime to issue Letters of Credit (LCs) to Afghan traders to purchase and import foreign goods into Afghanistan if these goods are to be transshipped through Pakistan;
- o several GOP bureaucratic obstacles to exporting agribusiness commodities from or through Pakistan to Afghanistan; and
- o the Kabul regime's control of most of the traditional trade routes, trading centers, and the official banking system.

B. The main factors currently limiting the commercial flow of goods of Afghan origin from Afghanistan to Pakistan are:

- o the reduced production of exportable commodities, particularly agricultural produce, as a result of the destructive effects of the war and a shortage of the essential inputs necessary for production and marketing;
- o the high cost of transporting exportable commodities from the rural production centers to the Pakistan border zone (from this zone onwards, transport rates are considered to be cost effective);
- o the Kabul regime's control of most of the traditional trade routes, trading centers, and the official banking system; and

- o the military blockade of several key transportation routes.

PSA Objectives

The primary objective of the PSA Project, through its support of the agribusiness activities of the Pak/Afghan private sector³, will be to assist the Pakistan/Afghan business sector to:

- o supply a significant part of Afghanistan with a range of commodities essential to the rehabilitation of the rural community and its agricultural production;
- o supply this range of "target" commodities at prices that will allow the farming sector (particularly returning refugees) to purchase them in the quantities necessary to support a substantial production increase in wheat, livestock, and exportable crops; and
- o broaden the economic base of Afghanistan by expanding commercial trade links with Pakistan and other "open-market" countries.

The PSA Activities

There are ten principal activities identified so far in the PSA strategy. These activities are highlighted below. A detailed discussion follows. In broad terms, the Private Sector Agribusiness component will:

1. Geographically target certain provinces of Afghanistan for assistance;
2. Establish two Pak/Afghan "Trade Centers" in Pakistan;
3. Establish one or more "PSA-Supported Bazaars" in selected provinces, staffed with appropriate field personnel;
4. Assist traders from selected provinces to identify quality goods from an approved short-list in Pakistan;
5. Pay transportation rebates to cover commercial shipping

³ Pakistan/Afghan private sector refers to Afghan and Pakistani businessmen resident in either country who are, or wish to be, engaged in the movement of legal commercial goods between the two countries, and other open market countries.

- costs from the Trade Centers to target bazaars;
6. Supply traders with special GOP documentation to facilitate export of approved commodities;
 7. Assist traders to secure Letters of Credit;
 8. Assist traders to market Afghan goods in Pakistan and elsewhere in the world;
 9. Explore possible ways to provide credit to selected traders; and *finance commercial transactions where appropriate*
 10. Work with Afghan traders to facilitate the bulk importation of bonded goods such as fertilizer.

The individual activities of this strategy are discussed below. Item # 10 above is discussed in more detail under the heading, Bulk Importation of Bonded Goods, below.

- A. **Geographic Targeting:** The project will geographically target its private sector agribusiness support activities to those provinces of Afghanistan that can sustain project generated business support activities in a post war open market situation. However, special consideration will be made to include areas outside this "principal target region" of activity, should it be found that the agribusiness needs of those areas are not being serviced by their closer trading partners (USSR or Iran).
- B. **Trade Centers:** The project will establish two Pak/Afghan "Trade Center" offices within the border zone region of Pakistan (Peshawar and Quetta) to link the agribusiness traders of liberated Afghanistan with the manufacturers, traders, and importers/exporters of Pakistan.

Both these Trade Centers will be linked to the commercial requirements of the Afghan farming community through the private sector businessmen, the PSA field staff stationed in each bazaar, and through the e/ARS field staff working in the farming regions surrounding these bazaars.

The Trade Centers will also provide agribusiness procurement support to the Interim Government of Afghanistan (AIG), and some PVOs, as they develop the capacity to deliver, distribute, and monitor the flow of agricultural commodities.

- C. **Field Staff:** To supplement the work of the Trade Centers being established in Peshawar and Quetta, various PSA-supported bazaars will be identified in selected provinces of Afghanistan. Over the next twelve months, it is anticipated that such PSA bazaars will be established in approximately nine provinces of the country, according to the schedules shown in the Implementation Plan. Typically, a PSA supported bazaar will require the physical presence of three to four field staff who will be assigned to the bazaar to carry out the various functions and responsibilities of linking these key bazaars with the Trade Centers.

The field staff who are assigned to these bazaars will function as bazaar representatives of the Trade Centers. They will serve on a rotation basis, with one of the three representatives coming to Pakistan each month to be closely in touch with various details of pricing, product availability, project policy, Interim Government of Afghanistan priorities, etc.

In the bazaar, the field staff will:

- o help to "advertise" the existence of the PSA program to potential customers;
- o advise prospective traders about commodities and equipment which are available to the agricultural sector; and
- o certify the successful arrival of individual PSA shipments to the bazaar, as part of the rebate process.

To keep the bazaar representatives oriented toward the private sector, their compensation will be based partially on their collective performance in carrying out the objectives of the PSA program. They will receive a modest base salary from the project. Beyond this, further compensation will be a function of the tonnage of target commodities which are shipped to each bazaar. The more tonnage moved, the greater their reward.

- D. **Assistance to Traders:** The project will assist traders from target provinces to select commodities from Pakistan markets. This assistance will happen through a variety of mechanism, including:

- o product exhibits;

?

explains

- o provision of telecommunications facilities; and
- o comprehensive product information services.

The product information service will cover such things as product specifications, costs, the availability of products, and assorted details on Pakistan-based manufacturers, wholesalers, dealers, and import/export agents.

The Trade Centers will assist Afghan traders to buy goods from a range of approved "target" commodities. However, in most cases the traders themselves will decide which of the target commodities to buy and will manage price negotiations, financing arrangements, and procurement. In most cases, the traders will be free to decide how many units to buy, what brands to buy, and from which manufacturer or dealer they wish to buy. Once these purchasing decisions have been made, the project will cover some part of the cost of transporting the commodities to the PSA bazaars.

For certain items such as fertilizer which are procured off-shore in bulk, somewhat different arrangements are being proposed. (See Item 2.5, below, for a discussion of this component of the PSA strategy.)

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most of the

- E. Transportation Rebates: The project will pay transportation rebates to cover the commercial trucking cost of delivering target commodities from the Trade Centers to the target bazaars. To stimulate cross-border trade in the initial phases of the project, the transportation rebates will cover ~~the full~~ cost of shipping a full truckload of target commodities from the Trade Center to a target bazaar. As trade and transportation conditions improve in Afghanistan through the activities of the ARR and other efforts, the value of the rebate will be reduced and, in time, will be phased out completely. (See Appendix 1 for a discussion of the shipment process.)

PSA will establish criteria for traders and goods

To qualify for rebate assistance: ~~(the following conditions must pertain:)~~

illustrative

- o the cargo being shipped will not be mixed with other, non-approved commodities; and
- o each shipment of target commodities will weigh a minimum of five tons.

19

The traders will be free to ~~judge~~ ^{set} and adjust retail values for the commodities that they deliver, store, and market from their shops in the bazaars. They will be free to trade or wholesale commodities beyond their own shop or bazaar to other traders in nearby bazaars.

F. ^{arrange for ~~agreements~~} GOP Documentation: The project will ~~also supply~~ ~~traders with special~~ GOP documentation necessary to ship each truckload of commodities legally across the Pak/Afghan border.

- o These shipping documents will be specific for each truck and will detail:
 - (1) commodity descriptions,
 - (2) unit and total weights, (3) cargo destinations, (4) point of border crossing, (5) date of crossing, (6) cargo consignee, and (7)
 - project reference number and will be signed by and
 - copied to the relevant GOP authorities.

o The trader will be responsible for the storage of commodities while awaiting consolidation into full truckloads. To obtain a shipping document from a Trade Center, the Trader will produce the following details for each truck:

- the vehicle's registration number and its driver's name;
- the truck's empty and full weigh-bill papers as of the current date;
- the dated and itemized purchase receipts for all the commodities loaded on the truck; and
- a written note from the consignee detailing the proposed date and point of border crossing.

X
May not
be possible!!

G. Letters of Credit: Through special agreements to be negotiated with the GOP, the project will assist the importers of essential commodities with Letters of Credit (LCs) issued from sources other than the Bank of Afghanistan. These LCs can help to facilitate transit of imported items destined for Afghanistan as they pass through Pakistan. These GOP agreements will be reached through negotiations conducted by DAI and the O/AID/REP in Islamabad.

Can't have DAI "negotiating" with the
GOP

H. **Marketing Afghan Products:** The project will also assist traders in their efforts to market Afghan goods in Pakistan and other world markets. This would include liaison with the Agricultural Demonstration units of the e/ARSS working to improve crop cultivation, irrigation, harvest, and packaging through the introduction and testing of improved techniques and commodities.

I. **Credit:** The project will study the possibilities of extending short-term credit to "proven" traders ~~for~~ ;

- o increase^{ing} the capacity to forward purchase, or to purchase in bulk, certain target commodities;
- o ~~assist the~~ construction^{ing} of private warehouse facilities to target bazaars; and
- o ~~assist the~~ construction^{ing} of horticultural packing, processing and storage facilities.

The provision of such credit would be based on an established working relationship with specific individual traders. It would not be a facility which would be open to everyone. It would become possible to establish such a facility after several months of PSA operations, as individual traders demonstrate their reliability through work with the Trade Centers. The provision of such credit might also be for a specific commodity, such as fertilizer.

> G. Here?

Bulk Importation of Bonded Goods

To provide the Afghan private sector with a source of those essential commodities that cannot be directly purchased from the Pakistan market, the PSA project will assist the private sector to import and store stocks of such items. These commodities will be stored in bulk in Pakistan as "bonded" goods destined for export to Afghanistan.

Ideally, the project will invite Pakistan-based traders to bid on the procurement, importation, bonded storage, and export re-sale to Afghanistan. Under this strategy:

- o a pre^{qualified} determined list of Afghan and Pakistan traders would be invited to bid on the supply and stocking of one or more imported target commodities (such as fertilizer or edible oil) at levels determined as a function of near-future, end-user requirements;

Can we do this?

