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AGRICULTURE SECTOR ASSISTANCE

306-0204

ACTIVITY APPROVAL MEMORANDUM

1. Activity Design.

The design for this project is described in a plan submitted by Volunteers in Technical Assistance (VITA) at the request of A.I.D. The plan, "A Project to Increase Food Production in Afghanistan," (Fifth Draft), January 1987, is attached as TAB A, and is incorporated in the Activity Approval Memorandum (AAM) by reference. A detailed statement of work is attached to the PIO/T prepared for this project.

2. Monitoring and Evaluation.

A Data Collection, Monitoring and Evaluation Plan, dated February 26, 1987, has been prepared for the project. It is attached at Tab B.

3. Selection of Contractor.

The non-competitive selection of VITA is recommended to implement the project. (See Attachment 2 to PIO/T)

4. AID/W Concerns.

On January 15, 1987, the Asia Near East Bureau held a project committee review of the proposed Agriculture Sector Project. An Asia Near East Project Advisory Committee (ANPAC) review followed on January 20, 1987. The ANPAC's findings, recommendations, and concurrence for authorization of the project by the A.I.D. Representative, were transmitted in STATE 023946, 1/28/87. The O/AID/REP was asked to address the Committee's concerns while completing this AAM.

O/AID/REP will work closely with the contractor to assure that concerns expressed in the review cable are addressed as the project progresses. As an initial and experimental step, the contractor, under an ongoing grant, has arranged for commercial delivery of 10 threshers into Afghanistan. The results of this experiment will be closely watched, and will govern the evolution of a mechanism for controlling the possible further use of the commercial channel. There is an element of risk involved that can only be

assessed when the findings of the experiment are known. Below are the initial assumptions we are using to address the ANPAC concerns.

A. Commercial Markets. The primary constraints to increased export of threshers from Pakistan to Afghanistan appear to be twofold: a.) limited familiarity with threshers on the part of most Afghan farmers and b.) price. VITA is proposing a 20 percent subsidy to encourage the export of a greater number of threshers in the immediate coming year. It is estimated that this subsidy will increase exports from approximately 20 threshers to approximately 60 threshers in 1987. Without a subsidy, threshers would sell for approximately \$1,850 each, CIF Kabul. With a subsidy, threshers would sell for approximately \$1,440 CIF Kabul. The direct beneficiaries of this subsidy would be the farmers who purchase the subsidized threshers, their families, and their neighbors. The indirect beneficiaries would be farmers throughout the country, who will benefit from expanded exposure to an important labor-saving device, which has profound implications for the whole labor-short agricultural sector. (Note: In Pakistan, this kind of agricultural mechanization has had a dramatic impact upon the agricultural sector since the early 1980s. We expect that, over the next several years, threshers will have a similar impact on the agricultural economy of Afghanistan, permitting a significant increase in cropping intensity, by freeing up labor currently used for threshing.

As this time we do not believe that the presence of subsidized threshers on the market will adversely effect the further importation of threshers. (Our present information suggests that there were approximately 25 threshers imported into Afghanistan in 1986.) We do expect that the availability of subsidized threshers for the next 2 years will significantly increase the demand, while fostering the dissemination of an important labor-saving device.

The project is being designed to increase the flow of agriculturally related goods to Afghanistan, not to substitute for or discourage legitimate commercial trade. An explicit intent of the project is to strengthen commercial trade. Appropriate analytical and monitoring systems are being built into the project to see that it has positive consequences on commercial trade.

B. Subsidy issue. AID Rep believes that Alliance structure will play a major role in helping to determine ultimate recipients and beneficiaries, regardless of whether assistance is through the Agricultural Council (Track I) or commercial channels (Track II). Inappropriate subsidies for the wrong commodities in the wrong sector clearly could have a detrimental effect upon free market systems. AID assistance to Afghanistan will have to be carefully calibrated, depending on specific needs in specific sectors and depending on the precise economic conditions of a particular part of the country. Generally, decisions will have to be made on a case-by-case basis, acting on the best available data.

C. Selection of Recipients. Selection of recipients was, is, and will continue to be a sensitive issue, whether this is made through the Alliance, or through other mechanisms. (Note: we do not see Track I (The Alliance)

working in opposition to Track II (commercial approach); rather, both tracks are designed to be complementary and supplementary. Decisions made by Track II are expected to reflect Alliance priorities and concerns. This is true for selection of impact areas, determination of beneficiaries, allocation mechanisms, cost determinations, mechanisms for transportation, etc.)

When commercial traders are used to send in commodities and supplies, the project will expect to pre-program the distribution of items in order to facilitate their delivery to the intended impact areas. A system of chits and vouchers will be designed, so that whenever possible, prospective purchasers of proposed inputs will be pre-identified prior to the time an item is exported to Afghanistan.*

When the project works with PVOs using them as channels for export of selected commodities, such PVOs will need to agree in advance about procedures to insure appropriate delivery and distribution mechanisms. As for differential treatment for those regions which are most adversely affected by the war, we believe that this needs to be handled on a case by case basis, but that it probably will be possible to differentiate among recipients on a regional basis.

Based on what we currently know, we believe that items can be made available at different costs or different prices for different markets, depending broadly on: a) need, and b) the ability of people within a region to pay. We cite again the broad criterion which VITA has proposed to help clarify this issue. This criterion states that for inputs and commodities, prices should be established which are 'more than nominal and less than onerous.' This broad policy guideline needs to be adjusted, depending on the specific market realities in a specific place.

D. Local currency generation. When commodities are sold through Track II, a subsidy to the manufacturer or trader will result in a lower price to the beneficiary. No local currencies will be generated. When commodities granted through Track I Agriculture Council mechanisms are sold, probably only in modest amounts, the proceeds would be used by the Agricultural Council for project purposes as authorized by the Project Steering Committee and appropriate workplans.

*There is ample precedent for commercial systems in the Sub-Continent to work in this fashion. See, for example, studies by Maxwell Fry, analysing the Afghan economy, written for the USAID Mission to Afghanistan in the 1970s.

E. Miscellaneous issues.

- (1) Budget. This has been addressed in the PIO/T Statement of Work, Paragraphs IIC and V. A summary budget is contained in Section V below.
- (2) Selection of Beneficiaries issues. AID Rep concurs that care must be taken to assure that beneficiary areas are appropriately targetted so that project resources go only to liberated areas of Free Afghanistan. However, it is important to note that an area which is free today may not be free tomorrow, and vice versa.
- (3) Selection of inputs. AID Rep agrees that selection of inputs must continue to be realistic. Selection during the design phase has moved carefully to establish priorities and to correlate priorities with feasibility. We would expect that this judicious effort would continue, beginning with the simplest types of inputs (oxen, threshers) and moving on to other types of inputs as management systems are in place to deal with allocation, distribution, dissemination, and related issues.
- (4) Source/Origin of goods. Most procurement will be off-the-shelf in Pakistan. Care needs to be taken that no Russian made goods are knowingly purchased. For purchase of fertilizer inside Afghanistan, AID Rep will carefully consider sensitivities of this issue, and feasibility of alternative procurement sources will be thoroughly evaluated.
- (5) Procurement of insecticides. Agency policies concerning safety and environmental considerations will be taken into account. AMEG, as procurement agency, will be asked to ascertain that items procured are in accordance with EPA's approved listings.
- (6) Monitoring and Evaluation. AID Rep will endeavour to keep AID/W informed on monitoring techniques as they are developed. Micro-level surveys will attempt to secure base-line data, but it is important to note that in peace time there was minimal capability to secure meaningful baseline data for a country which was virtually devoid of statistics. Now, given the dislocations of the war, this will be even more true. Evaluations should examine questions about the achievement of institutional objectives, as well as the impact of the project on agricultural production in the micro-areas being assisted, to the extent that this is realistic under conditions of guerilla warfare and Soviet occupation.

5. Budget

	<u>Contract Year</u>			Total
	One	Two	Three	
Technical Assistance	744,775	724,883	777,884	2,246,962
Logistical Support	207,400	70,989	77,966	356,355
Program	547,825 *	704,708	644,150	1,896,683
Program - Accelerated		750,000 **	750,000 **	1,500,000
TOTAL	1,500,000	2,250,000 **	2,250,000 **	6,000,000

* Approximately \$395,000 is available in VITA's Grant No. 306-0201-G-00-6015-00, dated 9/30/86, and will be used to supplement the program budget.

** \$1,500,000 is currently projected for this project in FY's 1988 and 1989. A somewhat higher authorization is recommended as was done in the other three Alliance- oriented projects. This will permit shifting funds from slower moving projects to faster disbursing projects.

ATTACHMENT:

A. Volunteers in Technical Assistance, "A Project to Increase Food Production in Afghanistan," (5th Draft), January 1987

B. "Data Collection, Monitoring and Evaluation Plan," Agriculture Sector Support Project, 306-0204.

*A data-gathering, monitoring and evaluation plan dated 2/26/86 has been prepared for the project: A copy is attached.

Drafted by:O/AID/REP:AJNehoda/JNGunning:3/8/87

5th Draft

WORKING DRAFT

**A Project to Increase Food
Production in Afghanistan**

Submitted to:

**AID Representative for
Afghanistan
c/o America Embassy,
Islamabad, Pakistan**

Submitted by:

**Volunteers in Technical Assistance
1815 North Lynn Street, Suite 200
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January, 1987



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EXECUTIVE SUMMARY

1. This paper describes a project to assist the agricultural sector of Afghanistan. The project has two purposes. The primary purpose is:

- o to provide resources to support increased agricultural productivity in selected areas of Afghanistan.

The secondary purpose is:

- o to support the growth of institutional mechanisms to utilize the resources the program will make available.

2. The project envisions the creation of an Afghan organization as the primary vehicle for implementation of the project. This organization--the Afghan Agricultural Project--will be composed of Afghan technocrats, nominated by Afghan political parties from the Seven Party Alliance. This organization, working under the direction of the Agricultural Council,* will have primary responsibility for the delivery of goods and services to selected areas inside Afghanistan.

3. The Afghan Agricultural Project (AAP) will be assisted by a three person expatriate technical assistance team. This team will be composed of a) a Chief of Party, b) a Chief Technical Advisor, who will be a senior experienced agriculturalist, and c) an executive officer and controller, who will assist with monitoring, financial control, and other aspects of project administration.

4. Overall direction for the project will come from an informal steering committee composed of representatives of USAID, the GOP, and VITA.

5. Working under the direction of the steering committee, VITA will control release of funds to the AAP and other related groups and organizations who can support the development of the agricultural sector in Afghanistan.

6. The Afghan Agricultural Project would have Afghan extension agents resident in the designated project impact areas. These extension agents will generally be trained agriculturalists, who are native to the area where they are working.

7. Project impact areas would be designated by the Agricultural Council, and would be areas where all seven parties agree that it is appropriate for work to be done.

* A policy making body of seven representatives, with one representative nominated by each of the seven political parties.

8. The kinds of agriculturally related inputs with which the project expects to work include the following:

- o oxen
- o tractors
- o threshers
- o water pumps
- o wheat seed
- o insecticides
- o sprayers
- o fertilizer
- o sheep.

I. Introduction

This project design is an evolving document, which is being designed in an accretionary fashion, as it attempts to reconcile the many legitimate priorities of the many concerned parties who are involved in its potential implementation. The concerned parties whose views need to be considered include:

1. AID/Afghanistan
2. AID/Washington
3. The Government of Pakistan
4. The Islamic Alliance of Afghan Mujahadeen
5. The Agricultural Council of the Alliance
6. VITA/Washington.

This draft is the fifth draft of the document. It is a tentative document, which is presented in draft, as the designers seek to design mechanisms, and generate a consensus which all major players can support.

The context in which the design is being prepared compels the adoption of a "rolling design strategy". The mechanism, relations, and procedures which are described in the following pages are preliminary ideas, which need to be reviewed, discussed, amended, and adjusted in the light of experience. We hope that the reader of this paper will keep these points in mind as they review the pages which follow.

II. BACKGROUND

The agricultural sector in Afghanistan has been characterized over the last several years by serious disruptions and disturbances which extend beyond the direct consequences of the war. There are widespread reports of drought-like conditions over much of the country for the last four years. These symptoms appear to have been most pronounced in the provinces north of the Hindu Kush, but apparently they have been felt all over the country.

They were most severe in the winter of 1985/86. This drought-like condition appears to have been partly a man-made phenomenon, which came from the breakdown of irrigation and transportation systems, plus the burden of massive numbers of internal refugees. Transportation networks between different parts of the country have deteriorated, exacerbating pricing differences. This, plus the labor problems involved with operating and maintaining the traditional irrigation systems has compounded the effects of limited rainfall.

Wheat prices have been steadily increasing year by year. Prices in 1986 ranged from 180 afs per seer* in the Southern and Eastern provinces, to a medium price of 225 afs per seer in Kabul and the central provinces, to a maximum of 650 afs per seer in those provinces which have been hardest hit by the drought in the northwestern regions of the country.

The agricultural sector has been further characterized by moderate to severe labor shortages and dislocations. This is directly attributable to the effects of the war. There has been massive out migration from Afghanistan, estimated at approximately 5 mil people, or one third of the pre-war population of the country. There have been casualties and fatalities which reportedly number somewhere between 500,000 to 1 mil people. In addition, there has been extensive internal migration within the country. The population of Kabul City has reportedly increased from 500,000 to 2 mil people. Perhaps a further 500,000 to 1 mil people have fled from rural areas to other towns and cities. (The towns of Mazar-i-Sharif, Shibergan, and Jallalabad along with Kabul City itself have all reportedly grown substantially.)

