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INTERNATIONAL DEVELOPMENT
PROJECT PAPER FACESHEET

1. TRANSACTION CODE
 A ADD
 C CHANGE
 D DELETE
 2. COUNTRY CODE
 3

3. COUNTRY ENTITY
 BANGLADESH

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 digits)
 [388-0045]

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 [PVO CO-FINANCING II]

8. ESTIMATED % OF PROJECT COMPLETION
 87

9. ESTIMATED DATE OF OBLIGATION
 A. INITIAL FY [80]
 B. QUARTER [2]
 C. FINAL FY [84] (Enter 1, 2, 3, or 4)

10. ESTIMATED COSTS (\$000 OR EQUIVALENT \$) -

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. TOTAL	E. FX	F. L/C	G. TOTAL
AID APPROPRIATED TOTAL	750	250	1,000	3,750	1,250	5,000
(GRANT)	750	250	1,000	3,750	1,250	5,000
(LOAN)						
OTHER U.S. PVOs	125	375	500	625	1,875	2,500
HOST COUNTRY	-	100	100	-	500	500
OTHER DONOR(S)						
TOTALS	875	725	1,600	4,375	3,625	8,000

11. PROPOSED BUDGET APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. 1ST FY 80		H. 2ND FY 81		K. 3RD FY 82	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	I. GRANT	J. LOAN	L. GRANT	M. LOAN
1) FN	760 B	920		450		400		400	
2) H	760 B	920		150		200		200	
3) ST	760 B	920		400		400		400	
4)									
TOTALS		1,000		1,000		1,000		1,000	

12. IN-DEPTH EVALUATION SCHEDULE

A. APPROPRIATION	N. 4TH FY 83		O. 5TH FY 84		LIFE OF PROJECT	
	Q. GRANT	R. LOAN	S. GRANT	T. LOAN	U. GRANT	V. LOAN
1) FN	400		400		2,050	
2) H	200		200		950	
3) ST	400		400		2,000	
4)						
TOTALS		1,000		1,000		5,000

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13. DATA CHANGE INDICATOR. WERE CHANGES MADE IN THE PID FACESHEET DATA, BLOCKS 12, 13, 14, OR 15 OR IN PRP FACESHEET DATA, BLOCK 12? IF YES, ATTACH CHANGED PID FACESHEET.

2 NO
 YES

14. ORIGINATING OFFICE CLEARANCE
 SIGNATURE
 Richard L. Podol
 Acting Director
 DATE SIGNED
 01/10/81

15. DATE DOCUMENT RECEIVED IN AID/W. OR FOR AID/W DOCUMENTS. DATE OF DISTRIBUTION
 01/10/81

PROJECT AUTHORIZATION

**Name of Country: BANGLADESH Name of Project: PVO Co-Financing
Number of Project: 388-0045**

Pursuant to Sections 103, 104 and 106 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the PVO Co-Financing project for Bangladesh involving planned obligations of not to exceed Dols 5,000,000 in grant funds over a five year period from date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/ Allotment process, to help in financing foreign exchange and local currency costs for the project.

The project will use the management expertise of locally established indigenous and US Private Voluntary Agencies (PVO) in collaborative endeavors with local communities to conceive, design, implement and evaluate development activities needed by the people.

The project agreements or grant agreements which may be negotiated and executed by the officer(s) to whom such authority is delegated in accordance with A.I.D. regulations and delegations of authority shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

Source and Origin of Goods and Services

Goods and services, except for ocean shipping, financed by A.I.D. under the project shall have their source and origin in the cooperating country or in countries included in A.I.D. Geographic Code 941, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the project shall, except as A.I.D. may otherwise agree in writing, be financed only on Flag vessels of the United States or the cooperating country.

Signature: Richard L. Podol
Richard L. Podol
Acting Director
USAID/Bangladesh

Date: January 10, 1980

BANGLADESH
PVO CO-FINANCING II
(388-0045)

PROJECT PAPER

December 1979

**Private and Voluntary Organization (PVO)
Co-Financing, Phase II (388-0045)**

CONTENTS

	<u>Page</u>
I. INTRODUCTION ...	1
II. SUMMARY AND RECOMMENDATIONS ...	1
III. PROJECT DESCRIPTION ...	2
A. Background ...	2
B. Phase I Achievements and Weaknesses ...	5
C. PVO and BDG Developments ...	7
D. Project Design ...	9
IV. PROJECT ANALYSIS ...	14
A. Economic ...	14
B. Social ...	14
C. Technical ...	15
D. Administrative ...	16
E. Environmental ...	18
V. FINANCIAL PLAN ...	18
VI. IMPLEMENTATION PLAN ...	19
VII. EVALUATION ...	23

ANNEXES

- A : Logical Framework**
- B : AID/W Cable Approval of PID**
- C : Statutory Checklist**
- D : AID Summary Guidelines for PVO Grants
(AIDTO CIRC A-134 and A-157)**
- E : Environmental Impact Identification and Evaluation Form**
- F : FY 1979 Project Evaluation Statement**
- G : BDG Foreign Donations Ordinance No. XLVI**

PROJECT PAPER

PVO CO-FINANCING II (388-0045)

I. INTRODUCTION

This project builds on the experience of a Phase I pilot project, the second one of its kind undertaken by AID in the Asia Region. Phase I demonstrated the effectiveness of Co-Financing as a means whereby AID can flexibly support private voluntary initiatives. During FY 1975-79 the project funded nine sub-projects with eight PVOs providing a total of over \$4 million in development assistance. These inputs were for a variety of purposes and benefitted primarily the rural poor, including women and some youth. The FY 1979 Project Evaluation Statement summarizes accomplishments, shortfalls and recommended new directions. (See Annex F) The present project incorporates lessons learned in Phase I in order to maximize project effectiveness.

II. SUMMARY AND RECOMMENDATIONS

A. Summary

Phase II of the PVO Co-Financing project will continue to engage the expertise of PVOs in small-scale, mutually funded projects primarily to benefit the rural poor. The previous joint funding arrangements remain basically the same. As before, USAID will co-finance development projects with PVOs and, whenever appropriate, the Bangladesh Government (BDG). The level of USAID support will be determined on a case by case basis depending on the individual PVO fund raising capability. The project direction is changed in accordance with the annual and final Phase I evaluation approved recommendations; the project will:

1. support as a first priority health, particularly maternal and child health activities, and other development efforts which incorporate a family planning component; second agriculture, especially food and nutrition endeavors; and third all other sectoral proposals. This prioritization is in line with the Mission's FY 1981 Country Development Strategy Statement (CDSS) and the BDG's primary development concerns;

2. **emphasize greater support for indigenous PVO efforts;
and**
3. **provide funds for assisting PVOs to better design,
monitor and evaluate their activities.**

The Phase II project duration is five years, FY 1980-84, and USAID funding is projected to total \$5 million over the life of the project, with annual obligations estimated at \$1 million.

Recommendations

That the proposed PVO Co-Financing Phase II project be authorized for five years (FY 80-84) of grant funding at annual \$1,000,000 obligations for \$5,000,000 over the life of the project. Due to functional category constraints, AID/W has determined the following breakouts for FY80: 45 percent Food and Nutrition; 15 percent Health; and 40 percent Selected Development Activities. As these categories do not accurately conform to the project priorities established in this paper, USAID will attempt in subsequent fiscal years to obtain a closer approximation as between project priorities and functional account availabilities.

III. PROJECT DESCRIPTION

A. Background

Since 1970, Bangladesh has received substantial resources from PVOs, both foreign and indigenous. The number of agencies and the resources they provided gave the country a major resource base with which to address the early disasters and development objectives faced by the new nation. USAID, in turn, played an important part in the support of the relief and rehabilitation efforts of the PVOs -- over \$21 million in USAID grant funds were channeled through PVOs in the post war period.

For many reasons the relief and rehabilitation experience was important for PVOs:

- The twin disasters of cyclone and war brought PVOs to Bangladesh in large numbers and a significant number decided to remain and to make the transition from relief to development. Thus, an extensive repository of PVO talent began to accumulate.

- The natural and man-made crises of the last several years gave the PVOs an entrée to local citizenry and conditions and hence a good understanding of rural Bangladesh. In Bangladesh, many PVOs are remembered for their early and active support of the Bangladesh Government.
- The close relationship of USAID and the PVOs stemming from the \$21 million in early assistance gave both a firmer conception of each other's modus operandi, and programs.

In sum, the relief period provided the knowledge, experience, and acceptance of PVOs in Bangladesh, as well as experience in working with USAID. This served as a good foundation on which to build a continuing AID-PVO partnership in the Phase I project and in this Phase II effort.

In late 1973 and in early 1974, many PVOs began to turn their attention to development programs. This general reorientation was not in all cases marked by an appropriate developmental foci, particularly good management, or high quality technical expertise, but it was consistently characterized by dedication and enthusiasm, and was directed to grassroots activities already undertaken in the reconstruction/rehabilitation context.

Against this background, the Mission decided in FY 1975 to develop a mechanism through which private initiatives could continue to be supported. The Phase I project was based on several assumptions:

1. It was assumed that the number of PVOs and their programs would increase and USAID would fund development projects worthy of support in PVO co-financing arrangements.
2. AID design and evaluation systems could benefit PVOs in improving the efficiency, focus, and cost-effectiveness of projects undertaken. To the extent the BDG could be drawn into the process, the relevance of PVO activities to national program planning could be enhanced.
3. PVOs offered an avenue for AID to involve itself closely with small-scale projects which, if carefully selected and implemented, might be of significance to later large-scale investments.

4. PVOs would provide AID with a more direct tie-in to grassroots activities and therefore improve AID's understanding of the rural areas and thereby enhance USAID's programming capacity.

These considerations as well as AID's desire to respond to a Congressional directive to carry out United States economic assistance in developing countries to the maximum extent possible through the private voluntary sector, form the basis upon which the PVO Co-Financing I project was rationalized and approved.

Phase I of the project attained and surpassed the output target of sub-projects in both numbers and dollar amounts:

		<u>FY 1975-79</u>	
		<u>Planned</u>	<u>Actual</u>
Number of projects	:	8	9
Total U.S. Funding	:	\$1,700,000	\$2,333,181

The following is a brief sketch of the PVO projects which were supported under Co-Financing I: International Voluntary Services (IVS) worked in Sylhet Thana (county) in twelve villages to establish agriculture extension services, health and family planning, a women's program and cooperative development. In 1978 a new project was approved to build on previous experience and to establish a village-based training program for three Government training institutes for health/family planning, agriculture and rural cooperative extension workers. Memorial Christian Hospital (Association of Baptists) tested the feasibility of polder projects in the coastal area of Cox's Bazar and continues the project on its own since October 1977. (A polder is defined as the land enclosed within an embankment.) YWCA established a crafts training center in Dacca which became self-sufficient at the end of the project employing 200 women, full-time and exporting jute bags, hand puppets, and wall hangings through Jute Works (a Bangladeshi PVO exporting jute crafts). CARE received two grants to strengthen the primary and secondary cooperative structure in six Thanas. Although USAID support ended in June 1978, CARE continues the work by diversifying efforts and focusing the program on productive activities for women, especially in handicraft (castor bean based silk thread production). MAP/HEED concentrates on integrated rural development services in several model villages in agriculture, health, family planning and community development. Save the Children/Community Development Foundation

(SCF/CDF) has established village development committees operating in four counties. The committees plan and help carry out productivity and infrastructure projects designed to benefit women, youth and landless families. The Children's Nutrition Research Unit, funded through CDF, was to conduct programs to reduce infant mortality/morbidity due to malnutrition. The project was prematurely terminated at the request of the sponsoring agency after several technical papers were produced. The Asia Foundation (TAF) will help improve the Bangladesh Parliament Library and provide sub-grants to indigenous PVOs to carry out family planning programs.

B. Phase I Achievements and Weaknesses

Of the nine sub-projects, four are completed (CARE, MCH, Children's Nutrition Unit and YWCA), three will terminate in FY 1980 (SCF/CDF, IVS, MAP/HEED) and two will continue through FY 1982 (TAF). One of three FY 1980 projects (SCF/CDF) may be redesigned for second phase implementation.

Assessment of this single project's impact on a national basis is probably not worthwhile even if baseline data were available. However, the sub-projects have for the most part achieved their respective purposes. Some of their most significant contributions have been:

1. To the PVOs: IVS and YWCA substantially improved their planning capabilities while MAP/HEED and CARE upgraded and systematized their project monitoring; and SCF/CDF demonstrated the capability of self-evaluation.
2. To Bangladesh's development: Incomes have improved in the seventeen SCF/CDF project villages and for about two hundred female YWCA handicraft producers. With CARE assistance, BDG registered agricultural cooperatives in six thanas increased their numbers (from 718 to 889), their membership (from 23,113 to 33,244), their good standing repayment performance (from 40 to 60%), their loan distribution (by 68%), their savings (by 44%), and their total agricultural acreage (10,809 acres were planted through cooperative extension in FY1975-78). In three project unions MAP/HEED efforts have resulted in: 16 community groups organized to carry out functional education programs (over 400 persons participated and 80

teachers were trained); potable water tubewell campaigns, and small income generation programs; health services providing community involvement and perhaps some decreases in communicable diseases (17 village health workers and 26 BDG Family Welfare Visitors (MCH/ family planning workers) were trained; 3 general, 3 MCH and one each tuberculosis and leprosy clinics were established); and farmers increasing their adoption of wheat and vegetables, and improving their livestock practices and stocking of fishponds. Working in 15-20 villages IVS has established a field training infrastructure which is increasingly utilized by three BDG extension training institutes.

3. To the USAID: During FY 1975-79 the project provided the Mission a convenient financial and administrative mechanism for supporting PVOs on a multi-year and multi-sectoral basis.

Co-Financing I also encountered design and implementation problems. First, the project was intended to allow a broad range of multi-sectoral activities to be addressed so as to provide the Mission and PVOs the greatest possible flexibility to select and support the most innovative PVO activities in the country. The intent was based on a critical assumption which in Bangladesh is not valid: that demand for funds by PVOs exceeded supply, and therefore the availability of USAID Co-Financing funds would increase the number and effectiveness of PVO projects. Hence the anticipated wide selection of proposals from which USAID could choose has not occurred and the approved sub-projects have not formed a cohesive focus, except perhaps in being for the most part rural activities. As a whole the project's impact cannot be meaningfully measured and must be evaluated against sub-project designs. These in turn cannot be properly anticipated over time and therefore a somewhat ad hoc programming and resource rationalization have become a modus operandi of the project's Phase I.

Second, most Co-Financing resources went to American PVOs which experience high personnel turnover and often leave little behind after project completion. Support to local PVOs also encountered difficulties. The AID registration requirements call for indigenous PVOs to have management, financial and personnel policies and procedures which are appropriate for a developed country's standards such as the U.S. If strictly applied in the Bangladesh context few, if any, agencies would qualify for AID registration. One practice has

been to channel USAID resources to indigenous groups through American organizations. AID registration regulations and a shortage of U.S. agencies which would be willing to act as conduits for USAID funds have been the main obstacles to the Mission's ability to support indigenous PVOs. (See also Section IV.D.2.)

Third, the project assumed if PVOs complied with USAID project requirements then their design, monitoring and evaluation capabilities would be strengthened. However, the PVOs often lack skilled technical and managerial personnel to mount the projects they propose. As a result many approved projects needed to be redesigned to less ambitious scales, more realistic strategies and more narrow orientations.

Finally, the project expected integration of PVO findings into BDG and AID development programming and later large-scale investments. So far this has not occurred. This is partly due to the disparity between the PVO focus, which is generally at the village level, and USAID's national program orientation. Insufficient interest by Mission technical divisions in PVO "findings" also hampered the necessary bridging between these different focuses which needs to take place for USAID recognizing PVO findings to be of significance and then attempting to integrate them into the AID program.

These problems surfaced during the FY 1977 and FY 1979 Co-Financing evaluations. The phase I final project evaluation concluded that in spite of the above project constraints, Co-Financing provided on balance both USAID and the PVOs a useful, flexible and generally efficient means whereby their respective institutional strengths can be combined to contribute to Bangladesh's development. Phase II is designed to correct previous project weaknesses and to incorporate recent changes in PVO and BDG developments.

C. Recent PVO and BDG Developments

As the project moves into a second phase it is useful to take note of some of these developments, as they form the context within which the present project is designed. During the previous life of the project, PVOs began to change their programs from disaster to a development orientation. The number of foreign PVOs stabilized. Resources for disaster/relief activities decreased. Rehabilitation programs began to be converted into more long range development activities. And PVOs, in the last 1 to 2 years, launched several in-depth evaluations to examine in greater detail the impact of their efforts. Coordination

among PVOs, on the other hand, continues to be weak. The original expectation was for this function to be performed by the Association of Voluntary Agencies in Bangladesh (AVAB, January 1973) which became the Agricultural Development Agencies in Bangladesh (ADAB) in March 1976. This expectation has not materialized. However, PVOs have found the information clearinghouse functions of ADAB to be very useful and on the success of this experience they formed in September 1978 the Voluntary Health Services Society (VHSS). These two organizations in their respective fields of agriculture and health/family planning now provide PVOs their main communication linkage among themselves. When appropriate, ADAB and VHSS also serve as forums for PVO discussions with the BDG and the donor community.

Meanwhile, the BDG has standardized procedures for PVO registration, project approval and financial reporting. The Foreign Donations (Voluntary Activities) Regulation Ordinance, No. XLVI, (See Annex H) was promulgated November 15, 1978 to formalize this system of procedures and to assign ministerial responsibility. The PVO reactions to these new procedures have not been entirely favorable, especially as concerns BDG approval of PVO projects and the external funding of PVO activities. Several agencies have filed proposals for modifications in the system and it is clear that it will take time for both sides to arrive at workable, efficient and meaningful procedures. In the Ministry of Finance, External Resources Division (ERD), PVO program approval reviews were held in mid-October 1979 which will lead to formalized PVO registration with the BDG by some 70 to 100 agencies. These agencies will have their programs reviewed and approved annually and will provide the BDG the opportunity to coordinate PVO activities in a more standardized and cooperative manner than before. In addition, two BDG-PVO coordinating mechanisms have been established in the past one and one half years in the Ministries of Agriculture and Forests and Health and Population Control. These mechanisms, presently led by able BDG officials, provide for joint examination of issues and formulation of solutions. They offer for the first time an opportunity for the PVOs to discuss on a regular basis with the BDG their problems and new ideas for cooperation.