- o the US government would offer off-shore financing in the form of Letters of Credit on behalf of the winning bidder; and
- o the project would have the management responsibility of handling these bids, making necessary financing arrangements, and for tracking the progress of any given transaction including monitoring of delivery to end-users.

However, in the initial phases of the project, it is envisioned that the project itself will:

- o estimate end-user product requirements, under near-future commercial marketing conditions;
- o with the assistance of the O/AID/REP, place specific off-shore procurement orders, well in advance of field requirements, for commodities such as DAP, UREA, and edible oil;
- o contract relevant commercial agents, clear the landed goods through the port, and arrange for bulk storage in Karachi;
- o transport from Karachi, for storage in the Trade Center depots, small "float" deposits of each imported commodity;
- o wholesale the imported commodities through the Trade Center offices to the Afghan traders of the target bazaars;
- o offer the purchasing traders transport rebates to cover the commodities' delivery to key bazaars in Afghanistan and issue the appropriate cross-border shipping documents; and
- o restock the Trade Center depots with additional commodities from Karachi as traders buy up the border-zone stocks.

To procure import commodity stock from the Trade Centers, the traders will:

- o Confirm a product's current wholesale rate with the Trade Center and decide how much of a product to buy/ship;
- o Request concurrence from the Trade Center to buy a specific quantity of a product;

- o Pre-deposit in the Trade Center bank account the necessary amount of Rupees to cover the procurement;
- o Return a bank "deposit slip" to the Trade Center and exchange it for a "commodity release docket"; and
- o Take the "release docket" to the Trade Center's import commodity depot and collect the docket specified amount of product which is loaded onto the appropriate truck.

Project Activity Selection Criteria

A. Target Regions

The project will target its activities to that region of Afghanistan that can sustain a significant degree of trade in a post war open market situation. The project does not seek to facilitate the movement of commodities from Pakistan into Afghanistan beyond the range of Pakistan's economic advantage over similar products supplied from Iran and USSR.

The "open market" geographical range in Afghanistan for products imported from Pakistan will vary in distance with each specific product, and with its cost effective advantages over similar imports from other countries. A few products from Pakistan will be competitive in all provinces of Afghanistan because of unique advantages (e. g. threshers). In general, however, the high transportation costs incurred in shipping goods beyond the central, eastern and southern provinces of the country will limit their commercial advantages over similar products from Iran and the USSR.

B. Target Provinces

Initially, the "target region" for project activity will be the provinces of:

HELMAND	GHAZNI	BAMIAN	KAPISA
KANDAHAR	PAKTIKA	WARDAK	LAGHMAN
URUZGAN	PAKTIA	PARWAN	KUNAR
ZABUL	LOGAR	KABUL	NANGARHAR

Provinces were selected for support based on the following criteria:

- o that the province is sufficiently secure, politically and militarily, to permit proper project implementation; and
- o that a substantial proportion of the province's rural

trade centers are free from regime control and accessible by vehicle from Pakistan.

Selection Period One

The initial target provinces selected during the fall of 1989 will include:

Quetta Trade Center:	Kandahar	1
Peshawar Trade Center:	Paktika, Ghazni, Kunar	3
		<hr/>
	Total	4

Selection Period Two

The proposed target provinces and related target bazaars scheduled for the spring of 1990 will include:

Quetta Trade Center:	Helmand, Zabul	2
Peshawar Trade Center:	Logar, Wardak, Laghman	3
		<hr/>
	Total	5

Selection Period Three

The proposed target provinces and related target bazaars scheduled for the summer and fall 1990 will include:

Quetta Trade Center:	Uruzgan	1
Peshawar Trade Center:	Paktia, Nangarhar, Kabul, Bamian, Parwan, Kapisa	6
		<hr/>
	Total	7
	Grand Total	16

C. Target Bazaars

In Afghanistan, two parallel trading networks exist. One is operated by the segment of the private sector under the control of the Regime and the other is operated by the private sector under mujahideen control. The two are distinctly separate in physical location, yet are strongly inter-linked because of shared commodity supply channels and consumer markets.

Basically, the Regime network operates through the traditional trading centers of Afghanistan and has import/export access with the outside world via the Soviet/Afghan border. In contrast, the mujahideen network operates through rural bazaars - most of which were much smaller or even nonexistent prior to the war - which have been developed and expanded over the last ten years to accommodate the commercial needs of a farming sector deprived of access to the traditional trade centers. The mujahideen system has import/export access to the outside world via (a) the Soviet border through informal dealings with provincial capital traders and (b) the Iranian and Pakistani borders along routes protected by the mujahideen.

Initially, the PSA project will focus its activities on the mujahideen trading network, substantially improving its trade links with the outside world via the Pakistani border and, as such, will operate without the benefits of access to the traditional trade centers (except in Kunar). However, as soon as political or military success enables the mujahideen to open up the provincial capitals to the farming sector, the project will rapidly direct agribusiness support activities into these important traditional trading centers.

From within the target provinces, target bazaars will be selected for project activity based on the following criteria:

- o that they are politically free from regime control;
- o that they contain a minimum of 100 functioning shops;
- o that they service the commercial needs of the farming sector; and
- o that they are directly accessible to commercial trucks travelling to and from Pakistan.

The proposed target bazaars have not as yet been identified, but they are estimated to range from two to four per target province. Selection of target bazaars will be a field activity of the project management which will be initiated following the decision to extend PSA support to a target province.

Target Commodities

The commodities targeted for export assistance from or through Pakistan to the target bazaars will be selected according to the following criteria:

- A. that the commodity is essential to agricultural production and has demonstrated in Afghanistan the potential to produce cost effective benefits to the

agricultural sector;

- B. that the commodity is known to be essential to the rehabilitation of the rural community; and
- C. that the cost of assisting the export of the commodity is within the limits of the project's financial resources.

In the first priority category, such target commodities can include:

- o NPK fertilizers;
- o plant pesticides;
- o veterinarian supplies;
- o Pak-81 and PS-85 wheat seed;
- o 45 and 75 horse power tractors;
- o ~~tractor~~ implements such as trailers, tine tillers, plows, harrows, soil leveling blades;
- o draft animals such as oxen and mules;
- o domestic livestock such as chickens, dairy cattle, and improved stud sires;
- o agricultural hand tools and implements such as shovels, pick axes, wheelbarrows;
- o spare parts for vehicles, machines, and tools; and
- o agricultural machinery such as threshers, traditional crop protection/spray equipment, water pumps.

At a secondary level, such commodities may include:

- o trade tools for the re-establishment of essential rural trades such as ~~auto~~ ^{tractor} mechanic, blacksmith, carpenter, flour miller;
- o commercial building materials such as cement, steel, plastic roof-sheeting, roof beams;
- o ~~domestic and agricultural~~ ^{and lubricants} fuels such as kerosene, ~~and diesel~~, and ~~motor oils~~.
- o foodstuffs traditionally deficit in Afghanistan but

vital to the well-being of the community such as edible oils and sugar.

The concept behind the selection of target commodities is NOT to identify which type or what quantities of any commodity a target province may require but rather to leave those complex decisions to the supply and demand systems of the private sector. The objective is to offer the private sector some assistance to increase the delivery of a restricted range of commodities that are considered essential to the rehabilitation of the agricultural sector.

Delivery and Distribution of Trial Commodities

Under the Agricultural Demonstration and Training component of the e/ARS activities, an additional range of commodities will be delivered by the ASSP to Afghanistan for field testing. As there will not be any significant commercial demand for these unproven commodities, their delivery to the e/ARS regions will be through a channel other than the private sector project channel.

Selection of the "trial commodities" will be limited to commodities which have demonstrated in another country under commercial conditions similar to those in Afghanistan the potential to produce cost effective benefits to the agricultural sector.

Such commodities could include:

