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FY 1986

Bangladesh



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FY 1986 ANNUAL BUDGET SUBMISSION

BANGLADESH

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FY 1986 ANNUAL BUDGET SUBMISSION
TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)

Development Assistance	FY 1983	FY 1984	--FY 1985--	FY 1986	-----PLANNING PERIOD-----				
	ACTUAL	ESTIMATE	CP ESTIMATE	AAPL	1987	1988	1989	1990	
<u>Agriculture, Rural Dev. & Nutrition</u>									
Total	54100	51000	54750	54700	53087	60500	68500	53500	62500
Grants	54100	38000	54750	54700	53087	60500	68500	53500	62500
Loans	-	13000	-	-	-	-	-	-	-
<u>Population</u>									
Total	24800	26000	27000	27000	28000	29000	30000	31000	32000
Grants	24800	26000	27000	27000	28000	29000	30000	31000	32000
Loans	-	-	-	-	-	-	-	-	-
(Centrally Procured Commodities)	-	(8459)	-	(10174)	(12347)	-	-	-	-
<u>Health</u>									
Total	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
<u>Education</u>									
Total	-	-	250	300	300	500	2500	10500	10500
Grants	-	-	250	300	300	500	2500	10500	10500
Loans	-	-	-	-	-	-	-	-	-
<u>Selected Dev. Assistance</u>									
Total	-	-	-	-	8813	9000	9000	25000	35000
Grants	-	-	-	-	8813	9000	9000	25000	35000
Loans	-	-	-	-	-	-	-	-	-
<u>Total D.A. Accounts</u>									
Total	78900	77000	82000	82000	90200	99000	110000	120000	140000
Grants	78900	64000	82000	82000	90200	99000	110000	120000	140000
Loans	-	13000	-	-	-	-	-	-	-
<u>PL 480 (Non-Add)</u>									
Title I	60000	65000	75000	75000	75000	78000	80000	82000	85000
Of Which									
Title III	(60000)	(65000)	(75000)	(75000)	(75000)	(78000)	(80000)	(82000)	(85000)
Title II	33426	20415	22873	21320	23100	25650	26550	27450	28500
<u>Total Personnel*</u>									
USDH (Workyears)	33.7	34.0	-	34.0	34.0	-	-	-	-
FNDH (Workyears)	66.5	62.0	-	61.0	58.0	-	-	-	-

* Excludes 2.0 Part-Time Workyears in FY 84 and 1.0 in each of FYs 85 and 86.

(ABS) - 4/84

OPTIONAL
FY 1986 ANNUAL BUDGET SUBMISSION
TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION
(\$000)

APPROPRIATION ACCOUNT PROJECT NO. TITLE	L/G	FY 84 ESTIMATE	FY 85 ESTIMATE	FY 86 AAPL
<u>Agriculture, Rural Dev. And Nutrition</u>				
388-0027 Technical Resources	G	-	600	1400
388-0037 Rural Finance	G	25000	25000	-
388-0042 Rural Industries	G	300	550	-
388-0045 PVO Co-Financing II	G	438	500	-
388-0051 Agricultural Research II	G	4700	5000	2900
388-0052 Food For Work II	G	849	-	-
388-0054 Rural Electrification II	G	5713	8600	2687
388-0060 Fertilizer Dist. Improvement II	G	1000	12000	13000
	L	13000	-	-
388-0061 Food For Work III	G	-	1450	1000
388-0062 On-Farm Forestry Development	G	-	1000	2000
388-0063 Zilla Roads Maint. & Improvement II	G	-	-	3000
388-0064 Bangladesh Financial Reform	G	-	-	25000
388-0065 Agricultural Research III	G	-	-	2100
Appropriation Totals		51000	54700	53087
Grants		38000	54700	53087
Loans		13000	-	-
<u>Population Planning</u>				
388-0050 Family Planning Services	G	26000	27000	28000
Appropriation Totals		26000	27000	28000
Grants		26000	27000	28000
Loans		-	-	-
<u>Education</u>				
388-0027 Technical Resources	G	-	300	300
Appropriation Totals		-	300	300
Grants		-	300	300
Loans		-	-	-
<u>Selected Development Activities</u>				
388-0066 Selected Industries Development	G	-	-	8813
Appropriation Totals		-	-	8813
Grants		-	-	8813
Loans		-	-	-
Development Assistance Totals		77000	82000	90200
Grants		64000	82000	90200
Loans		13000	-	-