There also appears to be a trend in the northern part of the country for people to leave towns and cities near to District Centers and Provincial Capitals (like Kunduz, Baglan, and Puli Kumri) and take refuge in out-lying areas, away from the occupying Soviet forces. In short, more than half the population of the country has been forced to relocate, either inside the country or outside of it, with profound consequences for the labor available for work in the agricultural sector. The economic consequence of this is especially pronounced for the fruit growing areas of the country, where demand for labor is highest.

The third major disruption to the agricultural sector comes from the lack of inputs and supplies. Tens of thousands of livestock have been killed. Oxen, the principal traditional draft animal, have been particularly hard hit, and it almost appears as though it has been de facto Soviet policy to encourage the shooting of draft animals.

* approximately 150 afs = \$1.00 in 1985/86; one (Kabuli) seer equals 16 pounds.

Fertilizer is in relatively short supply, particularly in the Southern parts of the country. Tractors and other farm machinery have been destroyed, or have broken down due to lack of spare parts, supplies, and the absence of trained operators. Irrigation canals and karezes are often reportedly broken or destroyed. The massive irrigation systems of the Helmand Argandab Valley Authority (HAVA) in Southern Afghanistan centered around Lashkar Gah (which was largely funded by USAID before the war) is reported to be intermittantly operating. Some reports suggest that sometimes it operates at only 15 percent of its designed capacity.

In spite of all these disruptions and dislocations, for the most part there are no reports of starvation. Those people who are still in the rural areas who have not been forced to evacuate because of the war are still able to exist, albeit very much at the margin. With the possible exception of parts of the Provinces of Badghis, Fariyab, and Ghor, people seem to have enough wheat or other staples to survive, although increasingly, they seem to be living ever closer to subsistence levels. (A detailed province by province summary of the status of the Agricultural sector--to the extent that it is currently known to the design team--is given in Appendix I.)

III. Assumptions

The unique circumstances surrounding the delivery of technical assistance to Afghan farmers shape the basic assumptions on which this program is based. These assumptions include:

1. The project should be designed for two phases: Phase I would be for about 12 months. Phase II would depend on the experience of Phase I, but is presently expected to run for a further 24 months.
2. The project should limit itself to working in agriculture and institutional development.
3. The project should follow a strategy of 'dispersed infusion' of resources, so that no one area inside Afghanistan will benefit too visibly, and thus become a possible target for Soviet reprisals.
4. The project should adopt a very low profile, both in Pakistan and Afghanistan. Where possible it should work closely with and through existing traditional Afghan institutions in the selected project areas.
5. Initial impact areas inside Afghanistan should be chosen carefully to reflect the priorities of the Seven Party Alliance.

6. The project should coordinate with and support other groups (in addition to the parties) which are also working in the agricultural sector of Afghanistan.

7. Flexibility should be built into the technical assistance contract to permit subgrants to the Afghan Agricultural Project as well as to other groups and organizations to support agricultural development. (See page for additional discussion of this important point).

8. The project would follow a two track strategy.

o Track I would operate under the policy guidance of the Agricultural Council, a body presently in existence, composed of representatives from each of the 7 major Afghan political parties. The Agricultural Council, in turn, would provide direction to the Afghan Agricultural Project (AAP) which would initiate agricultural development activities in selected areas inside Afghanistan. VITA would provide technical assistance to this organization. (See Figure 1, page 9a for diagramatic representation of this two track strategy.)

o Track II would run parallel to Track I. Working under the guidance of the Steering Committee composed of appropriate representatives of the GOP and USAID, VITA, as directed, could channel financial resources and technical assistance to the Afghan Agricultural Project (above) or alternatively, as circumstances dictated, channel resources to private sector groups and organizations with the capability for working in the agricultural sector of Afghanistan.

In addition to the broad assumptions which underlie the overall VITA technical assistance package ("the project") there are also a series of assumptions which underlie the operations of the Agricultural Council and the Afghan Agricultural Project ("The AAP"). These include the following:

1. The Agricultural Council of the Alliance is a policy making body.
2. The Afghan Agricultural Project is an implementing body.
3. The Afghan Agricultural Project supports farmers in all areas of liberated Afghanistan.
4. The needs of the agricultural sector in Afghanistan are virtually unlimited. Accordingly, the Afghan Agricultural Project should not seek to be the exclusive provider of

agriculturally related goods and services inside Afghanistan. Parallel systems should be encouraged utilizing private sector capabilities.

5. The AAP should serve as a catalyst for work with the agricultural sector, at the same time that it encourages private sector mechanisms to supplement its work.
6. Because of the geographical constraints, the AAP should concentrate the direct delivery of goods and services to those parts of the country which are currently accessible from Pakistan. (This consists of those provinces south and east of the Hindu Kush mountains.)
7. For the more remote regions of the country, the AAP should explore the possibility of sending financial resources, when it can not send goods directly. (This applies to parts of the Hazarjat, and those provinces north of the Hindu Kush, where it is currently logistically impractical to send goods and equipment.)
8. The project will work with the Commodities Group (AMEG) to arrange procurment and shipping of agriculturally related supplies and equipment.
9. There will be close coordination among the Health, Education, and Agriculture Projects, as well as close liaison with the Commodities wing of the Alliance.
10. Salaries and fringe benefits should be similar between and among staff of the various Alliance Committees.
11. The AAP will coordinate with other implementation groups working in the agricultural sector in Afghanistan.
12. Selection of staff will be based on technical proficiency and appropriate skills, as these are measured against written job descriptions.
13. Cereals production will be the first priority of the project, followed by orchards, vinyards, and livestock. (See Appendix II for a province by province status report of the agricultural situation inside Afghanistan. See page 16 for a discussion of possible inputs to the agricultural sector, and the priorities which relate thereto.)

IV. Project Descriptions

A. Conceptual Framework

The VITA project would have two purposes. The primary purpose of the program is:

- o to provide resources to support increased agricultural productivity in selected areas of Afghanistan.

The secondary purpose of the program is:

- o to support the growth of institutional mechanisms through which the various Afghan political parties could cooperative to utilize the resources the program will make available.

The program will be carried out from Peshawar, Pakistan, under the auspices of the Government of Pakistan (GOP) and of the United States Agency for International Development (USAID). At a subsequent time, depending on needs, a second project office might be opened in Quetta, Baluchistan. The project will focus on selected valleys in several Afghan provinces, which can be reached from Pakistan. At present, these are thought to include those provinces in the Eastern and Southern parts of the country, including Herat, Nimroz, Farah, Helmand, Kandahar, Uruzgan, Zabul, Ghazni, Wardak, Zabul, Paktika, Paktiya, Nangarhar, Logar, Lagman, Kapisa, Konarha, and Badakshan.

Phase I of the program, expected to run about 12 months, will consist of direct delivery of supplies and services inside Afghanistan. During Phase I, mixed teams of survey agents, agricultural extension agents, and engineers will be responsible for working through the political parties and traditional Afghan social institutions to increase the flow of supplies to the agricultural sector. These teams would undertake the following kinds of activities:

1. survey of needs at the micro-level where the project will work*
2. supply of oxen or other draft animals

* USAID is currently funding the Swedish Committee to conduct a national survey of the Agricultural situation throughout Afghanistan. This is a macro-level endeavour, which will be useful for giving an overall picture of the agricultural situation. For the project being described here, however, it will be necessary to conduct detailed micro-level surveys of specific proposed sub-project areas to assess specific needs and absorption capabilities.

3. supply of appropriate small-scale agricultural equipment and machinery including small threshers, tractors, and cultivators.
4. supply of necessary insecticides, pesticides, and fungicides
5. supply of improved wheat seed (from sources available in Pakistan)
6. provision of fertilizers (from stocks inside Afghanistan)
7. supply of water pumps and other equipment to support agricultural production
8. improvements of water carrying structures -- aqueducts, karezes, intake structures, and canals -- using engineering skills and locally available resources.
9. establishment of 'seed banks', and perhaps 'cereal banks' from which farmers can borrow.*

Phase II will build on the experience of Phase I, extending assistance to more areas. Phase II will probably resemble Phase I in many ways. It will probably work with the same kinds of inputs in many of the same areas. It may also encompass such areas as the introduction of simple equipment to rehabilitate karezes and canals, the introduction of credit and the establishment of loan funds, introduction of new crops and improved systems for plant protection, introduction of improved breeds of animals, and treatment of crop blights and other diseases.

It is impossible at this time to give a detailed design for activities that would be undertaken by the project. Accordingly, the project will be reviewed frequently and adapted to changing needs and conditions. In effect, the project will be implemented following a "rolling design" strategy, in which the design is adjusted during the course of project implementation, to fit the perceived needs of the project. Broad parameters will be spelled out in this document, but a firm program can only be determined by actual experience in the field. VITA, working through the AAP, would begin work in agriculture in several impact areas, and

* For a discussion of the actual mechanism through which wheat seed would be disseminated, see Inputs section, page 26. (The proposed mechanism is actually closer to a cooperative trading venture than it is to a bank.) The establishment of "cereal banks" from which people could "borrow" in bad times and make "deposits" in good times would have to be carefully developed on a pilot basis during the course of project implementation.

gradually move to institutionalize this work in appropriate fashion as directed by the Steering Committee. The details of what will be done, and the sequence in which it would happen can only be decided after appropriate reconnaissance and feasibility studies, and some on-the-ground experience working with the various participants.

After an initial orientation period, the project would prepare the following plans:

- o a general work plan for each year's activities
- o a specific work plan for each six month's activities
- o a detailed work plan for each quarter.

Each set of plans would be presented to USAID and the GOP for discussion, review, and approval. The plans would also be discussed with the Agricultural Council of the Alliance, and other concerned groups and individuals working in agriculture in Afghanistan.

B. Methodology

Given the unpredictable nature of events in Afghanistan, VITA suggests that a possible scenario for the program might take place along the lines presented in the following sections, which characterize the components of the project as: 'who,' 'what,' 'where,' and to some extent 'how.'

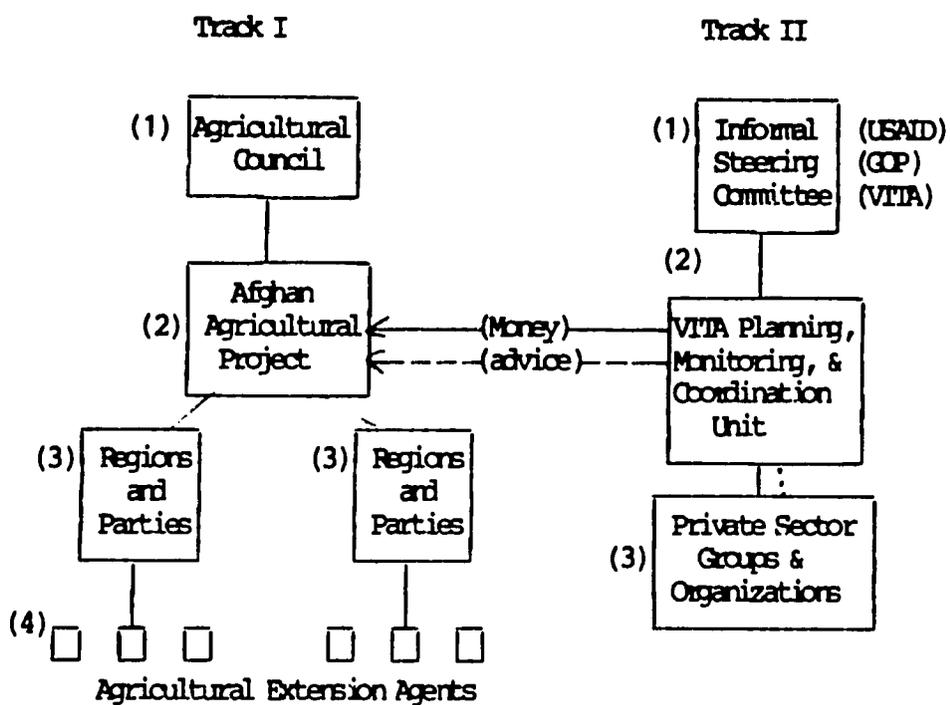
1. Who are the Principal Players?

Figure One diagrammatically represents the principal players, and suggests their inter-relationships. It also details the two track strategy which the project proposes to follow. Reading from left to right and top to bottom along Figure one, the principal players are as follows:

Track I, (1) -- The Agricultural Council of the Alliance is an existing group of seven representatives of the seven major Afghan political parties. The Agricultural Council has written a charter for themselves and the Afghan Agricultural Project. This charter is given in Appendix II. The Agricultural Council is a policy making body, which directs the activities of the Afghan Agricultural Project (and conceivably other projects funded by other donors as well).

Track I, (2) -- the Afghan Agricultural Project is an implementing agency, working under the direction of the Agricultural Council. A draft organizational chart for the AAP is given in

Figure 1. Diagrammatic Representation of Project Components



Key

_____ = Direct Relationship

----- = Indirect/Advisory Relationship

Appendix III. The AAP is a field-oriented organization which will execute sub-project activities with the support of the individual political parties and their commanders in the field.