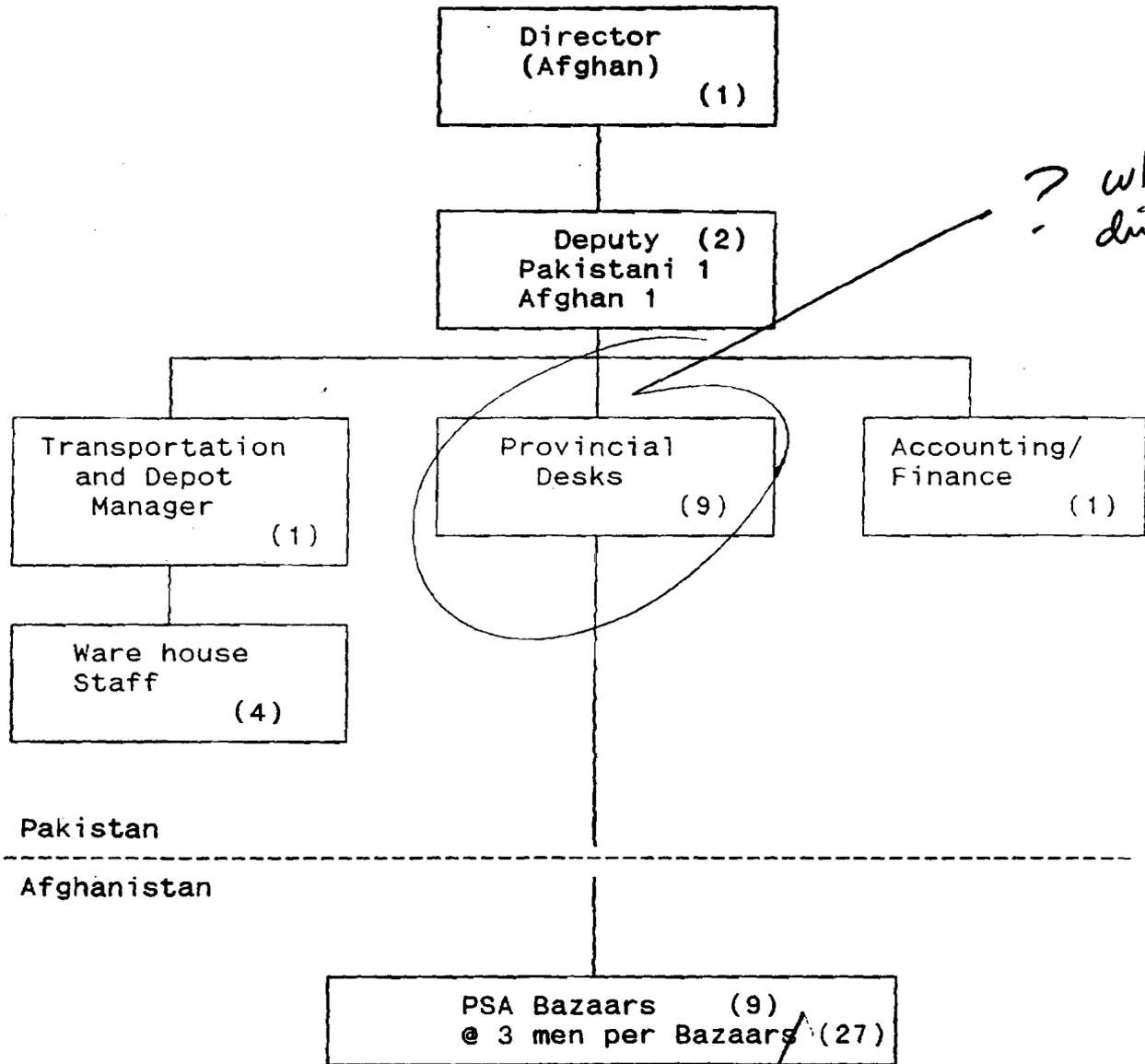
- o seed and other planting materials of improved varieties or clones;
- o new pesticides for which benign environmental impact has been established;
- o agricultural machinery such as:
 - walk behind reapers
 - front-mounted reapers
 - new crop protection/spray equipment
 - chisel plows
 - fruit graders
 - grain drills
 - rice seedling planters; and
- o drip and bubble irrigation systems.

Staff and Structure of the PSA Component

An illustrative organizational chart for the field structure of the PSA component is detailed below. This represents a

provisional structure which is subject to change and refinement with the passage of time and additional field experience.

PSA Trade Centers, Peshawar and Quetta plus PSA field staff.



PSA Staff Requirements

There will be two Trade Centers, one in Peshawar and one in Quetta. Certain parts of the senior staff structure will be duplicated in each city. For example, each Trade Center will

have an Afghan Director. Each Center will also require an Accountant and a Transportation Officer. Each Trade Center will also have a warehouse or depot attached to it for the storage of bulk commodities such as fertilizer. This facility will require four management staff and approximately eight chowkidars. There will be approximately nine trade desks divided between the two Trade Centers during the first year of operations. Each province with one or more PSA bazaars will require a Trade Desk, with one Desk Officer. Two of these desks will be set up in Quetta and seven will be located in Peshawar. There will be approximately two secretaries attached to each Trade Center to assist with administrative matters. Each Center will have three drivers.

Staff requirements summary:

<u>Position</u>	<u>Quantity</u>
Trade Center Directors	2
Transport Officers	2
Accountants	2
TC Deputies	2
Warehouse Staff (4 + 4)	8
Provincial Desks	9 X
Secretaries (2 + 2)	4
Chowkidars (8 + 8)	16
Drivers (2 x 3)	6
<hr/>	
PSA Field Staff (9 x ³ 3)	27
<hr/>	
TOTALS	78

(4?) why not (8)

This total staff complement will be phased in over year one, as PSA bazaars and Provincial Trade Desks are brought on line. The numbers given here are essentially illustrative and will depend on the results over the first few months of the project. Staff levels probably will also depend on the results of the war and further developments with the Interim Government of Afghanistan. The Activity Time Tables shown below provide an Implementation Schedule for the PSA component.

PSA Program Activities

ACTIVITY TIME TABLES

Activity Period One
October 1989 - March 1990

Identification of the "project region" in which to target

private sector agribusiness support activities.

Identification of "target provinces" from within the project region for trading during: (a) Activity Period Two (AP/2), (b) Activity Period Three (AP/3).

- Field identification of "target bazaars" in the provinces selected for initial trading activity (in AP/2).
- Field identification of bazaar trade/rep "trainees" at the rate of 2-3 per target bazaar.
- Identification and leasing of medium term Trade Center premises in Peshawar and Quetta.
- Identification and/or construction and leasing of long term import/cargo depot facilities in Peshawar and Quetta.
- Identification and leasing of medium term import/cargo depot in Karachi.
- Recruitment and training of PSA staff for the project management team based at DAI/Peshawar.
- Recruitment and training of Trade Center management staff for Peshawar and Quetta.
- Recruitment and training of Trade Center management team for each of the target provinces selected for activity in AP/2.
- Selection of "target commodity range" for AP/2, eligible for (a) full Trade Center assistance and (b) shipment documentation assistance only.

Activity Period Two (AP/2)
April 1990 - June 1990

Training of selected bazaar/rep trainees

- Selection of bazaar/ reps for selected target bazaars.
- Despatching of bazaar/ reps to target bazaars.
- Explaining of Trade Center activities to the private sector traders in bazaars.
- Arrival of initial bazaar traders at Trade Centers.
- Recruitment and training of Trade Center management team

for each of the target provinces selected for activity in AP/3

- Field identification of target bazaars in provinces selected for assistance in AP/3

Activity Period Three (AP/3)
July 1990 - September 1990

Recruitment and training of Trade Center province management team for each of the target provinces selected for activity in AP/4.

- Field identification of target bazaars and bazaar rep trainees in provinces selected for assistance in AP/4.

III. PROGRAMMING, PLANNING AND ANALYSIS UNIT

Introduction

This section describes a strategy, structure, and an implementation plan for the Programming, Planning and Analysis component. The kinds of data to be collected, and the ways these data will be used are also described.

For the purpose of organizing the work of PPA, Afghanistan has been divided into two major economic zones and seven planning regions (see figs. 1 & 2). Zone I borders Pakistan and is the principal area for trade and commerce historically between Afghanistan and Pakistan. Zone I consists of 16 provinces, or approximately half the country, and is roughly coterminous with the eastern and southern flanks of the Hindu Kush mountain range. Zone II is that part of the country which is north and west of the Hindu Kush, and is an area which trades primarily with the Soviet Republics and Iran.

In addition to the broad bisection of the country into Zones, it is also necessary for planning and analysis to further divide the country into Planning Regions. These seven Regions roughly correspond to the ethnogeographic groupings which are the building blocks for the Afghan confederacy. These seven Planning Regions are constituted as follows:

Region I: Helmand, Kandahar, Zabul

Region II: Ghazni, Wardak, Logar, Paktya, Paktika

Region III: Kabul, Parwan, Kapisa, Laghman, Kunar, Nangarhar

Region IV: Herat, Farah, Nimroz

Region V: Badghis, Faryab, Jowzjan

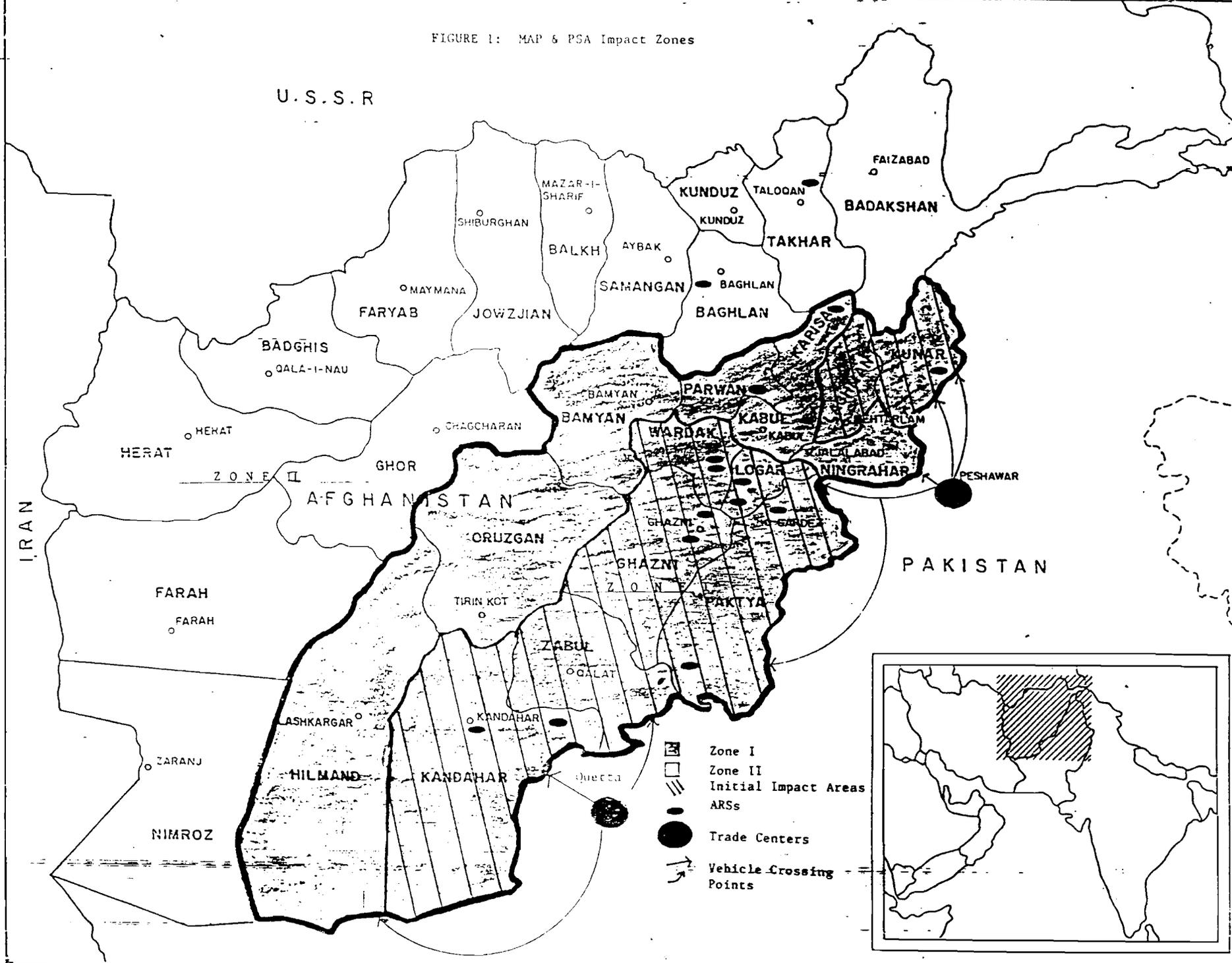
Region VI: Balkh, Samangan, Baghlan, Kunduz, Takhar, Badakshan

Region VII: Ghor, Bamyan, Oruzgan

These seven Planning Regions constitute a basic framework or organizational structure for the activities of the PPA office. For planning purposes, much of the initial emphasis for PPA's planning and survey work over the next year will concentrate on Zone I, encompassing Regions I, II, and III, plus two provinces of VII.