These developments reflect the increased maturity of the country's development situation and provide a more rational basis from which project assistance can be designed. The Mission considers the present Phase II project, against this background, to have a good potential for making a significant contribution to Bangladesh's development.

D. Project Design

The following section describes the four main project design components, goal, purpose, outputs and inputs. See Annex A for the project's Logical Framework.

1. Goal Statement

The broader objective which this project addresses is the strengthening of the private and voluntary development efforts in Bangladesh. This objective stems from the Mission's conviction that the private voluntary sector can become more involved in Bangladesh' development, complementing certain public programs where necessary.

As PVOs have operational programs in almost every development sector of Bangladesh, their strengthened programs could be measured respectively in these sectors. However, the BDG and the USAID have established two primary development priorities: to increase food production and to decrease fertility rates. These priorities require immediate and extensive attention. The Mission will give first priority to projects designed to reduce fertility rates through MCH activities, second priority to food production activities, and only after the demand in these priority areas is filled, third priority will be given to other innovative proposals which fit the CDSS. The prioritization of sub-projects is intended to provide the project a more focused orientation, and to mitigate the sectoral proliferation aspect of the previous project. Therefore, goal measurements for this project are set according to BDG and USAID program priorities and the PVOs particular strengths. Three broad measurements are set for this project:

- a. PVOs expand their extension services, especially in health/MCH and agriculture.
- b. PVO training programs, especially in health/MCH and agriculture, become increasingly utilized by the BDG.
- c. PVO participation is increased in such BDG programs as agriculture and health.

These ends are based on certain assumptions among which the most critical are:

- (a) Strengthened PVO capabilities further Bangladesh development;

- (b) The PVOs' contributions and scale of operations significantly impact on national development, especially at the grassroot level of society;
- (c) The BDG invites, or at least does not oppose, PVO participation in national development.

2. Project Purpose

The purpose of this project is to engage the expertise of PVOs in small-scale mutually funded projects primarily to benefit the rural poor with emphasis on health/MCH and agriculture. To determine project purpose achievements the following conditions are expected to exist at the end of the project.

- a. PVOs operate programs where public services, especially in health/MCH and agriculture, do not or cannot effectively reach poor target populations;
- b. PVOs develop models for expanding proven development approaches, activities and/or programs;
- c. PVOs contribute to BDG policy coordination, especially in health/MCH and agriculture;
- d. PVOs work in an increased number of BDG and USAID program/policy priority areas.

These conditions are based on the following assumptions: PVOs provide one of the best means through which the BDG and the USAID can reach the poor in the priority areas of health/MCH and agriculture; PVOs will continue to have projects with objectives which the USAID and BDG can mutually share; PVOs and the BDG have similar development interests and are capable of evolving satisfactory working relations; and PVOs are willing to cooperate with BDG programs and share in the responsibility of providing social services to the poor.

3. Project Outputs

Project outputs are based on the Phase I Co-Financing experience. FY 80-84 figures are annual projections and are not cumulative.

<u>Output and Targets</u>	Actual	Planned *				
	FY1975-79	FY1980	81	82	83	84
a. The number of PVO Co-Financing projects are increased	9	5	6	8	8	10
b. The number of PVOs, especially indigenous ones, participating in USAID Co-Financing, increases	8	4	7	7	8	9
c. A number of PVO projects become self-sufficient or BDG supported	1	-	-	2	3	4
d. A number of PVOs indicate replicable solutions in their respective fields of speciality.	1	-	-	-	1	2

* The increasingly larger number of projects against a static annual budget assumes a greater number of projects requiring smaller dollar amounts.

It is assumed the above targets are reasonable and achievable if the interest of PVOs (especially of indigenous ones) in Co-Financing arrangements continues and increases; if BDG-PVO registration and project approval requirements become standardized, simplified and more efficient; and if evaluations are a suitable means for determining replicability of PVO approaches.

4. Project Inputs

The inputs will be provided by USAID, other donors, PVOs and, whenever appropriate, the BDG. In some cases local community inputs may also be provided. As these are usually arranged by the PVO responsible for implementing the project, such contributions to the sub-projects are considered part of the PVO component. The nature of project inputs will consist of the following items:

a. AID

The AID contribution to the project will consist of a \$5,000,000 total project contribution to be divided into five equal obligations of \$1,000,000. The funds will cover the following costs:

(1) Partial grant support during FY 1980-84 for projects that conform to the Co-Financing funding priorities and project approval criteria, described under the Project Implementation Plan.

(2) Funds for technical assistance for PVO project feasibility studies, technical advice for project design and selected in-depth, independent PVO project and program evaluations. The technical assistance for project design will be in technical areas in which USAID cannot provide help from its staff. Assistance for evaluations will be for PVO Co-Financing sub-projects, generally final project evaluations or examination of special project outputs, and non-USAID funded projects of special interest.

(3) Funds for exploring ways to strengthen indigenous PVOs, such as providing support for training indigenous PVO personnel in project design, management, and evaluation through existing indigenous programs (e.g., Bangladesh Rural Advancement Committee, BRAC; Village Education Resources Center, VERC, etc.)

(4) Consultant services for Mission project management. The functions to be carried out are PVO project development, monitoring and evaluation; overall PVO program monitoring; liaison with BDG on PVO matters; and USAID program policy review of PVO matters.

The use of PVO Co-Financing funds described in items (2) and (3) above is a new feature in the Phase II project and is based on the approved recommendations of the final Phase I project evaluation. The proportion of total Co-Financing funds planned for these uses should not exceed \$100,000 (2%) of the total project costs and will average

about \$20,000 in any one year over the life of the project. (This amount will be increased if demand expands.) This new use of PVO Co-Financing funds gives the project much greater flexibility in providing small amounts of assistance to PVOs. Because it is non-project assistance, handled mainly via USAID issued PIO/Ts, it allows USAID to provide management, technical and evaluation assistance to small indigenous organizations not registered with AID. It reduces the design work for USAID from that required for a full-fledged project activity, and enables us to respond very quickly to requests for small specialized activities.

b. Other Donors and PVOs

(1) Matching funds for sub-projects. Minimum PVO Co-Financing contributions are anticipated to be \$2.5 million. Non-AID funding for selected sub-projects will be determined on a case by case basis.

(2) Coordination and managerial responsibility for all sub-project implementation.

(3) Project monitoring and implementation documentation.

(4) Participation in joint PVO-AID project evaluation and required follow-up action.

c. BDG

(1) Anticipated financial support in local currency equivalent is estimated at \$500,000 during the life of the project.

(2) Staff, facilities, land and other in kind support as is required by a given sub-project.

(3) Timely clearance.

The provision of AID project inputs will depend on: planned resources available in the required functional appropriation categories; AID registration requirements for Bangladeshi PVOs are simplified and acceptable to indigenous PVOs; timely technical assistance for design and evaluation; Mission interest in PVO Co-Financing continues. For PVOs, the critical factors determining inputs will be their interest in joint projects with AID and their

capability of implementing projects they propose. It is also assumed that the BDG will be willing and able to provide its required support.

IV. PROJECT ANALYSIS

A. Economic

The nature of this project precludes any quantitative measure of the economic feasibility of the overall project. Economic potential is an important criterion for sub-project selection (see Section II C below); therefore, each sub-project will be examined carefully for its degree and significance of cost effectiveness.

For example, a YWCA project funded under Co-Financing I was designed to establish an economically viable craft center. Project costs totalled \$61,039 and about 200 producers now have steady incomes in the range of \$25-50/month, with another 100 receiving skill training. The average cost/beneficiary/month was \$16.90. A CARE cooperative project, covering about 33,244 members, cost about 66 cents per beneficiary/month. As these sub-projects involved entirely different bases of operations, the economic impact of the investments is difficult to calculate on a comparative basis. Nevertheless, PVO project cost/benefit results are in general, far more favorable than on bilateral projects because of the voluntary nature of the implementing agencies.

From the perspective^{of} USAID's management costs, the Co-Financing project affords an efficient use of staff and financial resources. The one time project development cost with subsequent annual program/budget adjustments avoids the lengthy, cumbersome and time consuming process required under the former OPG approach. Mission resources under Co-Financing provide an improved and more cost-efficient means for USAID to respond to critical problems best addressed by PVOs. Recognition of this was provided by the Asia Bureau FY 1981 ABS supplemental instructions (STATE 110826) advising that "All Missions which have not yet developed PVO Co-Financing projects are encouraged to do so..."

B. Social Analysis

The nature of this project also makes a conventional social analysis impossible. Since the project will finance or contribute to a wide variety of development efforts by several different organizations, the social variables which will affect each activity are too many and diffuse to measure for the project as a whole. Therefore, each

development activity which is proposed for funding under the project will have to be assessed separately for its relative social soundness. This will be done by the Mission anthropologist.

PVOs exist outside of the BDG bureaucratic structure. Since the government, as a social institution, unfortunately tends to operate for and with the more powerful socio-economic groups in the countryside, independent institutions are more likely to reach the lower income and more powerless social groups. An independent organization can avoid some of the entanglements of alliance and elitist opportunism that are common when the government tries to reach down to its poorer citizenry through its own devices.

The beneficiaries of this project will be the rural poor persons having per capita rural income of \$78. PVOs have proven in Bangladesh to provide programs most accessible to this target group. As described in the Mission's CDSS "Fully 58.5 percent of the rural population, or 44.7 million persons, appeared to be below the poverty line in 1977/78". This group cannot possibly be affected in its entirety by the total amount of resources provided under this project. However, the Mission believes the PVOs in their respective development undertakings will be able to reach a significant portion of the target group and the PVOs should also be able to provide ways in which general living standards of their rural clientele can be improved.

C. Technical Analysis

Each sub-project will contain a separate technical analysis, the soundness of which will be determined during the Mission review of specific proposals. The relevant Mission technical division will be given primary responsibility for ensuring that a given sub-project meets USAID technical feasibility standards. In those cases where a sub-project seems worthy of USAID support but covers a technical expertise not available in the Mission, technical assistance will be provided to review and improve, as necessary, the technical design aspects of the proposal.

Sub-project proposals will follow the design format guidelines contained in AIDTC CIRC A-134, dated March 18, 1978 or as amended thereafter. (See Annex C). For projects which propose to develop and test new approaches in specific technical areas the technical "appropriateness" of the proposals will be weighed by the Project Review Committee in consultation with technical expertise found in the country or in AID/Washington.

D. Administrative Feasibility

1. BDG

PVOs are responsible for obtaining Government clearances on all project proposals. Except for one special case where the responsible official was out of the country for a prolonged time, obtaining BDG clearance has not been a problem. However, with the new PVO-BDG Ordinance it is uncertain whether the smaller agencies, especially the indigenous ones, will encounter prolonged delays in securing clearance. In general, for the priority areas that are to be funded under the project, ministerial interest for PVO cooperation is very high. If experience indicates the clearance process is becoming unduly lengthy, measures will have to be taken to alert the appropriate BDG officials to take corrective action. However, no serious problems are anticipated.

2. USAID

Overall Mission project management will continue to be carried out by the PVO consultant, who is on-board and has handled the operations and sub-project processing requirements for three years. As sub-projects become approved, depending on their particular technical field, sub-project Mission management will be carried out by the relevant USAID technical division. This change in sub-project management is intended to elicit greater participation and interest from the technical divisions in the Co-Financing project and thereby correct the previous technical division's low interest in PVO activities. In addition, efforts will be made to simplify grant processing tasks. One approach will be to provide funds to an American PVO to sub-grant for specified purposes. This was done under Phase I with The Asia Foundation for a package of population activities. These measures and arrangements will allow existing Mission staff resources to adequately administer the PVO Co-Financing project, even with the anticipated doubling of resources in Phase II.

The Mission is particularly interested in providing greater support to indigenous private agencies as these institutions afford a good opportunity for reaching and involving the poor in the process and products of development. However, a major constraint for assisting these agencies is the existing registration requirements for indigenous PVOs as set forth in AID TO CIRC A-134, and A-157 of 1978. The Mission considers these requirements to be unrealistic in the Bangladesh context and from a Mission management point of view (See Section II B). Although Bangladeshi PVOs generally do not

operate by the sophisticated management standards of AID and certain U.S. PVOs, many do implement viable programs under administrative arrangements which suit their resource and personnel capabilities. Requiring these agencies to conform to management standards which are beyond their capabilities, diverts their program energies, and may even defeat activities which would otherwise be successfully managed. Furthermore, the AID requirement that PVOs annually update and maintain their active registration with USAID in order to qualify for USAID support is an unnecessary diversion of PVO and Mission resources. The Mission considers the national registration requirements to be a sufficient requirement for an indigenous PVO to be eligible for USAID Co-Financing.

At present AID/Washington is preparing a report on these indigenous PVO registration requirements which is intended to recommend simplification. Until these provisions are changed so that Bangladeshi PVOs are able to comply with them, USAID will continue to use American PVOs as conduits to channel support to local efforts.

3. PVOs

Each sub-project proposal will continue to be reviewed in light of the existing administrative/management capability of the implementing PVO. Agencies which have known "track records" will have their proposals approved for the entire life of the sub-project, subject to the availability of funds. PVOs which enter co-financing for the first time or which are to engage in projects where they have no experience or expertise will continue to have projects approved on a phased basis. Subsequent funding will be subject to positive evaluation.

The general AID policy of not requiring normal AID project documentation from PVOs is essential for continued and increased USAID collaboration with PVOs. These institutions have certain strengths, which AID can capitalize on, and weaknesses, which AID must ensure are minimized. Excessive project documentation does not guarantee project success. It is the Mission's responsibility to make an assessment of the PVOs potential effectiveness in implementing any given sub-project. Therefore, though resources are approved under this project for use in improving PVO project designs, especially in technical areas, documentation requirements will continue to emphasize only the essential project components. Whenever possible, the Mission proposal review will involve project site visits, examination of existing programs' strengths and weaknesses, and analysis of any previous evaluation reports. These measures in

combination with the project design, will provide the Mission a better basis for determining the potential of the proposal.

E. Environmental Assessment

The determination of the Initial Environmental Examination (IEE) of the PVO Co-Financing project is negative as documented in Annex F. As under the previous project, sub-projects will continue to be individually examined as regards their environmental effects.

V. FINANCIAL PLAN

This project proposes total AID grant funding of \$5 million over five years combined with PVO matching funds of \$2.5 million and BDG local currency equivalent and/or in kind contributions of \$500,000. Annual obligation rates are estimated at \$1 million and for FY 1980 will have the following functional appropriation splits: Food and Nutrition 45%; Health 15%; and Section 106 Selected Development activities 40%. Although the foreign exchange needs of the project cannot be forecast with accuracy in advance, the Phase I experience indicates that expatriate technical assistance will be the largest foreign exchange component of the project. Accordingly, the USAID contribution is estimated at two-thirds to three-fourths foreign exchange and the balance in local currency. PVOs are expected to provide about one-fourth of their project matching funds in foreign exchange while the BDG support will be entirely in local currency or kind contributions. (See Project Paper Facesheet for estimated costs.)

Project cost sharing will be based on a case by case review of a PVO's fund raising capacity for a given project. However, total fund sharing, based on Phase I experience, is expected in Phase II to be as follows:

	(\$000)	
	<u>FY 1980-1984</u>	<u>%</u>
USAID PVO Co-Financing	5,000	63
PVO matching funds	2,500	31
BDG local currency equivalents	500	6
	<hr/>	<hr/>
	8,000	100

Disbursements to PVOs will continue to be made by the USAID Controller from funds allotted to the Mission. Each sub-grantee will make arrangements to be reimbursed from the USAID Controller for project cash outlays or to be provided advances as required by the individual PVO. As most project costs cover salary payments, accrued project expenditures are expected to be only one or two quarters ahead of disbursements. Financial data will be readily available to the Mission through PVO submission of quarterly financial reports. Reporting formats are provided as part of the sub-grant standard provisions.

Of the \$1 million planned for FY 1980, the following obligations are already known.

SCF/CDF, II	...	\$ 115,000
TAF/BPL	...	200,000
IUCW	...	450,000
Consultant	...	50,000
		<hr/>
		\$ 815,000

The first two will be for two second phase ongoing projects. The third grant will be for a new project with IUCW (International Union for Child Welfare), which is already approved by the Mission for funding, depending on the availability of funds. These sub-projects address the project prioritization criteria in a somewhat indirect manner: SCF/CDF and IUCW each has agriculture and health/MCH components though their main focus is to make project beneficiaries more economically self-sufficient through community organizations and income earning activities. The TAF/BPL project is designed to improve legislation documentation facilities, which it is assumed will contribute to improved laws being passed in the Parliament. The unprogrammed \$185,000 will be used for project evaluations and an anticipated TAF proposal in agriculture/post-harvest technology.

VI. IMPLEMENTATION PLAN

A. PVO Eligibility and Registration

All PVOs are eligible to request USAID co-financing assistance for development projects provided they have met AID and BDG registration requirements and fit within the priorities established in this project paper. The AID requirements are presently contained in

AIDTO CIRC A-134 and A-157 and have been summarized for distribution to PVOs in Annex D. Indigenous PVOs may request USAID assistance through an American PVO which agrees to act as a conduit and remain accountable for USAID funds.

B. Project Development

PVOs are primarily responsible for formulating and designing their project proposals. The basic design components which all PVO proposals must contain when they are presented to AID are clear statements of objectives, outputs, budget details, and an implementation plan. The suggested PVO project design format is outlined in Annex D.

The Mission has found informal PVO-USAID exchange on potential PVO projects to be the most useful manner in which to assist PVOs in their project development tasks. A PVO generally submits one or two informal proposals to "test" Mission interest. If the response is positive, discussions are held with the PVO to identify apparent project design weaknesses. This approach to project design has been successful and will be continued under the present project.