Track I (3) -- Parties and Regions. The Afghan Agricultural Project is organized to work with and through the seven party Alliance. Working under this framework, the parties will collectively choose several small focal areas inside Afghanistan as the primary areas for concentration. The Afghan Agricultural project will hire staff to help coordinate the deployment of agricultural resources within these designated target areas. Such staff will be paid by the AAP, through VITA.

Track I (4) -- Extension and distribution agents, nominated by the parties and paid by AAP, will draw upon the home office resources of the AAP, which will have administrative headquarters in Peshawar.* The technical and administrative wings of the AAP will exist to provide both administrative and technical support to these field agents. (See Appendix IV)

Track II parallels Track I in a number of significant ways. It also has some important differences. The key players on Track II include the following:

Track II, (1) -- the Informal Steering Committee. This provides overall direction for Track I and Track II, and it directly supervises the technical assistance team (VITA). The Steering Committee is composed of appropriate representatives of the Government of Pakistan and the United States. A VITA representative will also sit on the Steering Committee.

Track II (2) -- VITA technical assistance team. This group will be the control unit for the project, under the direction of the Steering Committee. Funds, for example, will be held by this body, for release to the AAP and other distribution agencies as directed by the Steering Committee. The VITA technical assistance team will be assisted by a small cadre of carefully chosen Afghan and Pakistani staff. The technical assistance group will have responsibilities for planning, monitoring, and coordinating acti

*This project is closely tied to the 7 Party Alliance, and works under the general guidance of the Agricultural Council, composed of one representative from each political party. Accordingly, these primary political and administrative arrangements need to be established in Peshawar. At the same time, many opportunities on the technical side for supplying agricultural and commodities equipment can best be addressed from Quetta. At an appropriate time,--probably as directed by the Informal Steering Committee--the project will probably need to open a second office in Quetta.

increases in the authorization levels would be based on the judgement of the Authorizations Committee. Such raises in authorized allocation levels would be contingent upon proven performance capabilities, as shown through appropriate monitoring and evaluation reviews.

Control and Release Mechanisms

Control and release of commodities, equipment, and supplies is ostensibly a simple matter. In the context of this project, however, nothing is simple, because there are many players with many priorities. Accordingly, as best we currently understand matters, commodities, equipment and supplies would generally be procured directly by the commodities unit of the Alliance, working through the USAID-funded technical assistance unit American Manufacturers Export group (AMEG). Once procured, materials and supplies would generally be held in warehouses in Pakistan under AMEG and GOP auspices. Release of such supplies would be as directed by the steering committee for the project, * in quantities and ways which meet the technical and political needs of the concerned parties. It is expected that AMEG would have primary responsibility for transporting the equipment, materials and supplies to designated impact areas. The VITA planning, monitoring and evaluation office, and the AAP would have responsibilities for monitoring this flow, and confirming its arrival in designated impact areas.

These systems and mechanisms would evolve as an experience in general, and would be adjusted as necessary.

3. Who would do the work:

The Agricultural Council, working through the Afghan Agricultural Project, would field teams of Afghan agriculturalists and engineers in selected areas inside Afghanistan. A typical team might consist of two agricultural staff who would be responsible for delivering commodities, equipment, and services to their designated area. Such a team might remain inside Afghanistan for three to six months at a time. Once inside the country, the AAP staff would work closely with commanders and mujahadeen as well as working with traditional institutions like village councils and water owner's associations to facilitate the delivery of goods and services. To the extent that a civil administration were in place, the agricultural extension agents would work with this Komitah, Qarargah, or other appropriate administrative institutions which might come into being. (See Appendix VI)

* Composed of representatives of the GOP, USAID and VITA with appropriate consultation from the Agricultural Council and the Afghan Agricultural Project.

A typical team's activities in a project area might include such activities as:

- o importation of oxen in small herds, which would be walked across the border in small lots
- o provision of appropriate tools to reduce labor demands and increase efficiency, including weeders, cultivators, harvesters, threshers and tractors
- o provision of pumps to assist with water delivery
- o importation of a small quantity of improved wheat seed from Pakistan
- o importation of insecticide, pesticide, and fungicide probably from Pakistan
- o importation of spraying equipment
- o purchase of fertilizer from appropriate sources (probably inside Afghanistan)
- o work with farmers as necessary through demonstration plots or other techniques to show appropriate application rates for fertilizers, insecticides, etc.
- o work with farmers to increase the efficiency of water carrying structures and reduce conveyance losses.

4. Where will the Work be done?

Several impact areas would be identified by the Agricultural Council and the staff of the Afghan Agricultural Project. Selection of areas would be based on the following kinds of criteria:

- o each area would be securely under the control of the mujahadeen
- o the area would be accessible from the Pakistan Border
- o the area would currently be inhabited
- o the area would have significant agricultural potential
- o proposed work in the area would be acceptable to the local population.

Work in individual sub-project areas might begin according to the following scenario:

- o parties would designate agricultural extension staff for each impact area to work under the auspices of the Afghan Agricultural Project
- o reconnaissance and micro-level planning surveys would be conducted for each proposed project area by staff of the AAP
- o each impact area would initially be eligible for equal access to commodities, equipment, and supplies
- o after initial work is begun in one impact area, nearby areas would be added, reflecting agricultural potential, security concerns, etc.
- o subsequent allocations for commodities and supplies would be based on: a.) absorptive capacity of the area, b.) management capacity of the extension agents, commanders, and local people of the area, and c) other criteria as determined by Agricultural Council and Project Steering Committee.

5. How the project might work at the village level.

Initially, The Agricultural Council identifies several prospective areas. This would be closely coordinated with local commanders, who are attached to parties. After matters with the parties and commanders have been adequately clarified, Village Councils, in a particular project area would be convened composed of tribal elders. Representatives of the Afghan Agriculture Project would then explain the priorities of the program to the people. They would explain what relevant agricultural inputs in the form of seeds, equipment, animal stock, etc, could be provided. Various layers of councils, (Village, Valley, etc.) would be convened and consulted about appropriate means and mechanisms to facilitate the work of the project.

During the planning and implementation phases, appropriate councils would be asked to help prioritize the allocation of resources.

They would help identify:

- o which types of inputs were appropriate
- o what kinds of mechanization were appropriate

- o what distribution mechanisms, (private sector, communal, grant, lease, loan, etc.) were most appropriate
- o what allocation of resources would be appropriate, (to whom? to which karezes? to what fields? to what farmers?)
- o what costs were appropriate to charge for inputs, and what rates of return were appropriate?

6. Project Impact

A. Inputs Section

The kinds of inputs which can potentially be provided by the Project from Pakistan to the agricultural sector in Afghanistan are discussed in the section which follows. These inputs have been analysed in a variety of different ways. A narrative discussion and a series of tables (Tables 1-6) give some details of this analysis. The summary table below compares two sets of variables. Column (1) below shows the design team's assesment of the overall priorities for the agricultural sector. This set of priorities is further divided into three categories of sub-priorities. Column (2) suggests the design team's current judgement of the feasibility for the project providing any one given input. Comparisions between columns (1) and (2) are useful, particularly in the case of fertilizers, which has the highest priority in terms of its utility for the agricultural sector, but unfortunately is last on the list in terms of feasibility. Sheep are practically the reverse of this. They are last on the list in terms of priority, but among the easiest items to send into the country in terms of feasibility. (The implications for each specific input are discussed in narrative fashion below.)

(1)

Input, (by
priority to
the ag sector)

Priority I

1. fertilizer
2. oxen
3. threshers
4. pumps

Priority II

5. tractors
6. seeds
7. insecticides
8. sprayers

Priority III

9. sheep

(2)

Input, (by feasibility
of providing through
the project)

Feasibility I

1. oxen
2. sheep
3. tractors

Feasibility II

4. threshers
5. pumps
6. seeds
7. insecticides
8. sprayers

Feasibility III

9. fertilizer

Mechanisms for Supply of Inputs

The detailed mechanisms for supplying the project inputs can only be worked out during the course of actual project implementation. At a conceptual level, however, three broad categories of supply mechanisms appear to exist. These three categories are:

- o direct provision of physical items from Pakistan working with Afghan Project Staff
- o intermediary provision through Afghan and Pakistani importers and exporters
- o direct purchase inside Afghanistan for cash by project staff or intended beneficiaries

These three categories are discussed in further detail below.

Direct provision of inputs from Pakistan is the easiest kind of input to work with from an administrative standpoint. Certain kinds of inputs (oxen, sheep, wheat seed) lend themselves to this mechanism. For other kinds of inputs, (such as fertilizer,) direct provision from Pakistan appears to be uneconomic, or logistically impossible.

A second mechanism for supplying inputs involves the use of Afghan and Pakistani importers to transmit items via existing commercial channels. There continues to be some open recognized trade between Afghanistan and Pakistan.* Items for which this type of system might be suitable include most machinery. Examples include threshers, pumps, sprayers, and perhaps tractors.

* Last year, for example, between 20 and 30 threshers which were manufactured in Pakistan were exported to Afghanistan. This year the principal exporter currently plans to send another 20 to Kabul. ~~The project has been approved by the Ministry of Agriculture in Kabul.~~

The third, and most complicated mechanism administratively (and the easiest mechanism logistically) is the direct purchase of selected items inside Afghanistan using cash. This would be by far the hardest system to design and monitor. The one item for which this system would currently appear to be the most useful is fertilizer, which seems to be available in Afghanistan, and which appears to be uneconomic to transport from Pakistan into Afghanistan.*

Insecticides and spray machines are also marketed by an agency of the Kabul government and can be treated similarly to fertilizer although their import directly from Pakistan is not as difficult as fertilizer since these items are needed in smaller amounts and are not heavy.

* The administrative systems necessary to permit direct cash payments would require more time to establish than the other two systems. Once established, if they worked, they might represent the quickest and easiest mechanism for getting large amounts of resources into project impact areas. The potential for leakage would always be quite high, however. And at the present time, it appears that only the North Eastern Provinces of Afghanistan (Kunduz, Baglan, Takhar and Badakshan) and perhaps part of Werdak, and maybe Herat(?) have even the barest rudiments of a civil administrative system in place, which would permit the use of such a system. (See Appendix VII. for an interesting perspective on this important point.)

Specific Inputs:

1. Oxen. Based on the preliminary analysis of the design team, oxen appear to be the easiest input which the project could begin to supply. They are readily available in Pakistan, at a price ranging from \$ 350 to \$600, depending on the time of year. There are no seasonal constraints in terms of supplying oxen to farmers in Afghanistan. Transporting them to selected points within Afghanistan does not appear to be difficult, because they are mobile, and can be walked across the border, or in some cases trucked. Many oxen have been killed by the war, and an equitable criterion for distribution would simply be to make replacement oxen available in project areas for oxen which had been killed through acts of war.

In short, there appear to be fewer complications attached to the provision of oxen than any other currently identified input. As such it is suggested that oxen become one of the foundation stones for the project proposed here. Perhaps on average approximately 100 oxen could be provided every month under project auspices to project impact areas.

If there are blockages or delays with other potential inputs for logistical or other reasons, funds and other project resources could be redeployed to purchase and ship additional oxen.*

* Note: There does not appear to be any currently known problem with purchasing the necessary quantities of oxen in Pakistan. Purchase in the quantities currently anticipated should not significantly effect prices in Pakistan. On the Afghan side, the need for oxen far exceeds the quantity which could be supplied under this program.

2. Tractors.

Tractors were used in several provinces before the war. In Southern Afghanistan tractors were generally Fords or Massey Fergusons. In the North they were Russian made Bilirus. All of these makes, including the Russian one, are currently available in Pakistan. Tractors, like oxen, are a relatively easy input to send into Afghanistan, particularly to the southern provinces of Kandahar, Helmand, Uruzgan, and Zabul. They could be sent in under a system similar to the one proposed for oxen. Any tractor which had been destroyed by the war (in immediate project impact areas) might be eligible for replacement.

Under such a system, once the Project's Field Extension Agents were in place, they would work with commanders and appropriate elders to certify that a tractor had been destroyed by events of war. Upon receipt of this certification, the project would seek to provide a replacement tractor. If at subsequent stages it were learned that the certification was fallacious, then the area would be answerable in appropriate ways. They might have to return the tractor. Failing this, it might be appropriate to withhold further commodity allotments, until such a time as the situation was appropriately redressed.

Replacement tractors represent one mechanism for distribution. A second alternative might be to encourage the lease or purchase of tractors under appropriate credit systems which would be designed.* Generally it appears that ownership of a particular machine should be vested in a specific individual. If ownership were to be collective, then maintenance would also be collective, and in a short time, the vehicle would cease to operate, because no one was directly responsible to keep it working.

Once a tractor were leased or owned by a specific individual, he would then become responsible for performing "custom work" at appropriate prices on his neighbors' fields. Perhaps mechanism could be designed where he would "pay" for the cost of his tractor by agreeing to perform a given number of hours of work per year on his neighbor's fields. This might be spelled out in a written contract, as part of the terms of sale of the equipment.

* Millers who currently own and operate flour mills might represent a good target group to buy either tractors or threshers. Millers are generally paid in kind with a percentage of the grain they grind. A similar mechanism might be designed for threshers, and modified as necessary for tractors.