Several criteria suggest that provinces in this Region are key to establishing initial project activities for both the PSA

FIGURE 1: MAP & PSA Impact Zones



- Zone I
- Zone II
- Initial Impact Areas
- ARSs
- Trade Centers
- Vehicle Crossing Points

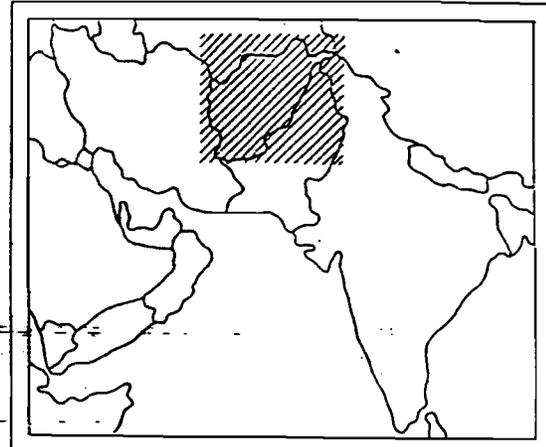


FIGURE 2: MAP Planning Regions (I - VII)



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wing and the PPA component. These criteria include:

- o direct access by vehicle from Pakistan;
- o substantial mujahideen control;
- o adequate security to permit program activities;
- o traditional trading partners of Pakistan, especially the North West Frontier and Baluchistan provinces;
- o good agricultural production in selected provinces which may result in economic surpluses in some areas;
- o substantially intact sociopolitical and traditional economic systems;
- o substantial work experience by the ARR component under previous phases of the ASSP project; and
- o communications systems in place allowing relatively efficient information flow.

As shown on Figure 1, they are also the principal areas where almost all of the ARS activities are currently located.

Objectives

The objectives of the PPA office will be to:

- o monitor, analyze, plan for ASSP activities, including PSA, ARR (rural civil works) and Agricultural Development and Training (ADT) components;
- o oversee the collection and analysis of relevant field data for use in planning;
- o track the implementation of various components of the ASSP; and
- o track and analyze other aspects of Afghanistan's agriculture affecting implementation of the ASSP project.

Operating Assumptions

The following assumptions define the operations of the PPA office:

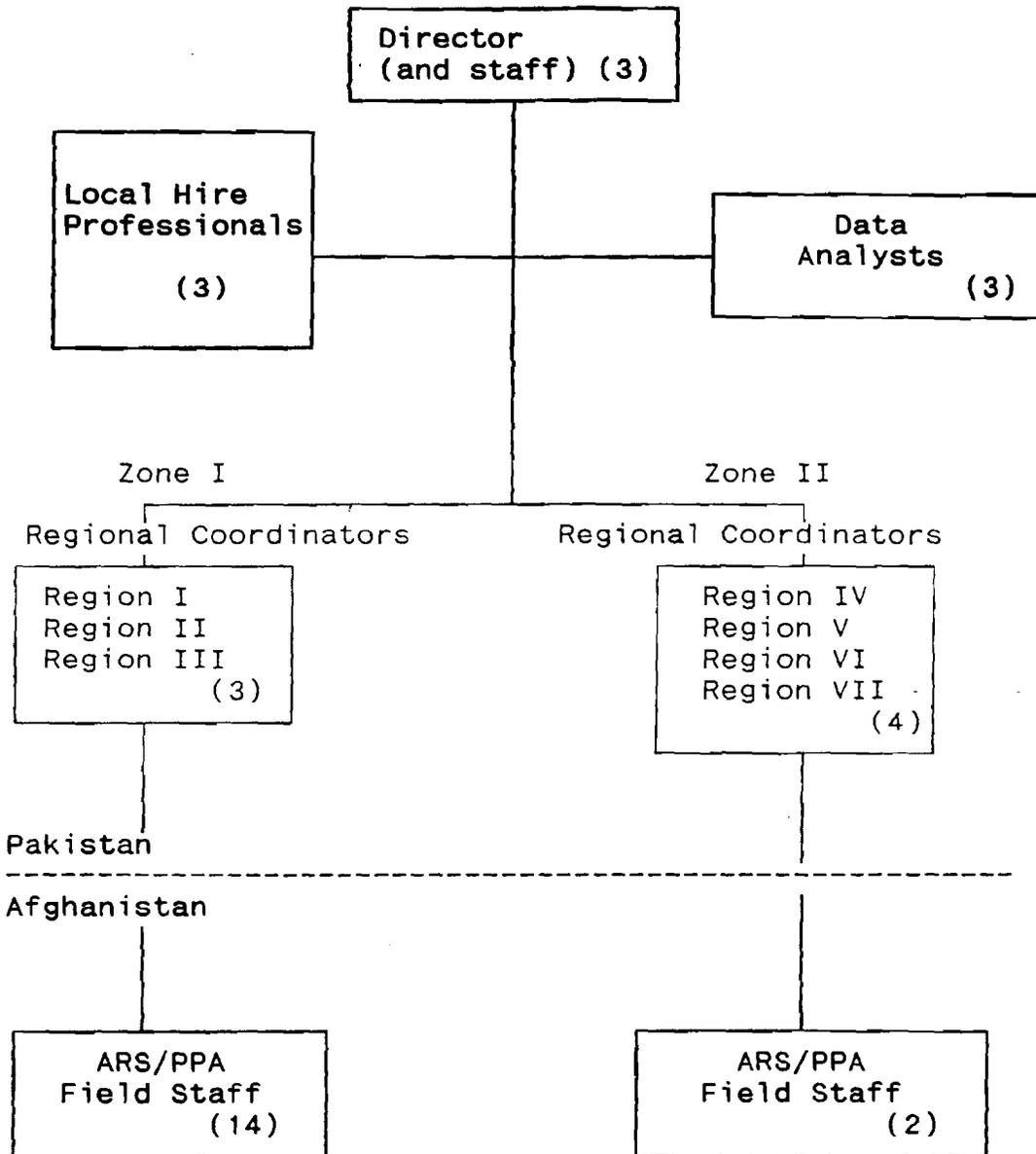
- o The PPA will coordinate closely with PSA, ADT and ARR activities.
- o It will be designed to carry out staff functions to provide planning guidance to the line units.
- o It will establish priorities for geographic target areas and development activities therein.
- o It will have separate levels of authority and responsibility, as well as direct lines of communication to headquarters staff in Peshawar and Quetta.
- o There are various organizations assisting in the reconstruction of Afghanistan. Through the normal course of its work, the PPA will coordinate with these organizations.
- o To the extent feasible, PPA will seek to encourage policy consistency and program coordination among various groups working in Afghanistan.

Structure of the PPA

A. Staffing

As with all components of ASSP, the PPA office is being established with an Afghan character. It will become a cross-border operation staffed by Afghans. DAI is recruiting an Afghan with appropriate planning and management experience to serve as the senior officer in charge of this unit. Beneath the PPA Director, there will be seven Regional Coordinators who will supervise and track activities within each of the seven principal Regions. There will also be a cadre of analysts to help evaluate and assess field data. The Regional Coordinators will be allocated according to the two basic Zones of the country which are described below:

Figure 3: Organization of PPA Unit



PPA Unit Staffing Summary

The PPA unit would begin operations with approximately 30 staff. Of these staff, 16 would be based in Pakistan. These would include the director, seven regional coordinators, three

data analysts, and three data-entry clerk secretaries. The three Regional Coordinators for Regions I, II, and III would be traveling in and out of Afghanistan. The Regional Coordinators for Regions IV - VII would be based in Pakistan, and would generally not travel inside at this time. The clerk secretaries and data analysts would be based in Pakistan. The 16 field PPA staff based inside Afghanistan would be attached to individual ARSs. According to this model, for the next six months, there would be no intermediary staff assigned to work between the level of the ARS and the Regional Coordinators. This means there would be no planners working at the provincial level, helping to assess and aggregate data. This represents an initial staffing strategy, which would be amended or changed as program needs from inside began to manifest themselves more clearly.

B. Zones

Zone 1: During the first phase of the ASSP project, Regional Coordinators for Regions I, II, and III will have field staff who will be recruited, trained, and assigned to work directly under them. These field staff will be attached to the ARSs, and will be resident in Afghanistan. There will be one PPA planner assigned to work with the ARS field staff. The PPA field planners will also coordinate closely with the PSA bazaar component. Additional field staff will be phased in as trainees complete training and additional field needs for data collection become clear. It is important to note that the assignment of PPA field staff to work with existing ARS staff assumes a merger of the two components under DAI's direct management. If the two programs are not merged, then a different model may need to be developed.