One weakness experienced under Co-Financing I was the PVOs lack of technical expertise to develop the technical aspects of their projects. Frequently, PVOs - especially indigenous agencies - realized or identified critical problems affecting the poor but did not have the technical background, knowledge, and/or skills to formulate an appropriate response. Furthermore, the PVO project often established unrealistic, overly ambitious targets which later required considerable project revision. To assist PVOs in project design and to ensure that the basic technical feasibility of projects is carefully examined, USAID will fund on a limited basis, the provision of technical design advice. To qualify, a PVO must indicate to USAID that the proposed project:

1. fits USAID and BDG development priorities;
2. shows promise of being technically interesting to USAID (e. g., testing certain "appropriate technology");
and
3. demonstrates possible ways the rural poor would benefit.

The PVO will submit to USAID a two-three page statement describing the problem to be addressed, the kind of technical advice needed and the estimated target group to be benefited. The relevant USAID technical office will review these statements and prepare a PIO/T document for Mission approval.

By the time a PVO project proposal is formally presented to USAID, the PVO should have discussed the scope of its proposed activities with the relevant BDG Ministry and should have obtained clearance and support as necessary. Also at that time and in those cases involving U.S. PVOs, requests should be made to the PVO headquarters to obtain a delegation of authority to disburse locally.

C. Project Review and Approval

As under the Phase I project, PVO project proposals will be scrutinized by a USAID project committee consisting of the Deputy Director, the Deputy Program Officer, one person from each concerned USAID technical division, the Controller, and the anthropologist. Additional representatives will participate as required. The committee will judge the potential effectiveness, efficiency, and significance of each proposal as well as the merits of its design and recommend approval/disapproval to the Mission Director. Alternatively, without reference to the Mission Director, the Committee may ask the PVO for further clarification and/or design work. Careful Mission attention will be given to the degree to which the proposal complies with the development criteria established for this project.

The following criteria are established against which the project committee will assess PVO proposals for co-financing.

Criteria for PVO Co-Financing

To be considered favorably the project must:

1. Fit into the general AID mandate and development assistance strategy for Bangladesh with priority given to health/MCH and food production;
2. Be an activity which is strictly developmental in orientation, not relief and rehabilitation;
3. Involve and benefit the rural poor, marginal to small farmers, landless laborers, women, youth, craftsman or fisherman;

4. Be widely practical in Bangladesh in terms of conceptual soundness, organization, training and cost for potential larger scale application or expansion. Replicability is desirable but not required;
5. Be of particular interest to BDG or local organizations as evidenced by the BDG's approval or non-objection to the project activity;
6. Complement or supplement BDG efforts in a community especially if it is an extension service activity;
7. When possible experiment with or demonstrate either a new cost effective and innovative strategy for local development or an improvement in the operation of an on-going public or private program in the areas of reduction of fertility rates and increases in food production;
8. Be an activity within an area of the PVO's demonstrated competence and interest, preferably developed during previous activities in Bangladesh;
9. Be an activity which the PVO can demonstrably administer with present staff or with some strengthening of staff as clearly indicated in the project's implementation plan; and
10. Be an activity in which the PVO is willing to comply with USG regulations, procedures, and accountability requirements.

The USAID project committee will approve or reject the proposal, or return it to the concerned PVO for further development. Before entering into AID-PVO grant agreements, proposals accepted by the USAID project committee will require a clearance letter or no-objection notification from the concerned BDG Ministry and/or the Ministry of Finance, ERD, as appropriate. This clearance will be obtained by the PVO and a copy of the approval/no-objection letter from the BDG will be provided to USAID before a grant agreement is signed.

Grant Agreements between AID and each voluntary agency will be written to incorporate all projects to be undertaken with AID funding assistance by the particular PVO. All AID funds are understood to be

additive and not substitutive for PVO project contributions and local community shared costs. At the time of negotiating the grant agreement, USAID will seek assurance from PVOs that they will maintain their current or planned programming without offsetting same through use of AID assistance. It will be incumbent on the PVO to insure that other donors, villagers, and the BDG are encouraged to make financial contributions to co-financed projects. Local labor may constitute the bulk of local contributions and since the daily wage rate in Bangladesh is very low it may not be meaningful to place a monetary value on it.

Project implementation will begin as soon as possible after grant signing. AID resources are transferred to the PVOs' headquarters in the United States, or directly to the PVO field office in Bangladesh. The PVOs are then fully responsible for the transfer of these resources for project implementation, and for the monitoring/administration of the individual projects in the field.

D. Project Management

1. USAID: The overall project management will continue to be located in the Program Office. Sub-project management will be assigned to the relevant Mission technical division once a clear determination of sectoral predominance has been established. These arrangements were introduced in the last half year of the previous project life and so far have proven effective.

2. PVO: Sub-project implementation, monitoring, management and reporting are the entire responsibility of the PVO.

Procurement of commodities under this project for each sub-project will be governed by the AID Geographic Code 941 countries and Bangladesh.

VII. EVALUATION

A. Each PVO will routinely keep USAID informed as to implementation progress. At least one on-site visit to each co-financed project will be made by USAID each year. Semi-annually, the PVO will supply English language progress reports in three copies to USAID and the BDG entity which granted project approval.

B. USAID and each PVO will conduct jointly, an annual evaluation of each co-financed project. USAID will provide assistance as needed. In all cases the PVO consultant will participate in the evaluation

preparations and arrange for technical assistance as necessary. Annual project evaluation of partially funded projects will be conducted at least two months prior to the end of the grant year in order to allow ample time for subsequent project implementation, design, approval and grant signing.

C. In addition to annual evaluations, an in-depth evaluation of the project activities will be conducted. This may be done in one of two ways: either just prior to project termination when a follow-on project is planned; or upon completion of the project. In this manner, project continuity can be ensured for projects which contemplate relatively long implementation periods (say 5-7 years for rural community development projects). To allow the Mission and the PVO to have the most objective and technically sound assessment of project impact, this project provides for the first time, funds for contracting technical assistance for in-depth evaluations. It is expected that in most cases local qualified personnel from within the South Asia region will be sought for this purpose. The Mission considers this measure to be especially important for examining the impact of project achievements on the project locality as well as in the broader Bangladesh context in which a PVO project was carried out.

Funds are also provided to carry out in-depth evaluations of certain PVO projects, not USAID funded, which offer or suggest the success of special development models or techniques in areas of particular interest to AID. Evaluation of these programs can lead to the identification of possible new ways of reaching the poor and/or expansion of such activities.

Whenever possible, BDG officials will be invited to participate in in-depth project evaluations, especially for those activities which relate to public services. Copies of all project evaluations relevant to BDG programs will be provided by USAID to the appropriate BDG Ministry.

D. PVOs will follow normal audit procedures, including review of project management procedures at the site, end-use checks, and financial audits. Representatives of the AID Auditor General's Office will conduct periodic audits of overall project planning, management, implementation and evaluation, and will selectively audit individual co-financed projects on-site. Financial audits of PVO headquarters in the U.S. will also be conducted.

ANNEX - A

AND 1070-20 (1-72)

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project:
From FY 1980 to FY 1984
Total U.S. Funding \$5,000,000
Date Prepared: December 17, 1979

Project Title & Number: PVO Co-Financing, Phase II - 388-0045

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS														
<p>Program or Sector Goal: The broader objective to which this project contributes:</p> <p>To strengthen the private and voluntary development efforts in Bangladesh</p>	<p>Measures of Goal Achievement:</p> <ol style="list-style-type: none"> 1. Social services esp. Health/MCH increasingly carried out by PVOs. 2. PVO training programs, esp. practical training in Health/MCH and agriculture, increasingly used by BDG. 3. PVO participation increased in BDG programs. 	<ol style="list-style-type: none"> 1. Check number of social service projects carried out by PVOs. 2. Check BDG training programs. 3. Check BDG/PVO coordination mechanisms, e.g., FP Council. 	<p>Assumptions for achieving goal target:</p> <ol style="list-style-type: none"> 1. Strengthened PVO capabilities further Bangladesh development. 2. PVOs contributions and scale of operations significantly impact on national development, especially at the grassroots. 3. BDG invites or at least does not oppose PVO participation in national development. 														
<p>Project Purpose:</p> <p>To engage the expertise of PVOs in small-scale mutually funded projects primarily to benefit the rural poor.</p>	<p>Conditions that will indicate purpose has been achieved: End of project status.</p> <ol style="list-style-type: none"> 1. PVOs operate where public services, esp. in health/MCH do not or cannot reach poor target populations. 2. PVOs develop models for expanding proven development activities. 3. PVOs contribute to BDG policy coordination, esp. in health/MCH and agriculture. 4. PVOs work in increased number of BDG and USAID priority policy areas. 	<ol style="list-style-type: none"> 1. BDG & PVO thana/district project records. 2. PVO project evaluation conclusions. 3. Records of BDG & PVO management. 4. PVO project approval records at Social Welfare Directorate and External Resources Division. 	<p>Assumptions for achieving purpose:</p> <ol style="list-style-type: none"> 1. PVOs provide one of best means through which to reach the poor. 2. PVOs will continue to have projects with mutually shared objectives. 3. PVOs and BDG have similar development interests and are capable of working out mutually useful relations. (See attached sheet) 														
<p>Outputs:</p> <ol style="list-style-type: none"> 1. Number of PVO Co-Financing projects increased. 2. Number of PVOs, especially indigenous ones participating in USAID Co-Financing increases. 3. Number of PVO projects become self-sufficient of BDG supported. 4. Number of PVO projects provide replicable solutions in their respective fields of speciality. 	<p>Magnitude of Outputs:</p> <p>(See attached sheet)</p>	<ol style="list-style-type: none"> 1. Monthly USAID status reports. 2. Annual USAID PES reviews. 3. Periodic audit reports 4. Selected in-depth PVO evaluation reports on on-going and completed projects. 	<p>Assumptions for achieving outputs:</p> <ol style="list-style-type: none"> 1. PVOs interest in Co-Financing continues and increases. 2. BDG registration and approval requirements become standardized, simplified and more efficient. 3. Evaluations are suitable means for determining replicability of PVO approaches. 														
<p>Inputs:</p> <p>AID: 1. Funds for Co-Financing projects 2. Technical assistance for project design and evaluation. 3. Consultant for project management.</p> <p>PVO: 1. Matching funds for projects. 2. Required technical & management inputs to implement projects.</p> <p>BDG: 1. Local currency support. 2. Staff, facilities, land support as required.</p>	<p>Implementation Target (Type and Quantity)</p> <table border="0"> <tr> <td></td> <td>(\$000)</td> </tr> <tr> <td></td> <td>FY 80-84</td> </tr> <tr> <td>- USAID PVO Co-Fin. (63%)</td> <td>5,000</td> </tr> <tr> <td>with annual obligation rates of</td> <td>(1,000)</td> </tr> <tr> <td>- PVOs matching funds (31%)</td> <td>2,500</td> </tr> <tr> <td>- BDG local currency equivalents (6%)</td> <td>500</td> </tr> <tr> <td style="text-align: right;">Total</td> <td>8,000</td> </tr> </table>		(\$000)		FY 80-84	- USAID PVO Co-Fin. (63%)	5,000	with annual obligation rates of	(1,000)	- PVOs matching funds (31%)	2,500	- BDG local currency equivalents (6%)	500	Total	8,000	<p>AID: 1. Disbursement records. 2. Project and evaluation reports.</p> <p>PVO: Personnel and financial records.</p> <p>BDG: Staffing, property and financial records.</p>	<p>Assumptions for providing inputs:</p> <p>AID: 1. Planned resource levels will be available in the required functional accounts.</p> <ol style="list-style-type: none"> 2. PVO registration requirements will be simplified to enable indigenous PVOs to seek AID support. 3. Technical assistance for designing and evaluation to be available. 4. Mission interest in Co-Financing to continue. (See attached sheet)
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Magnitude of Outputs:

	Actual	Planned *				
	FY 75-79	FY 80	81	82	83	84
1. PVO projects (new)	10	5	6	8	8	10
2. PVOs participating	8	4	7	7	8	9
U.S.	(7)	(3)	(4)	(3)	(3)	(3)
Bangladeshi	(1)	(0)	(2)	(3)	(4)	(5)
Third Country	(0)	(1)	(1)	(1)	(1)	(1)
3. Self-sustaining BDG	1	-	-	2	3	4
4. Replicable development methodology	1	-	-	-	1	2

* FY 80-84 figures are annual projections and are not cumulative.

Assumptions for achieving purpose:(Contd.)

4. PVOs are willing to cooperate with BDG programs and share in responsibility of providing social services to the poor.

Assumption for providing inputs (Contd.)

PVOs:

1. PVOs interested in joint projects with AID.
 2. PVOs capable of implementing projects they propose.
- BDG able to provide required support.
BDG interested in joint projects when appropriate.

ANNEX - A

AND 1020-20 (1-72)

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

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From FY 1980 to FY 1984
Total U.S. Funding \$5,000,000
Date Prepared: December 17, 1979

Project Title & Number: PVO Co-Financing, Phase II - 388-0045

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Magnitude of Outputs:

	<u>Actual</u>	<u>Planned *</u>				
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Third Country	(0)	(1)	(1)	(1)	(1)	(1)
3. Self-sustaining BDG	1	-	-	2	3	4
4. Replicable development methodology	1	-	-	-	1	2

* FY 80-84 figures are annual projections and are not cumulative.

Assumptions for achieving purpose:(Contd.)

- PVOs are willing to cooperate with BDG programs and share in responsibility of providing social services to the poor.

Assumption for providing inputs (Contd.)

PVOs:

- PVOs interested in joint projects with AID.
 - PVOs capable of implementing projects they propose.
- BDG able to provide required support.
BDG interested in joint projects when appropriate.

TELEGRAM

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Classification

PAGE 2 OF STATE 285621

3. STAFF-INTENSITY OF ACTIVITIES: FROM EVALUATION AND OTHER MISSION REPORTS, IT APPEARS THAT PVO ACTIVITIES ARE REQUIRING AS MUCH MISSION STAFF TIME AS DO LARGER PROJECTS. SOME APAC MEMBERS QUESTIONED WHETHER IT WAS NECESSARY TO REQUIRE THE SAME DETAILED STANDARDS FOR PVO ACTIVITIES AS FOR MISSION PROJECTS. THIS WHOLE ISSUE SHOULD BE EXAMINED BY THE MISSION, PARTICULARLY IN LIGHT OF RECENT A/AD EMPHASIS (CDSS MESSAGE STATE 267977) ON INCREASED USE OF PVO'S. THE ASSUMPTION UNDERLYING SUCH EMPHASIS IS THAT PVO INTERVENTION RESULTS IN A REDUCTION OF AID STAFF REQUIREMENTS. TO THE EXTENT, THEREFORE, THAT CURRENT MISSION PROCEDURES FOR REVIEW AND APPROVAL OF PVO PROPOSALS, AND FOR MONITORING, DO NOT REFLECT THIS ASSUMPTION, THE MISSION SHOULD ATTEMPT TO CHANGE THEIR PROCEDURES TO SUPPORT THE STAFF FEASIBILITY OF THIS PROJECT.

4. CRITERIA: CRITERIA FOR SUB-PROJECT SELECTION ARE NOT LISTED IN PID, BUT FINAL EVALUATION OF PVO CO-FINANCING I RECOMMENDS MISSION REVISE CRITERIA USED IN FIRST PHASE. REQUEST MISSION CABLE CRITERIA TO BE USED IN PHASE II PROJECT WHEN AVAILABLE.

5. CONCUR IN MISSION APPROVAL OF PP. VANCE

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OPTIONAL FORM 10 (Rev. 12-13-66)
(Formerly FE-612, NI)
January 1975
Dept. of State

STATUTORY CHECK LIST
5C(1) - COUNTRY CHECKLIST

A. General Criteria for Country Eligibility

1. FAA, Sec. 116. Can it be demonstrated that : It can be so demonstrated.
contemplated assistance will directly benefit
the needy? If not, has the Department of
State determined that this government has
engaged in a consistent pattern of gross
violations of internationally recognized
human rights?

2. FAA Sec. 481. Has it been determined that : No
the government of recipient country has
failed to take adequate steps to prevent
narcotics drugs and other controlled subs-
tances (as defined by the Comprehensive
Drug Abuse Prevention and Control Act of
1970) produced or processed, in whole or
in part, in such country, or transported
through such country, from being sold
illegally within the jurisdiction of such
country to U.S. Government personnel or
their dependents, or from entering the
U.S. unlawfully?

3. FAA Sec. 620(b). If assistance is to a : N/A
government, has the Secretary of State
determined that it is not controlled by the
international Communist movement?

4. FAA Sec. 620(c). If assistance is to a : N/A
government, is the government liable as
debtor or unconditional guarantor on any
debt to a U.S. citizen for goods or
services furnished or ordered where (a)
such citizen has exhausted available legal
remedies and (b) debt is not denied or
contested by such government?

5. FAA Sec. 620(e)(1). If assistance is to a government, has it (including government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities. : N/A
6. FAA Sec. 620(a), 620(f); FY 79 App. Act Sec. 108, 114 and 606. Is recipient country a Communist country? Will assistance be provided to the Socialist Republic of Vietnam, Cambodia, Laos, Cuba, Uganda, Mozambique, or Angola? : a) No
b) No
7. FAA Sec. 620(i). Is recipient country in any way involved in (a) subversion of, or military aggression against, the United States or any country receiving U.S. assistance, or (b) the planning of such subversion or aggression? : a) No
b) No
8. FAA Sec. 620(j). Has the country permitted, or failed to take adequate measures to prevent, the damage or destruction, by mob action, of U.S. property? : No
9. FAA Sec. 620(l). If the country has failed to institute the investment guaranty program for the specific risks of expropriation, inconvertibility or confiscation, has the AID Administrator within the past year considered denying assistance to such government for this reason? : OPIC bilateral agreement was signed January 15, 1975.
10. FAA Sec. 620(o); Fishermen's Protective Act of 1967, as amended, Sec. 5. If country has seized, or imposed any penalty or sanction against, any U.S. fishing activities in international waters. : N/A
- a. has any deduction required by the Fishermen's Protective Act been made?

b. has complete denial of assistance been considered by AID Administrator?