(ABS) - 4/84

FY 1986 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

PROJECT NUMBER AND TITLE	OBLIG. DATE	OBLIG. INIT FIN	TOTAL COST AUTH	OBLIG. THRU FY 83	PIPE LINE	FY 1984		FY 1985		FY 86	
						OBLIGA-TIONS	EXPENDI-TURES	OBLIGA-TIONS	EXPENDI-TURES	FUNDED AAPL THRU	FUNDED PEACE CORPS. THRU
388-0017 Food For Work (OPG)	G 76 80		2373	2365	41	-	-	-	-	-	-
388-0021 Rural Electrification	G 78 80		35300	35300	771	-	-	-	-	-	-
	L 78 80		34000	34000	4826	-	-	-	-	-	-
388-0024 Fertilizer Dist. Improvement	G 78 83		203000	193210	50351	-	18000	-	-	-	-
	L 78 83		32000	32000	10775	-	-	-	-	-	-
388-0027 Technical Resources	G 79 87		9650	6150	3580	-	1000	09/86	1400	09/87	-
388-0037 Rural Finance	G 83 85		75000	75000	1000	25000	25000	06/86	-	-	-
388-0042 Rural Industries	G 81 85		5000	3300	1514	300	500	09/86	-	-	-
388-0045 PVO Co-Financing II (PVO)	G 80 85		2050	2588	1	438	500	06/86	-	-	-
388-0046 Agro-Climatic Environ. Monit.	G 81 81		5900	5900	722	-	361	-	-	-	-
388-0051 Agricultural Research II	G 81 86		25500	25500	12900	4700	6000	09/86	2900	06/87	-
388-0052 Food For Work II (OPG)	G 81 84		2650	2649	1800	849	1700	-	-	-	-
388-0054 Rural Electrification II	G 81 86		50000	50000	32222	5713	10000	09/86	2687	08/87	-
388-0056 Zilla Roads Maint. & Imp.	G 81 83		9200	9200	7981	-	2490	06/86	-	-	-
388-0060 Fertilizer Dist. Imp. II	G 84 88		52000	-	-	1000	300	06/86	13000	06/87	-
	L 84 88		13000	-	-	13000	4000	-	-	-	-
388-0061 Food For Work III (OPG)	G 85 89		8000	-	-	-	-	1450	1000	03/87	-
388-0062 On-Farm Forestry Development	G 85 89		11000	-	-	-	-	1000	200	06/87	-
388-0063 Zilla Roads Maint. & Imp. II	G 86 90		20000	-	-	-	-	-	3000	06/87	-
388-0064 Bangladesh Financial Reform	G 86 88		75000	-	-	-	-	-	-	25000	06/87
388-0065 Agricultural Research III	G 86 90		24000	-	-	-	-	-	-	2100	03/87
Appropriation Total			491623	683662	394925	51000	95014	54700	82573	53087	-
Grant			425623	604662	328925	38000	75413	54700	73573	53087	-
Loan			66000	79000	66000	13000	19601	-	9000	-	-
Population											
388-0050 Family Planning Services (PVO)	G 81 86		63336	138865	57865	26000	23100	27000	29187	28000	06/87
Appropriation Total			63336	138865	57865	26000	23100	27000	29187	28000	-
Grant			63336	138865	57865	-	-	-	-	-	-
Loan			-	-	-	-	-	-	-	-	-