Zone II: For the four Regions in Zone II (north and west of the Hindu Kush), Regional Coordinators will be recruited, trained, and oriented. Initially, these men will not have field staff working under them. The Coordinators themselves will be based in Peshawar or Quetta. As conditions allow, they may travel from time to time to their assigned Regions.

Regions IV, V, VI, and VII are important economically, commercially, agriculturally, and politically. However, they are not natural trading partners of Pakistan, nor are they areas where there is significant ARS presence at this time. Accordingly, during the next year of the ASSP project, the PPA unit will track developments in these areas extensively, rather than intensively as in Regions I, II, and III. Each Coordinator will be responsible for gathering data in his Region from a variety of sources in Pakistan and for tracking developments in the several provinces under his purview. Depending on the further requirements for data from these Regions, additional staff could be hired to assist by going into Afghanistan to

collect specific data from individual provinces or districts. With the passage of time and the further evolution of the project, the Regional Coordinators for Zone II eventually may require permanent staff from the key provinces. (Note: At this time, PPA field staff would be assigned to the two ARSs which are currently operating in Zone II, in Baghlan and Takhar provinces. Therefore, the Regional Coordinator for Region VI would have two field staff working under him.)

While travel to the northern and western provinces is difficult, time-consuming, and expensive, considerable useful information can be available from systematic data gathering efforts based in Pakistan. Many travelers (refugees, mujahideen, truck drivers, businessmen) come to Peshawar and Quetta. People from an area generally are in touch with events and developments in their home province and district. Pricing data for key commodities, for example, are generally known or knowable. Under the earlier phase of the ASSP project, a small survey capacity was established to track price movements in key commodities such as wheat. This tracking capacity will be re-established under the PPA unit's auspices for all seven Regions of the country. Each Regional Coordinator will be responsible to track price movements in his Region, using appropriate survey techniques. (See Market Information Systems, below).

C. Training Cycles

A series of training programs will be carried out to develop the field manpower necessary for the PPA unit to operate effectively and gather the data required by its various clients. The first training cycle is intended to train approximately 25 men for the PPA unit. (See Appendix 2 for Training Scheme.) This cycle will be the first of several training and retraining cycles which will be required over the life of the project.

Training Cycles

	<u>Trainees</u>	<u>Training Dates</u>
Cycle I	25	Jan - Feb 90
Cycle II	25	June - July 90
Cycle III	25	Dec 90-Jan 91
	<hr/>	
Totals	75	

29

The numbers of trainees required for Cycles II and III will depend on the future status of the PSA component of the project, the shape and character of the Afghan Trade Centers in Peshawar and Quetta, and the priorities which are established for the ARSs. Cycle III in particular may involve considerable retraining of initial field staff.

The staff of the ARS and PSA components will also require considerable additional training. The training schedule given above is preliminary and illustrative, subject to changes dictated by data requirements, as well as the relationship the data collectors will have with other project field staff.

Activities of the PPA Unit

This section describes the activities of the PPA Unit. These include:

- o Needs assessment surveys of selected provinces for PSA component;
- o Needs assessment surveys for the ARS component;
- o Design and management of Geographic Information System (GIS);
- o Design and management of Market Information System (MIS);
- o Monitoring of PSA and ARS activities;
- o The development of the PPA unit's analytical capacity;
- o Preparation of AASSP long-term plans;
- o Special studies; and
- o Periodic reports.

A. Needs Assessment Surveys (PSA Component)

Parallel to the formal recruitment and training of the first Cycle of PPA trainees, a needs assessment survey of the bazaars of several provinces will be initiated to determine their approximate spatial dimensions, size, and character. This preliminary survey will identify important new variables for PPA and PSA activities including:

- o market center bazaars;
- o secondary and tertiary bazaars;
- o number of shops per bazaar;
- o levels of economic activity in various bazaars;
- o approximate populations served;
- o principal agricultural activities and production in the area served by each bazaar;
- o distances between bazaars;
- o commodities available in each bazaar;
- o commodity prices;
- o road conditions and travel times between and among various bazaars; and
- o broad socioeconomic conditions affecting and influencing principal bazaars.

This survey will attempt to identify the primary, secondary, and tertiary bazaars in the commodity distribution and supply network currently operating in selected provinces. It will allow provisional decisions regarding the probable placement of field staff and suggest follow-on activities for PPA survey and planning staff. The preliminary survey will address certain aspects of the sociopolitical system (political parties, commanders, shuras) which are currently in place in each area, so that relatively informed decisions about assignment of staff to work in particular districts or bazaars can be made. The survey also will look at the various other donor groups and NGOs working in the principal provinces.

B. Needs Assessment Surveys (ARS Component)

As one step toward integrating the various components of the project, the PPA staff in Peshawar will assume responsibility for completing brief profiles in each of the ARSs. These profiles will be short, and will be derived from interviews with ARS field staff as they come to Pakistan. The profiles will be compiled during the fall and winter, as information and informants become available. They will become a first step toward the development of more complete user needs assessments of individual ARSs. Further steps beyond the preparation of the initial profiles will require the development of a suitable PPA field staff capacity.

C. Geographic Information Systems (GIS)

An important element of the PPA unit will be the establishment of a Geographic Information System (GIS). GIS technology has advanced tremendously over the last ten years and is particularly applicable to ASSP programs. A GIS provides an automated resource database to provide planners with tools such as up-to-date thematic maps of essential information. This includes land use, agriculture, and other related infrastructure. Baseline chronologies of Afghanistan are either non-existent or unreliable. A GIS will help to establish chronologies allowing the monitoring of changes over time. This can greatly assist in planning and/or changing project strategies quickly.

A major component of the GIS will be remote sensing which provides the capability to ascertain accurate ground feature locations and rapid updating of statistical data and maps. Satellite imagery affords enhanced discrimination of land cover and aids in the identification of land uses. Satellite imagery provides data at its most accurate level. It does not, however, explain the causes of observed changes. A series of images may show, for example, that cultivated land in an area where stream canals were the main irrigation source has decreased substantially. From this information, one might conclude that the damaged irrigation system has caused the reduction in cultivated area. Other kinds of information, however, are needed to permit an accurate assessment. A decrease in the crop cultivation may have resulted from a number of factors such as reduced precipitation, a shortage of farm labor, or a reduction in farm power.

For these reasons, ground truth will be necessary for intelligent planning. When a change in land use is observed over time, a ground crew from the PPA unit can be sent to investigate. Investigatory techniques might include photographing the area from an established center point, collection of soil and crop samples, observation of irrigation systems, as well as the collection of other pertinent information available on the ground.

A two person team from Earth Satellite Corporation (EarthSat) has completed a feasibility study for a GIS and has assessed the requirements of ASSP for land use data, mapping, and other products of a GIS system. They are designing a GIS for ASSP to be managed under the PPA unit (see Appendix 3 for a summary of their report). The Earthsat team came to Pakistan to begin work with the PPA unit in late October.

D. Market Information System (MIS)

The PPA field staff who will be resident in various ARSs and

in various provinces in Zone I will collect agricultural pricing and other market data which will be consolidated into a Market Information System. This system will gather several types of data, including:

- o area planted and harvested;
- o prices of major commodities (by month/by season);
- o major inputs including seed, fertilizer, and agro-chemicals;
- o farm machinery and equipment;
- o production and marketing costs;
- o commodity processing costs; and
- o animal prices.

PPA Regional Coordinators for Zone II will gather similar data by interviewing informants in Pakistan.

Pricing and other related data will feed into the PPA unit headquarters in Peshawar and Quetta for analysis and interpretation. It will be processed and sent on to other relevant users, including farmers, other branches of the ASSP, and policy-makers. Relevant pricing data will be transmitted to farmers via radio broadcasts.

The initial design of a suitable Marketing Information System is being carried out by the firm of GIC. A draft report is expected in December. (See Appendix 4 for preliminary outline of report.)

E. Monitoring

The PPA unit is being established as one of several inter-related components of the ASSP. The PPA unit primarily will have a staff --as opposed to a line -- function within the framework of the ASSP. PPA staff will be attached to each ARS unit to assist with the various functions of monitoring, analysis, and planning. These PPA staff will also coordinate closely with PSA field staff assigned to the various bazaars. In this capacity, they will be responsible for coordinating efforts with PSA bazaar agents to verify delivery of PSA commodities. When appropriate, PPA field staff will accompany shipments and monitor deliveries. Their primary locus will be with the ARSs, to which they will be assigned for organizational and administrative purposes.

While constructing this strategy statement, DAI has also been working to develop a series of checks and balances among the

various components of the ASSP project to facilitate appropriate monitoring of field activities. At the present time, for example, there are several sets of overlapping activities being carried out within the ASSP.

The primary monitoring functions will be carried out by the PPA staff, who will be organizationally integrated with the other components of the ASSP, but who will have independent lines of authority and communications with Peshawar and Quetta. Performance reviews and promotions for PPA staff will be carried out separately from PSA and ARR field staff by separate headquarters staff. PPA field staff will be assigned to individual ARSs, but their work will be supervised by the Regional Coordinators from the PPA office.

F. Analytical Capacity

Different kinds of data require different kinds of analysis. Before the PPA unit becomes fully operational, it is important to determine the specific kinds of data which will be needed for sound planning for both the PSA component and for the ARR activities. For analytical systems to be appropriate and reliable, there must be a source of relatively good data, and the data collection procedures should be clearly defined and should have specific objectives.

Development Alternatives, in preparing this strategy statement, has placed considerable emphasis on establishing a capacity to gather data because, in the Afghan context, there is negligible data which currently exists and most of the existing material ranges from relatively poor to totally meaningless. Therefore, the first priority for the project is to create systems which will generate more reliable data. Several analytical methods will be applied to the data once it becomes available, depending on the type of data and the use. //?

