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MEMORANDUM:

TO : Mr. Vincent W. Brown, Director DATE: August 14, 1976

FROM : John Standish, Chief, C.D.E. *JS*

SUBJECT : Central Helmand Drainage - Project Implementation Committee

REF : USAID/A Staff Notice 76-101, dated July 26, 1976
 Entitled "Interim Work Arrangements in Rural Development Division"

The second meeting of the Implementation Committee was held on August 10, 1976.

PARTICIPANTS:

Project Officer : Mr. Sanford Stone

Committee Members : Messrs. Standish, CDE (Chairman)
 Reilly, CDE
 Carner, DP
 McMahon, CO
 Martinez, MGT
 Kavanagh, MGT

General :

The Committee discussed possible agenda items with respect to Director Brown's mid-month visit to Lashkar Gah for his monthly meeting with Governor Sherzai. Various items were suggested to Mr. Stone for inclusion on the forthcoming meeting; this included future action on the evaluation report, the proposed black-topping of the Lashkar Gah Airstrip, and the need for an accelerated labor recruitment program. Mr. Stone indicated that he would work-up an agenda and discuss it with Mr. Brown.

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A G E N D A :

1. Review of All Proposed, Outstanding or Delinquent Actions:

The Committee first considered those items which involved the Office of Management so that Mr. Martinez and Mr. Kavanagh could be excused for other duties.

A. Agreement was reached that House # NS-6, previously assigned as office space to the HARZA Engineering Company, could be retained in Lashkar Gah for housing purposes and that Mr. Stone would make alternate arrangement for HARZA's office space in either the HAVA building or the old Lashkar Gah Staff House. Mr. Martinez pointed-out that all GSO administrative functions have now been transferred to Mr. Stone and that he would make all such determinations in Lashkar Gah.

B. Lashkar Gah Staff House - The Committee were briefed by Mr. Standish on the most current discussions with Mr. Mohammadi, General President of WAPA, regarding the status of the Lashkar Gah Staff House. Reference was made to Item No. 3 of Memorandum of Conversation prepared by Mr. Standish, dated August 2, 1976 (copy attached).

C. Mr. Martinez confirmed that a Personal Service Contract was being entered into with Mrs. Eliodora R. Apacible for an additional 120 hours of typing services for the Soil and Water Survey.

D. Mr. Standish made reference to a visit of Mr. Aman, President of HCC in which he had requested that Director Brown clarify the status of some auto spare parts originally designated for HCC but now being held for HAVA. Mr. Stone stated that approximately \$32,000 of excess USAID auto spare parts had been granted-

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in-aid for the project. Although these parts were originally requested by HCC, they were for maintenance of the HAVA vehicle fleet and that these parts had been now turned over to HAVA and were not available for HCC.

2. Status of Master Drainage, Construction and Equipment Plans:

Mr. Stone reported that working with the Vice President of HAVA, Zafari, HAVA had organized a committee comprising of the Technical Department, Resettlement Department, Agriculture and Extension Departments to review and coordinate work on the Master Drainage Plan. Mr. Stone presented a memorandum prepared by Mr. Honeyfield dated August 8, 1976 (copy attached) which stated the guidelines for preparation of the Master Plan. Mr. Stone requested that the Committee review Mr. Honeyfield's memorandum to see if there was any variation from the approach, originally agreed to in Lashkar Gah by Messrs. Stephenson, Reilly and Carner. Mr. Reilly and Carner were asked to review Mr. Honeyfield's memo and to discuss any need for changes during the upcoming monthly meeting being scheduled by Mr. Brown in Lashkar Gah. Mr. Standish stated that during the conversation with Mr. Aman, he had indicated that various equipment was being transferred back from the IBRD Khanabad Project to Chah-i-Anjirs and that a number of Russian-made backhoes might also be available for transfer to Chah-i-Anjirs.

Mr. Stone reported that the five replacement engines for the Northwest draglines were now in Kandahar customs and that/HAVA deadline had been set to clear the engines within 10 days. Mr. Stone was asked whether Mr. Anderson or Mr. Liston had been in conversation with Mr. McCain of HCC, in Lashkar Gah regarding his views of possible mix of equipment needed on the Drainage Project. Mr. Standish pointed-out that Mr. Aman had indicated that Mr. McCain had some very definite views on the mix of equipment which might be used on an expanded Drainage Project. Mr. Stone indicated he would bring this to the attention of Mr. Liston upon his return to Lashkar Gah.

