

UNITED STATES GOVERNMENT

# Memorandum

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TO : Mr. Charles W. Johnson, D-AD/DP

FROM : Richard B. Scott, DP

SUBJECT: Payment for On-Farm Drains in the Helmand

DATE: April 1, 1975

In various meetings it has come out that USAID will pay 75 percent of costs for construction and repair of major drains and only 40 - 50 percent of costs for on-farm drains. The logic of this position is that major drains benefit whole project areas while on-farm drains benefit specific farms and the U.S. should not have to pay farmers for digging drains on their own farms. As far as the logic goes, it is correct, but it has little to do with the realities with which this project will have to deal in implementation. USAID may say that since the project will be on a fixed cost reimbursement basis the problems outlined below are GOA problems, not U.S. If we are to have a project in the Valley, the problems are joint, they should be faced in this early planning stage, and by ignoring them now will not make them go away.

The construction of the two different sorts of drains should be clearly separated. They use different methods, they have different sorts of problems in implementation and they have different sorts of rewards for the Helmand farmers at whom the project is aimed.

The general differences are:

a. Major Drain Construction

1. Work accomplished by heavy equipment and HAVA-HACU personnel.
2. Reworking existing drains requires no farmer agreement or cooperation.
3. USAID pays 75 percent of costs.
4. Large area, many farmers benefit some from better drainage.
5. Recruitment and administration of rural labor groups not necessary.
6. Few direct benefits to rural labor in the form of pay.



b. On-farm drain construction:

1. Work accomplished by rural labor force.
2. On-farm drains require farmer agreement and cooperation.
3. USAID pays 40-50 percent of costs.
4. Small area, few farmers benefit from better drainage.
5. Farm labor must be recruited, supervised and paid.
6. Large number of rural laborers directly benefit from construction through pay.

Of the two types of work, the on-farm drains will be the most complex in terms of the social context. And while the numbers of farmers' fields to be affected, at least in the early stages will be few, the total number of people to be immediately benefited through labor will be many. Those so benefited are most likely to be the poorest elements in the Helmand Valley, recent settlers and sharecroppers.

Given these considerations, we should question the logic of the willingness to pay only 40-50 percent of costs for labor-intensive work while we pay 75 percent of work to be done by heavy equipment.

In Nad-i-Ali and to some extent Marja, there will likely be problems recruiting a labor force to work on on-farm drains outside the winter slack season. This was pointed out by HAVA during our recent visit. There does not appear to be a surplus of labor in the immediate area but, with reasonable pay, workers can no doubt be recruited from outside. As noted, many new settlers will likely make a recruitment pool.

Also, unlike minimally developed areas in Zarist and Darweshan, the Nad-i-Ali Marja area may present some difficulties in farmers' cooperation with on-farm drain construction. In parts of these areas the farmers will no doubt define their yields as satisfactory and find difficulty in agreeing to construction costs and the resulting loss of field area.

The phrase "to pay farmers to work on their own farms" is not exactly accurate. Perhaps some farmers will be working but certainly they are not capable of furnishing the man-days of labor necessary to dig the quantities of drains proposed.

They understand their problem of drainage. Some have dug limited numbers of impressive ditches. But even Nad-i-Ali and Marja farmers, probably the most innovative, generally have not gone in for great investment in drains. They have bought tractors at relatively high rates and they do use share-croppers at relatively high rates. And they do get relatively high production rates without such an expenditure on drains.

If the project (a HAVA-USAID joint effort) wants to build on-farm drains in the areas, it should be ready to pay for them and be ready to become involved in a public relations activity to sell the idea. Voluntary labor is not likely. Government-villager relations can not be assumed to be of a cooperative nature.

By limiting U.S. participation to 40-50 percent of the total costs for digging on-farm drains, it means one of two things. First, it means that HAVA will have to come up with the other 50 percent of costs (labor costs) to get the farmers to dig the drains at a normal daily wage (if that is what it takes to get the work done). This puts a burden on the HAVA budget which will already be under pressure supporting the total project (if the budget is not already under pressure). This could lead to delays in project work. One possible explanation that would no doubt be voiced (already noted by HAVA) would be that except for the slack winter season workers cannot be recruited, a half truth. While this does not directly affect USAID, because we do not reimburse until work is completed, neither does it forward project implementation vis-a-vis a problem that is recognized now in the planning stage. In any case, the laborers, if the work is done, get paid the same, a daily wage, but by HAVA. Our statement should then be "We will not pay HAVA for work done by farmers."

Second, which at least verbally fits with the "not to pay farmers to work on their own land" thesis, perhaps the 40-50 percent logic means that we are willing to pay a half day's pay for a day's work. I don't see how this would fit with the fixed cost method but the farmers could not be recruited for such an amount.

What we must keep in mind is that in the farmer's mind this new activity will be a U.S.-financed Government project. As noted in a previous memo, there are no doubt a few farmers in these regions that would be able and willing to finance land improvement activity. They will be local Khans with tractors and money, and a different orientation on what they can expect a field to produce under controlled conditions. But this should not be considered the general rule. For a large block of on-farm irrigation ditches to be dug on a systematic basis, the labor will have to be recruited and paid, and the landowners will have to be contacted and convinced the work will be to their advantage.

The USAID/A-Washington view of the work to be done, how it should be done and who should pay for it, and the farmers' view are not likely to be the same.

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