Over the next few months the PPA unit will develop the capacity to manage and analyze data through a variety of different systems and techniques (see Appendix 4 for data collection categories). The broad categories of data which will be collected include:

- baseline data
- commercial data
- crop production data
- transportation data
- socio-economic data
- market data

Field data will flow into the system from the following staff:

- o PPA unit Regional Coordinators (Regions I-VII);
- o PSA staff (from PSA bazaars);
- o PPA/ARS field staff;
- o Trade Desks in Peshawar and Quetta (with one trade desk per key province, for an estimated total of approximately 10 trade desks); and
- o Short term local hire Afghan staff to supplement the Regional Coordinators.

Managing and analyzing this flow of data will be accomplished through several different mechanisms. These include:

- o **Information Management System.** An information system will be designed soon after the management information requirements for the project are identified. The design of the IMS will build on the design of the Geographic Information System (GIS), and the Market Information System (MIS). These two systems will provide basic data for the Information Management System. The Information Management System will be designed by one or more consultants this winter.
- o **Levels of Analysis.** The data will be gathered and analyzed according to the following scheme:
 - Data will be collected by field staff connected with ARS and PSA activities, supplemented by data from NGOs, and remote sensing products. In addition, the Trade Desks (PSA unit) for key provinces will supply relevant data, including movement of trucks, cost of commodities, numbers of shops, etc.
 - Data will be assessed for reliability by three Afghan analysts in cooperation with the regional coordinators. These assessments will involve evaluation of the quality and reliability of the data collected. Suspect data will be rejected; recollection of data may be required.
 - Data will be processed (entered into GIS and/or MIS micro-computer based software).
 - Data will be analyzed by GIS and MIS staff (both permanent and consultant) through the use of data base

and statistical software.

- Data will be interpreted by the Chiefs of the PPA, PSA, and ARR units based on recommendations made by the analysts from the results of tests performed on the data.

Within this framework, the data will largely determine the kinds of analytical techniques which will be appropriate. For example, many statistical tests require that the data come from a truly random sample and/or that they can be measured on an interval scale. Other tests (mainly indices of association) require working with ordinal data, or data having no inherent ranking. In addition, one task that will remain necessary for some time in the Afghan context is that of "checking for internal consistency" within the data. Thus, it will be important to have senior staff continually cross checking the data collected with various informants in an attempt to confirm and clarify the data's veracity and utility.

G. Analytical Agenda.

Once systematic data begins to be available about each ARS or each PSA bazaar, various kinds of analyses and interpretations will become possible. The key issues underlying these analytical processes are twofold:

- o what does senior project management need to know to make better, more rational, and more intelligent decisions about the directions of the project; and
- o how does senior management establish techniques for prioritizing between and among various packages of inputs to individual ARSs, PSA bazaars, or provinces of Afghanistan?

For the ARSs and/or Agricultural Demonstration units, the following broad types of issues need to be analyzed:

- o karezes versus surface irrigation (Which is more cost effective? Which has the higher marginal utility? Which is more implementable from a project standpoint?);
- o roads (where? How long? What quality? What kinds? For what purposes?);
- o agricultural machinery. (Where? What types? What prices?); and
- o crop demonstrations (What? Where? To what purpose?).

For PSA activities, ^{the} ~~various kinds of~~ analyses and interpretations ~~(need)~~ to be carried out. ~~These~~ ^{include:} ~~to identify:~~

- o Criteria for selecting PSA bazaars, (Which bazaars? serving what populations? How many bazaars should be designated as 'PSA bazaars?' Through what sequence should bazaars be established?);
- o Which Incentives ~~(should be established)~~ to "lubricate" the system? Some possible incentives include:

- transportation ^{rebates} subsidies and other subsidies
- letters of credit and other financing mechanisms
- storage provisions
- ~~price reporting systems~~ credit mechanisms.

- o What commodities ~~should~~ ^{to} be included within the framework of PSA program? Possible commodities include:

- fertilizer
- pesticides
- seed and planting materials
- fuel
- machinery
- spare parts
- livestock.

Marketing systems/structures

- o ~~Comparative studies~~ (Who is shipping what item into which bazaars, at price, and why? Is there additional demand which is not being met?).

H. ~~Kinds of Studies~~ ^{Special}

To carry out the work of the ASSP, ^{special} ~~various~~ analytical studies will need to be performed. The actual needs will evolve out of the activities of the project. At an illustrative level, however, it is possible to suggest a list of possible studies; ~~which could prove useful to senior project management. Some of these studies could include:~~

- ~~o needs assessment studies;~~
- ~~o project impact studies;~~
- o commodity pricing studies;
- o transportation ~~studies;~~ systems

Where's the economics?!

Still Weak

Invent para on when
we know now, what others have done
what is already scheduled.

- o ^{primary} input studies (~~Pakistan sources versus Soviet sources~~);
- o labor availability studies;
- o farm power studies;
- o spare parts studies;
- o fuel availability studies; and
- o exchange rate variations: impact and implications.
- o *spot and cash market opportunities*

Implementation Plan, PPA

First and Second Quarters, 1990

This part of the strategy statement represents a narrative description of the various activities the PPA Office will accomplish over the next six months.

1. Staff Recruitment. Various staff are in the process of being recruited, according to the organigram shown on page 22.
2. Training. An initial training program is scheduled for January and February 1990. Further training and re-training programs are tentatively scheduled for June and July 1990 and December and January 1990-91.
3. Needs Assessment Survey - PSA Bazaars. A preliminary Needs Assessment Survey is scheduled for November - December 1989. This survey will help to define some important characteristics of the PSA bazaars.
4. Needs Assessment Survey - ARS component. Initial profiles of the existing ARSs will be drafted in Peshawar based on information provided by current ARS field staff. These profiles will become the basis for more comprehensive Needs Assessment Surveys of ARSs, after PPA staff are recruited, trained, and fielded.
5. Geographic Information System (GIS). A preliminary consultants' report has been prepared describing the establishment of a GIS. After appropriate discussions with O/AID/REP, the approved components of the system will be established.
6. Market Information System (MIS). An outline describing the components of a Market Information System has been prepared by a consultant. This report is now being reviewed by the project staff. After discussions within the project and with USAID, approved components of the system will be established.

7. Information Management System. Building on the Geographic Information and Market Information systems, the project will design and install an overall Information Management System to allow integration of the various kinds of data. A consultant will be brought to Peshawar in the second quarter (1990) to design and/or refine this system.
8. Special Studies. Two special studies are scheduled for the first and second quarters of the project. The first (November-December 1989) is a study of the situation of livestock in Afghanistan. The second study (January 1990) will look at various aspects of agricultural mechanization in Pakistan and Afghanistan.

// ?!

Cash Crops?

Seeds?

Profiles - OK.

IV. AGRICULTURAL AND RURAL REHABILITATION COMPONENT

The Environment and Background of the ARR Component

Present day ARR component activities are the culmination of three years of building an organization to provide cross-border services in rural works and agriculture in Afghanistan. In the absence of a central government, the ARS field staff worked with local authorities, establishing their legitimacy by delivering services and providing labor payments to clean karezes and build feeder roads. Many decisions on location, priorities and activities and approval mechanisms have been made to accommodate to the uncertainty and local autonomy of commanders and shuras. The ARR program is a mix of development activities shaped by a high-politicized environment and politically-necessary compromises necessary to allow continued access for the cross-border services.

As the ARR component matures and moves toward more stability and certainty, changes are important to increase the impact of development assistance. The creation of the AIG is one new element in the political environment, while the addition of dozens of other NGOs providing some development assistance is another. New objectives of the Agricultural Sector Support Project to strengthen commercial linkages call for a further re-direction of the original rural works program.

The 300-member-ARR staff should be seen as the re-creation of the Rural Development Department in the Prime Minister's Office in pre-war Kabul when it was then, as now, headed by Eng. Sediq. It is not an extension of a consulting firm, or of a Private Voluntary Agency. Instead, it is a quasi-governmental agency providing services at local levels in rural Pakistan. Distinguishing the nearly self-contained ARR component from the contracting home (VITA presently, DAI potentially) is important in understanding the potential strengths and weaknesses of this organization, and its future strategy.

DAI's analysis

Reaching ARR Component Objectives

The ARR component should have three primary tasks:

- o re-establishing the rural infrastructure necessary for agricultural production (irrigation systems and roads primarily);
- o increasing agricultural output on the land that has directly benefited from the infrastructure improvement; and

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- o supporting the objectives of the other components of ASSP.

These tasks are underway in 15 ARS field units in varying degrees. Unfortunately, there is no independent assessment of the progress within the field units to allow an extrapolation from past successes to future programs and strategies. All that is known about the present program is contained in ARR's own reports.

Engineering and rural works activities in the first three years of ARR activity has been mainly through payments to local organizations for labor to clean karezes and rehabilitate or build feeder roads. This activity has placed into circulation ready cash important for the resuscitation of a devastated rural economy. It is particularly useful to provide this cash income to farmers who may then pay for commercially available agricultural inputs under the PSA component portion of ASSP.

ARR has experienced engineers at field sites, and should move toward the reconstruction of more complex irrigation structures along with supporting road networks. This will take ARR where other donor organization currently cannot go--into subprojects requiring more sophisticated and experienced engineering design and oversight. The more easily supported karez cleaning and feeder road rehabilitation can be accomplished by donor groups that have money but more limited engineering support capacity.

Raising agricultural production in areas that have received infrastructure support is an important adjunct to ARR rural works activities. The field staff is not strong in agricultural training, and should not be asked to accomplish high-skill technology transfer tasks. But they can assist in the selection and provision of improved seedstock, fertilizer, cultural practices, and linkages to markets through market centers.

ARR staff should be carefully distanced from the subsidized custom tractor services currently available under the broad supervision the shuras (utilizing tractors furnished and supported by AID/Rep). Instead, those tractors should be sold or turned over to the shuras for operation and maintenance, with new equipment furnished to the ARS staff for their own agricultural demonstrations, to be used on the fields of farmers who agree to adopt improved practices. The new equipment and inputs should be kept under the control of the ARS field staff, or the demonstration requirements for new agricultural technologies may be overwhelmed by the distribution instructions of local political leadership.