FY 1986 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

PROJECT NUMBER AND TITLE	OBLIG. DATE	OBLIG. THRU	TOTAL COST AUTH PLAN	FY 83 PIPE LINE	FY 1984		FY 1985		FY 1986		ITEM NO.
					OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	
Health											
388-0045 PVO Co-Financing II (PVO)	G 81 85	499	950	194	-	194	-	-	-	-	-
388-0050 Family Planning Services (PVO)	G 81 86	1530	1530	550	-	550	-	-	-	-	-
Appropriation Total		2480	2029	744	-	744	-	-	-	-	-
Grant		2480	2029	744	-	744	-	-	-	-	-
Loan		-	-	-	-	-	-	-	-	-	-
Educational/Human Resources											
388-0027 Technical Resources	G 79 87	750	1350	474	-	230	274	09/86	300	12/87	-
Appropriation Total		1350	1350	474	-	230	274	-	300	-	-
Grant		1350	1350	474	-	230	274	-	300	-	-
Loan		-	-	-	-	-	-	-	-	-	-
Selected Development Activities											
388-0018 Karnaphuli Third Unit	G 76 81	700	700	198	-	198	-	-	-	-	-
388-0045 PVO Co-Financing II (PVO)	G 80 85	2000	871	342	-	342	-	-	-	-	-
388-0066 Selected Industries Development	G 86 88	20000	-	-	-	-	-	-	-	8813	06/87
Appropriation Total		2700	21571	540	-	540	-	-	8813	-	-
Grant		2700	21571	540	-	540	-	-	8813	-	-
Loan		-	-	-	-	-	-	-	-	-	-
Country											
Total		561489	847477	457140	151402	77000	119628	82000	112034	90200	-
Grant		495489	768477	391140	135801	64000	100027	82000	103034	90200	-
Loan		66000	79000	66000	15601	13000	19601	-	9000	-	-

Bangladesh Financial Reform (388-0064)

Project Funding: FY 86 \$ 25,000,000 (grant); LOP \$ 75,000,000

Appropriation Account: Agriculture, Rural Development, and Nutrition

The purpose of this project is to improve the financial system so that it more effectively mobilizes savings and provides long-term and short-term credit facilities to industrial and commercial borrowers, primarily in rural areas. Through this project, USAID/Bangladesh will continue with the BDG the policy dialogue begun under the Rural Finance Project on a broad range of financial and monetary policy issues.

The FY 86 CDSS identifies low levels of domestic savings and investment - public and private - as a principal constraint to sustained, equitable growth in Bangladesh. One of the keys to overcoming this constraint is improvement of the financial system so that it induces private savings and efficient financial intermediation between savers and investors. Financial institutions in Bangladesh are not now financially viable. They do not generate enough of their own resources, and they do not effectively serve the credit demands of private firms and small producers who typically adopt labor-intensive production, packaging and distribution techniques.

Accordingly, this project builds on the initiatives of the Rural Finance Project (388-0037), substantially broadening the scope of the policy dialogue that forms the essential core of that earlier project. This project also extends the emphasis on institutional development that is characteristic of the Rural Finance Project. Both project are based on our conviction that greater reliance on market forces (rather than administrative decisions) is likely to lead to a much improved financial system in Bangladesh.

Employment generation is a major theme of the Asia Bureau regional strategy for low-income countries. The unemployment/under-employment problem in Bangladesh already has reached alarming proportions (the Planning Commission has adopted a 30 percent effective unemployment rate). Given the age structure of the existing population, helping create productive job opportunities will be a central task of the BDG through the end of this century. While the dominant agricultural sector will continue to be the major employer, the industrial and service sectors have a substantial and growing role to play as well. Much of this industrial and commercial growth will take place in rural market towns and involve the processing and trading of agricultural commodities.