3. Threshers.

Threshing of wheat is a significant issue in the farming regime of Afghanistan, and one which can be partially addressed by the resources which this project will make available.* Today, in Afghanistan, labor is in short supply. Threshing using traditional means -- bullocks walking around in a circle, stepping on the wheat to break off the husk, and throwing the wheat up into the air to winnow the chaff -- is notoriously labor intensive. It is estimated that a mechanical thresher can perform in a few hours what otherwise would take one man and a pair of oxen several weeks to perform. Harvested crops such as wheat are also at serious risk from Russian and Kabul troops, which reportedly fly over the fields in helicopters and burn grain in exposed areas by firing incendiary bullets into piles of grain. Anything which reduces the amount of time that the harvested crop is potentially exposed to enemy fire is thought to be a good thing, according to informed and knowledgeable Afghans.

The threshers which are currently available for export to Afghanistan are all manufactured in Pakistan. There reportedly are at least six such manufacturers producing different models with different specifications. A typical model which is currently being exported cost \$1,400,** after shipment to Kabul. These threshers are relatively heavy wheeled vehicles, and as such would only be suitable for use in those areas of Afghanistan where it was currently feasible to import things via truck.

In addition to these existing heavy threshers, it would probably be useful to develop a lighter thresher,* which could be moved by oxen or three or four men, rather than being operated by a tractor or a truck. To secure such a lighter thresher, it would probably be necessary to modify one or more existing thresher designs, and work with Pakistani manufacturers to produce the necessary prototype(s).

Depending on the assessed level of need, it might eventually be appropriate to design a third version of a thresher which could be disassembled down to its major component parts, for transport by horses or mules into those areas of Afghanistan which could not be supplied by truck or wheeled vehicle.

* Mechanical threshers currently are used in Helmand, Kandahar, Ghazni, Wardak, and Jallalabad in the South, and in Mazar, Kunduz, Baglan and Takhar in the North.

** Manufactured by Batala Industries, Fasilabad, Pakistan. Afghan farmers reportedly prefer this brand.

*** VITA, institutionally, as a technical oriented Private and Voluntary Agency is uniquely equipped to deal with technical issues involving the design and development of such new machinery. VITA would plan to call on its roster of 5,000 volunteer scientists, engineers and industrial designers to help with this and related assignments.

4. Pumps

Before the war there was limited use of low-lift pumps for irrigation purposes in several different provinces of Afghanistan. The biggest concentration of pumps was generally in Herat and Farah Provinces. The standard pumps used before the war were Beco or Czech made 25 Horsepower diesel pumps with a 5" or 6" diameter lift. Now the use of pumps in both Herat and Farah is reported to be nominal.*

Afghan pump exporters indicate that now the preferred pump for export to Afghanistan is a 12 horse power low-lift Chinese pump, with a 3" diameter. The Chinese pumps use petrol rather than diesel. They are much lighter, and apparently more portable. (We speculate that they may be used during the night for irrigation, and then taken in, turned off, or protected during the day.) Pumps can continue to be exported under project auspices to those provinces which are already familiar with their use.

The introduction of pumps to those provinces which are not already familiar with their operation, however, represents a moderately complex piece of technology transfer. Like any other piece of machinery, pumps require appropriate maintenance, and their proper placement at the water source can also be a problem. Accordingly, it is suggested that the project concentrate on providing pumps to clusters of Provinces, as follows:

Cluster I

Province	Quantity
Kunduz)	
Baglan)	30 pumps
Takhar)	
Badakshan)	

* Most of the population of Farah Province on the West Bank of the Farahrud River has apparently left the area because of the war. The fighting in Herat has had similar consequences for large parts of that province. (See Appendix II.)

Cluster II

Province	Quantity
Upper Helmand) Uruzgan) Kandahar) Zabul)	20 pumps

Cluster III

Logar) Wardak)	10 pumps
-------------------	----------

Cluster IV

Miscellaneous)	10 pumps
----------------	----------

Total	70 pumps
-------	----------

Provision of pumps in clusters would permit servicing by a reasonable number of mechanics. To keep the pumps in operation for more than two or three months, a local mechanic will need to be detailed to work as a circuit rider, and travel around on a regular schedule to lubricate and adjust the engines. A typical mechanic could probably service _____ pumps within an area of _____ miles over _____ days. In places like Herat, Farah, and Kunduz it may be possible to find mechanics who are already familiar with pump operations. In other areas, it will be necessary for mechanics to be trained under project auspices.

5. Wheat seed.

Wheat is planted in September and October. Improved varieties of seed (MexiPak, et al) are grown only in the warmer provinces of the country.* It appears that there has been some modest deterioration of seed quality in the warmer areas of the country, but it does not appear to have been too serious. As insurance against future deterioration, however, 20 or 30 tons of improved wheat seed should be imported into Afghanistan. Such improved wheat seed should be available from Pakistan with no difficulty. It might be sent in truck to selected warehouses in Jallalabad and Kandahar for further onward shipment,** or it may need to be sent across the border in small quantities on mules.

Improved wheat seed would be distributed in sufficient quantity to plant 1/4 jerib (1/8th of an acre) per farm family. (This would be approximately 5 kgs per family.) Under such a program, approved wheat seed would be provided at a ratio of approximately 1-2 tons per province for a total of between 15 and 30 tons. Farmers would be encouraged to plant 1/4 jerib this year, and by next year they would have enough seed to plant their entire fields, and would also be able to trade a few seers of seed to their neighbors, who would continue the distribution process by planting their own 1/4 jerib. In this way, within three or four years, the entire seed stock of the area could be replenished.

* Improved wheat seed is used in Kandahar, Helmand, Uruzgan, Zabul, Lagman, Nangarhar, Paktia, Paktika, Herat (?) Kunduz (?) Baglan, and Takhar. For the remaining colder provinces, the improved varieties of wheat seed which are currently available do not do well, and the farmers use traditional seed.

** Wheat apparently is routinely sent from Pakistan into places like Kandahar and Jallalabad.

6. Insecticides.

Insecticides are used on the horticulture crops of Afghanistan. They are primarily important for the orchards and the vinyards, which represent a major export product, and a major source of foreign exchange. Insecticides which are currently being used have been in use for the last 10 years. The insects apparently have developed resistance to these pesticides, and it is now time to change to different chemicals.

In the past, the supply of insecticides has de facto been a government monopoly. The government bureaucrats who run this office should be quietly encouraged to change the brands they are listing for importation into Afghanistan.

At the same time, commercial dealers--who are not currently familiar with importing insecticides--should be encouraged to add them as a new product line. If farmers knew that they needed to change the brands of insecticides they used, and dealers saw an opportunity for a new market, then it appears that the situation with pesticides would quickly correct itself. The potential users of pesticides are exclusively commercial farmers, and the costs for insecticides are relatively nominal. Farmers can probably afford the expense of using pesticides, provided that they have access to the appropriate ones.

There are approximately 250,000 jeribs of fruit crops including melons through out Afghanistan. The total demand for insecticides is probably approximately 50,000 liters per year. The project might address 20 to 25% of this need for insecticides, through two mechanisms:

- a) direct provision from Pakistan
- b) expanded importation through commercial channels.

* The University of Nebraska should have access to historical data about total acreage under fruit crops. LANDSAT Satellites could probably confirm these and other acreage figures, giving planners and others the beginnings of a systematic data base for the agricultural sector.

7. Sprayers

Sprayers were in wide use in Afghanistan before the war. They came generally from Germany, Japan, and Italy. For this project, it is recommended that the project provide approximately 1,000 small sprayers for the 10 Provinces where they are most needed. An illustrative allocation per Province is given below:

Kandahar	150
Wardak	150
Mazar	150
Uruzgan	100
Herat	100
Upper Helmand	100
Badakshan	100
Kabul	50
Ghazni	50
Logar	50
Total	<hr/> 1,000

In addition to small hand sprayers, it would also be beneficial to introduce a limited number of larger power sprayers, which are necessary for reaching the tops of the trees in the orchards. This would be done largely for its demonstration effect, to introduce such equipment to the fruit growers.

A suggested distribution for power sprayers might be as follows:

Kandahar	10
Wardak	5
Mazar	5
Ghazni	2
Logar	2
Badakshan	1
Total	<hr/> 25

8. Fertilizer.

Fertilizer is one of the most complex items to work with in this project. It is one of the highest priority inputs, with perhaps the highest possible return in terms of potential for increasing agricultural production. By using appropriate quantities of chemical fertilizers, farmers could effectively double production for crops like wheat. But there are far reaching problems with transporting fertilizer from Pakistan into Afghanistan.

It appears that fertilizer is generally available inside the country. Some fertilizer is reportedly still being manufactured at the Russian built fertilizer factory near Mazar-i-Sharif. Other kinds of fertilizer (phosphates?) are imported from Russia. Prices seem to range from 650 to 800 afs (\$4.30 to \$5.30) in Kabul to \$10 in Kandahar for a 50 kg bag of fertilizer. The bottlenecks to fertilizer distribution under the current government are not sufficiently well known to informants in Pakistan, but it appears that farmers with some access to cash can usually purchase fertilizer through the Black Market inside Afghanistan for something near (or sometimes under?) the world market price for fertilizer.

Fertilizer clearly is an item which needs to be looked at more closely during the early stages of project implementation, to identify possible weaknesses and bottle necks in the current supply systems of the Kabul regime. One possible way to help get fertilizer to farmers in project impact areas could involve sending cash to prospective users, with appropriate checks and balances built in to prevent or minimize misallocation. Designing such a program requires considerable on the ground experience, however, on the part of the project staff before people and systems are adequately in place to permit sending cash directly into Afghanistan.

9. Sheep

The general situation with sheep as a component of the agricultural sector appears to be somewhat similar to what it was before the war. The nomads herd most of the sheep, and they keep them in units ranging from 100 to 1,000 per flock. Because the young men are most at risk when working on the hills as sheppands, the flocks are now tended by younger children or old men. The Kabul Government has reportedly issued identity cards to these nomads, and theoretically they are not bothered by the war, and theoretically they are still able to herd their sheep.

In the winter months, most of the nomads bring their herds to Pakistan. They then spend the winter in Pakistani Kashmir, and in Kohat. Some Afghan sheep are put on the market in Pakistan over the winter months. These represent mostly the 'culls' who are being sold for income, and to thin out the flocks.

Working with sheep appears to have some problems attached to it as far as this project is concerned. Limited numbers of sheep probably could be bought in Pakistan, but the allocation mechanisms for distributing them remains a mystery. Mechanisms for allocating sheep to nomads in an equitable fashion which will not create friction within the community would have to be carefully derived. Eventually it might become feasible to sell sheep to the nomads on some kind of subsidized credit basis to help expand, or replenish, the herd sizes. However, creating such a mechanism for allocation and distribution will take some time to evolve.

A second possibility might be to take flocks of sheep into a project impact area and distribute the herd to individual farm households. Individual households, however, don't generally have the fodder to keep sheep for extended periods. And at the present time, they probably don't have the surplus manpower to take sheep out to graze on the hillsides. Individual households traditionally keep sheep only briefly, until they slaughter them. A program of providing sheep to individual households might have the short-term advantage of nominally improving the diet, but it does not contribute significantly to expanding or increasing agricultural production.

In summary, then, none of the possible mechanisms for working with sheep currently seems to have much impact, or to be very feasible. Sheep seems to be a potential input which needs further study. During the course of project implementation, further possibilities might reveal themselves.

Table 1. Illustrative List of Inputs, Year 1 and 2

(1)	(2)	(3)	(4)	(5)
Potential Input	Unit Cost per Item	Year 1 Totals	Year 2 Totals	Total, Year 1&2
1. oxen	\$400/head			
2. tractors	\$9,000 each			
3. threshers (lg)	\$2,000 each			
4. " (small)	\$1,000			
5. pumps (lg)	\$1,000			
6. pumps (small)	600			
7. seeds	\$130/ton			
8. Insecticides				
9. Sprayers (lg)	\$ 500 each			
10. Sprayers (sm)	100 each			
11. Fertilizer				
12. Sheep				

Table II. Estimated Costs, Years 1 and 2

(1)	(2)	(3)	(4)	(5)
Potential Input	Unit Cost	Year 1, Total	Year 2, Total	Years 1&2, Totals
1. oxen				
2. tractors				
3. threshers (lg)				
4. threshers (sm)				
5. pumps (lg)				
6. pumps (sm)				
7. Seeds, (wheat)				
8. Insecticides				
9. Sprayers (lg)				
10. sprayers (sm)				
11. Fertilizers				
12. Sheep				

Table III.

Possible low option/high option trade offs: Year 1

(1)	(2)	(3)	(4)	(5)
Potential Input	Low Option Quantity Year 1	Estimated Cost	High Option Quantity Year 1	Estimated Cost
1. oxen				
2. tractors				
3. threshers				
4. pumps				
5. Seeds, (wheat)				
6. insecticides				
7. sprayers				
8. fertilizer				
Totals		_____		_____
		\$		\$

Table IV.

Illustrative possible allocation per impact area (Year 1)

(1)	(2)	(3)	(4)	(5)
Potential Input	Low Option Totals	Indiv. Sub-project Allocations*	# of benef- iciaries/	High Options totals
1. oxen				
2. tractors				
3. threshers				
4. pumps				
5. seeds				
6. insecticides				
7. sprayers				
8. fertilizers				

* Although illustrative, this begins to suggest the workload per impact area and indicated how many field extension agents would be needed to manage the introduction of the proposed inputs.

Table V.

Estimated Beneficiaries, Years 1 and 2

(1)	(2)	(3)	(4)	(5)	(6)
Potential Inputs	Year 1 (low opt)	Estimated benefic.	Year 1, High opt	Estimated benefic.	Year 2, Inputs

1. oxen
2. tractors
3. threshers
4. pumps
5. seeds
6. insecticides
7. sprayers
8. fertilizers

Table VI.