11. FAA Sec. 620(q); FY79 App. Act Sec. 603. : a) No
 (a) Is the government of the recipient country in default for more than six months on interest or principal of any AID loan to the country? (b) Is country in default exceeding one year on interest or principal on U.S. loan under program for which App. Act appropriates funds? b) No
12. FAA Sec. 620(s). If contemplated assistance is development loan or from Economic Support Fund, has the Administrator taken into account the percentage of the country's budget which is for military expenditures, the amount of foreign exchange spent on military equipment and the amount spent for the purchase of sophisticated weapons systems? (an affirmative answer may refer to the record of the annual "Taking Into Consideration" memo: "Yes, as reported in annual report is prepared at time of approval by the Administrator of the Operational Year - Budget and can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.) : N/A
13. FAA Sec. 620(t). Has the country served diplomatic relations with the United States? If so, have they been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption? : No
14. FAA Sec. 620(u). What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the AID Administrator in determining the current AID Operational Year Budget? : Not in arrears

15. FAA Sec. 620A, FY 79 App. Act, Sec. 607. : No
Has the country granted sanctuary from prosecution to any individual or group which has committed an act of international terrorism?
16. FAA Sec. 666. Does the country object, on basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. there to carry out economic development program under FAA? : No
17. FAA Sec. 669, 670. Has the country, after August 3, 1977, delivered or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards? Has it detonated a nuclear device after August 3, 1977 although not a "nuclear-weapon State" under the nonproliferation treaty? : No

B. Funding Criteria for Country Eligibility

1. Development Assistance Country Criteria

- a. FAA Sec. 102(b) (4). Have criteria been established and taken into account to assess commitment progress of country in effectively involving the poor in development, on such indexes as: (1) increase in agricultural productivity through small-farm labor intensive agriculture, (2) reduced infant mortality (3) control of population growth, (4) equality of income distribution, (5) reduction of unemployment, and (6) increased literacy. : Yes
- b. FAA Sec. 104(d). If appropriate, is this development (including Sahel) activity designed to build motivation for smaller families through modification of economic and social conditions supportive of the desire for large families in programs such as education in and out of school, : Yes

nutrition, disease control, maternal and child health services, agricultural production, rural development, and assistance to urban poor? Are problems of malnutrition, disease and rapid population growth addressed by coordinated assistance?

2. Economic Support Fund Country Criteria

a. FAA Sec. 502B. Has the country engaged in a consistent pattern of gross violations of internationally recognized human rights? : N/A

b. FAA Sec. 533(b). Will assistance under the Southern Africa program be provided to Mozambique, Angola, Tanzania, or Zambia? If so, has President determined (and reported to the Congress) that such assistance will further U.S. foreign policy interests? : N/A

c. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made? : N/A

d. FY 79 App. Act. Sec. 113. Will assistance be provided for the purpose of aiding directly the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? : No

e. FAA Sec. 620B. Will security supporting assistance be furnished to Argentina after September 30, 1978? : No

5C(2) - PROJECT CHECKLIST

A. GENERAL CRITERIA FOR PROJECT

- 1. FY 79 App. Act Unnumbered; FFA Sec. 653(b); Sec. 634A. (a) Describe how Committees on Appropriations of Senate and House have been or will be notified concerning the project; (b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that figure)? : a) Congressional Notification has been processed.
b) Yes
- 2. FAA Sec. 611(a) (1). Prior to obligation in excess of \$100,000, will there be (a) engineering, financial, and other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance? : a) Yes
b) Yes
- 3. FAA Sec. 611(a) (2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance? : None required
- 4. FAA Sec. 611 (b); FY 79 App. Act Sec. 101. If for water or water-related land resource construction, has project met the standards and criteria as per the Principles and Standards for Planning Water and Related Land Resources dated October 25, 1973? : N/A
- 5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project? : N/A

6. FAA Sec. 209. Is project susceptible of execution as part of regional or multi-lateral project? If so why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. : No
7. FAA Sec. 601 (a). Information and conclusions whether project will encourage efforts of the country to:
(a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions. : a) No
b) Not likely
c) Yes, in some cases
d) Yes
e) Yes, in some cases
f) Not likely
8. FAA Sec. 601 (b). Information and conclusion on how project will encourage U.S. private trade and investment abroad and encourage private participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise). :
9. FAA Sec. 612(b); Sec. 636 (h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized to meet the cost of contractual and other services. : Every sub-project requires BDG clearance. Where appropriate BDG support will be provided, though generally in kind.
10. FAA Sec. 612 (d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release? : No

11. FAA Sec. 601 (e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? : Yes
12. FY 79 App. Act Sec. 608. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity? : N/A

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

- a. FAA Sec. 102(b); 111; 113; 204; and 281a. Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries? :
- a. Target beneficiaries will be primarily the rural poor, women and youth in activities of the project's priority areas.
 - b. Cooperatives may be used as a means in this project in so far as they can further increase food production and decreasing fertility rates.
 - c. Self-help will be promoted under this project whenever feasible.
 - d. As the first priority is MCH/health, participation of women is integral to this project.
 - e. N/A

b. FAA Sec. 103, 103A, 104, 105, 106, 107. Is assistance being made available: (include only applicable paragraph which corresponds to source of funds used. If more than one fund source is used for project, include relevant paragraph for each fund source).

- (1) (103) for agriculture, rural development or nutrition; if so, extent to which activity is specifically designed to increase productivity and income of rural poor; (103A) if for agricultural research, is full account taken of needs of small farmers; : Project specifically addresses needs of rural poor, to include small farmers.
- (2) (104) for population planning under sec. 104 (b) or health under sec. 104(c); if so, extent to which activity emphasizes low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems and other modes of community research. : All these items will be emphasized to the maximum extent possible.
- (3) (105) for education, public administration, or human resources development; if so, extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, or strengthens management capability of institutions enabling the poor to participate in development; : Though these areas have less priority than the above two, proposals will be considered as long as they conform to BDG and USAID priorities.
- (4) (106) for technical assistance, energy, research, reconstruction, and selected development problems; if so, extent activity is: : This project is specifically aimed at PVOs.
- (i) technical cooperation and development, especially with U.S. private and voluntary, or regional and international development, organizations; : This project is specifically aimed at PVOs.

- (ii) to help alleviate energy problems; : At least one sub-project will focus on post harvest energy technology.
- (iii) research into, and evaluation of economic development process and techniques; : This will be done for certain PVO efforts showing replicable features.
- (iv) reconstruction after natural or man-made disaster; : No
- (v) for special development problem, and to enable proper utilization of earlier U.S. infrastructure, etc., assistance; : No
- (vi) for programs of urban development, especially small labor-intensive enterprises, marketing systems, and financial or other institutions to help urban poor participate in economic and and social development. : If these aim to improve incomes sub-project proposals may be considered; however, only after needs in health and family planning are met.
- c. (107) Is appropriate effort placed on use of appropriate technology? : Yes
- d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or has the latter cost-sharing requirement been waived under 124(d) for a "relatively least-developed" country)? : N/A
- e. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, or is the recipient country "relatively least developed"?
- f. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental and political processes essential to self-government. : N/A

g. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth? Yes

2. Development Assistance Project Criteria (Loans Only)

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, including reasonableness of repayment prospects.

b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete in the U.S. with U.S. enterprise, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan?

3. Project Criteria Solely for Economic Support Fund

a. FAA Sec. 531(a). Will this assistance support promote economic or political stability? To the extent possible, does it reflect the policy directions of section 102?

b. FAA Sec. 533. Will assistance under this chapter be used for military, or paramilitary activities?

5C (3) - STANDARD ITEM CHECKLIST

A. Procurement

1. FAA Sec. 602. Are there arrangements : Yes
to permit U.S. small business to participate equitably in the furnishing of goods and services financed?
2. FAA Sec. 604(a). Will all commodity : Yes
procurement financed be from U.S. except as otherwise determined by the President or under delegation from him?
3. FAA Sec. 604(d). If the cooperating : Yes
country discriminates against U.S. marine insurance companies, will agreement require that marine insurance be placed in the U.S. on commodities financed?
4. FAA Sec. 604(e). If offshore procurement : N/A
of agricultural commodity or product is to be financed, is there provision against such commodity is less than parity?
5. FAA Sec. 608(a). Will U.S. Government : Yes
excess personal property be utilized wherever practicable in lieu of the procurement of new items?
6. FAA Sec. 603. (a) Compliance with : Compliance will be required.
requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. -flag commercial vessels to the extent that such vessels are available at fair and reasonable rates.

7. FAA Sec. 621. If technical assistance is financed, will such assistance be furnished to the fullest extent practicable as goods and professional and other services from private enterprise on a contract basis? If the facilities of other Federal agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs? : Yes
8. International Air Transport. Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will provision be made that U.S-flag carriers will be utilized to the extent such service is available?
9. FY 79 App. Act Sec. 105. Does the contract for procurement contain a provision authorizing the termination of such contract for the convenience of the United States? : If any such contract is entered into, it will so provide.

B. Construction

1. FAA Sec. 601(d). If a capital (e. g., construction) project, are engineering and professional services of U.S. firms and their affiliates to be used to the maximum extent consistent with the national interest? : Any subgrants for construction will so provide
2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? : Yes
3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million? : Yes

C. Other Restrictions

1. FAA Sec. 122(e). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter? : N/A
2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? : Yes
3. FAA Sec. 620 (h). Do arrangements preclude promoting or assisting the foreign aid projects or activities of Communist-block countries, contrary to the best interests of the U.S.? : Yes
4. FAA Sec. 636(i). Is financing not permitted to be used, without waiver, for purchase, long-term lease, or exchange of motor vehicle manufactured outside the U.S., or guaranty of such transaction? : Yes
5. Will arrangements preclude use of financing:
 - a. FAA Sec. 104(f). To pay for performance of abortions or to motivate or coerce persons to practice abortions, to pay for performance of involuntary sterilization, or to coerce or provide financial incentive to any person to undergo sterilization? : Yes
 - b. FAA Sec. 620(g). To compensate owners for expropriated nationalized property? : Yes
 - c. FAA Sec. 660. To finance police training or other law enforcement assistance, except for narcotics programs? : Yes

- d. FAA Sec. 662. For CIA activities? : Yes
- e. FY 79 App. Act Sec. 104. To pay pensions, etc., for military personnel? : Yes
- f. FY 79 App. Act Sec. 106. To pay U.N. assessments? : Yes
- g. FY 79 App. Act Sec. 107. To carry out provisions of FAA sections 209(d) and 251(h)? (Transfer of FAA funds to multilateral organizations for lending.) : Yes
- h. FY 79 App. Act Sec. 112. To finance the export of nuclear equipment, fuel, or technology or to train foreign nations in nuclear fields? : Yes
- i. FY 79 App. Act Sec. 601. To be used for publicity on propaganda purposes within U.S. not authorized by Congress? : Yes

USAID/Dacca
OPERATIONAL PROGRAM GRANT
GUIDELINES

1. Maximum Length of OPG. The duration of approved OPG projects usually should not exceed three years. If longer duration activities are identified, three-year interim targets must be established and evaluated by the end of the third year.
2. Non-AID Participation. USAID guidelines for OPGs require that at least 30 percent of the estimated expenditures must be met from non-AID sources. The merits of competing OPG proposals being comparable, preference should be given to OPGs which contain larger non-AID funding elements. While no minimum is established for the PVO's own contribution, preference should also be given to OPGs in which there is a significant input by the sponsoring PVO.
3. Overhead for PVOs. It is now agencywide policy for AID, if requested, to pay overhead at established rates in relation to AID's contribution to the costs of an OPG. This does not preclude Missions from negotiating the most favorable arrangement possible on a total cost basis, including cost sharing, with PVOs.
4. Eligibility of PVOs. Both U.S. and indigenous PVOs, including cooperatives, are considered potential OPG recipients. An OPG applicant must substantiate to the Mission that the purpose of the PVO is philanthropic or service in nature, that it is nonprofit, nongovernmental; and that it is neither a university, nor primarily an educational institution, nor solely a research organization.

(a) Managerial Competence of PVOs. PVOs applying for OPGs must substantiate to the Mission that they possess the needed managerial competence in-country for planning and carrying out the proposed OPG and the ability to practice mutually agreed upon methods of accountability for funds and other assets provided by AID. The principal AID officer must certify the managerial competence of the PVO operating in the country. The certification should not be a detailed document. It can be a simple statement to the effect that it is the principal AID Officer's judgment that the PVO possesses the needed managerial competence in that country for planning, designing, implementing, and evaluating the project, including the ability to maintain financial records in accordance with generally accepted accounting practices. He should also state that the host country

government interposes no objection to the project for which an OPG grant is sought from AID. Host country approval of the specifics of the project is not required.

In arriving at his decision, the principal AID officer (or his designate) should ensure that the past and current operations of the PVO in the country have been satisfactory, and that it and its representative enjoy a favorable reputation. If the PVO is not one with which AID has previously had a contractual arrangement or grant agreement, the Mission can query AID/W concerning the bona fides of the organization.

(b) Registration. U.S. PVOs must be registered with the Advisory Committee on Voluntary Foreign AID (ACVFA). Non-US PVOs certified to be eligible for AID support will be determined at three levels:

(1) Host country agencies domiciled and operating in one country will be certified as eligible by the principal AID officer in the country. If there is no AID Mission or office, a designated officer in the U.S. Embassy shall make the determination.

(2) Regional voluntary agencies, that is agencies operating in more than one country within a geographic bureau's jurisdiction, will be certified as eligible by the Assistant Administrator of that Bureau.

(3) Foreign (third country) and international private and voluntary organizations will be determined eligible by the Assistant Administrator of Private and Development Cooperation.

A prospective registrant should be able to demonstrate to the satisfaction of the reviewing officer that:

- (1) It is a legal entity organized under laws of the country in which it is domiciled.
- (2) The activities the organization proposes to accomplish with AID funding are nonreligious.
- (3) It operates on a not-for-profit basis and has tax exemption under the laws of its country of domicile/operation, if such laws exist and are appropriate.
- (4) It must be engaged in, or have the potential to engage in, voluntary development assistance operations of a type consistent with the purposes and objectives set forth in the Foreign Assistance Act. In the absence of articles of

incorporation, the USAID must verify the statements of responsible officials that the organization meets these conditions.

- (5) It has financial resources and demonstrated management capability of sufficient substance to enable it to perform its normal functions in the absence of AID support.
- (6) It is controlled by an active and responsible governing body which holds regular meetings and maintains effective policy and administrative control.
- (7) Under its own established priorities and program, it obtains, expends, and distributes its funds and resources in conformity with accepted ethical standards, without unreasonable cost for promotion, publicity, fund raising and administration.

5. Alternate OPG Proposal Outline. An alternate approach to the Operational Program Grant Proposal Outline is contained in Attachment 1. This attachment is not intended to represent a change to the Agency Guidelines, but provides a simplified approach to meet the requirements of the guidelines. The series of questions if answered adequately by a PVO would cover all of the essentials of the OPG proposal guidelines. This alternate approach to the OPG proposal is suggested as a means of obtaining adequate information in the proposal in a briefer and more useable format.

Attachment - 1

Source: These are Guidelines from AIDTO CIRC A-134, 3/18/78 and AIDTO CIRC A-157 of 4/01/78.

MAJOR COMPONENTS OF AN OPERATIONAL PROGRAM GRANT

The following questions should be answered as specifically as possible:

I. PROBLEM:

Describe the problem which you are attempting to address under this Operational Program Grant (OPG).

Tell how you became involved in this problem.

II. WORK-TO-DATE:

State what has been done by your organization or others in solving this problem to-date. If nothing has been done, simply state so. Comment on your relevant capacity to address the problem.

III. BASELINE DATA:

Outline the conditions which now exist showing the baseline data for the changes you hope to make. (For example, if the activity is designed to improve income levels, what are the existing income levels in the OPG target population?)

IV. METHODOLOGY:

Describe what you plan to do under this OPG to change the conditions listed in Item III.

V. TIME FRAMES:

Outline the time frames in which you hope to accomplish your goals. (For example, what activities could you hope to have underway or completed at the end of each year?)

VI. ASSUMPTIONS:

Describe what other developments must take place in order for the project to be successful. (For example, is the participation of the Government at some level a necessary assumption?)

VII. GOALS:

Show what conditions are expected to exist at the end of the project. This section should reflect the changes you hope to achieve from the conditions now existing in Item III.

VIII. POST PROJECT EXPECTATIONS:

Explain what you expect to achieve in the fields of continuation and replication. Will the project cease at the end of the OPG? Is there a plan to continue it and if so, through what organizational entity and how will it be funded?

IX. EVALUATIONS:

Describe your plans for annual evaluations. (For example what methods will you use to judge change in income for the target group?)

X. FINANCIAL NARRATIVE:

Describe the resources required in order to carry out this project. This should include cash resources and their sources, commodity inputs, and volunteer work. This section should generally explain the purposes for which the budget will be required.

XI. BUDGET:

List the funds required by source and purpose for the total project including those funds requested of A. I. D.

Guidelines from AIDTO CIRC A-134, 3/18/78.