Training of both the agricultural and engineering staff is an important requirement, to allow increasingly valuable and

complex field operations to take place. Training is traditionally done over the winter months, and should be planned now for the coming cold season.

Increasing the Reach of the ARS Unit

The 15 ARS units should be consolidated over the course of the next year into district-level organizations, moving toward the establishment of provincial-level infrastructure service organizations by year three of the project. This will provide a firm base for expansion of this quasi-local government program, and as increasing stability is obtained, provincial perspectives will allow planning and operations to cover a larger region of rural Afghanistan. When they are defined at a local level, infrastructure inputs may not be as well used as when incorporated into a district-level or provincial-level development plan. Under the recommended integrated strategy, the PPA component will be mandated to work with and support the ARR component in the creation of a plan for infrastructure development.

In addition, to expanding the reach of the program by moving to higher administrative levels in each province, ARS units should be established in approximately 10 more provinces during the next three years. The timing and the selection of provinces must be conditioned by both political and security prospects, but beginning now to plan for expansion will allow the recruitment, training, and negotiations to get underway for placement in years two and three of the project.

To accommodate the realities of present ARS operations, particularly the relative difference between engineering and agricultural capacities, the organizational responsibilities should be changed to incorporate an agricultural officer with responsibility for direction of the agricultural portfolio for each ARS. This could involve the creation of a deputy ADO position for Agricultural Development.

Distributing Agricultural Inputs and Commodities

The ARR component should limit its distribution of agricultural inputs and commodities to field trials and demonstrations among the farms directly affected by infrastructure rehabilitation. Expanding the distribution of agricultural commodities through the ARR component will place the ARS units either A) acting as a commodity drop for inputs (provided by many NGOs and other donors), or B) as amateur commercial dealers (the responsibility of the PSA component). Neither reflects the strength of the ARR experience to date nor supports the overall objectives of ASSP.

Monitoring Progress and Improving Field Operations

Conditions within Afghanistan have not made the monitoring of activities an easy assignment. In the early days of the program, survival was a key requirement. At this time, however, ASSP has matured into a stage that should allow independent monitoring and assessment of field activities. ASSP should have within its PPA component experienced Afghans and non-American expatriates who can lead survey teams and assess ~~the success of~~ field programs. This information will aid in the improvement of those programs in the future, allowing those approaches that are most successful to be featured in the next funding cycle.

Performance

Re-Adjusting the ARR Financial Reporting System

ARR accounts do not allow the costs of individual subprojects to be captured or analyzed and related to benefits of the infrastructure and agricultural development investment applied to a specific area. This systemic difficulty eliminates the possibility of conducting cost-benefit appraisals on projects, either those completed, or those under design. When funds are grouped together for all operational activities, field review cannot compare high-value investments with marginal investments, or propose improvements for the future. This absence of selectivity in the financial reporting base of the ARR component should be corrected in the near future.

Turning the ARR Component into an Afghan Foundation

There are powerful reasons to consider, over the next few months, the establishment of an Afghan Foundation that encompasses all current activities of the rural works and supporting agricultural activities under the ARR component. The existing program serves as a quasi-government services organization. It can be independent of, but operated in liaison with, the AIG, or any other provisional government. Should a peace settlement allow the creation of a Free Afghan government in Kabul, the Foundation could easily be established as the new operating arm of the Ministry of Reconstruction.

Should the AIG obtain more support from the U.S. government, a Foundation that serves as a buffer between commodity and funding provision from the donor, and end-use deliverables by the AIG, could be a useful mechanism. Should the AIG fail to generate the necessary constituency, and falter, the Foundation could continue operating in the rural Afghanistan without disruption.

An Afghan Foundation could be legally chartered within Pakistan, to operate cross-border programs. A board of directors with appropriate linkages to the tanzeems or AIG could provide

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policy guidance that is independent of the immediate political milieu. Assimilating the staff of the ARR component, with Engineer Mir Mohd Sediq as its first President, would continue the leadership that he has provided the present program. Most importantly, the Foundation would be an Afghan organization, working in an Afghan environment. It would not be required to meet the potentially stringent requirements of an A.I.D. contractor that are demanding in any circumstance, and impossible in present day Afghanistan.

DAI would provide engineering and agricultural technical assistance to the Foundation, and through the Foundation to development in rural Afghanistan. Should this general concept be of interest to AID/Rep, a study could be completed in the next few months on the legal, administrative, policy, funding, staffing and leadership issues that creating such a Foundation would entail.

Providing Support from the ARR Component to the AIG

The ARR field activities have proceeded successfully without direct support or supervision from the AIG or earlier provisional governments. Necessary arrangements have been made with local quasi-governmental authorities for access and the setting of priorities. These should be maintained and strengthened, perhaps, as discussed above, through the creation of an Afghan Foundation. This is insurance against the uncertainty of the future of the AIG, and its present lack of capacity to operate in rural areas.

However, the ARR component should establish a liaison function to coordinate with the Ministry of Reconstruction to allow information to be exchanged on ARR activities, and AIG interests. This function, which could include some support to the Ministry, could bolster ARR's ability to negotiate with the AIG should it become an increasingly powerful and important player in controlling access to rural Afghanistan, as well as improve the coordination among those organizations and agencies providing rural works engineering services.

The coordination function with the AIG might best be provided by establishing a foundation to provide services directly to the AIG from the U.S. government or other foreign donors. This would allow special projects to go forward with AID/Rep financial and logistics support while, at the same time, providing sufficient "space" so that a disastrous occurrence in a program funded by A.I.D. would not affect the entire Agricultural Sector Support Project.

V. THE AGRICULTURAL DEVELOPMENT AND TRAINING COMPONENT (ADT)

This component, to be created during the first year of operations of the integrated Agricultural Sector Support Project, is the bridge between the limited quasi-public-sector agricultural activities within the ARR component, and the commercial agribusiness activities of the PSA component. It would provide the capacity to delivery on-farm demonstrations of new and improved, equipment, cultural practices and post harvest technology, to those farmers in production areas surrounding market centers where the PSA program operates. Under an integrated DAI contract, the ADT would provide technology and direction to the agricultural activities of the rural works component.

The ADT would have three primary responsibilities:

- o to serve as the commercial demonstration, testing, and extension arm of the PSA agricultural input distribution system in each market bazaar supported by PSA activities;
- o to provide direction to the agricultural activities of the ARR component; and
- o to provide technical support to the Ministry of Agriculture of the AIG, particularly to well-specified projects, preferable through an Afghan Foundation, without involving the Ministry in the full range of ASSP programs.

Providing Demonstrations and Extension from Market Bazaars

The ADT is a component whose time has not yet come, since its establishment must follow integration of the two existing ASSP contracts, and the creation of a commercial PSA commodity delivery capacity. While a full outline of the strategy and staffing is not presently possible, basing three or four persons in each market bazaar, co-located and perhaps co-trained with the PSA commercial outreach staff, and coordinated with, and perhaps drawn from the agriculturalists working in ARS units, would be a good beginning.

Based upon the predominant agricultural production and potential of each area surrounding the ARS units and market bazaars, an ADT Peshawar technical staff of four professionals would develop higher technology and output packages for testing on farmer's fields. The ADT field staff would arrange the tests, provide the inputs, and monitor the crop during the growing season. At harvest, a field day would be used to promote the techniques and inputs used for the most successful demonstrations.

There is an obvious connection between the commodities selected for support under the PSA component, and the field tests to be conducted. As field tests reveal commodities that are not successful, or cannot be used by the farmers, they can be discontinued. Likewise, when field trials establish the value of a commodity or piece of equipment that is not presently being supported by the PSA program, these can be added to the program.

Supporting the AIG

There are both potential opportunities and dangers in supporting agricultural programs of the AIG. Since there is little present capacity within the Ministry, ASSP would need to either provide direct technical assistance, or provide commodity distribution that is not connected to commodity use. Without controls and supervision of A.I.D.-provided commodities, irregularities that would be embarrassing to the overall project are conceivable. // ?

One method of buffering ASSP from the AIG Ministry of Agriculture would be to establish an Afghan Foundation to assume existing ARR responsibilities. This Foundation could receive assistance, and provide technical support, as well as commodities to the Ministry. This arrangement has been used in other programs, and might represent a possible compromise between direct commodity support and technical assistance from a U.S. contractor.

The Foundation could have within it expatriate staff or advisors to assist the Afghans who would direct the organization. Major commodity drops, such as for pest control or locust relief might be channeled through the Foundation to the AIG.

In whatever form they might take, agricultural coordination and assistance to the Ministry of Agriculture, would come under the ADT component of ASSP. This is a concept that should be developed over the course of the next six months.

Appendix 1: Shipment Process

Shipment rebate rates will be assessed on a monthly basis and calculated according to the prevailing average value of commercial transport rates from a Trade Center to a target bazaar. Rebate rates will be quoted and set before the departure of a shipment and will be stated as a non-negotiable figure in Pak rupees per metric ton.

The traders (or manufacturers) will cover any shipment cost incurred in delivering commodities from any purchase point in Pakistan (for example: Lahore or Karachi) to a Trade Center. The trader will also be responsible for the pre-shipment storage and consolidation of cargo.

The Trade Center Staff will be responsible for the "pre-shipment inspection" of consolidated cargo and for the issuance of shipping documents to cover each vehicle, after it is correctly loaded.

In the case of prohibited export items that cannot be found overseas, such as "acclimatized" domestic livestock and some crop seeds like Pak-81, the project will secure a specific "export quote" for each restricted commodity and limit project "assisted" exports of these items to a figure within these quotas.

The Trade Center office will pay a pre-set shipment rebate to the consignee or his representative only when the shipment documents are returned properly signed, having been inspected for delivery by one of the PSA field staff based in the target bazaars.

The traders will be responsible for the selection and payment of the trucking company, and the traders will cover all additional shipment costs incurred in delivering commodities to a target bazaar such as payment advances, border "commissions", loading and unloading fees, and losses from war or theft.