(A) ITEM	(B) SOURCE	(C) Mechanisms for Provisions of Inputs	(D) Project's Potential for Subsidizing Inputs	(E) Ease of Transportation	(F) TOTAL SCORE	(G) WEIGHTED VALUE **
Priority I						
1. oxen (1)	Pakistan (1)	direct (1)	high (1)	easy (1)	(5)	1st
2. threshers (1)	Pakistan (1)	direct & via intermediaries(1)	medium - high(1)	medium (2)	(6)	2nd
3. pumps (1)	Pakistan (1)	" "(1)	medium - high(1)	medium (2)	(6)	2nd
4. fertilizers(1)	Afghanistan(2)	indirect (2)	low (2)	difficult (3)	(10)	3rd
Priority II						
5. tractors (2)	Afghanistan & Pakistan (1)	direct & indirect (1&2)	high (1)	easy	(6)	1st
6. seeds (2)	Pakistan (1)	direct (1)	high (1)	medium (2)	(7)	2nd
7. insecticides(2)	Afghanistan & Pakistan (1)	direct & indirect (1&2)	high (1)	medium (2)	(7)	2nd
8. sprayers (2)	" "(1)	" " (1&2)	high (1)	medium (2)	(7)	2nd
Priority III						
9. sheep (2)	Pakistan (1)	direct (1)	high (1)	easy (1)	(7)	3rd

* Numbers given in parentheses are weighted, to permit a cumulative scoring system, (Columns E & G) to help establish relative priorities between and among possible project inputs. This ranking is tentative, and subject to refinement as more information is learned during project implementation.

** weighted value suggests utility of project working with input

V. Additional Program Considerations

1. Training and Institution Building

The themes of training and institution building are closely inter-linked, and run consistently through the design for this project. The primary goal of the project is to support increased agricultural productivity in selected areas inside Afghanistan. The secondary goal is to support the growth of one or more institutions to further the primary goal above. Any institution building effort automatically means training. For this project, training will be both formal and informal.

Informal training has already begun through work with the Agricultural Council. For example, the technical assistance team is already working with the Council to design an appropriate organizational structure, to facilitate their work. (See Appendix III, for a current draft of the organizational chart, which is presently being reviewed and negotiated with the Council.) Such work will continue as the staff of the Afghan Agricultural Project is named, and this new organization begins to take on shape and substance.

Formal training, at least initially will concentrate primarily on the agricultural extension agents who will be stationed inside Afghanistan. These staff will be nominated by the political parties, and confirmed in their positions by the Agricultural Council. It is hoped that the majority of these candidates will be graduates of the Faculty of Agriculture in Kabul.* It is also expected that most of ag extension agents would be native to the area where they were working. Under this program there would need to be short intensive training courses for these extension agents. Such training would probably be tailored closely to cropping seasons, and the inputs which are proposed under this project.

* A list of more than 100 trained, Afghan agriculturalists is available in Peshawar. It is hoped that these and similar candidates will be found for many of these posts.

At the beginning of the project there would probably be a short training session of a month to six weeks, to begin to knit the ag extension agents together into a working unit. This would be part of the institution building process. The training would have a technical component. Technical training would focus on things like fertilizer rates. As the agricultural season progressed, short training sessions would deal in turn with issues of immediate concern to farmers. These include such things as:

- o use and care of oxen
- o operation and use of threshers
- o operation and use of small tractors (plowing, cultivating, etc.
- o use and applicaiton rates for insecticides, pesticides, and fungicides
- o seed application rates
- o use of new tools like single harness plows or new plow-shares
- o extension techniques
- o irrigation techniques,
- o et cetera

2. Personnel

VITA will recruit three internationally credentialled senior staff, who will serve as advisors to work closely with the Agricultural Council of the Alliance. In January, 1987, VITA will begin placing these senior staff in Pakistan. One staff person will serve as the Project Director. The second staff will be the Chief Technical Officer. The third expatriate will serve as the Executive Officer and Financial Control Officer. The advisory team's primary responsibility during Phase I will be to establish appropriate mechanisms to assure the delivery of agricultural equipment, materials, and supplies within Afghanistan. This three person team will have responsibility for planning overall program activities. In this process, they will work closely with the Agricultural Council and the staff of the Afghan Agricultural Project. They will also be assisted as necessary by appropriate consultants, both Afghan and expatriate.

3. Relations with other groups working in Afghanistan

Various parties are already working in the Northeastern, Eastern, and Southern provinces of Afghanistan. These include all the major political parties, as well as various international development groups such as:

- 1.) the Swedish Committee
- 2.) Afghan AID (under British sponsorship)
- 3.) Guilde Europeene du Raid (under French sponsorship)
- 4.) _____, under Norwegian sponsorship.
- 5.) Austrian Relief Committee
- 6.) _____

The project staff will attempt to coordinate with all groups working in agriculture inside the country. Specific efforts will be made to allocate resources judiciously among beneficiaries to generate a broad base of support for the project. When international groups are found to be doing reasonable agricultural related work inside the country, project resources could be channeled to and through them to complement and supplement the work of the AAP.

4. Planning and Monitoring

A program of cross-border assistance to Afghanistan is complex. The fluid nature of the situation precludes detailed designs. Therefore, it must be flexibly planned, closely monitored, and periodically evaluated. (See Figure I, Track II, Box 2 for a schematic representation of the technical assistance team's Planning, Monitoring and Coordination role.) Both planning and monitoring functions will be the responsibility of VITA's senior

project staff. Monitoring data will be designed from the beginning of the project to provide timely and useful data on the allocation of project resources.

While the precise planning and monitoring systems will depend on the circumstances at the scene, it appears that a small cadre of Afghan staff, working directly for the technical assistance team based in Peshawar, would need to take short trips into individual project areas to assess the progress of the work. Special (non-American) consultants might also be recruited, who are independent and objective, to assess progress. The planning and monitoring staff would go from area to area to assist with the preparation of necessary documentation. As appropriate, program staff could be equipped with systems for documentation, like cameras. To help with monitoring and end-use receipt of goods, and equipment, village councils might be asked to designate a secretary or representative. This secretary would be asked to send written reports to project headquarters, acknowledging receipt of equipment, supplies, and commodities. If security arrangements permit, individual leaders of such councils might be encouraged to come to Peshawar every few months for oral debriefings. These debriefings might be videotaped for future reference during evaluations, and for other project files.

5. Monitoring and Evaluation Plan

A formal plan for monitoring and evaluation would be prepared by the technical assistance team, discussed with the Agricultural Council and approved by the Steering Committee, within the first 90 days after the project formally begins. Such a plan would describe in appropriate detail the mechanisms necessary for monitoring activities, and the sequence in which they would be conducted.

Individual shipment of goods and equipment sent inside Afghanistan would be monitored, to see that shipments arrived generally intact. The office of Transportation and Logistics (See Appendix IV) a part of the Afghan Agricultural Project might detail one Transportation Liaison Officer to travel with each shipment to help with logistics, and confirm arrival at the project impact area.

The VITA Technical Assistance team, (See Figure I) would have a small cadre of Afghan staff who would be responsible for open reporting on equipment usage. In addition to the open monitoring system, the technical assistance team would also have a confidential reporting system composed of known and trusted individuals who reported back to Peshawar on a confidential basis on the receipt and use of supplies and equipment. These "confidential" monitors would be known only to the senior staff of the technical assistance team.

An initial evaluation would be conducted at the end of the first project year, when the project had been in operation for approximately 12 calendar months. This evaluation would be conducted under AID and GOP auspices, following normal AID practices and procedures. This evaluation exercise would be used if necessary to make mid-course changes based on normal 'rolling design' strategies.

Subsequent evaluations would be held as often as USAID and the Steering Committee deemed necessary. Accounting audits would be commissioned on an annual basis by the project, using an internationally credentialled chartered accounting firms.

6. Reporting and Evaluations

Progress reports will be prepared Quarterly, and on a yearly basis. Such reports will be submitted to:

- o AID for Afghanistan
- o Appropriate GOP office(s)
- o VITA/Washington
- o The Agricultural Council

In addition to these reports, the project will also budget resources for a comprehensive program audit and evaluation at the end of Phase I to review progress and make recommendations for second phase activities. This program review would make recommendations on the appropriate levels of funding to support additional activities.

7. Agricultural Extension Information

Getting information to farmers in rural Afghanistan under pre-war conditions was a complex task. Under war-time conditions it becomes immeasurably more difficult. The organizational structure currently envisioned for the Afghan Agricultural Project shows a small unit labeled 'Training and Farm Extension Information Unit.' This unit would have primary responsibility for designing and generating materials to be used by the ag extension agents inside Afghanistan to teach farmers better cropping and agricultural techniques.

A related vehicle for farmer education might also exist through radio. VITA has held preliminary conversations with Voice of America staff, for example, and they have indicated their willingness to broadcast information in appropriate languages (Pushto and Dari) of immediate interest to farmers. At an appropriate time, the British Broadcasting Service might also be approached.

8. Volunteer Advisory Council

VITA is a well established private and voluntary organization which has been in existence for more than 25 years. It has a well established network of scientists and engineers who support its technical assistance efforts in various countries around the world with their technical expertise. For this project, VITA would propose to form a Volunteer Advisory Council consisting of several agriculturalists and others from appropriate disciplines, who could be drawn upon as necessary by the Agricultural Council and the Afghan Agricultural project. This process has already begun. VITA is already looking at alternative ways to increase crop fertility under the specific conditions which exist in Afghanistan today using its volunteer network.

9. Procurement

Supporting the agricultural sector in Afghanistan will entail the extensive purchase of equipment and commodities, most of which are available in one form or another in Pakistan. VITA will be directly responsible for procurement of these goods in a manner prescribed by USAID. It is expected that procurement would be handled through commodities component of the Alliance, working with the Technical Assistance Contractor, "American Manufacturers Export Group." (AMEG).

Acquisition and contracting for this project will be performed, as appropriate, on a competitive basis, applying the normal fundamentals of procurement and contracting. Award procedures will be adhered to, with contracts going to responsive, responsible firms and individuals whose offers are proven to be most advantageous to the government.

In addition, the project will call on specialists as necessary for assessing local needs, preparing tender documents, and evaluating bids. Where possible and advisable, the project will take advantage of U.S. government flights to move commodities and equipment into Pakistan.

10. Economic Costs and User Fees

The question of costs and potential revenues generated through project assistance must be considered. VITA as a developmental agency generally supports an economic model which charges beneficiaries real costs where appropriate for real commodities. To the extent that it proves feasible under field conditions, VITA would prefer to establish systems to recover some portion of direct costs for appropriate inputs. This is more than a mere philosophical notion, however. It relates directly to the allocation of resources inside Afghanistan, and to the effectiveness with which those resources might be used once they

are sent inside the country. Seeds, for example, might be distributed through a cooperative mechanism, where a farmer who is given wheat for seed would be expected to trade several seers of seed with his neighbors after harvest. Critical implements like tractors and threshers might be sold, or leased to individuals, who in turn would be expected to perform "custom work," in exchange for fees. Farmers in turn might be assisted with loans, as necessary, to take advantage of this service. Public works projects (karez improvements, canal intake structures,) should have significant self-help component, when appropriate and practical. At the same time, of course, appropriate allowance need to be made for war-time conditions. Accordingly, VITA believes that as a general rule, the user fees set for agricultural inputs distributed under this project should be 'more than nominal, but less than onerous.'

Appendix I: A typical Project area

This Appendix describes in illustrative terms a typical project area, and how project resources might be used to support agricultural production.

The imaginary project area described ^{here} ~~have~~ is representative in several important ways. It is neither the poorest nor the richest province. It is not as wealthy as Kandahar, Parwan, or Wardak with their fruit crops. And it is not as poor or isolated as provinces like Badakshan or the Hazarjat. It has been less badly hit by the war than some areas, and more badly hit than others. It has a medium level of out-migration, and a representative number of internal migrants. The levels of social dislocation are typical of other areas where the Agricultural Council has elected to work inside Afghanistan.

The project area is one of the first six to have been chosen by the Alliance. It was chosen because it met the general criteria which the Ag Council has formulated. It is accessible. It is relatively secure. It has an existing civilian population. It can produce a surplus to help support the mujahadeen and refugees from other parts of the province. And finally, it was chosen because all the parties agree that it is a good place for them to collaborate together. There are no sectarian rivalries between the parties, which would make it impossible for the Afghan Agricultural Project to start work in the project area.

The province of K_____ is approximately 150 miles from the Pakistan Border. Walking over normal trails at a rate of about 20 miles per day, it takes about 7.5 days to reach the project area. In bad times, when the war becomes worse, it can take 10 or 12 days for people and project supplies to reach the area.

Before the war, the Province of K_____ was relatively wealthy and heavily populated, by Afghan standards. The hillides and mountains were relatively bare, like most of the mountains of Afghanistan, but the valley bottoms, where there was opportunity for irrigation, are lush and productive. The soil in this part of the province is a rich silty loam. The province grows rice, wheat, and maize. Most of the rice before the war was sent to Kabul. Now most of it goes to Jallalabad. The wheat that is grown is partly eaten by the local people and partly sold to bigger population centers. The maize which is grown in the summer is sold to the nomads, who pass through the province on their way back from the Hazarjat on their way to Pakistan for the winter.