However, the financial institutions charged with supplying the credit demands of these two sectors now operate under government policies that severely inhibit, rather than facilitate, their financial maturity and the proliferation of productive employment opportunities. Specifically:

- Long-term credit now extended by formal financial institutions:
- favors capital-intensive projects;

- places little emphasis on commercial viability of projects;
- favors less developed, uneconomic locations.
- Short-term credit extended by formal financial institutions:
 - responds primarily to administrative directives rather than market forces;
 - is supported largely by central bank refinance operations rather than efforts to mobilize domestic savings;
 - favors those firms able to win long-term loans.

Moreover, both long and short-term credit tend to be channelled to established businessmen rather than to the small entrepreneurs who have the potential to generate the most new jobs.

Virtually no long-term industrial lending institutions (dominated by the public sector development finance banks) or short-term commercial lending institutions (dominated by nationalized commercial banks) are currently financially viable. Repayment rates are extremely low, especially for longer term industrial loans. Development banking, in particular, has been called "a system of grant disbursement." Lengthy delays are the norm. Corruption ("side payments") is endemic. The profit motive is notably absent.

USAID/Bangladesh will collaborate closely with the World Bank (IBRD) and the Asian Development Bank (ADB) in this project. The on-going Trade and Industrial Policy Reform Program, sponsored by the IBRD, and the on-going review of the two Bangladesh Development Banks, sponsored by the ADB, will provide some of the necessary information for this project. A closely coordinated approach is necessary. It is clear that the unnecessary complexity of the existing policies and procedures in Bangladesh's financial system is due in part to the often conflicting interests of different projects and different donors. The emergence of a rational, coherent and internally-consistent national policy in the financial arena calls for the close cooperation of all key actors (IBRD, ADB, BDG and AID) to encourage the needed reforms and associated institutional changes.

The immediate beneficiaries of this project are the borrowers of long-term and short-term loans from the formal financial institutions in Bangladesh. The ultimate target group consists of those persons who will find productive jobs as a result of the growth of labor-intensive, commercially-viable, market-oriented and efficient firms.

Special Concerns: Private Sector \$ 75,000,000

On-farm Forestry Development (388-0062)

Project Funding: FY 1985 \$ 1,000,000 (Grant);
 FY 1986 \$ 2,000,000 (Grant); LOP \$ 11,000,000

Appropriation Account: Agriculture, Rural Development & Nutrition

The purpose of this project will be to strengthen the capability of the BDG to identify priority on-farm forestry needs and then design and implement a continuing forestry research program aimed at providing the nation's small farmers with a wider and better range of tree planting options for multipurpose and fuelwood trees.

Various reports indicate that the forestry/fuelwood shortage situation in Bangladesh is becoming acute. It has been estimated that trees are disappearing at 2 to 10 times the rate at which they are being replaced. In 1980 the deforestation rate in Bangladesh was 43 percent higher than the average for the Asian region. As firewood becomes more scarce, rural people in large areas of the country increasingly have been turning to the use of agricultural by-products for fuel. But this, of course, is done at the cost of soil productivity, as these by-products are then no longer available for use as compost or fertilizer.

The great bulk of all trees grown in Bangladesh are grown on individual farms. These homestead forestry areas represent less than 25 percent of the forested land, yet supply 80 percent of all logs sent to sawmills, 90 percent of the total bamboo and 90 percent of all firewood. Farmers in Bangladesh are, and traditionally have been, very "tree conscious". Virtually every rural homestead in Bangladesh is surrounded by trees which have been planted and tended by the householders. Traditionally, most of the trees have been planted for their fruit (predominantly mango, jackfruit, and coconut), but farmers also consider their own and others needs for fuelwood, timber, poles, fenceposts, and fodder when making planting decisions. It is these homestead trees that are disappearing.

Bangladesh's Forestry Department (a component of the Ministry of Agriculture) has traditionally focused virtually all its resources on protection of the nation's forest reserves, which are also rapidly being depleted. It is only recently that some tentative attempts have been made to shift the focus of the Department to the field of social/community/homestead forestry and to forest plantation programs.