ENVIRONMENTAL IMPACT IDENTIFICATION AND EVALUATION FORM

Impact Areas and Sub-areas^{1/}

Impact
Identification
and
Evaluation^{2/}

A. LAND USE

- | | |
|--|---------|
| 1. Changing the character of the land through: | |
| a. Increasing the population _____ | _____ N |
| b. Extracting natural resources _____ | _____ N |
| c. Land clearing _____ | _____ N |
| d. Changing soil character _____ | _____ N |
| 2. Altering natural defenses _____ | _____ N |
| 3. Foreclosing important uses _____ | _____ N |
| 4. Jeopardizing man or his works _____ | _____ N |
| 5. Other factors _____ | _____ |
| _____ | _____ |

B. WATER QUALITY

- | | |
|---|---------|
| 1. Physical state of water _____ | _____ N |
| 2. Chemical and biological states _____ | _____ N |
| 3. Ecological balance _____ | _____ N |
| 4. Other factors _____ | _____ |
| _____ | _____ |

^{1/} See Explanatory Notes for this form

^{2/} Use the following symbols: N - No environmental impact
L - Little environmental impact
M - Moderate environmental impact
H - High environmental impact
U - Unknown environmental impact

IMPACT IDENTIFICATION AND EVALUATION FORM

C. ATMOSPHERE

- | | | |
|--------------------------|-------|---|
| 1. Air additives _____ | _____ | N |
| 2. Air pollution _____ | _____ | N |
| 3. Noise pollution _____ | _____ | N |
| 4. Other factors | | |
| _____ | _____ | |
| _____ | _____ | |

D. NATURAL RESOURCES

- | | | |
|--|-------|---|
| 1. Diversion, altered use of water _____ | _____ | N |
| 2. Irreversible, inefficient commitments _____ | _____ | N |
| 3. Other factors | | |
| _____ | _____ | |
| _____ | _____ | |

E. CULTURAL

- | | | |
|--|-------|---|
| 1. Altering physical symbols _____ | _____ | N |
| 2. Dilution of cultural traditions _____ | _____ | N |
| 3. Other factors | | |
| _____ | _____ | |
| _____ | _____ | |
| _____ | _____ | |

IMPACT IDENTIFICATION AND EVALUATION FORM

F. SOCIOECONOMIC

- 1. Changes in economic/employment patterns _____ N
- 2. Changes in population _____ N
- 3. Changes in cultural patterns _____ N
- 4. Other factors _____

G. HEALTH

- 1. Changing a natural environment _____ N
- 2. Eliminating an ecosystem element _____ N
- 3. Other factors _____

H. GENERAL

- 1. International impacts _____ N
- 2. Controversial impacts _____ N
- 3. Larger program impacts _____ N
- 4. Other factors _____

I. OTHER POSSIBLE IMPACTS (not listed above)

It has been concluded that this project will have a Negative Environmental Impact determination.

ANNEX - E/b

UNCLASSIFIED

RECD: 04 DEC 79

R 032108Z DEC 79
FM SECSTATE WASHDC
TO AMEMBASSY DACCA 1244
BT
UNCLAS STATE 312090

AIDAC

E. O. 12065 N/A

TAGS:
SUBJ: PVO CO-FINANCING II (388-0045) ENVIRONMENTAL
EXAMINATION

REF: DACCA 07888

1. NEG. DETERMINATION FOR PVO CO-FINANCING PROJECT
WAS APPROVED BY AA/ASIA 26 OCT. 1979. VANCE

~~NOT AVAILABLE COPY~~

3880010001503

ANNEX-F

CLASSIFICATION
PROJEC. EVALUATION SUMMARY (PES) - PART I

Form 10/1977 U-447

1. PROJECT TITLE PVO Co-Financing	2. PROJECT NUMBER 388-0010	3. MISSION/AID/W OFFICE Bangladesh
4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g. Country or AID/W Administrative Code, Fiscal Year, Serial No.) (agrees with Max. Length 1-1-79-15)		
<input checked="" type="checkbox"/> REGULAR EVALUATION <input type="checkbox"/> SPECIAL EVALUATION		

5. KEY PROJECT IMPLEMENTATION DATES			6. ESTIMATED PROJECT FUNDING		7. PERIOD COVERED BY EVALUATION	
A. First PRO-AG or Equipment FY 75	B. Final Obligation Expected FY 79	C. Final Input Delivery FY 80	A. Total \$ 4,500,000	B. U.S. \$ 2,276,707	From (month/yr.) April 1977	To (month/yr.) June, 1979
					Date of Evaluation Review 29 June, 1979	

8. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., organ, bPAR, PIC, which will present detailed request.)

H. NAME OF OFFICIAL RESPONSIBLE FOR ACTION	I. DATE ACTION TO BE COMPLETED
Ms. Buxell USAID/PRO	Continuing
Ms. Buxell USAID/PRO	08/31/79

- Explore alternatives to present PVO Co-Financing procedures so that we can fund more small indigenous PVOs.
- Write PP for Phase II project in accordance with recommendations in issues paper and as agreed by evaluation review meeting.

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9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS

<input type="checkbox"/> Project Paper	<input type="checkbox"/> Implementation Plan (e.g., CPI Network)	<input checked="" type="checkbox"/> Other (Specify) None
<input type="checkbox"/> Financial Plan	<input type="checkbox"/> PID/T	<input type="checkbox"/> Other (Specify)
<input type="checkbox"/> Logical Framework	<input type="checkbox"/> PID/C	
<input type="checkbox"/> Project Agreement	<input type="checkbox"/> PID/P	

10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT

A. <input checked="" type="checkbox"/> Continue Project Without Change (project almost completed)
B. <input type="checkbox"/> Change Project Design and/or
<input type="checkbox"/> Change Implementation Plan
C. <input type="checkbox"/> Discontinue Project

11. PROJECT OFFICER AND MOST COUNTRY OR OTHER BANKING PARTICIPANTS AS APPROPRIATE (Name and Title)

Ingrid T. Buxell, PRO *[Signature]*

Charles R. Gurney, Chief, PHAW *[Signature]*

F. Levinson, Chief, FAN *[Signature]*

Larry K. Crandall, Deputy Director (A) *[Signature]*

12. Mission/AID/W Office Director Address

Signature *[Signature]*

Typed Name **Frank B. Kimball**

Date **7-30-79**

13. **SUMMARY:** The body of this PES consists of the Background/ Issues Paper developed by the Mission PVO Advisor and the minutes of the evaluation review meeting.

14. **EVALUATION METHODOLOGY:** This was a regular evaluation which will also serve as the final evaluation since the project terminates this fiscal year. The Mission PVO Advisor visited a number of PVO projects, including many not funded by AID. She developed an issues paper based on these site visits as well as project reports. The evaluation review meeting was chaired by the Acting Director and attended by all concerned Mission staff.

Minutes of the Evaluation Meeting for the
PVO Co-Financing Project (388-0010)

1:30 PM 29 June, 1979

Participants:

Mr. Richard L. Podol, DIR(A)
Mr. Larry K. Crandall, PRO
Ms. Ingrid T. Buxell, PRO
Mr. Mike Sullivan, PRO
Mr. J.J. Dumm, PHAW
Ms. V. Molldrem, PHAW
Mr. Peter Leifert, RDE
Mr. John Yang, CONT

Discussion during the review meeting revolved around the issues listed on pages 10 and 11 of the issues paper prepared by the Mission PVO Advisor. The issues generally concerned the level of priority the PVO project has had in the Mission's program and what might be done to tie PVO activities more closely with USAID/Bangladesh's CDSS strategy. It was noted that PVOs are working at the village level and in some cases have developed effective projects. However, USAID has not found it convenient to capitalize on these successes because our program is not at the village level. Our projects are directed toward large-scale, nationwide efforts to improve agricultural research, increase availability of fertilizer, develop a viable model for making credit available to small farmer and to extend the country's rural electrification network. Our technical divisions are not prepared to take time from their project implementation requirements to get involved in small, time-consuming PVO projects which are not directly related to their projects. And without involvement by the technical divisions, the PVO project will probably continue to be regarded as a relatively insignificant, fringe activity in the Mission program.

This problem was addressed in the Mission's manual order BD-18, issued on February 28, 1979, which provides that technical divisions will have the responsibility for monitoring PVO projects, while responsibility for the PVO Co-Financing project itself will remain in the Program Office. This new arrangement means that the

Mission will now fund only those subprojects in which a technical division shows enough interest to spend time monitoring. Given the Mission's current portfolio of projects, it is not expected that we will have many PVO projects in the agriculture and rural development sectors, while population is an area where PVO projects will complement AID's bilateral efforts to a great degree. The Rural Industries Project now under development offers possibilities for coordination with PVO activities. In any case, the PVO Co-Financing Project is available as a tool to the technical divisions if they want to use it.

Manpower/Paperwork constraints: Perhaps the greatest constraint to utilizing PVOs has been the amount of paperwork required to initiate a subproject in relation to its size. The PVOs themselves are often unwilling to and/or incapable of completing all of the documents required by AID. The problem is exacerbated by the fact that the larger PVOs, who would seem capable of complying with all of AID's regulations, can usually obtain funding from other sources on less demanding terms, while the small indigenous PVOs which really need the funds are the weakest administratively. It has therefore fallen to the AID staff to ensure that all the paperwork was done properly. Participants in the review meeting agreed that the Mission must find ways to reduce the paperwork on this project if it is ever to become an effective part of the AID program. A number of possibilities were discussed: a) use the newly authorized "limited scope grant," which would greatly reduce requirements for the project proposal; b) work through one PVO, e.g., the Asia Foundation, which would be responsible for helping smaller PVOs develop their project proposals and for monitoring implementation of the projects; c) develop a different kind of project (not PVO Co-Financing) through which we could fund private organizations without requiring PVO registration. The Mission PVO Advisor will continue to explore these possibilities within the Mission, with PVOs and with AID/W in the context of the Phase II Project Paper now in preparation.

The participants agreed to the recommendations in the issues paper. The Mission PVO Advisor is responsible for the actions necessary to carry out the recommendations. A Project Paper for PVO Co-Financing Phase II will be prepared by the end of August, 1979.

BANGLADESH
PVO CO-FINANCING PROJECT EVALUATION
ISSUES PAPER
JUNE 1979

Ingrid T. Buxell
USAID/Dacca
Bangladesh

CONTENTS

	<u>Page</u>
I. INTRODUCTION ...	1
II. REVIEW OF PVO CO-FINANCING ...	1
A. Achievements and Shortfalls ...	1
B. Impact ...	3
III. PVOs IN BANGLADESH ...	6
A. Status of PVOs ...	6
B. Impact of PVOs ...	9
IV. ISSUES ...	10
V. RECOMMENDATIONS ...	11
ANNEX A : FVO Co-Financing in Bangladesh: Achievements and Shortfalls	
ANNEX B : Cost Sharing in PVO Co-Financing Projects FY 1975-79	
ANNEX C : PVO Proposals Received for Co-Financing Consideration	
ANNEX D : Some Comparative Project Costs in Bangladesh	
ANNEX E : PVO Co-Financing Criteria for Mission/BDG Support	
ANNEX F : Some Annual PVO Program Costs 1977-78	

BANGLADESH
PVO CO-FINANCING PROJECT EVALUATION

JUNE 1979

I. INTRODUCTION

The USAID PVO Co-Financing project in Bangladesh will end September 30, 1979, after three years of operation. Before a second phase Co-Financing project can be developed an in-depth project evaluation is needed. The purpose of this paper is to describe project performance to date, provide some observations on the PVOs current status and impact in Bangladesh, identify critical issues pertaining to PVOs in general and USAID's support to them in particular, and recommend guidelines for future action.

In 1977 nineteen PVOs were visited in preparation for that year's PVO Co-Financing project evaluation "issues paper." In preparing the present paper it has been possible to revisit only eight of the 19 organizations. Therefore, the impressions, observations and conclusions drawn in this paper are based on information and perspectives gained over the past two and a half years in dealing with PVO matters and on the specific information acquired in the recent eight project visits.

II. REVIEW OF PVO CO-FINANCING

A. Achievements and Shortfalls

Annex A contains a point by point description of project performance vis-a-vis project design components. The description does not include an assessment of the strengths and weaknesses of the Co-Financing approach from the USAID and PVOs view points. These are briefly listed below:

<u>Strengths</u>	<u>Weaknesses</u>
<u>USAID</u> -- Convenient Mission financial and administrative mechanism for supporting PVOs on a multi-year basis. Chief advantage avoids	-- Requires Technical Divisions substantive participation for full Mission benefits. Some difficulties in finding in-house

Strengths

- annual Congressional Notification process. Establishes multi-year Mission policy and strategy priorities for handling PVO requests.
- Provision of a USAID consultant funded from project resources minimizes Mission operating costs for PVO in-house project management and knowledge of PVO activities.

Weaknesses

- technical expertise for certain PVO proposals.
- At present no policy or funds exist to permit USAID provision of support to determine technical feasibility of projects and prepare technical implementation plans.
 - Indigenous PVO registration requirement is major limitation to expanding USAID support to this PVO group.

PVO

- Facilitates communication and proposal processing.
 - Permits special arrangements for financial cost sharing.
 - Recent relaxation in PVO project design format requirements has facilitated proposal submissions.
- Availability of funds not always used as demand for USAID funds generally limited to US PVOs who appear to have sufficient resources.
 - Registration requirement for indigenous PVOs is very difficult to meet. Almost no PVOs are interested in fulfilling this precondition to receiving USAID support. Hence need to use American PVOs as intermediary which sometimes presents difficulties.
 - PVOs generally lack funds and expertise for proper technical review and preparation of their proposals leading to difficulties in proposal presentation.

On balance the project succeeded in utilizing planned project resources in a manner, primarily convenient to USAID, for mutually shared development objectives. The impact of this is next examined.

B. Impact of PVO Co-Financing

It was assumed the project would have an impact on PVOs, USAID and development efforts in Bangladesh.

1. On PVOs

The project was expected to influence three PVO factors: amount of PVO projects, PVO project capabilities and PVO orientations. The results have been both positive and negative.

The major project assumption was that the availability of USAID Co-Financing funds would substantially "increase the number and effectiveness of controlled PVO projects demonstrating innovative approaches and strategies relating to key development problems." (PROP p. 3 next to last para and p. 7, para B.1). This assumption has not materialized: Co-Financing provided support to seven PVOs for basically eight different projects in FY 1975-79 (with a probability of one more PVO and two more projects being obligated still in FY 1979). By comparison USAID/Jakarta approved during four years 42 sub-projects under its Co-Financing project. Some likely reasons why in Bangladesh the assumption was not valid are:

- a. Most PVOs seem to have either sufficient funds or the capability to raise the necessary resources for their projects.
- b. USAID project design/grant requirements and/or project approval procedures discourage PVO interest in seeking Co-Financing support.
- c. Some American PVOs consider USAID funds to be politically "tarnished." (e.g., MCC, VHSS & ADAB).
- d. Changed PVO programs, from relief to development, have not expanded as anticipated due to certain inherent PVO weaknesses (described in 1977 issues paper).

Another Co-Financing project assumption is that PVOs project design, monitoring and evaluation capabilities can be strengthened by fulfilling USAID proposal requirements and by the provision of periodic training courses held under ADAB auspices. The provision of

Co-Financing assistance to the seven subproject PVOs has had mixed impact in influencing their internal operations.

- 1. Some have significantly improved only their planning capabilities (IVS, YWCA);**
- 2. Others also improved project monitoring (MAP/HEED, CARE);**
- 3. One PVO (SCF/CDF) demonstrated the capability of self-evaluation however its planning and monitoring activities did not improve since project inception (largely due to substantial management turnover); and**
- 4. Two PVOs basically discontinued project objectives after USAID support ended (Children's Nutrition Research Unit, Christian Memorial Hospital).**

The Co-Financing experience indicates PVOs improve their operating procedures in response to internal needs or circumstances, e.g., special leadership, addition of qualified staff etc., rather than to the mere compliance with grant requirements. However, several PVOs, MAP/HEED, SCF/CDF and CARE have appreciated USAID evaluation inputs.

On the other hand, the provision of formal training through ADAB never materialized as their Executive Board does not consent to receive USAID assistance for this purpose. Instead USAID decided to provide individual consultations to those PVOs seeking Co-Financing support. This seems to have worked effectively from USAID's viewpoint. Though the number of PVOs thus exposed to concepts and methodologies of systematic project planning, monitoring and evaluation is less than the Project Paper envisioned, the continued USAID informal input may yet result in more lasting changes on PVO operations.

A third major project assumption was that PVOs would have "greater impact if their projects had a more directed focus. These are areas in which AID support can play a key role." (Project Paper p. 3, next to last para.) The new Co-Financing priority for health/population activities is based on the premise PVOs have better capabilities in this area than the Bangladesh Government (BDG). The "Directed focus" is coming from the PVOs themselves, rather than the Co-Financing project, as they gain experience and begin to learn to evaluate their activities.

2. On USAID

The project was meant to help fulfill the Mission response to AID's Congressional mandate to channel more resources through the PVOs. As a development donor means the support to PVOs has not held much attraction to AID in general and USAID/Bangladesh in particular. An "appropriate level of input" has not been determined agency wide or Mission specific. And the experience with PVO Co-Financing, though satisfactory in terms of administrative and financial implementation, has made virtually no impact on changing the Mission priority assigned to this means of providing development assistance. It could also probably be said the Mission's Country Development Strategy Statement (CDSS) PVO family planning/health provision resulted more out of a frustration with BDG efforts than a conviction that PVOs are suitable instruments for generating major development change and impact. The causes for this view/situation are multi-dimensional: the PVOs own weaknesses; the nature of bilateral assistance; the context in which PVOs and donor agencies tend to operate. Perhaps additional experiences in bilateral projects which have PVO components may provide greater scope to impress Mission thinking to the contrary. A single Mission project cannot hope to do more than make a contribution in that direction.

Furthermore, the project design at the Goal level expects "integration of findings from controlled PVO projects into BDG and AID development programming and replication of proven approaches on a national scale." So far this has not occurred. Perhaps the time frame is too short, especially as USAID support is generally provided to a PVO which has a foreign staff. These people need time to orient themselves before they produce a useful methodology and demonstrate its local suitability. Such PVOs still are groping to identify what they can do best in Bangladesh. On the other hand, the disparity between the PVO focus, which is generally at the village level, and USAID's national program orientation may be too great to permit PVO "findings" to be directly and adequately integrated into USAID's programming.

3. On Bangladesh

The sum of PVO Co-Financing projects has provided about \$4 million since FY 1975 to Bangladesh for a variety of purposes. Assessment of this single project's impact on a national basis is unrealistic and probably not worthwhile even were baseline data available. The progress to which Co-Financing contributed is

described under Purpose Achievements, Annex A (items D-E): e. g., incomes have improved in SCF/CDF villages and for 200 female YWCA handicraft producers, agriculture production increased under CARE extension services, health services in MAP/HEED project unions provides for community involvement and perhaps some decreases in communicable diseases, etc. The three on-going subprojects were recently evaluated and provide further details on progress in their respective project evaluation statements. An impact in the project area can be visually noticed by one who periodically visits the sites. The need to conduct baseline surveys, now recognized by all on-going Co-Financing grantees, will enable more reliable determination of changes in a few years. Whether these changes are directly attributable to the PVO efforts would require action research of a more controlled methodology than the present grantees would be willing to adopt.