The villages in the upper parts of the province are superficially not too much changed by the war. In the lower parts of the province, however, there are dramatic changes. The Russians have placed tanks and small guard posts every two or three kilometers

along the paved road, leading from the main highway to the town of F_____, the District Center and provincial capital. Before the war, the District center was a pretty little town, with lots of trees, and an interesting bazaar. Sometimes one could see an old bearded man sitting by the side of the road with a hooded falcon perched on his arm, waiting to sell it to a potential customer. Today the District Center is more like a baby garrison. Soldiers and government officials walk about. There are barbed wire concertina and mine fields around the perimeter of the town. Only small children, old ladies, or old men venture into the center for the shopping which has to be done. Most families send someone into the District Center every week or two to purchase things like kerosene, sugar, or matches.

From the main highway to the District Center, the area is largely deserted, save for the Russian checkpoints. Trees along both sides of the road have been cut down. Houses, shops, and mosques have been bulldozed for a distance of at least one kilometer on both sides of the road. This is done to deny cover to the mujahadeen, who otherwise attack the convoys carrying supplies and ammunition to the garrison stationed at the District Center. Farmers along this section of road have mostly been forced to abandon their lands. The Russians in their tanks at the checkpoints frequently fire at anything which moves. So many families from this part of the province have been forced ~~either~~ to flee to Pakistan or to take refuge further up the valley with friends or relatives.

About half an hour's drive above ^{the} the District Center, ^{however} the picture changes. Here, at least superficially, life goes on almost as it did before the war. Below the district center, the population is maybe 15 or 20 percent of what it was before the war. Above the District Center, the population is approximately 90 percent of what it was before the war. Some of this population is made up of new refugees from lower down valley, so the total numbers are a bit deceiving. Some of the bigger wealthier families have sent most of their family members to Pakistan. Some of the old establishment figures in the community -- the khans and the maliks -- have emigrated. But to a casual observer, the villages in the upper parts of the province look almost as busy and bustling as they did before the war.

Obviously there are changes in people's lives, even if the villages look similar. Virtually every family has lost one or more family members because of the war. Young men from the ages of about 15 to 45 are in short supply. Many have been drafted by press gangs. Most defect at the earliest opportunity. A very few families support the Kabul regime. Normally such families have moved to the District capital, or Jallalabad, or more typically to Kabul to avoid their neighbor's wrath and vengeance. And most of the younger able-bodied boys are at least part-time

There before the war.

mujahdeen. Most families take turns: one son will go off and be a mujahed for a few months; then he will return, and his brother will take his place. Young women are more actively engaged in agriculture ~~they~~ often do much of the shopping now, ~~than before~~ ~~the war~~, and they are more actively engaged in commerce.

The Agricultural Council has designated the project area, and has sent in three Agricultural Extension Agents. Each agent is from the province. Two of the agents have had some training at the Faculty of Agriculture in Kabul before the war. The third agent graduated from high school, but wasn't able to go to the University because of the war. He comes from a poor but respected family, who are known to be pious Muslims. He had been a mujahed, and is well regarded by his neighbors. The local commanders with attachments to different political parties have nominated each of the extension agents. After they are designated, they are put through a short intensive training program in Peshawar, together with 15 other extension agents from other parts of the country. During training, Afghan Agricultural Project staff explain the overall goals of the project and explore the various mechanism which the project will follow to identify needs, disseminate equipment and supplies, and teach the farmers improved farming techniques. The training program is also an opportunity for the staff of the Afghan Agricultural Project to learn the strengths and weaknesses of each extension agent in order to accomodate for these as necessary.

Each extension agent provides services and advice to 500 to 600 families. A typical farm family in this province owns about 7.5 jeribs of land, or a little less than 4 acres.* A family typically has 6 or 7 family members, so an agent seves a population of somewhere between 3,000 and 4,000 people. He also covers an area of approximatley 4,000 jeribs, or 2,000 acres.

Almost all of the families in the project area are farmers, or provide agriculturally related services to farmers. In addition to the farmers, there is one miller for every 30 to 40 families. There is one blacksmith for every 20 families. And ^{is} one barbers for every 15-20 families. The barber does more than cut hair. He cooks food when there is a wedding in the village. He circumcizes boys, and he also serves as the local dentist. A few of the younger barbers have taken on paramedical responsibilities since the war started. There are also mullahs in the community. There is one student mullah for every 5 or 6 houses. There is a senior mullah who is more learned in the Qoran who serves as a teacher for younger mullahs. Every small cluster of homes has its own mosque or place for prayer. Often this is only a piece of ground which is kept swept off, with a low mud wall around it with a niche in one wall indicating the direction towards Mecca.

2 jeribs = 1 acre

The table below suggests the number of hamlets and the number of houses is one of the more representative project areas.

# of houses per hamlet	# of hamlets with this # of houses	Total # of Houses	Total # of People
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- 4-8
- 9-12
- 13-16
- 17-20
- 20+

* 2 jeribs =/acre.

There are four canals which provide irrigation water for the farms. A typical canal ranges from 1 to 3 miles long. On average a typical canal irrigates 1,000 jeribs, and serves about 125 families. Each canal has a mirab or water master, who oversees the allotment of time, which determines who gets how much water, and therefore how much land they can irrigate. In Afghanistan since time immemorial, access to water has been the measure of a family's wealth. Land, by itself, is often close to worthless.

The agricultural agents are oriented and in place by late spring. Part of their orientation program has concentrated upon the preparation of a micro-level needs survey for their immediate area. By the time they had finished their training in Pakistan, the project has procured approximately 15 bullocks per extension agent. When the extension agents leave Peshawar to return to their project area, they do not return empty handed. Each agent -- together with a transportation liaison officer from the Afghan Agricultural Project -- begins the long walk back home with a small herd of oxen. It takes approximately 15 days. Herds of bullocks walk slowly.

The bullocks are timely, however, because it is the end of the growing season and the beginning of the threshing season. Many bullocks have been killed during the war. The project also begins to send in wheat threshers. The agricultural extension agents contact local millers who live in the project area. Several millers agreed to buy -- on a subsidized basis -- new threshers. Threshers are a new piece of technology for the province of K_____. People have seen them in other Provinces, but they haven't thought about buying them. Millers represent a good target group for purchasing the threshers, because threshing wheat complements the social function which they already perform. And there are already established payment mechanisms. The miller normally is paid in kind at a rate of 1/16th of the flour he grinds. It is fairly easy to modify this system to establish an appropriate payment rate for threshing.

To get the equipment into the project area, the Afghan Agricultural project contacts several Afghan businessmen who are working in Pakistan exporting equipment and supplies to Afghanistan. A system of chits and vouchers is prepared, and the threshers are exported to Afghanistan through normal trade channels. Part of the price is prepaid in Pakistan by the project. (This, of course, represents a direct subsidy by the project.) The balance is payable by the intended recipients, who have been identified long before the threshers are sent in-country.

Similar mechanisms are used with tractors. One or two tractors is sent to each of the primary project areas. And some tractors are simply painted buff colors and driven across the border to those

provinces which are quiet and close to the border. Driving is at night, with no headlights, when the moon is not too bright. New tractor owners sign a contract, and agree to pay for their tractor by performing a given number of hours of 'custom work' on their neighbor's fields.*

For fertilizer, the project finds that it cannot do very much directly. Fertilizer is too heavy and too bulky to transport from Pakistan. At \$2.00 to \$3.00 per pound for transportation charges, the unit costs would become astronomical. At the same time, the extension agents find that fertilizer seems to be intermittantly available in the Province. Farmers can get it, albeit with some difficulty, at high prices. They can't always get it in a timely fashion, however, when they needed it.

Accordingly, although the farmers still try to use fertilizer, they don't use as much as they did before the war, and they don't use the full recommended dossages. Also, they don't apply it at the optimum times. To improve usage practice, the extension agents in the province begin to work with the farmers to teach them the most appropriate times and most appropriate ways to apply fertilizers.

The extension agents also work informally with the a distribution and supply network to facilitate a smoother flow of .fertilizer. Afghan are resourceful at diverting resources. The agents depend on this resourcefulness to get additional shipments of fertilizer sent to their province through normal commercial channels.

* Legitimate allocation mechanisms such as the ones which are provisionally described in this 'case study' need to be carefully derived during the course of project implementation to preserve a measure of equity within the village, and to prevent or minimize the opportunities for friction within and between villages. A partial payment mechanism appears to be the most reasonable place to start in designing such mechanisms for allocation and distribution.

Beyond this administrative function, however, the extension agents take their guidance from the Agricultural Council, which has issued a policy directive saying that the project will not generally pay directly for fertilizer. Rather, any surplus cash which might be available should be distributed on a 'cash-for-food' basis for internal refugees. The province of K_____ has several thousand internal migrants who have moved from the lower reaches of the valley where the Russian guard posts make it impossible for them to continue to farm. The project, working with commanders and parties, agrees to set aside a small amount of money to purchase grains (mostly wheat and rice) to help these internal migrants.

Forty days after harvesting the wheat, the farmers in the project area have to begin planting the next crop. During this 40 days they have to thresh all the wheat which they have grown. It is a very busy time of year, and everyone typically is working 14 or 16 hours a day. The oxen and the new tractors are invaluable to help with the heavy workload.

During the late summer, supplies of improved wheat seed begin to trickle into the project area. Wheat seed is sent in on mule back, from Jallalabad. This seed is a version of Mexipak, which has been extensively tested in Pakistan by agronomists and by farmers. It is not practical logistically to provide seed to all the farmers. Accordingly, 15 percent of the hamlets in the project area are designated as first year recipients for seed. All the houses in each designated hamlet are contacted by an extension agent. The farmers are already familiar with the idea of improved seed. Each household is given approximately 5 kg of seed, and asked to plant 1/4 jerib, (1/8th of an acre). Farmers readily agree that they will trade a portion of the harvest of this seed with their neighbors for non-improved local wheat on a 1:1 bases, to continue the distribution process.

The irrigation situation in the province of K_____ is good. There are several small streams, with a reasonable drop, and in-take structures for the canals are not difficult to construct or repair, and there are virtually no wells in the area, because there is no need for them. Accordingly, pumps are not appropriate for this province. There is one place in the impact area, however, which seems ideal for an hydraulic ram, a water operated piece of appropriate technology. A prototype is introduced by one of the project engineers working with one of the agricultural extension agents. The technology works, and the new land it irrigates is given to several families of internal refugees.

There is relatively little fruit grown in this province, so there is limited need for sprayers or insecticides. The rice crops could benefit from spraying. The farmers in the area think that their loss to insects is negligible, but in fact it ranges from

10 to 15% of each crop. The extension agents begin work with a series of demonstration plots to show farmers the increased yields they can get using proper insecticides. But this is a minor initiative.

* * * *

It is fall now, and the winter wheat has been planted. It has been a busy year for everyone. Things are starting to slow down, as the leaves start to turn. Soon it will be winter. The extension agents begin to talk among themselves about further steps they can take to increase agricultural productivity in their province.

One of them observes, "Our Afghan shovels are too heavy."

A second one says, "Yes. And the metal the farmers use for the shovels is too soft."

A third one adds, "And the handle is too thick."

They continue to talk among themselves. The shovel's shape is right for the way the farmers use it, they agree, but it would be better if the farmers could get properly made shovels, which preserved the same basic shape, but were made with lighter handles, and better metal.

The agents do some quick calculations. There are probably 3 to 4 million farm families in Afghanistan, they conclude. And there are two shovel users per family. This means that as many as 8 mil shovels are used every day during the agricultural season. It is a small step, they decide, but maybe they could contact VITA, and maybe they could begin to prepare the way for an improved Afghan shovel. If they can increase the productivity of 8 mil shovel users, even if it is only a 10% or 15% increase in efficiency, it would make a significant difference. "Every little step forward helps," they say to themselves. "And maybe there are other kinds of equipment or machinery that we don't know about."

One of the agents mentions a spiked tooth harrow he has seen. "Maybe we could introduce that next year too. Our black smith could copy the one I saw in Pakistan."

The senior agent among them summarizes the situation, quoting an Afghan proverb, "Katarah, Katarah, dareah meshah," he says. "Drop by drop it becomes a river."

A province by Province status report is given below.

1. Herat There is extensive damage ~~has been done~~ in and around the city. Orchards near the town are destroyed. Before the war, pumps were most heavily used in the provinces of Herat and Farah. Now there is no demand for pumps, and those pumps which were in use are now reported to be broken. For Herat and Kandahar Cities the damage is mostly to the cities themselves, with relatively less damage to the surrounding farms. With cities in the north and elsewhere in the country, this pattern seems to be reversed. Apparently there are substantial levels of migration from Herat Province to Iran.

2. Farah Much of the area is reported to be largely abandoned. Most of the population has left, especially from the West Bank of the Farahrud River. This part of the province is located nearest to the Shindand Airbase, so it probably has been a Soviet policy to drive people out of this area. The whole province is flat, with no hills, and thus offers no protection either for the local people or for the mujahideen. Before the war the use of pumps was more extensive in Farah than anywhere else in the country, because the water table was very near the surface and the area lent itself to pumped irrigation. Now most all of this irrigated area is reportedly abandoned.

3. Nimroz

Nimroz Province is thought to be similar to Farah.