Forestry research in Bangladesh is primarily the responsibility of the Forestry Research Institute (FRI), an element of the Forestry Department of the Ministry of Agriculture. Like the Department as a whole, the FRI also has concentrated its efforts on traditional forestry concerns rather than on homestead forestry. It also, however, is attempting to shift its focus.

The project will provide assistance to the FRI, and other relevant institutions to help them shift the focus of their research efforts from traditional/industrial forestry more towards social/on-farm/homestead forestry. Technical assistance, training, and some commodities will be provided to help the BDG determine research needs and priorities, implement research efforts, and get the research findings to the small farmer. Emphasis will be on: (1) utilizing the "farming system" research structure now being introduced in Bangladesh to obtain a clear picture of the tree products needs and constraints of small farmers to assure that research methods are relevant to the small farm situation; and (2) using the agricultural (rather than solely the forestry) extension service to get research findings to farmers. Several private voluntary organizations will also be used to ascertain research needs and extend findings to farmers. The project will take advantage of the centrally-funded worldwide and Asia-regional forestry/fuelwood and bioresource research projects now being mounted. It is anticipated that research findings developed through those projects will be adapted and/or introduced through this project. It is also expected that short-term consultant assistance will be obtained through those projects. Concurrently, this project will help Bangladesh establish the network linkages developed among countries with similar problems through AID regional forestry activities.

The targeted beneficiaries of this project will be the nation's small farmers who will realize increased fuelwood production on their farms, in their homesteads, and along road, canal and railroad rights of way. A significant portion of homestead trees traditionally are planted and tended by women. Virtually all fuel collection and use is by women.

This project will address needs for increased agricultural productivity and crop diversification, as well as the need to expand availability of energy resources. As such, it is consistent with problems and targets identified in our CDSS. As the project will involve the transfer of technology and the strengthening of the institutional capacity of FRI and other agencies to provide necessary services, the project will be in accord with AID's major policy concerns in those areas. Furthermore, this project directly addresses one of AID's four research priorities, viz. fuelwood production.

Special Concerns: Energy \$11,000,000; WID \$2,000,000; PVOs \$2,000,000

Selected Industries Development (388-0066)

Project Funding: FY 1986 \$ 8,963,000 (Grant); LOP \$ 20,000,000

Appropriation Account: Selected Development Activities

The purpose of this project will be to provide advice and financial assistance to individuals, organizations, and firms attempting to initiate or expand businesses that can make exceptional contributions to business development in Bangladesh. The project will be implemented through grants to intermediary organizations including MIDAS (the Micro Industries Development Assistance Society).

The prospects for business and industrial development in Bangladesh have become more favorable over the past few years. Following a period of overwhelming government control over all aspects of business activity, and the consequent stifling of business growth, the BDG, over the past few years, has been moving toward a position of greater reliance on the private sector. Indications of this trend include the rapid denationalization of key industries; the elimination or reduction of subsidies on foodgrains, agricultural inputs, fuels, and utilities; currency devaluation to market levels; and rationalization of interest rate structures in the banking system.

There are several indications that the private sector - both Bangladeshi and foreign - is beginning to respond to the improved climate. Export oriented garment manufacturers are setting up operations in increasing numbers. A large "ship-breaking" industry (currently scrapping about 150 ships per year) has emerged virtually overnight. Sizeable new investments are being made in export-oriented sea food and fish processing industries.

The proposed grants will allow MIDAS and other business development organizations to seek out and identify firms in industries that have exceptional potential for making a significant contribution to business development in Bangladesh and then provide some of the informational, technical, managerial, and financial assistance that those firms might need in order to establish their place in the market. Assistance will be focussed on firms that are: attempting to initiate or expand export of non-traditional items, attempting to introduce a new product or production/marketing process, or attempting to establish business in association with a foreign firm. It is estimated that some 40 firms will receive credit and technical assistance from MIDAS over the proposed 3-year life of the project, while another 90-150 firms will receive assistance from other sources.