Appendix 2: Training Scheme

Part I: Objectives of Data Gathering

Past experience indicates that one of the major reasons for inadequate data collection in the Afghan context has been a failure to communicate to the collectors the objectives of the data gathering. Data gathering in Afghanistan is a difficult task often requiring creative responses. For example, it can often require changing an approach in the field when the first approach does not work. Finding appropriate solutions to data collection problems requires that the field person understands the relationship between the kinds of data he is expected to collect and the eventual uses of these data.

This section of the training program will consist of:

- o A presentation of the objectives of data collection by chief members of the planning staff
- o A review of data categories to be collected and their relationship to planning
- o question and answer periods to allow the trainees to clarify issues not clearly understood
- o mock planning sessions, giving the trainees the opportunity to demonstrate the ways data will be used in planning

Part 2: Data Collection Techniques

The time required for training and the specific contents of the following data collection techniques will be defined when the required categories have been identified. The general approach is as follows:

1. Sampling Techniques
 - A. Choosing representative sample areas
 - B. Sampling within the statistical population
2. Collecting Economic and Trade Data
 - A. Commodity prices
 - B. Commodity availability and origins

- C. Role playing: Trainees will "play their way through" various data collection techniques. This approach is essential to learning to use skills and helps break the ice between group members.
- D. Data collection assignments: Trainees will be expected to write a practice report from the data collected during each data collection exercise.

3. Collecting Agricultural Data

- A. Combining interviews and observations: Corroboration Techniques
 - o physical conditions
 - o outputs
 - o needs
- B. Role Playing
- C. Data collection assignments

4. Mapping

- A. Objectives: with specific examples of sample maps prepared from available data
- B. Techniques: with base maps of potential areas
- C. Classroom practice: maps to be drawn from memory, e. g., from home to office
- D. Map Training Exercise: groups of trainees will be taken to a rural area near Peshawar where they will be given mapping assignments similar to those they will do in Afghanistan.

5. Data Analysis and Representation Techniques

- A. Raw data formats
- B. Reports: reviewing a sample report (trainees will write a report from their data collection exercise).
- C. Analysis: discussion of possibilities for analysis of data in the field, e. g., their explanations of the significance of

data they collect to needs and planning.

D. Mapping

6. Review and Examination

Part 3: Additional Training

1. Data collection coordinators will need to be carefully examined to determine whether they have learned the data gathering techniques properly. In addition, they will need training in supervision, assessment of data collected, and reportage. These people may evolve out of lower level staff, or may need to be specially recruited.

2. At least one refresher course for all data collectors should be held every six months. It will be necessary to bring individuals back from the field from time to time for additional in-service training. The content of refresher courses will depend upon evaluations of the data collection. Because the first training cycle is a pilot initiative, it is important to track and monitor its results closely to learn as much as possible about the process and its relative strengths and weaknesses. After the first three months in the field, the MAP unit data collectors should be assessed and may need to be brought back to Peshawar or Quetta for further training and/or orientation in relevant methodologies.

Appendix 3: Geographic Information System (GIS)

Executive Summary of the EarthSat Report

This report assesses the feasibility of installing and using Geographic Information System (GIS) technology in conjunction with remote sensing to create and maintain an extensive database on rural Afghanistan. For purposes of this project, there are sixteen geographic areas of interest, each designated an Area Rehabilitation Scheme (ARS), located primarily in the eastern quadrant of Afghanistan. The data base will be designed, however, to facilitate its expansion to a national database based on demonstrated need and capability. It will be staffed by trained Afghan managers, operators, and technicians with expatriate advisors and a technical support staff.

Geographical Information System technology, including remote sensing data, is an information handling science using computers and trained analysts to record and analyze data on a variety of themes with a common geographic reference. In the case of Afghanistan, although much data exists in usable form, it has not previously been collated and analyzed to provide accurate data on the current situation in rural Afghanistan. The inability to perform widespread and accurate physical monitoring of these regions on the ground leads to the conclusion that only a system of this type can meet the planning and analytic needs of agencies committed to the agricultural development of Afghanistan.

Data available through remote sensing, originating from commercial satellites, improves the efficiency and effectiveness of analysis, mapping, planning and project monitoring. Other advantages to remote sensing, when combined with conventional data collection techniques, include:

- o provision of base map control in creating a GIS database
- o low cost per kilometer
- o availability for continuous coverage for monitoring purposes, including pre-war coverage
- o ease of incorporating digital satellite data into a computer-based information system

In order to implement this program design, it will be necessary to install the following components:

- o facilities at ASSP/Peshawar and an equivalent (although temporary) facility at EarthSat in Washington
- o obtain remote sensor imagery from Landsat and Spot,

two commercial satellites available for this purpose

- o software functions
- o hardware components and peripherals specifically designated for GIS purposes
- o professional and technical staff

It is estimated that within six to nine months a usable database will be prepared. At that point, the EarthSat office in Washington would shut down and all information and equipment be sent to ASSP/Peshawar. Subsequently, only technical advisors from EarthSat would be necessary.

Objective of the Facility

There are two primary goals in establishing a GIS archive and facility. The first goal is to provide geographic and cartographic information not currently available to the project's Program, Planning and Design component. The second goal is to provide the PPD unit with a Geographic Information System such that the integration of a wide variety of data is available to assist in meeting the planning and analytical needs of a variety of users involved in the ASSP project.

The Remote Sensing Archive will provide needed imagery base maps, land use information, and analyses to meet diverse and extensive information needs. The information thus obtained will then become a part of the GIS database. This information, on topics as varied as land use, extent of irrigated cultivation, village and town locations, roads and related infrastructure locations) will assist in determining needs and priorities. The regular addition of future satellite images to the Remote Sensing Archive will facilitate monitoring the impact of rehabilitation projects and resettlement patterns, e. g., increased lands under irrigated cultivation.

The Geographic Information System will incorporate spatial data, including maps, area statistics, and enumeration/survey data. Once completed, it will be possible to transform the information, via overlays and other analytic operations, into new and useful information to support planning, analysis, monitoring, and decision-making.

Appendix 4: Market Information System (MIS)

Preliminary Description of System GIC Agricultural Group

Objective of the System

The proposed system is designed to gather nominal and real market prices on selected products derived from collection points within Afghanistan, as well as in Peshawar, Quetta, and Pakistan nationwide. The system will provide price ranges for these products reflecting actual trades as well as provide a basis for determining price trends in order to develop guidelines on pricing patterns and identify longer term relationships between supply and demand.

MIS will track certain indicators as a function of their market relevance in order to accommodate the interrelationship of commodity/product prices with other key variables such as transportation and currency exchange rates. The key indicators of exchange and transportation rates will be part of a weighted market price reported along with nominal market prices to provide a benchmark price for MIS users.

Approach

1. Price Tracking (Price Range for Nominal Prices)

- Collection of bimonthly prices at 2-3 collection centers in Afghanistan (including Kabul), as well as in Peshawar, Quetta, and 2-3 other collection centers in Pakistan
- Collection of Pakistan government statistical pricing sources
- Collection of freight rates: Karachi-Quetta/Peshawar, Lahore-Peshawar/Quetta, Peshawar/Quetta-Kabul; and simple averages of rates for other provincial routes
- Monitoring of currency exchange rates: USD, Rupee, Afghani

2. Price Analysis (Price Trends for Real/Effective Prices)

- Weighted factor analysis: key factors of transportation and exchange rate trends correlated with nominal price trends

- Design of a survey matrix for price-related data collection
- forecasting of price trends to reveal relationships of prices to changes such as adjustments in demand levels induced by repatriation
- occasional studies (as required) on specific sectors, subsectors or monitored variables

3. Survey Sources

- Fertilizer
 - o World market prices for urea and DAP
 - o Pakistani producers
 - o GOP/National Fertilizer Development Center; FID (Fertilizer Import Directorate); and Federal Bureau of Statistics
 - o Reported Kabul prices
- Farm Equipment
 - o Pakistani manufacturers
 - o Trading companies
 - o Public advertising
 - o GOP/Farm Machinery Institute; NARC (National Agricultural Research Center); Federal Bureau of Statistics
- Seed
 - o US domestic prices for HYV wheat seed
 - o Large Pakistani growers and corporate producers
 - o GOP/FID; PASCO (Pakistan Seed Corporation)
 - o NWFP/ADA (Agricultural Development Authority)
- Freight Rates
 - o CCSC/ACLU (Construction Control Services/Afghan Central Logistics Unit)

- o UNILOG
- o GOP/PR (Pakistan Railway)
- o Transport companies
- o NGOs/International Agencies
- Exchange Rates
 - o Commercial banks
 - o Private money changers: Peshawar/Quetta

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Appendix 5: Data Categories*

<u>Category</u>	<u>Suggested Topic</u>
1. Baseline data	<ul style="list-style-type: none">- topography- climate- soils- natural vegetation- irrigation systems (pre-war)- cropping pattern (pre-war)- landholding patterns- communications systems- demographic characteristics- political controls
2. Commercial data	<ul style="list-style-type: none">- market centers- number of shops in centers- transportation costs- availability and price of agricultural commodities & services- origins of agri. products- consumer product prices- wage information- farm budget information- credit sources
3. Physical Conditions	<ul style="list-style-type: none">- direct/indirect war damage on agriculturally-related infrastructures & outputs- transportation systems (to & from Pakistan)
4. Rural Works (Various Agencies)	<ul style="list-style-type: none">- rural works in place and in process- rural works proposed- related works (e. g., roads, bridges)- high priority agricultural needs

*The need for Special Studies will emerge during the data collection process. Examples of topics that may require investigation include:

- o the comparative advantages of non-grain agriculture over grain agriculture

- o comparisons of economic indicators in Pakistan versus in Afghanistan (e. g., prices of inputs and outputs, wage structures)
- o refugee resettlement and conditions
- o the effects of Soviet involvement on Afghanistan's rural economy
- o the extent of present cross-border trade