4. Helmand

Everything South of ^Girisk (a town on the main paved highway) is reported to be ~~fluid~~. The irrigation systems which are operated by the Helmand Argandab Valley Authority (HAVA) are intermittantly effectively depopulated. The main irrigation systems are reportedly dry, broken, or out of order. Informants suggest that the Bogra canal, the main canal which feeds most of the systems, sometimes operates at approximately 15% of capacity. Places like Marja and Nadi Ali are intermittantly abandoned.

Upper Helmand, North of Girisk appears to be relatively free from the direct effects of the war, with limited amounts of out migration. Farmers appear to be growing crops, and can productively use additional inputs. There are few reports of severe bombings for this area.

5. Kandahar

As with Herat, the major destruction appears to be to the city itself. The greatest out migration seems to have been from the city, and that part of the province which lies between the city and the Pakistan border. Informants suggest that the out migration from this area might be running as high as 60 to 75 percent, while for that part of the province which lies between Helmand Province and Kandahar city, out-migration has been at levels of 15 to 25 percent. The vinyards and orchards of Kandahar Province have suffered some damage, but most of them are reportedly still alive. Perhaps 15 to 20% of the vinyards and orchards have been destroyed. The remaining orchards and vinyards suffer from neglect, and from poor maintenance. People try to take care of them, but the quality of production is significantly down, because they have no fertilizers, pesticides, and have serious shortages of labor. Fertilizer for Kandahar is reportedly the least available and the most expensive for anywhere in the country. (This is largely because of the high transportation costs between Mazar-in-Sharif, the site of the fertilizer factory, and Kandahar.) Sheep raising was also important in Kandahar before the war, but most of the nomads apparently have sought refuge in Pakistan with their flocks. Kandahar along with Helmand was one of the most highly mechanized provinces in the country, with the highest incidence of tractor use. Most of this mechanical equipment is reportedly not operating.

or
More here from

Zabul Before the war, Zabul had only limited population, and relatively limited cultivation. Almonds were the most important cash crop for export. There was also some limited dry-land "lalmi" rain fed wheat. There is reportedly little out imigration, and relatively limited effects of the war.

7. Uruzgan

Except for Tarinkot, the capital city, most of the province is reportedly under mujahideen control. The principal crops are apricots, dried figs, some rice, and both rainfed and irrigated wheat. There is said to be negligible out-migration.

8. Ghanzi Ghazni

Province is substantially the way it was before

The area south and east of the highway is reportedly depopulated. The area north of the road had limited population before the war. Except for the area in the immediate vicinity of the highway, the rest of the war. There are few reports of heavy destruction. Plums were the most important export crop before the war.

9. Wardak and Maidan

There are few reports of out-migration. Most of the land is still being cultivated. Those lands which have been abandoned by their original owners are being cultivated by other people from the area, who work under the supervision of commanders. There is not much destruction of the irrigation systems in the area.

[Summary statement for provinces 1 through 9: there were no reported shortages of food in these 9 provinces.]

10. Paktiya

11. ~~Paktia~~ Paktika

There has been heavy bombardment and extensive destruction of these two provinces. Before the war, Paktiya was relatively heavily forested. Much of the timberland has now been burned through acts of war, to deny cover to the mujahideen. There has been extensive out-migration. Partly this is because the local people find it easier to leave, because of their proximity to Pakistan than people who are further away from the border. The sheppards who used to herd their sheep in Paktiya have reported left for safer areas on the Pakistani side of the border.

12. Logar

Logar is divided into two sections. In the lower half, there has been heavy bombing and extensive fighting. Here, perhaps 20 to 25% of the prewar population still remains in place. There has been extensive damage to the irrigation systems. Upper Logar, has lost perhaps 40 to 50% of its population, with perhaps 50 to 60% of the pre-war population still in place. There are some pockets in Upper Logar where the population is close to 100% of what it was before the war. The principal crops was wheat.

13. Nangarhar

Before the war, the principal crops were wheat, rice, maize, and some citrus. There was a large government citrus farm outside of Jallabadad, and although the trees are reported to be deteriorating, the farm still exports oranges and olives to Russia. In some places in the Province (Khogyany, for example) people say that while as much as 50% of the people may have left the area, it seems as though the population is almost at pre-war levels, because there has been a lot of marriages, many births, and some prosperity

because of the war. While the road to Khogyani is cut off, and there is no movement by vehicles, people are still able to purchase fertilizer from Jallabadad. Jallabadad City itself has grown substantially, and farmers in the immediate vicinity of the city apparently are able to practice agriculture more or less as normal.

14. Lagman

Lagman Province is similar to Nangarhar. There are Russian posts every two or three miles along the main Highway up to Meterlam the capital city. There is no cultivation on either side along this main road. Further away from Meterlam and the paved road, life is more or less as normal.

15. Konarah

This province has witnessed very heavy fighting, and substantial out-migration. Agriculture is reported to be seriously affected by the fighting.

16. Parwan and

17. Kapisa

These two provinces grow mostly wheat and grapes. The grape crop has suffered more than other fruit crops, because of a lack of fertilizer, fungicides, and labor. Grapes are a very labor intensive crop. They also require a lot of spraying with appropriate chemicals to keep the plants healthy. Production is down substantially, and quality control has deteriorated even more. These two provinces are near to Bagram airbase, as well as being on the main North to South highway leading to the Solang Pass, so travel in these two provinces is substantially circumscribed. Panjshir, as a part of Parwan Province, has been a center of heavy fighting, and it has seen very substantial out migration. Farmers are not free to move around these provinces easily, and the same is true for the mujahideen.

18. Pagman & Kabul

Kabul Province was never very significant as a source of agricultural production. Now, because of the expansion of the city, those farmlands which were there have probably been converted to housing. Pagman has been heavily bombed, many orchards and vinyards have reportedly been destroyed. Now there is not much left of what was once a very beautiful area.

The Five Provinces of

Baglan, Kunduz, Takhar, Mazar (Balkh) and Samangan are discussed below. These five provinces have many similarities in their agriculture, and in the effect which the war has had upon them. All five of these provinces were relatively wealthy before the war. All are north of the Hindu Kush. Apparently as a consequence of this, it is relatively more difficult for refugees to get from here to either Pakistan or to Iran. Accordingly, there is a substantial number of internal refugees. Some of the commanders, (especially Ahmad Shah Masood,) reportedly have established systems for assisting these internal refugees.

20. Baglan

Baglan produced rice, wheat, sugar beets, cotton, and melons. Baglan reportedly has had relatively limited out migration, but it has substantial internal migration. People have left the vicinity of Baglan City, and the main highway, and taken refuge in remoted areas of the province. It appears that the need for inputs in Baglan would be high if there were to be some kind of settlement and post-war reconstruction. Thousands of animals reportedly have been killed. (One report of unknown reliability for the town of Puli Kumri in Baglan Province reported that 12 tractors had been destroyed by the war, 80 orchards and 3,050 houses had been destroyed, and 27,000 animals including sheep, goats, horses and bullocks had been killed.) However, because of the large number of internal refugees, it appears that the immediate need is for relief, and this is even greater than the need for the present agricultural inputs. These five provinces would seem to be good candidates for a cash for food program,-- if this proves to be administratively feasible -- because of the difficulty of supplying them with more tangible agricultural inputs from Pakistan.

23. Samangan

This province is famous for its almonds, apricots, and pomegranats. Before the war it was a wealthy province. Except for the additional fruit crops, its condition appears to be the same as Baglan.

24. Jazjan

Jazjan province appears to have a current status somewhere between the 5 Northern Provinces discussed above, and the 3 provinces discussed below. It is not as prone to drought as the three discussed below, nor as wealthy as the five given above.

- 25. Faryab
- 26. Badghis
- 27. Ghor

These three provinces are probably in the worst condition of all the provinces of Afghanistan from the standpoint of agricultural production. Wheat prices, which are a good index of the condition of people's lives, are higher here than anywhere else in the country. (Wheat reportedly costs as much as 425 - 650 afs/seer.) The three provinces are all dependant on rainfed wheat, with little irrigation, or fruit production. And for the past four years, farmers have not been able to grow the normal amounts of wheat for two principal reasons:

Security - it is dangerous for farmers to try to work in the big open fields.

Drought for the last 3 - 4 years.

It is important to note that that these three provinces were also the worst hit provinces during the drought of 1970-71. Reports for these three provinces also talk of decreasing prices of livestock which are the cheapest for all the country. This tends to confirm the undesirable effects of drought. If this winter and next spring continues to be as dry as the last several years have been, then there will be a serious crisis comparable to the problems of 1970 and 1971. Because of the difficulty of working in these areas, it is hard to envision what the project could do, except to encourage people to leave the area by sending "relocation" money.

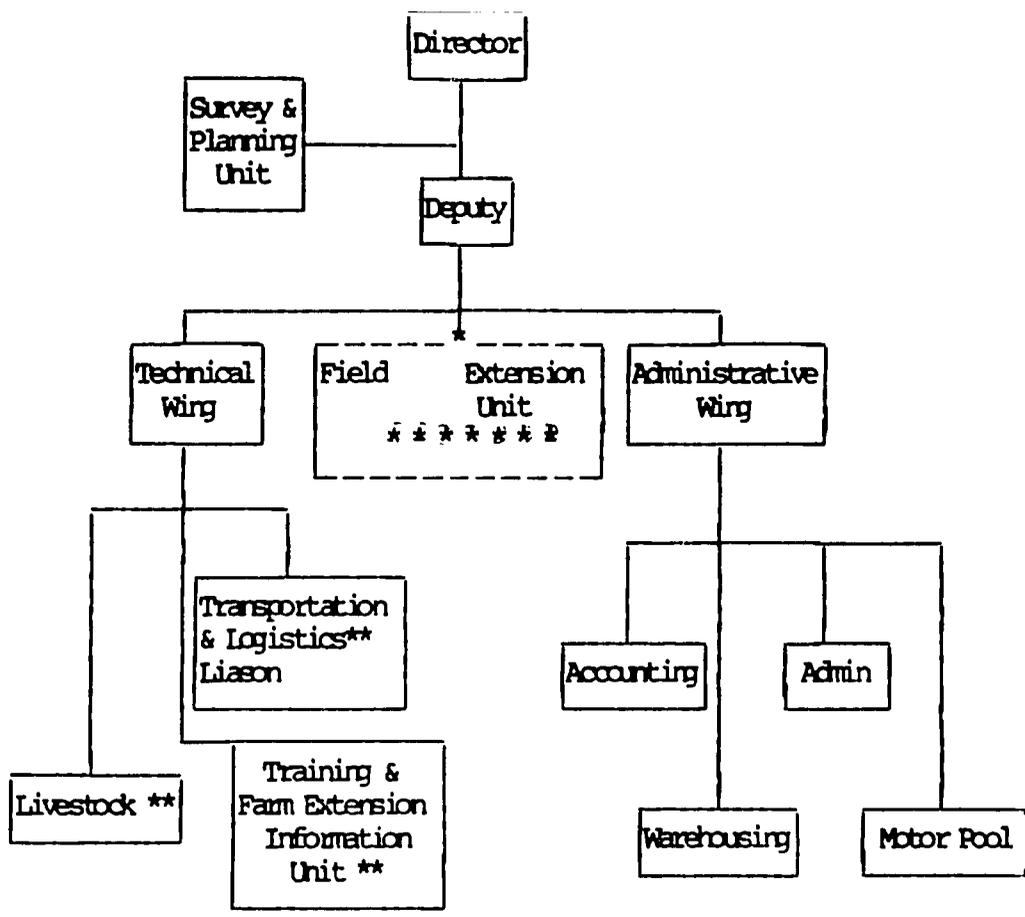
- 28. Bamiyan

Fighting and out-migration is reportedly limited in this province. Bamiyan City, the capital, is under Government control. The rest of the Province is reportedly under mujahideen control. Potatoes are a major cash crop for Bamiyan. Wheat is also grown. Potatoes are sold mainly to Kabul. Because of transportation problems, people are probably less able to sell their produce. Shortages are thought to be largely a function of poor access (transport) and to a lesser extent, the effects of the drought. (While Bamiyan seems to have been partially hit by the drought, it doesn't seem to have been as severe here as in the northern provinces. Some informants suggest that large trucks can reach to Bamiyan Province from the Pakistan border in approximately 5 days.

29. Badakshan

This was a major fruit producing area before the war, but because of its relative isolation, it was not a progressive area, and it exported very little. Farmers used few modern inputs or techniques to expand fruit production. Badakshan was also important for sheep. During the spring, some nomads migrated up to Badakshan Province, while other large groups of nomads migrated up to the Hazarjat. Badakshan also has some "lalmi" (dryland/rainfed) wheat. There has probably been some out migration from the province because of proximity to the Pakistan border, and the relative ease of walking out through Chitral.

Appendix III: Draft Organizational Chart, Afghan Agricultural Project



* Field-based positions (i.e. 90% of time spent in field)

** largely field based positions. (i.e. more than 50% of time spent in field.)

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Appendix IV: Organizational Charter,
Agricultural Council & Afghan Agricultural
Project

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In the name of God,
the Merciful and Compassionate

Charter: Afghan Agricultural Council

The Afghan Agricultural Council for the
rehabilitation of Agriculture in Free Afghanistan
hereby declares that:

Preamble:

One, the aggressive forces of Russia
and their agents have caused the destruction
of human, religious, and economic values of
Afghanistan. In particular, they have
destroyed the basic requirements of life
in the agricultural sector.