III. PVOs IN BANGLADESH

A. Status of PVOs

1. PVOs

The ADAB list of PVOs has increased from 128 to 141 agencies since January 1977. A definition of what constitutes a PVO has not yet developed. The listed organizations therefore range from development, relief, professional and missionary agencies to private foundations and single projects. Some are foreign, Bangladeshi or a combination of both. Most foreign PVOs came during disaster times: the 1970 cyclone, 1971-72 Liberation, 1974-75 drought-flood. The status of the agencies has changed during the past eight years. Many have increasingly become development oriented especially as relief funds dried up and continued operations required the PVOs objectives to be redefined. The development oriented number of PVOs is about 50 out of ADABs total listing. The most obvious changes among the PVOs since the 1977 "issues paper" are:

1. increased specialization: PVOs have begun narrowing down their activities, phasing out most relief projects and expanding their more viable program operations;
2. increased training: PVOs have generally expanded training their own staff (in-house and in formal training programs, as at BRRI) and some have established new

H. GENERAL

- | | | |
|---------------------------|-------|----------------------|
| 1. International impacts | _____ | <u> N </u> |
| 2. Controversial impacts | _____ | <u> N </u> |
| 3. Larger program impacts | _____ | <u> N </u> |
| 4. Other factors | | |

I. OTHER POSSIBLE IMPACTS (not listed above)

It has been concluded that this project will have a Negative Environmental Impact determination.

training projects (e. g., BRAC's TARC, SCI /CDF's VERC, and VHSS' health/family planning/nutrition workshops);

3. increased inter-PVO communications: PVOs tend to visit each others operations more often, interchange information and participate more in PVO publications through article submissions;
4. improved coordination among PVOs: since 1977 Voluntary Health Services Society (VHSS) has been established to provide information coordination in health and ADAB has been rejuvenated into a more active organization;
5. beginning PVO evaluations: several larger PVOs began evaluating their programs internally and/or with external assistance (e. g., CARITAS in health, BAM, CCDB, MCC in agriculture) some efforts involved major program changes and strengthening of operations.

These changes are generally positive developments. Substantial progress is still needed in focusing individual PVO experimentations (or at least improving documentation of experiences) and integrating PVO efforts more closely with BDG development plans and strategies.

2. PVOs and BDG

Since 1977 two major changes have occurred in the BDG-PVO relations. The Government finally after three years of deliberations promulgated a law on PVO registration. Second, the Ministries of Health and Family Planning and Agriculture and Forests initiated formal mechanisms for coordinating PVO-BDG programs in their respective sectors. These developments represent significant progress in BDG's efforts to grapple with the unwieldy job of regularizing BDG-PVO legal procedures, collecting basic program and financial data on PVO operations and attempting to formally coordinate PVO activities. These measure, however, are not without their problems.

The PVO registration process, now centralized in one ministry, Social Welfare Department, lacks adequate staff, is cumbersome and involves multiple ministry clearances. The Family

1. NEG. DETERMINATION FOR PVO CO-FINANCING PROJECT

WAS APPROVED BY AA/ASIA 26 OCT. 1979. VANCE

Planning Council of Voluntary Organizations serves as a forum to exchange program policy and operation information. As it is not an executing agency the Council often cannot follow up on the decisions taken. The Ministry of Agriculture and Forests Coordination Committee for Voluntary Agencies focuses, by comparison, on more project specific concerns: proposal reviews, progress reports, evaluations, training activities, etc. Its composition is small (8-10 members) and enables more detailed examination of problems. Its preoccupation with compliance of ministerial reporting requirements prevents attention to be given to ways in which PVO programs can be linked/integrated with BDG efforts.

The BDG registration and coordination systems, though still fragile, young and weak provide the most promising mechanism for Government to use and exploit in a more productive way the private organizations.

3. PVOs and Donors

Resources for PVOs to carry out development programs seem not to have diminished in the past two years and show no signs of drying up. The USAID experience with PVO proposal submissions alone indicates where there is a relatively sound proposal there exists a willing donor. (Many of the PVO submissions to USAID which were not approved have ultimately been funded by other donors.) In fact, some bilateral and multilateral donors are turning to PVOs to expand their funding presence: UNICEF support to Save the Children (USA); CIDA assistance to PROSHIKA for \$3 million (when previous program was \$500,000 for 3 years!). The private foreign and Bangladeshi organizations have grown and matured in the past few years. Their capacity to manage funds has improved. However, their own program levels, if expanded too quickly, may lead to saturating the PVO absorptive capacity and ultimately undermining the delicate managerial effectiveness which has been attained.

Bangladeshi disasters also help continue donor resource flows. The impact of such funds on PVOs is that they sustain agencies who are primarily relief oriented and often disrupt those who carry out development programs -- especially when the latter had their roots in relief work and have not yet successfully "completed" their transition to development work. Furthermore, the availability of relief funds also contributes to PVOs being disinterested or

recommendations in issues paper and as agreed
by evaluation review meeting.

USAID/PRO

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8. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS

- | | | |
|--|--|--|
| <input type="checkbox"/> Project Paper | <input type="checkbox"/> Implementation Plan
e.g. CPI Network | <input checked="" type="checkbox"/> Other (Specify)
<u>None</u> |
| <input type="checkbox"/> Financial Plan | <input type="checkbox"/> PIO/T | <input type="checkbox"/> Other (Specify)
_____ |
| <input type="checkbox"/> Logical Framework | <input type="checkbox"/> PID/C | |
| <input type="checkbox"/> Project Agreement | <input type="checkbox"/> PID/P | |

10. ALTERNATIVE DECISIONS ON FUTURE
OF PROJECT

- A. Continue Project Without Change
(project almost completed)
- B. Change Project Design and/or
 Change Implementation Plan
- C. Discontinue Project

11. PROJECT OFFICER AND HOST COUNTRY OR OTHER FUNDING PARTICIPANTS
AS APPROPRIATE (Name and Title)

Ingrid T. Buxell, PRO *IB*

Charles R. Gurney, Chief, PHAW *CG*

F. Levinson, Chief, FAN *FL*

Larry K. Crandall, Deputy Director (A) *LC*

12. Mission/AID/W Office Director Approval

Signature *Frank B. Kimball*

Typed Name Frank B. Kimball

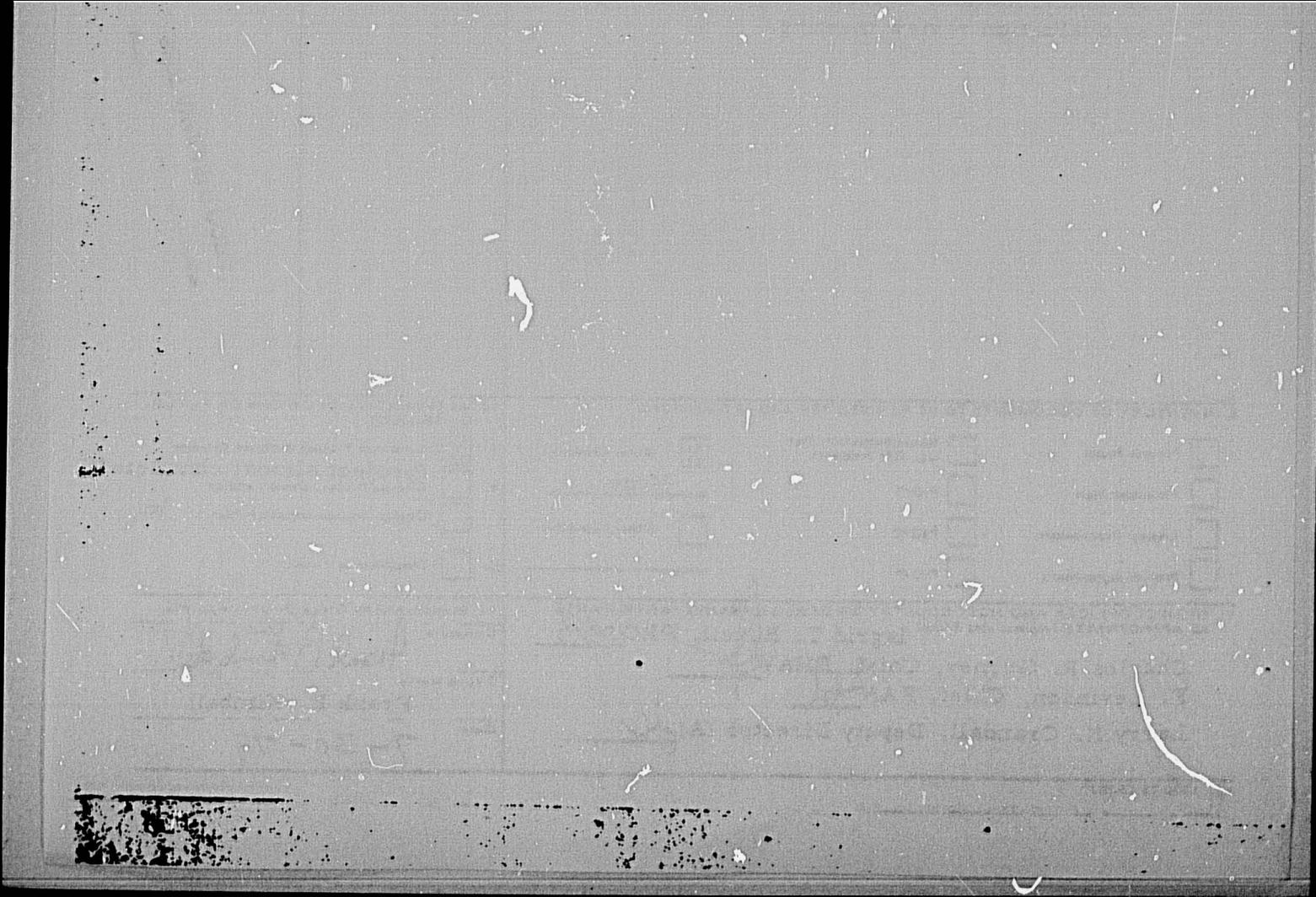
Date 7-30-79

postponing to change their operations from relief to development functions. This relatively "elastic" donor market in Bangladesh permits PVOs to be less rigorous in their planning and, in some cases, more costly in their methodologies (see Annex D for some PVO program cost comparisons).

B. Impact of PVOs

No one knows the exact or even approximate level of resources PVOs provide to Bangladesh's development. The BDG has tried to determine the amounts by requiring PVOs to submit annual financial data as part of their registration/program approval process. As PVO fiscal matters differ substantially in scale, complexity and budgeting systems comparative data, if even properly submitted by PVOs, will be difficult to assemble. Annex E provides a very rough estimate of some annual PVO program budgets, which includes the largest PVO programs and totals over \$13 million. Were these resources designed for one single program with a well defined objective, evaluation and impact assessment would be more simple. As it is, the assessment of impact of even the 50 estimated development oriented private organizations poses formidable obstacles. Therefore, one approach is to cite known examples of the kinds of PVO efforts which have brought about recognized changes.

The PVOs most evident impact is at the village level where programs have sought and often succeeded to increase employment, income, literacy, housing, production and social services. Program coverage ranges from several villages to several thanas (CARE, CCDB, CARITAS and IUCW) and even several districts (LWF/RDRS). Some special characteristics which the more successful PVO programs show are: simple locally practicable methodologies; reliable back-stopping services for supplies and marketing (CARE, CCDB, Jute Works, MCC), varying strategies for different target populations (e. g., credit programs for landless, women, youth) process and capacity training programs for community self-reliance (BRAC, Gono Shasthaya Kendra, SCF/CDF), systematic extension services often include research components (MCC, Christian Relief World Rehabilitation Committee). The replication of some of these efforts are still limited: BDG has adopted MCC crop variety testing methodologies and often includes MCC in certain policy formulations; many PVOs are using BRAC functional education materials and BDG



periodically requests government personnel to be trained in this methodology; BDG family planning extension services have incorporated many PVO program features such as extension personnel to the village level, supervision-referral systems, nutrition monitoring, etc.; PVO pioneer experiences in handicrafts have led to several small scale/cottage industries BDG-large donor projects; and recent PVO experiments in credit to the rural poor have resulted in BDG takeover and/or expansion of such efforts (e.g., Social Welfare Directorate - IUCW and Gramin Bank - Tangail programs).

However, the PVOs strengths are also often their very weaknesses to exerting greater impact. PVO programs operate in different geographic locations, with different inputs (kinds, levels, methodologies) and for different objectives. The diversity provides a large cadre of operations/experimentors but results also in undermining a consolidated, broadbased and "directed focus" program. The PVOs independence and difficulties to coordinate themselves or link up with other development programs (BDG, donors) also complicates finding ways in which these organizations' contributions can be better exploited.

IV. ISSUES

This paper has tried to review the specific Co-Financing experience and the Mission's management of this "umbrella" project as well as the general changes which have occurred with PVOs since the last project evaluation. The general PVO situation indicates improvements in the status of PVOs and definition of BDG-PVO relations. Impact, though difficult to determine, is evident on a modest scale as PVOs continue to evolve their special role in Bangladesh and explore better means to contribute to the country's Development.

In spite of some shortfalls project performance has generally been satisfactory and a second phase is already envisioned. Before phase II can be prepared the following are some of the most critical issues which would be worthwhile to examine and discuss:

1. Does the Mission's PVO Co-Financing project have the level of priority required to be an effective and viable means whereby to pursue DAP/CDSS ends?

Mission PVO Advisor. The issues generally concerned the level of priority the PVO project has had in the Mission's program and what might be done to tie PVO activities more closely with USAID/Bangladesh's CDSS strategy. It was noted that PVOs are working at the village level and in some cases have developed effective projects. However, USAID has not found it convenient to capitalize on these successes because our program is not at the village level. Our projects are directed toward large-scale, nationwide efforts to improve agricultural research, increase availability of fertilizer, develop a viable model for making credit available to small farmers, and to extend the country's rural electrification network. Our technical divisions are not prepared to take time from their project implementation requirements to get involved in small, time-consuming PVO projects which are not directly related to their projects. And without involvement by the technical divisions, the PVO project will probably continue to be regarded as a relatively insignificant, fringe activity in the Mission program.

This problem was addressed in the Mission's manual order BD-18, issued on February 28, 1979, which provides that technical divisions will have the responsibility for monitoring PVO projects, while responsibility for the PVO Co-Financing project itself will remain in the Program Office. This new arrangement means that the

2. What strategy should be used to make Co-Financing more effective and expand USAID support to PVOs (i. e., how to attract more "clients" given resource elasticities and other donor more simplified grant requirements)?
3. Are the redesigned Co-Financing guidelines contained in manual order BD 18 of February 28, 1979 suitable for Phase II project design and implementation?
4. What improved verifiable indicators should be used in Phase II to measure project impact?
5. Are the present Mission staffing requirements adequate to manage/implement Co-Financing, II? What changes are needed?
6. How can results from Co-Financing be better integrated into Mission/BDG program development?

V. RECOMMENDATIONS

PVO Co-Financing, Phase II will require several modifications from the first phase. Some of these are offered here for consideration.

1. Criteria for project approval should be simplified to recognize replicability, innovativeness and short time frames cannot always be present in PVO proposals, especially Bangladeshi ones.
2. Provisions should be made to allow funding, on a limited scale, of PVO project feasibility studies and technical advice for project design.
3. Means should be developed for funding ways to strengthen indigenous PVOs, as providing funds for training under existing indigenous programs (e. g., BRAC).
4. Funds should be earmarked for several in-depth independent PVO program evaluations both for PVO Co-Financing sub-projects and non-USAID funded projects of special interest.

work was done properly. Participants in the review meeting agreed that the Mission must find ways to reduce the paperwork on this project if it is ever to become an effective part of the AID program. A number of possibilities were discussed: a) use the newly authorized "limited scope grant," which would greatly reduce requirements for the project proposal; b) work through one PVO, e.g., the Asia Foundation, which would be responsible for helping smaller PVOs develop their project proposals and for monitoring implementation of the projects; c) develop a different kind of project (not PVO Co-Financing) through which we could fund private organizations without requiring PVO registration. The Mission PVO Advisor will continue to explore these possibilities within the Mission, with PVOs and with AID/W in the context of the Phase II Project Paper now in preparation.

The participants agreed to the recommendations in the issues paper. The Mission PVO Advisor is responsible for the actions necessary to carry out the recommendations. A Project Paper for PVO Co-Financing Phase II will be prepared by the end of August, 1979.

5. To encourage PVO coordination several workshops, forums should be USAID sponsored on topics of mutual interest (some bilateral projects have already done this, but PVOs were excluded).

In addition to the above there should be efforts made by the Mission to change the restrictive AID regulations regarding support to indigenous PVOs. The Mission will also need in the near future to reexamine its policy on centrally funded PVO grants.