This project is explicitly targetted at the creation of industries which will generate substantially increased employment opportunities in the private sector. Hence, it is in accord with one of the key goals articulated in our CDSS as well as with worldwide AID policy. The targeted beneficiaries of this project are the skilled, semi-skilled, and unskilled laborers who will gain employment through the creation of new businesses.

Special Concerns: Private Sector \$ 20,000,000

Agricultural Research III (388-0065)

Project Funding: FY 1986 \$ 2,100,000 (Grant); LOP \$ 24,000,000

Appropriation Account: Agriculture, Rural Development and Nutrition.

The project purpose is to strengthen the Bangladesh Agricultural Research Council's (BARC) leadership and coordination capacity to effectively consolidate, integrate, and direct the national agricultural research system toward the BDG's priority agricultural productivity targets.

Since virtually all of Bangladesh's 22 million acres of productive land are under cultivation, increases in food, feed, fiber, and renewable energy supplies can only result from increases in cropping intensities (from the 1984 base of 157 percent) and/or yields. Multiple cropping depends on availability of farm power, which in turn relies on adequate supplies of livestock feed for Bangladesh's 11 million draught animals. Of the 9 million farmers growing crops on 2 or fewer acres, 55 percent plant only one crop a year, 38 percent plant two crops a year, and only 9 percent plant three crops annually. Increases in land use intensity depend on the development of short-duration crops, minimal tillage practices, availability of irrigation and farm power, and sustained soil fertility levels.

Continuing efforts begun under the Agricultural Research I and II Projects, Phase III will address these constraints to increased agricultural productivity by increasing BARC's capacity to lead effectively a national multi-institutional and multi-disciplinary system that addresses priority issues through research, extension, and educational linkages. The project will continue existing programs in grain production and improved irrigation; it will strengthen efforts recently begun in horticulture, fast-growing trees, livestock feed, and tillage practices associated with multiple cropping practices; and it will undertake a new initiative in farm power. The established Farming Systems sites (17 sites as of April 1984) that are associated with various institutes, under BARC's coordination, will be important focal points for testing recommended technologies in farmers' fields, using a holistic approach. The impact of single interventions on the entire resource base of the farmer will be carefully monitored and evaluated. All research results will be critically analyzed in terms of real net benefits and increased farm incomes. The national extension system and the agricultural universities will be closely linked to the national farming system sites in measuring the effectiveness of farmer response to newly developed agricultural technologies. Case studies at the farming system sites will be incorporated into the curricula at universities and training institutes, as well as the extension department's fortnightly training and visits (T and V) briefings for extension workers. Formal informational flows among the educational and training institutes, extension system, and research institutes will be emphasized using a farming systems strategy.

These efforts are consistent with USAID's CDSS objective of increased agricultural productivity and AID's major policy concerns related to technology transfer, increased food availability, and the development of human resource and institutional capacities, as outlined in the AID Policy Paper "Food and Agriculture Development" (May 1982). Furthermore, food and agricultural research comprise one of the agency's four priority research areas.

As in Agricultural Research I and the current Agricultural Research II projects, the targetted beneficiaries of Phase III will be farmers who own 2 acres or less land. Women, in particular, will benefit from the horticulture and fuel tree activities. Research will be tailored to site-specific, farmer-oriented concerns in relation to Bangladesh's agricultural production goals.

Zila Roads Maintenance and Improvement II Project (388-0063)

Project Funding: FY 1986 \$3,000,000 (grant); LOP \$20,000,000

Appropriation Account: Agriculture, Rural Development and Nutrition

The purpose of the project is to strengthen the capability of the Bangladesh Government to maintain the network of Zila (District) level roads throughout the country. The project will institutionalize a program of year round routine and preventative road maintenance through technical assistance, training and local resource mobilization.