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3. Review and Analysis of Elements to be Considered in a Phase II PP:

Mr. Standish briefed the Committee on the steps and procedure involved in processing a project paper through the NESAs Advisory Committee and the DLC in Washington. This, in term, lead to a Committee review of chapter six (6) of Handbook #3 which discusses in-depth the elements which would need to be incorporated to produce a meaningful project paper. Mr. Standish recommended and it was agreed that a Project Committee be established, and that assignments of areas of responsibility be delineated. It was agreed that the Project Committee should be chaired by Mr. Stone, and be composed of representative from CDE, DP, CO, and RIA. The subject areas assigned are indicated in attachment #3.

4. Modification, Changes or Alternations to Existing FAR Procedure and Possible Adaption of a FCR Procedure:

There was extensive discussion on the application of the FAR procedure to the Drainage Project. The discussion involved the memorandum prepared by Mr. McMahon dated August 1, 1976 (copy attached). After a long discussion, it was agreed that (1) There are limitations on the application of a FAR procedure to an excavation project, (2) That Phase I of the Project would be continued under a FAR system, but that (3) The Committee would recommend some form of a percentage reimbursement of actual cost for Phase II of the Project. At the end of the discussion, Mr. Stone suggested that the Committee consider a draft Letter of Understanding #12 (copy attached) which proposed a recalculation of cost for excavation performed to date. Mr. Stone based his request on the wording of the Project Agreement which states "Provision will be made for considering renegotiation of cost estimates if exceptional circumstances arise. After the first 20 km of work is completed, cost estimates and procedures will be reviewed to determine modifications necessary to the system and to determine if renegotiation of the first 20 km is desirable."

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A heated discussion followed on the philosophy and concept of the FAR procedure. It was agreed that unless exceptional circumstances could be proven, no such renegotiation should be considered. Note: Subsequent discussions with Director Brown confirmed that the only expectual case should be considered and that such an exception should be an engineering determination.

5. Organizational Status of an Effective Recruitment and Managerial System for an Enlarged Farm Drain Work Force:

Mr. Stone reported that prior to consideration of any increase in the recruitment of labors for the Drainage Project that first a response was required to HAVA request to WAPA whether, in fact, GOA regulations permit HAVA to enter into contract involving large groups of day laborers. Mr. Stone also reported that a HAVA Committee comprising the Technical Department, Agriculture and Extension Departments are currently making an assessment of the availability of labor and what would constitute an acceptable daily vage. Mr. Stone pointed-out that until the above was known, HAVA could not go forward with a meaningful large scale labor recruitment program. The members of the Committee were given copies of Mr. Scott's memorandum of August 9, 1976 (copy attached) which pointed-out various considerations which USAID and HAVA should keep in mind in going forward in an accelerated labor recruitment program. It was agreed that this subject would again be placed on the next agenda of the Committee.

6. Helmand Drainage Project Area - Land Classification:

Mr. Reilly expressed his concern on what appeared to be differences between various methods of land classifications of the Project Area. His memorandum of August 4, 1976 (copy attached) was distributed to the Committee Members and agreement was reached that Mr. Reilly should review his memorandum with the SCS personnel in Lashkar Gah.

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Before closing the meeting, Mr. Carner distributed the latest Project PPT and requested that the Committee Members review the tracking system and submit any comments to DP as soon as possible. Mr. Stone advised the Committee Members that he would depart for Lashkar Gah the next day. Mr. Standish pointed-out that a meeting had been set-up for Mr. Stone with Mr. Nasir Ahmad Wahab, President of Soil and Water Survey of WAPA to discuss the possible availability of drill rigs for the Project. It was agreed that in lieu of Mr. Stone scheduled departure, Messrs. Standish and Reilly would meet with Mr. Wahab and a separate memorandum of conversation would be prepared.

The meeting lasted approximately 4 hours and agreement was reached to hold the next meeting of the Committee on August 24, 1976.

Attachments: a/s

CDE:JStandish:sp
8/14/76