PRO:IBuxell:as
6/22/79

Ingrid T. Buxell
USAID/Dacca
Bangladesh

PVO CO-FINANCING IN BANGLADESH:
ACHIEVEMENTS AND SHORTFALLS

ANNEX A

Project Design*

Achievements

Shortfalls

A. INPUTS

1. A I D

- | | | |
|--|--|---|
| a. Technical Assistance for project design and evaluation, including general workshops under ADAB auspices. | a. One workshop held by PCI, early 1975, at USAID. ADAB helped recruit PVO participants. | a. Attendance and interest was low. PVOs considered course too general, "over their heads" and not helpful to their own problems. |
| b. Partial financial grant support up to 70% of total project costs. Maximum AID total contribution \$1,700,000. | b. USAID obligations to date: FY 1975-79 \$1,680,893 (includes amendments to all on-going projects) which represents 40% of total project costs. See Annex B for USAID-PVO cost sharing. | b. Recent reprioritization of PVO Co-Financing uses places greater responsibilities on Pop/Health and Women Division to seek PVO proposals in their field. Asia Foundation response to this request will require AID supplementary funds to the project and Congressional Notification. |
| c. Clearance responsibility for project selection. | c. Carried out through USAID PVO Co-Financing Committee. See Annex C for list of PVO proposals received and those approved. | |
| d. Overall guidance recommendation responsibility for project implementation. | d. Performance of this function has provided PVOs advice and sense of direction generally appreciated by them. | d. As this project figures among the lowest priority Mission activities, interest and support for project implementation tended to be accordingly low. Project is not viewed by Mission as significant means for DAP/CDSS pursuit. |

* References are from Co-Financing Project Paper, Revision 1

Achievements and Shortfalls

- ANNEX B : Cost Sharing in PVO Co-Financing Projects
FY 1975-79**
- ANNEX C : PVO Proposals Received for Co-Financing
Consideration**
- ANNEX D : Some Comparative Project Costs in Bangladesh**
- ANNEX E : PVO Co-Financing Criteria for Mission/BDG
Support**
- ANNEX F : Some Annual PVO Program Costs 1977-78**

2. <u>PVOs</u>	<u>Project Design</u>	<u>Achievements</u>	<u>Shortfalls</u>
	a. Minimum PVO financing for any selected project 30%. Minimum PVO co-financing total contribution anticipated: \$745,000.	a. PVO project share totals 50% of project costs. Total contribution \$2,139,666. See Annex B for details.	a. As USAID requires no financial statements on PVOs contribution Mission has no evidence such inputs actually occurred.
	b. Coordination and managerial responsibility for all projects.	b. Generally performed satisfactory.	b. Life of project was prematurely terminated in one grant. (CNRU)
	c. Program monitoring and implementation documentation.	c. Generally satisfactory.	c. When PVO management turnover occurs, documentation slippage follows (SCF/CDF, CARE, IVS, MAP/HEED).
	d. Program evaluation	d. Only one PVO grantee performed self-evaluation (SCF/CDF).	d. Joint USAID-PVO evaluations a continued requirement.
3. <u>BDG</u>			
	a. Financial support anticipated \$220,000.	a. Actual financial contribution assessed \$390,428. Generally provided in kind (e.g. use of buildings).	a. Three out of eight projects had no BDG inputs.
	b. Provide timely clearance as required.	b. Generally satisfactory.	b. Slow BDG clearance held up implementation in one project.
	c. Provide support staff necessary when project requires.	c. Generally satisfactory.	c. More active BDG participation in project planning, implementation and evaluation would bring project efforts to BDG policy makers attention.

drawn in this paper are based on information and perspectives gained over the past two and a half years in dealing with PVO matters and on the specific information acquired in the recent eight project visits.

II. REVIEW OF PVO CO-FINANCING

A. Achievements and Shortfalls

Annex A contains a point by point description of project performance vis-a-vis project design components. The description does not include an assessment of the strengths and weaknesses of the Co-Financing approach from the USAID and PVOs view points. These are briefly listed below:

	<u>Strengths</u>	<u>Weaknesses</u>
<u>USAID</u>	-- Convenient Mission financial and administrative mechanism for supporting PVOs on a multi-year basis. Chief advantage avoids	-- Requires Technical Divisions substantive participation for full Mission benefits. Some difficulties in finding in-house

Project Design

Achievements

Shortfalls

B. IMPLEMENTATION PLAN

- | | | |
|---|---|---|
| <p>1. Eligibility of U.S. and indigenous PVOs.</p> <p>2. Project proposals will be in a logical framework format modified slightly for PVOs.</p> <p>-- Log Frame concepts to be taught in 3 day course by USAID at least once a year under ADAB auspices.</p> <p>-- Assistance given PVOs by USAID in project design.</p> | <p>1. All grants have been provided to American PVOs.</p> <p>2. Of eight project proposals approved three were submitted by PVOs in Logframe format. For the rest USAID prepared the Log Frames.</p> <p>-- One project design workshop held for one day by PCI in 1975.</p> <p>-- Generally PVOs submit preliminary proposals which are reviewed by USAID consultant, redrafted by PVO and finalized for grant signing by USAID consultant. Relaxation of AID rules has decreased emphasis on logframe.</p> | <p>1. AID registration requirements for indigenous and third country PVOs prevented Co-Financing support in three cases: CONCERN, Karika and Nijera Kori.</p> <p>2. PVOs generally are unfamiliar with Logframe methodology and often resent imposition of this requirement. Most PVOs dislike any rigorous, systematic project design - a well known PVO weakness.</p> <p>-- Generally not done as it became evident individual consultations with potential PVO Co-Financing grantees provide more effective results. Coverage in number of PVOs is less.</p> |
|---|---|---|

- Permits special arrangements for financial cost sharing.
- Recent relaxation in PVO project design format requirements has facilitated proposal submissions.
- Registration requirement for indigenous PVOs is very difficult to meet. Almost no PVOs are interested in fulfilling this precondition to receiving USAID support. Hence need to use American PVOs as intermediaries which sometimes presents difficulties.
- PVOs generally lack funds and expertise for proper technical review and preparation of their proposals leading to difficulties in proposal presentation.

On balance the project succeeded in utilizing planned project resources in a manner, primarily convenient to USAID, for mutually shared development objectives. The impact of this is next examined.

Project Design

Achievements

Shortfalls

-- BDG representative to be involved in Log Frame/evaluation workshops.

-- Not done as activity was considered of low priority. However, PVO-USAID evaluations included BDG consultations when ever relevant.

3. USAID proposal review

3. Carried out

3. Sometimes the absence of certain technical expertise in USAID prevented appropriate review.

4. Project approval by USAID PVO Co-Financing Committee. BDG clearance obtained by PVO.

4. This system has generally worked very well.

C. OUTPUTS

1. PVO use of systematic project design and evaluation techniques. All co-financing projects exposed to Log Frame. Annual joint evaluations with PVOs, BDG, independent organizations, local counterpart institutions and other donors.

1. CARE is only PVO which developed own project design system. Annual joint evaluations involved PVOs and USAID with some consultations with BDG (eg. IVS).

1. PVOs generally do not use such techniques as they consider them too sophisticated and bureaucratic for their operations.

Generally no BDG participation

On one occasion BDG representative participated (MAP/HEED, 1978, BDG/FP) in project evaluation.

why in Bangladesh the assumption was not valid are:

- a. Most PVOs seem to have either sufficient funds or the capability to raise the necessary resources for their projects.**
- b. USAID project design/grant requirements and/or project approval procedures discourage PVO interest in seeking Co-Financing support.**
- c. Some American PVOs consider USAID funds to be politically "tarnished." (e.g., MCC, VHSS & ADAB).**
- d. Changed PVO programs, from relief to development, have not expanded as anticipated due to certain inherent PVO weaknesses (described in 1977 issues paper).**

Another Co-Financing project assumption is that PVOs project design, monitoring and evaluation capabilities can be strengthened by fulfilling USAID proposal requirements and by the provision of periodic training courses held under ADAB auspices. The provision of

Project Design

2. Low cost high impact projects involving operational innovations.
3. Low cost high impact projects involving operational improvements.

Achievements

2. CARE supervisory operations in cooperative accounting and MAP/HEED field training of BDG family planning personnel have shown small impact. See Annex D for some comparative costs.
3. Co-Financing projects generally strengthened PVO capacity to continue efforts on their own, e.g., CARE, YWCA & MCH.

Shortfalls

2. Generally USAID supported projects so far have not been low cost and have had limited impact because experiments not always well controlled. Baseline surveys often lacking.
3. In some cases absence of USAID support decreased rigor of PVO pursuit of development objectives (MCH).

D. PURPOSE

1. Increased number and effectiveness of controlled PVO projects demonstrating innovating approaches and strategies relating to key development problems and evaluated in terms of mutual BDG/USAID program priorities.

2. End of Project Conditions

a. General

Substantial increase in overall total number of PVO projects due to USAID Co-Financing. Such projects better articulated, focused and controlled.

1. A total of eight PVOs received Co-Financing support.

1. Project extensions rather than new projects predominated. Innovation generally not present in project approaches, may not constitute desirable criteria.

- 2a. Assumption resource scarcity for PVO projects in Bangladesh has not so far materialized; hence assumed increases did not occur. Lack of baseline on number of PVOs and their projects prevents determination of reliable change since 1975. ADAB listing of PVOs misrepresents number of Development oriented PVOs (many are relief, missionary, professional societies).

e.g., special leadership, addition of qualified staff etc., rather than to the mere compliance with grant requirements. However, several PVOs, MAP/HEED, SCF/CDF and CARE have appreciated USAID evaluation inputs.

On the other hand, the provision of formal training through ADAB never materialized as their Executive Board does not consent to receive USAID assistance for this purpose. Instead USAID decided to provide individual consultations to those PVOs seeking Co-Financing support. This seems to have worked effectively from USAID's viewpoint. Though the number of PVOs thus exposed to concepts and methodologies of systematic project planning, monitoring and evaluation is less than the Project Paper envisioned, the continued USAID informal input may yet result in more lasting changes on PVO operations.

A third major project assumption was that PVOs would have "greater impact if their projects had a more directed focus. These are areas in which AID support can play a key role." (Project Paper p.3, next to last para.) The new Co-Financing priority for health/population activities is based on the premise PVOs have better capabilities in this area than the Bangladesh Government (BDG). The "Directed focus" is coming from the PVOs themselves, rather than the Co-Financing project, as they gain experience and begin to learn to evaluate their activities.

Project Design

- b. Some projects in experimentation category ready for demonstration and demonstration category ready for replication.

- c. A number of projects having increased efficiency and impact.

Specific

- a. Project-location criteria defined as related to activity and methods for measuring impact.

- b. Activities appropriate to PVO-supported development programs tested and costed against efficiency achieved.

Achievements

- b. Few projects operating on their own demonstrating success of their approach: YWCA & CARE.

- c. Projects have demonstrated foreign PVOs can provide effective supervision and training services to BDG programs.

- a. Of twelve Co-Financing criteria perhaps six directly relevant: numbers 2, 6, 7, 11 and 12 (see Annex E).

- b. Activities generally within PVOs operational capacity.

Shortfalls

- b. Projects generally too expensive for BDG replication. No projects so far provide scope for USAID replication as bilateral projects.

 - c. Village projects still require time for demonstrating effectiveness of approaches and impact on rural poor (e. g. , MAP/HEED and SCF/CDF).
-
- a. Criteria have generally not been useful as they did not set Mission priorities, did not fit PVO interests or characteristics (e. g. , #1 replicability, #4 wide practicality).

 - b. Efficiency criteria needs definition within PVO, BDG and/or donor context. Comparisons are generally difficult as equivalent programs and information often are lacking.

Furthermore, the project design at the Goal level expects "integration of findings from controlled PVO projects into BDG and AID development programming and replication of proven approaches on a national scale." So far this has not occurred. Perhaps the time frame is too short, especially as USAID support is generally provided to a PVO which has a foreign staff. These people need time to orient themselves before they produce a useful methodology and demonstrate its local suitability. Such PVOs still are groping to identify what they can do best in Bangladesh. On the other hand, the disparity between the PVO focus, which is generally at the village level, and USAID's national program orientation may be too great to permit PVO "findings" to be directly and adequately integrated into USAID's programming.

3. On Bangladesh

The sum of PVO Co-Financing projects has provided about \$4 million since FY 1975 to Bangladesh for a variety of purposes. Assessment of this single project's impact on a national basis is unrealistic and probably not worthwhile even were baseline data available. The progress to which Co-Financing contributed is

Project Design

- c. Methods for measuring impact developed, staffs trained in their use, and project evaluation and redesign systems affecting PVO operations.
- d. Agricultural productivity and per capita real income among the rural disadvantaged affected by PVO operations shows a perceptible rate of acceleration per year.

Achievements

- c. Project personnel gained experience in measuring project impact. Utility of baseline surveys appreciated generally after 2nd year of implementation.
- d. Some increases are presumed to occur (e.g. SCF/CDF, YWCA, CARE, MAP/HEED handicrafts).

Shortfalls

- c. PVO operations generally not affected by project evaluation and redesign. PVOs view procedures as grant requirements rather than useful operational tools.
- d. As baseline income surveys rarely done exact improvements cannot be determined.

D. GOAL

Integration of findings from controlled PVO projects into BDG and AID development programming and replication of proven approaches on a national scale.

Some BDG interest in MAP/HEED field training methodologies. Mission recognizes PVO strengths in health/family planning.

Thus far none of Co-Financing project findings have been integrated into either BDG or AID programs.

ANNEX B

BANGLADESH

Cost Sharing in PVO Co-Financing Projects

FY 1975-79

PVO	C		O		S		T		S	
	PVO	%	AID	%	BDG	%	Total			
CARE	\$ 211,825	25%	\$ 422,176	50%	\$201,900	25%	\$ 835,901			
CDF	528,557	66%	268,686	34%	-	-	797,243			
CNRU	44,000	77%	26,000	23%	-	-	70,000			
IVS #1	40,000	10%	290,000	70%	85,000	20%	415,000			
#2	207,864	32%	365,531	57%	66,528	10%	639,923			
MAP/HEED	1,068,036	79%	241,500	18%	35,000	3%	1,344,536			
MCH	40,000	60%	25,000	37%	2,000	3%	67,000			
YWCA	19,039	31%	42,000	69%	-	-	61,039			
Total *	\$2,159,321	51%	\$1,680,893	40%	\$390,428	9%	\$4,230,642			

* Includes all known USAID obligations as of end June 1979.

\$13,000 for CNRU and \$35,811 for MAP/HEED were subsequently deobligated.

June 1979

BANGLADESH
PVO PROJECT PROPOSALS RECEIVED FOR
CO-FINANCING CONSIDERATION

<u>PVO Proposals Received*</u>	<u>USAID Approvals</u>
Asia Foundation (2 proposals)	Under review
Bangladesh Association for Community Education (BACE)	
Christian Commission for Development in Bangladesh (CCDB)	
CONCERN	
Community Health Research Association Faridpur Academy (Asia Foundation)	
Food for the Hungry	
Ganomilan	
Holt International Children's Service International Union for Child Welfare (IUCW)	Under review
Legal Aid Society for Human Rights	
Narandia Integrated Rural Development Program	
Nijera Kori (Dor Ourselves)	
Seventh-Day Adventist World Service	
Underprivileged Children's Education Program (UCEP)	
Women's Voluntary Association (WVA)	
YMCA	

* Includes only formal proposal submissions. In addition, many PVOs presented proposals informally for discussion which for various reasons did not become formalized.

ANNEX D

BANGLADESH
Some Comparative Project Costs
 (US \$000)

Project	Total # Villages (1)	Total Cost (2)	Total Av Cost Village (3)	Av Cost/Village/Year (4)
ULASHI (1977-79) (Swanirvar)	119*	3,545,666	29,795	14,897
SCF/CDF (1977-80)	20	777,243	39,862	13,287
IVS (1978-80)	25	573,395	22,936	11,468
IUCW (1978-80)	304	1,921,220	6,320	3,160
CARE (1976-78)	610**	634,001	1,039	519
ASARRD (1976-79)	8	*** 113,466	14,183	4,727

- (1) Total number of villages under the project.
 (2) Total external project cost (excludes BDG & Community inputs).
 (3) Total average cost per village for varying time frames.
 (4) Average cost per village per year.

* From a Two Year Development Plan prepared after Ulashi-Jadunathpur 2.65 miles long canal was dug (November 1976 - May 1977). BDG was seeking UN support for the project. Community inputs were planned at about same level.

** Refers to number of IRDP goodstanding cooperatives, which by law are to be one per village, with which CARE worked.

*** Source: Dr. M. Alamgir, ASARRD An Overview, 3rd Annual Evaluation Workshop, Dacca, June 18-19, 1979 Section 2.8, p.5. Excludes bank costs for operations and credit.

BANGLADESH
PVO CO-FINANCING
CRITERIA FOR MISSION/BDG SUPPORT *

To be considered favorably the project must:

1. Stress replicability of proposed project activities.
2. Involve the poor - marginal to small farmers, landless laborers, women, youth or craftsman - to help stimulate and guide communities and institutions to work on their basic needs and build their capacity to continue on their own.
3. Experiment with or demonstrate either a new cost effective and innovative strategy for local development, or an improvement in the operation of an on-going public or private program in the following areas of concentration: rural development, agriculture, and family planning.
4. Be widely practical in Bangladesh in terms of conceptual soundness, organizational and training needs for later large-scale application; local talents potentially available; concern for the "unit cost" of the activity and its relation to the very low-level of certain local resources, particularly capital.
5. Be of particular interest to BDG or local organizations (in cases in which an activity can develop and spread without BDG sanction or technical and material assistance) as evidenced by the BDG's approval or non-objection to the project activity.
6. Be an activity which the PVO can demonstrably administer with present staff or with some strengthening of staff as clearly indicated in the project's implementation plan.
7. Be an activity within an area of the PVO's demonstrated competence and interest - a logical outgrowth of previous activities in Bangladesh or already established strengths in other country programs.

(2)

8. Be an activity experimenting with or demonstrating an approach which can be validated with a high degree of accuracy within two years.
9. Target a reasonable percentage (at least 5%) of total project funds on the development and integration of family planning/population control approaches into the project's activities during the first year if at all possible, but at least during the second year of activity. *
10. Be an activity in which the PVO is willing to utilize USAID design and evaluation procedures including semi-annual and annual evaluation reviews.
11. Be an activity in which the PVO is willing to comply with USG regulations, procedures, and accountability requirements.
12. Be an activity which is strictly development in orientation, not relief and rehabilitation.

* The Mission is convinced that there are practical but as yet unexplored ways in which population/family planning information, instruction and the delivery of related services can be woven meaningfully into a wide variety of project activities. The Mission views PVO activities to be co-financed under this PROP as a mechanism for experimenting with this premise and has confidence that PVOs have the capacity for developing family planning/population control components into their projects. The Mission Health and Population staff will consult with all PVOs to offer guidance on the application of this criterion. If in their judgement no such meaningful 5% input is possible, the criterion can be waived.