Two, the Afghan Mujahideen are the only
resistance force standing against the cruel
occupation forces of the enemy. The mujahid
farmers are attempting to maintain and rehab-
ilitate agricultural systems in order to
continue the jahad for the defence of their
faith, their country, and their social and
economic values.

Three, to strengthen this just resistance,
appropriate agricultural projects to assist the
people of Free Afghanistan will be created.

بسم الله الرحمن الرحيم
شورای زراعت افغانستان
۱۷/۱۲/۸۶
۱۳۶۶
۱۳۶۶

ازاد اعلام مینماید که:
مقدمه

۱- ترویج متجا وزر و حو نمایند ه های شان باعث تیا می ارز شهای
انسانی ، دینی و اقتصادی افغانستان شده اند ، متجاوزین مذکور
بالخصوص ضروریات اساسی زندگی را در کشور زراعت از بین برده اند
۱- مجاهدین افغان یگانه نیروی مقاومت در مقابل آیین دشمن ظالم
انفعال گرمیابند ، مجاهدین و زارعین مجاهد افغان کوشش دارند
تا وسایل و منابع زراعتی خود را حفظ نموده و ترمیم نمایند تا جمع
مقدس خود را برای دفاع از عقیده اسلام ، وطن و ارزش های اجتماعی
و اقتصادی خود دوام داده بتوانند .

۲- بمنظور تقویت این مبارزه برحق پروژه های زراعتی مناسب برای
مساعدت با مردم افغانستان ازاد تا میس خواهد گردید .

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Article I -- Basic Principles

The work of the Afghan Agricultural Council is to support farmers through the development of agriculture and livestock and the rehabilitation of small irrigation structures in all parts of Free Afghanistan. The policies and recommendations of the Council, implemented through appropriate agricultural projects, shall be to render the following services:

1. Assist farmers to increase agricultural production.
2. Assist the rehabilitation of farms and irrigation systems.
3. Assist farmers to produce more food for Mujahideen and local refugees.
4. Provide technical and financial assistance to the country's farmers.

In addition, the Afghan Agricultural Council shall seek to:

5. provide opportunities for higher studies and technical training for agricultural staff.
6. strengthen the Alliance of Afghan Mujahideen.

دستورالعمل
 وزارت کشاورزی
 افغانستان
 ۱۳۶۵
 ۱۳۶۵

ماده اول: برتسبهاي اساسي

وظیفه شوراي زراعتي افغانستان عبارت است از مساعدت زراعتي و ساختن بناهاي آبياري از طريق انكشاف زراعت، مالكداري و ترميم ساختن بناهاي خورد آبياري در تمام ساحات افغانستان ازاد. باليس و سفارشات اين شورا كذاي طريق

- پروژه هاي مناسب در عمل پياده خواهد شد خدمات ذيل را انجام ميدهد
- ۱- مساعدت باز اوين جهت ترقيده محصولات
- ۲- مساعدت براي احياي مجدد اراضي زراعتي و ساختن بناهاي آبياري
- ۳- مساعدت بازار اوين بخاطر تعهد غذايي بيشتر براي مجاهد پسن و مهاجرين محلي
- ۴- تعهد مساعدت مالي و تخنيكي براي زاروين كشور
- بر علاوه شوراي زراعتي افغانستان كوشش خواهد داشت كه:
- ۵- اتحاد مجاهدين افغانستان تقويت يابد
- ۶- زمينه تحصيلات عالي و تربيه تخنيكي براي مامرين زراعت مساعدت

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ماده دوم
 منظور تقویت این برنامها می باشد اقدامات ذیل را خواهد
 خواست آمد
 شورای زراعتی اتحاد اسلامی مجاهدین افغانستان عبارت
 از ارکان طرح پالسی های عمومی برای مکتور زراعتی
 افغانستان آزاد میباشد
 شورای زراعتی افغانستان همچنین
 اسکورهای خصوصی را به منظور همکاری و کمک در انکشاف زراعت
 افغانستان تشویق و مساعدت خواهد کرد
 ۱- روحیه همکاری لازم را با کمیته های مختلف ائتلاف به وجود خواهد
 آورد
 ۲- در ایجاد هم آهنگی بین گروه ها و پروژه های دیگری که در ساحه
 زراعت افغانستان مضمروف فعالیت اند کوشش خواهد نمود

Article II.

To support these basic principles, the following actions shall be undertaken:

1. The Agricultural Council of the Islamic Alliance of Afghan Mujahideen shall be constituted as a policy making body for the agricultural sector of Free Afghanistan.

The Afghan Agricultural Council will also:

1. encourage the private sector to assist with the development of agriculture in all liberated parts of the country.
2. coordinate as necessary with all appropriate Committees of the Alliance.
3. coordinate with other groups and projects working in the agricultural sector in Afghanistan.

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Article III

The Afghan Agricultural Council will seek assistance from different appropriate sources to finance agricultural programmes to accomplish the following objectives:

1. finance procurement of basic materials for agriculture and livestock development
2. pay transportation and distribution costs for agriculturally related materials
3. provide for storage of agricultural commodities and supplies
4. pay local-hire staff salaries, per diem, and other related costs to support the implementation of this program
5. provide opportunities for technical training for project staff.

Article IV.

This document shall come into full force and effect when signed by appropriate representatives of the Seven Party Alliance.

Blessings of Allah upon the success of this undertaking.

ماده سوم :

- شورای زراعتی افغانستان منابع مالی مناسب مختلف را برای تمویل پروگرام های زراعت به منظور انجام مقاصد ذیل جستجو مینماید
- ۱- تمویل و تهیه مواد اصلی برای اکتساب زراعت و مالداري
 - ۲- تادیه کرایه انتقال و توزیع مواد مربوط زراعتی
 - ۳- تهیه تسهیلات برای ذخیره نمودن مواد و لوازم زراعتی
 - ۴- تادیه معاشات و سایر مصارفات مأمورین و مستخدمین پروژه
- م- و ط
- ۵- تهیه تسهیلات برای تربیه تخنیک مأمورین زراعت و امور مربوط

ان ماده چهارم :

این اسناد بعد از اضافی اعضای شورای عالی زراعتی اتحاد مردم الاجرا

خواهد بود و من الله التوفیق

۶۹/۱/۵۰

۶۸/۹/۱۵

عبدالله شکر

معاونت زراعت

کابل

۱۳۳۰

Appendix V:

Suggested Compensation Scale, Afghan Agricultural Project **

<u>POSITION</u>	<u>GRADE</u>	<u>RUPEES PER MONTH</u>
Senior Manager/Technician I	1	6000
Senior Manager/Technician II	2	5500
Senior Manager/Technician III	3	5000

Middle Manager/Technician I	4	4500
Middle Manager/Technician II	5	4000
Middle Manager/Technician III	6	3500

Junior Manager/Technician I	7	3000
Junior Manager/Technician II	8	2500
Junior Manager/Technician III	9	2000

Unskilled Labor	10	1500

Note: A person may either be graded as a manager or a technician depending on the job.

** Note: This suggested compensation scale is directly adapted from the suggested interim compensation scale for Health Sector Employees (of the Alliance Health Committee). The Health Committee's scale, in turn, is directly adapted from the Education Committee's scale of compensation, which is currently in effect. Further, according to their draft Charter, ~~for~~ the Agricultural Council has gone on record as favoring comparability between and among staff of Alliance projects.

Appendix VI.

INTERIM DISBURSEMENT PROCEDURES*

1. Where possible, MSH will disburse funds to the AHC for onward disbursement to personnel, vendors, for housing, leases, etc., rather than making payments directly.
2. MSH will request that not less than two AHC members be designated to receive and account for funds under a joint signature arrangement.
3. Requests for funds from the AHC must be accompanied by explanations of the proposed activity/purchase and estimated costs for each particular activity/purchase (task order system).
4. In general, proposed purchases over Rs. 10,000 will require estimates from two or more vendors.
5. MSH will provide advances against approved tasks and budget estimates and the advances will be cleared immediately after purchases.
6. The AHC/Secretariat will furnish original copies of receipts, signed salary vouchers, lease agreements, etc. for each expenditure and return the difference between the advance and the expenditure.
7. MSH will permit the AHC to "pass through" funds to the political parties during the interim period for salaries and for purchases of selected medical supplies and equipment if urgently needed.
8. MSH will assist the Alliance establish a Petty Cash Account (probably in January).
9. The AHC/Secretariat will be required to prepare a monthly financial statement of expenditures and will be assisted in the development of a chart of accounts.
10. MSH will seek USAID approval for program expenditures exceeding \$10,000 during the interim period.

* These disbursement procedures were prepared by Management Sciences for Health, the technical assistance team working with the Health Committee of the Alliance. They are given here in an illustrative fashion, suggesting possible disbursement mechanisms:

Appendix VII.

Civil Administration in Northern Afghanistan

Selected extracts from the 'Afghan News Special Edition'* are given below. The entire edition consists of one long article, written by Masood Khalili, a political officer of Jamiat Islami Afghanistan, who has recently returned from a three month trip to Afghanistan. The information in the article is based on his personal observations. The article is titled: "A Change in the North".

I. "Organized Work in the North, an Effective Challenge"

"The terms like organization mobilization and coordination have only rarely been used amongst Majahideen in the area, and some who knew these words did not know how to bring them into practice. There were also those who thought it is impossible to achieve this goal of organizing the war. Different parties, different nationalities, different languages, different socio-economic interests were the reasons for those who were "justifiably pessimistic". Militarily speaking, every village had its own commander who was proud of protecting that given village from occasional enemy attacks. With the passage of time, these village commanders grew bigger up to district level or even provincial levels and in the meantime grew more independent. Some of them considered themselves if not the petty kings, the "absolute maliks" of the village or district. They were themselves the only source of authority.

II. "Phases of Organizational Work"

1. Preliminary meetings:

"...There were three general ... meetings in which main mujahideen commanders from about six provinces of the north participated. In the first practical step, the meeting resulted in the formation of the Supervisory Council of the North."

2. "Supervisory Council"

[The Supervisory Council] has an executive force combined with an effective administrative power. It enforces the decisions taken by the meeting of the commanders. It has a strong judicial (sic) system to deal with the problems concerned. It includes different committees such as financial, cultural, educational and health. It prepares a report of its problems and achievements to be presented to the meetings of the commanders. It has authority

*dated 25 November 1986. Pages 3 and 4.

over six provinces. Although its works are promising, still, due to economic reasons and lack of personnel it works more slowly than expected. It needs more time to be firmly established.

3. "Local Alliances"

"To continue the process of easing tensions and solving differences amongst commanders, to maintain what they have already achieved in this regard, to prepare joint operations and coordinate military activities and to help civilians to live in harmony with Mujahideen, local alliances were created. They are at the provincial and district levels. Most of the joint operations this year launched in Kunduz, Takhar, and Baghlan have been the work of these alliances."

4. "Organization of the Base Areas"

"Each base has its own defensive mobile and strike groups. Besides this, the bases have their sub-bases (Qarargah) with their own special activities to do. Each base has also its own administrative system with an effective judicial one. Each base has its own general commander with tens of group commanders. Training centres have been established in different bases to train those who had no training. A limited number of medical clinics and a good number of primary and mosque schools (madrasas) have been opened. Wherever possible, irrigation channels are repaired or built. Supply routes are corrected. In short, each base has its military and social responsibilities to be fulfilled. According to many commanders [the organizational methods of Panjshir] has been followed and even copied in the North, despite Russian efforts over four years to prevent it. They said Panjshir should no longer be called the only base for Soviet offensives. But still, I found it a "mother base."



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

AID REPRESENTATIVE

American Embassy
Islamabad, Pakistan

Activity Authorization

Name of Country: Afghanistan Name of Activity: Agriculture Sector Support
Number of Activity: (306-0204)

Pursuant to Section 904 of the International Security and Development Assistance Act of 1985, Continuing Resolution (FY 1987)/541, and the provisions of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Agricultural Sector Support Activity for humanitarian assistance to the free peoples of Afghanistan. This activity involves planned obligations not to exceed \$6,000,000 in grant funds over a three-year period beginning with the date of this authorization and subject to the availability of funds in accordance with the A.I.D./O.Y.B. allotment process, to help in financing certain foreign exchange and local currency costs. The planned life of the project is through March 31, 1990.

This Activity will provide for humanitarian assistance related to agriculture to the free Afghan people remaining in Afghanistan.

The agreement(s) which may be negotiated and executed by the officers to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority shall be subject to the following terms, covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

a. Source and Origin Of Commodities, Nationality of Services:

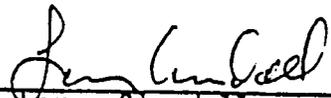
Commodities financed by A.I.D. under this project shall have their source and origin in the United States of America, Pakistan and, when agreed to in writing by the A.I.D. Representative, countries in A.I.D. Geographic Codes 941 and 935. Except for ocean shipping, the suppliers of commodities or services shall have the United States as their place of nationality, except as the A.I.D. Representative may otherwise agree in writing. Ocean shipping

- 64 -

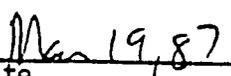
financed by A.I.D. under the project shall, except as the A.I.D. Representative may otherwise agree in writing, be financed only on flag vessels of the United States.

b. Waivers and Deviations:

I hereby approve a deviation from normal audit requirements for end-use and costs incurred in Afghanistan.



Larry Crandall
A.I.D. Representative



Date

Attachment: a/s