ANNEX F

SOME PVOs PROGRAM COSTS IN BANGLADESH, 1977-78

(\$ 000)

<u>Name of PVOs</u>	<u>Approximate Annual Budget</u>
Agricultural Development Agencies in Bangladesh (ADAB) 1978	\$ 30,000
Asia Foundation (1978) ...	480,000
Bangladesh (Baptist) Mission, USA (1978)	138,000
Bangladesh Rural Advancement Committee (BRAC) 1978	600,000
Bangladesh Voluntary Services (BVS) 1977	80,000
CARE (FY 1979) ...	1,220,200
CARITAS (1977) ...	2,020,000
Christian Commission for Development in Bangladesh (CCDB) 1978	1,175,100
CONCERN (1977) ...	810,000
Food for the Hungry (1978) ...	25,000
Gono Unnayan Prochesta (GUP) 1978 ...	400,000
Health, Education and Economic Development (HEED) 1978	900,000
Lutheran World Federation/RDRS (1978) ...	2,620,000
Mennonite Central Committee (MCC) 1978	550,000
OXFAM* (1978) ...	1,620,400
PROSHIKA (1978) ...	167,000
Radda Barnen (1978) ...	191,000
Salvation Army (1978) ...	200,000
Save the Children Federation (USA) 1979	528,000
Total:	\$ 13,754,700

* Includes \$332,733 for Burmese refugees.

ANNEX-G

Registered No. DA-1

**THE BANGLADESH GAZETTE
Extraordinary
Published by Authority**

MONDAY, NOVEMBER 20, 1978

**GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH
MINISTRY OF LAW AND PARLIAMENTARY AFFAIRS
NOTIFICATION
Dacca, the 20th November, 1978**

No. 880-Pub. - The following Ordinance made by the President of the People's Republic of Bangladesh, on the 15th November, 1978, is hereby published for general information:-

THE FOREIGN DONATIONS (VOLUNTARY ACTIVITIES) REGULATION ORDINANCE, 1978.

**Ordinance No. XLVI of 1978
AN
ORDINANCE**

to regulate the receipts and expenditure of foreign donations for voluntary activities.

Whereas it is expedient to regulate receipts and expenditure of foreign donations for voluntary activities;

Now, Therefore, in pursuance of the Proclamations of the 20th August 1975, and the 8th November, 1975, and in exercise of all powers enabling him in that behalf, the President is pleased to make and promulgate the following Ordinance:-

1. Short title.- This Ordinance may be called the Foreign Donations (Voluntary Activities) Regulation Ordinance, 1978.

2. Definitions. - In this Ordinance, unless there is anything repugnant in the subject or context, -

- (a) "foreign donation" means a donation, contribution or grant of any kind made for any voluntary activity in Bangladesh by any foreign Government or organization or a citizen of a foreign State and includes, except in the case of a donation made for such charity as the Government may specify any donation made for any voluntary activity in Bangladesh by a Bangladeshi citizen living or working abroad;
- (b) "organization" means a body of persons, called by whatever name, whether incorporated or not, established by persons for the purpose of undertaking or carrying on any voluntary activity in Bangladesh;
- (c) "Prescribed" means prescribed by rules made under this Ordinance; and
- (d) "voluntary activity" means an activity undertaken or carried on by any person or organization of his or its own free will to render agricultural, relief, missionary, educational, cultural, vocational, social welfare and developmental services and shall include any such activity as the Government may, from time to time specify to be a voluntary activity.

3. Regulation of voluntary activity. - (1) Notwithstanding anything contained in any other law for the time being in force, no person or organization shall save as provided in this Ordinance, undertake or carry on any voluntary activity without prior approval of the Government nor shall any person or organization receive or operate, except with prior permission of the Government any foreign donation for the purpose of undertaking or carrying on any voluntary activity.

(2) A person or organisation receiving or operating any foreign donation for the purpose of undertaking or carrying on any voluntary activity shall register himself or itself with such authority and in such manner as the Government may specify.

(3) Except in such cases as the Government may, by order in writing, exempt, all persons and organisations undertaking or carrying on voluntary activities with foreign donation in whole or in part, shall submit to such authority and by such date as the Government may, by notification in the official Gazette, specify a declaration showing therein the foreign donation received by them, the source from which it has been received and the manner in which it has been utilised.

Provided that, in a case where the Government considers it necessary, it may by order, require such declaration to be submitted at any time to be specified in the order.

(4) A person or organization carrying on any voluntary activity immediately before the commencement of this Ordinance may continue to carry on a voluntary activity for a period not exceeding six (6) months from such commencement unless the Government has, upon an application made in this behalf in such form and containing such particulars as the Government may direct, granted him or it a permission to continue so to undertake or carry on thereafter.

(5) Nothing in this section shall apply to an organisation established by or under any law or the authority of the Government.

4. Power of inspection. - (1) The Government may, at any time, for reason to be ordered in writing, cause an inspection to be made, by one or more of its officers, of the books of accounts and other documents of any person or organisation required to submit declaration under sub-section (3) of section 3, and, where necessary, direct all such books of accounts and other documents to be seized.

(2) Every such person or organisation shall produce books of accounts and other documents and furnish such statements and information to such officer or officers as such officer or officers may require in connection with the inspection under sub-section (1).

(3) Failure to produce any books of accounts or other documents or to furnish any statement or information required under sub-section (2) shall be deemed to be contravention of the provision of this Ordinance.

5. Audit and accounts. - (1) Every person and organisation referred to in sub-section (1) of section 3 shall maintain his or its accounts in such manner and form as the Government may specify.

(2) The accounts of every such person or organization shall be audited by such person or persons as the Government may direct and two copies of the accounts so audited shall be furnished to the Government within two months after the financial year to which the accounts relate.

6. Penalty for false declaration, etc. - If the Government is satisfied that any person or organisation referred to in sub-section (1) of section 3 has failed to submit a declaration under sub-section (3) of the section or wilfully submitted or caused to be submitted a declaration which he or it knows or has reason to believe to be false or has otherwise contravened any provision of this Ordinance, it may, by order, stop any voluntary activity undertaken or carried on by such person or organization:

Provided that no order under this section shall be made without giving such person or organization a reasonable opportunity of being heard.

7. Power to make rules. - The Government may, by notification in the official Gazette, make rules to carry out the purpose of this Ordinance.

DACCA;
The 15th November, 1976

ZIAUR RAHMAN, BU,
Major General,
President

K. M. HUSAIN
Deputy Secretary

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THE BANGLADESH GAZETTE
Extraordinary
Published by Authority

TUESDAY, December 12, 1978

GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH
MINISTRY OF HOME AFFAIRS
Political Branch
Section IV
NOTIFICATION

Dacca, the 12th December, 1978

No. S. R. O. 329-L/78. - In exercise of the powers conferred by section 7 of the Foreign Donations (Voluntary Activities) Regulation Ordinance, 1978 (XLVI of 1978), the Govt. is pleased to make the following rules, namely :-

THE FOREIGN DONATIONS (VOLUNTARY ACTIVITIES) REGULATION RULES, 1978.

1. Short title. - These rules may be called the Foreign Donations (Voluntary Activities) Regulation Rules, 1978.

2. Definitions. - In these rules, unless there is anything repugnant in the subject or context, -

(a) "Director" means the Director, Department of Social Welfare, Government of the People's Republic of Bangladesh;

(b) "Form" means a Form annexed to these rules;

(c) "Ordinance" means the Foreign Donations (Voluntary Activities) Regulations Ordinance, 1978 (XLVI of 1978); and

(d) "section" means a section of the Ordinance.

3. Application for registration. - (1) Any person or organisation receiving or operating any foreign donation for the purpose of undertaking or carrying on any voluntary activity shall apply to the Director for a registration in Form FD-1.

(2) The Director may, on receipt of an application under sub-rule (1), call for any other information from the applicant which he may consider necessary and the applicant shall furnish the information called for within the period specified in that behalf.

(3) The Director may, after making such enquiries as he may consider necessary to ascertain the correctness of the information as contained in the application and the information supplied under sub-rule (3), if any, register the person or organisation to be a person or organisation for the purpose of undertaking or carrying on any voluntary activity:

Provided that no person or organisation shall be registered without the prior approval of the Ministry of Home Affairs.

4. Application for approval and permission to receive and operate foreign donations. - (1) No person or organisation registered under sub-rule (3) of rule 3 shall receive or operate any foreign donation without prior approval or permission of the Government for such receipt or undertaking.

(2) All applications for approval or permission under sub-rule (1) shall be submitted to the Government in the Ministry of Finance (External Resources Division) in Form FD-2.

(3) No approval or permission for receiving or operating any foreign donation for undertaking or carrying on voluntary activity shall be accorded without prior consultation of the Ministry of Home Affairs and unless the Government is of opinion that receiving or operating of foreign donations for the proposed activity will not be hazardous to national interest.

5. Submission of declarations. - (1) All declarations under subsection (3) of section 3 shall be submitted to the Government in the Ministry of Finance (External Resources Division).

(2) All declarations under sub-rule (1), if it relates to receipt of foreign donations, shall be submitted in Form FD-3, and if it relates to its utilisation, in Form FD-4.

(3) All declarations in respect of a person or organisation carrying on voluntary activity immediately before the commencements of the Ordinance shall be submitted within thirty days from such commencement and every six months thereafter, and in respect of other such persons or organisations, in every six months.

6. Maintenance of books of accounts. - (1) Every person or organisation undertaking or carrying on voluntary activities shall maintain books of accounts -

(a) Where the foreign donation relates to articles only, in Form FD-5;

(b) Where the foreign donation relates to currency, in the cash book and ledger book on double entry basis.

(2) Accounts under sub-rule (1) shall be maintained on a half-yearly basis, one for the period commencing on the 1st day of July and ending on the 31st day of December, and the other for the period commencing on the 1st day of January and ending on the 30th day of June.

(3) All books of accounts maintained under this rule shall be audited by a chartered accountant as defined in the Bangladesh Chartered Accountants Order, 1973 (P. O. 2 of 1973), and two copies of accounts so audited shall be furnished to the Secretary, Ministry of Finance (External Resources Division) with a copy to the administrative Ministry concerning the activity of the project.

7. Bank Accounts. - A separate Bank Account shall be maintained by every person or organisation authorised under these rules for each foreign donations.

8. Seizure of books of accounts. - (1) Every seizure of books of accounts and other documents under section 4 shall be made in accordance with the provisions of the Code of Criminal Procedure, 1898 (Act V of 1898), as they apply to any search or seizure made under the authority of a warrant issued under section 98 of the Code.

(2) The officer or officers responsible for seizure of books of accounts and other documents under sub-rule (1) shall return them if no action is taken as required by the Ordinance.

9. Manner of service of order or direction. - An order under section 6 or any other order or direction made or issued under the Ordinance shall be served on the person or organisation concerned in the following manner, that is to say, -

- (a) by delivering or tendering to that person or, as the case may be, organisation, or to his or its duly authorised agent; or
- (b) by sending it to him by registered post with acknowledgement due to the address of his last known place of residence or the place where he carries on, or is known to have last carried on business, or the place where he personally works for gain, or is known to have last worked for gain, and in case the person is an organisation to the last known address of the office of such organisation; or
- (c) if it cannot be served in any of the manner aforesaid, by affixing it on the outer door or some other conspicuous part of the premises in which that person resides, or carries on or is known to have last carried on, business, or is known to have last worked, and in case the person is an organisation on the outer door or some other conspicuous part of the premises in which the office of that organisation is located, or is known to have been last located, and the written report whereof should be witnessed by at least two persons.

FORM FD-1

(See rule 5(1) of the Foreign Donations (Voluntary Activities) Regulation Rules, 1978)

APPLICATION FOR REGISTRATION OF PERSONS OR ORGANIZATIONS RECEIVING OR OPERATING WITH FOREIGN DONATIONS FOR THE PURPOSE OF UNDERTAKING VOLUNTARY ACTIVITIES IN BANGLADESH.

1. Particulars of the person or organisations:
2. (a) Full name in BLOCK LETTERS, and address:
(b) Address of the Principal/Head Office:
(c) Country of origin:
3. Date of starting operation in Bangladesh:
4. Arrangement(s) under which operating in Bangladesh (Whether there is any Agreement/Memorandum of Understanding with the Ministry/Division. If so, name(s) of Ministry/Division should be mentioned and copies of such Agreement/MOU should be attached):
5. Area(s) of activities (Give details):
(a) Brief resume of activities undertaken so far done:
(b) Projected activities:
6. Ministry/Agency in Bangladesh with which attached for operational purposes:
7. (a) Source(s) of funds brought into Bangladesh
(b) Year-wise allocation of funds:
 - i) into programme activities:
 - ii) administrative expenses:
8. Staff position - expatriate and local: (names and designation with dates of appointment to be mentioned):
9. Any other information of significance which the applicant may like to furnish:

DECLARATION

I hereby declare that the above particulars furnished by me are true and correct.

Place:

Date:

Signature of the applicant

Note:- In case of application by an organisation, it should be signed by the Chief functionary.

FORM FD-2

(See Rule 4(1) of the Foreign Donations (Voluntary Activity) Regulation Rules, 1978)

APPLICATION FOR SEEKING PRIOR PERMISSION TO RECEIVE OR OPERATE WITH ANY FOREIGN DONATION FOR THE PURPOSE OF UNDERTAKING OR CARRYING ON ANY VOLUNTARY ACTIVITIES IN BANGLADESH.

1. (a) Particulars of the person or Organisation:
(Full name in Block Letters and address):
(b) Address of the Principal/Head Office:
2. Registration number and date (if registered under sub-rule (4) of rule 3 of the Foreign Donations (Voluntary Activities) Regulation Rules, 1978):
3. Full particulars of the person applying for himself/herself or on behalf of the organisation:
 - (a) Name (in full in Block letters):
 - (b) Nationality:
 - (c) Occupation:
 - (d) Residential address:
 - (e) If an office bearer, the office held in the organisation:
4. Nature and full details of donation including value to be received:
5. Mode/channel of receipt:
6. Purpose for which foreign donation is proposed to be received:
7. Particulars of the Foreign source from which donation to be received:
 - (a) If an individual, his personal particulars including name, present address, permanent address, nationality, profession:
 - (b) In an Organisation/Institution/Association/Trust/Foundation/Trade Union, etc. -- full particulars thereof including:
 - i. Full name and complete address:
 - ii. Address of Head Office/Principal Office:
 - iii. Aims and objects:
 - iv. Particulars of important office bearers:
8. Nature of connection/dealings with the foreign source:
9. Any other information of significance which the applicant may like to furnish:

Declaration

I hereby declare that the above particulars furnished by me are true and correct:

Place:

Signature of the Applicant

Date:

Note: In case of application by an Organisation, it should be signed by the Chief functionary.

FORM FD-3

(See rule 5(2) of the Foreign Donations (Voluntary Activities) Regulation Rule, 1978)

DECLARATION REGARDING RECEIPT OF FOREIGN DONATION AND SOURCES FROM WHICH IT HAS BEEN RECEIVED.

1. Particulars of the person or Organisation:
(Full name in Block Letters and address):
2. Registration number and date (if registered under sub-rule (4) of rule 3 of the Foreign Donations (Voluntary Activities) Regulation Rules, 1978):
3. Whether prior permission to receive, or operate with, foreign donation has been granted by Government. If so, quote authorization number and date:
4. Nature and full details of foreign donation received:
 - (a) Nature of donation:
 - (b) Amount:
 - (c) It articles, value thereof:
5. The mode/channel of receipt:
6. Particulars of the foreign sources from which contribution received:
 - (a) If an individual, his personal particulars including name, present address, permanent address, nationality, profession:
 - (b) In an Organisation/Institution/Association/Trust/Foundation/Trade Union, etc. -- full particulars, thereof including:
 - i. Full name and complete address:
 - ii. Address of Head Office/Principal Office:
 - iii. Aims and objects:
 - iv. Particulars of important office bearers
 - v. Nature of connection/dealings with the foreign sources:
7. Any other information of significance:

Declaration

I hereby declare that the above particulars furnished by me are true and correct:

Place:

Date:

**Signature of the Person or Chief
Functionary of the Organisation.**

FORM FD-4

(See Rule 5(2) of the Foreign Donations (Voluntary Activities Regulation Rules, 1978)

**DECLARATION REGARDING MANNER IN WHICH
FOREIGN DONATION HAD BEEN UTILISED**

- 1. Particulars of the person or Organisation:
(Full name in Block Letters and address)**
- 2. Registration number and date (if registered
under sub-rule (4) of rule 3 of the Foreign
Donations (Voluntary Activities) Regulation
Rules, 1978):**
- 3. Whether prior permission to receive, or
operate with, foreign donation has been
granted by Government. If so, quote autho-
risation number and date:**
- 4. Particulars of foreign donation received:**
 - (a) Nature of donation:**
 - (b) Amount:**
 - (c) If articles, value thereof:**
- 5. Purpose for which foreign donations
received:**
- 6. Details of actual utilisation of the donation:**
 - (a) Particulars of branch or branches of
the organisation which utilised the
donation and the amount utilised:**
 - (b) Specific purpose of the manner in
which utilised:**
 - (c) Full description of the manner in
which utilised:**
- 7. Any other information of significance:**

Declaration

**I hereby declare that the above particulars furnished by me are true
and correct.**

Place:

Date:

**Signature of the person or Chief
Functionary of the Organisation**

FORM FD-5

(See 6(1)(a) of the Foreign Donations (Voluntary Activities) Regulation Rule, 1978)

FOREIGN CONTRIBUTION (ARTICLES) ACCOUNT

DESCRIPTION OF THE ARTICLES

Receipt							Utilization/Disposal					
Date	Name and address of the person from whom received	Mode of receipt	Purpose of receipt	Quantity received	Approximate value of articles received	Date of intimation sent to Govt.	Quantity utilized by the organisation	Name & address of the person(s) to whom issued & the purpose for which issued	If sold the quantity & amount for which sold and the name and address of the persons to whom sold	If otherwise transferred mention the quantity and purpose and also the name of the person(s) to whom transferred.	Reference to entry in the Foreign Contribution (Currency Account.)	Balance in stock
1	2	3	4	5	6	7	8	9	10	11	12	13

Declaration

I hereby declare that the above particulars furnished by me are true and correct.

Signature

By order of the President
M. S. Alam
Deputy Secretary (Poll)

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iv. Particulars of important office bearers:

8. Nature of connection/dealings with the foreign source:

9. Any other information of significance which the applicant may like to furnish:

Declaration

I hereby declare that the above particulars furnished by me are true and correct:

Place:

Signature of the Applicant

Date:

Note: In case of application by an Organisation, it should be signed by the Chief functionary.