The Zila category of roads in the road network provides the link between the rural road network at the Upazila (sub-District) and the national highway system. The responsibility for constructing and maintaining the Zila Road system rests with local bodies of Government. An initial inventory of this network in three of the original twenty-one districts in Bangladesh revealed that only approximately 10 percent of the road mileage was in such a condition that routine maintenance could be effectively performed. Another 10-15 percent falls into the category requiring preventative maintenance. The bulk of the system needs to be rehabilitated/reconstructed. With this network in such deplorable condition, transport costs for agricultural inputs and outputs are extremely high, which results in lower prices for the producer and higher prices for the consumer. A road network in this condition also increases costs in other sectors of the economy. The costs of supporting any maintenance effort have posed a problem for local governments in rural Bangladesh. Revenues generated at the local level do not provide sufficient funding to adequately maintain the system.

The project will build on the progress made under the Zilla Roads Maintenance and Improvement Project (388-0056). The project will provide technical assistance, training, and maintenance equipment to strengthen the institutions responsible for road maintenance in approximately 30 percent of the country. Technical assistance and training will be provided for a nationwide effort in local resource mobilization aimed at increasing resources available to local government bodies. In support of this effort, USAID is considering the feasibility of a matching grant program by which we would provide, on a diminishing percentage basis, funds for road maintenance and rehabilitation. We believe this matching grant activity should be started only when we are assured that there will be concentrated effort by the country to achieve significant revenue generations at the local level and we are certain that the Zila road maintenance/rehabilitation program approach is the most appropriate nationwide model.

The project supports the Bangladesh Government's decentralization program. The Upazila level of government is the focus of this decentralization movement. It has become evident to Bangladesh Government officials that linkage and access to these local areas plays an important role in their development program, and the Government has expressed its concern that this link be maintained and improved.

The primary target group will be the rural farmers and entrepreneurs who will benefit from lower transport costs for their inputs and outputs and increased access to larger markets for their products. Significant beneficiaries will also be the workers (typically landless) who find employment in the transport and commerce sectors.

TABLE VIII - FY 1984

ORGANIZATION USAID/BANGLADESH
(Including RIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		2736.5		2736.5	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	1501.7		1501.7	34
PT/TEMP U.S. BASIC PAY	U102	112	64.7		64.7	2
DIFFERENTIAL PAY	U103	116	309.5		309.5	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	52.3		52.3	XXXXX
OTHER MISSION FUNDED O.C. 11	U105	119	-		-	XXXXX
EDUCATION ALLOWANCES	U106	126	199.4		199.4	
RETIREMENT - U.S.	U107	120	109.7		109.7	XXXXX
LIVING ALLOWANCES	U108	128	-		-	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	61.0		61.0	XXXXX
OTHER MISSION FUNDED O.C. 12	U110	129	10.6		10.6	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	51.7		51.7	10
POST ASSIGNMENT - FREIGHT	U112	22	78.5		78.5	10
HOME LEAVE - TRAVEL	U113	212	94.1		94.1	20
HOME LEAVE - FREIGHT	U114	22	64.3		64.3	20
EDUCATION TRAVEL	U115	215	30.0		30.0	10
R AND R TRAVEL	U116	215	67.2		67.2	16
ALL OTHER CODE 215 TRAVEL	U117	215	41.8		41.8	20
<u>FOREIGN NATIONAL DH</u>	U200		215.2	24.8	240.0	XXXXX
BASIC PAY	U201	114	151.8	23.2	175.0	62
OVERTIME, HOLIDAY PAY	U202	115	9.2	.8	10.0	5
ALL OTHER CODE 11 - FN	U203	119	5.0	-	5.0	XXXXX
ALL OTHER CODE 12 - FN	U204	129	34.2	.8	35.0	XXXXX
BENEFITS FORMER FN PERS.	U205	13	15.0	-	15.0	XXXXX
<u>CONTRACT PERSONNEL</u>	U300		121.3	23.0	144.3	XXXXX
PASA TECHNICIANS	U301	258	-	-	-	-
U.S. PSC - SALARY/BENEFITS	U302	113	97.3		97.3	6
ALL OTHER U.S. PSC COSTS	U303	255	-	-	-	XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	24.0	23.0	47.0	20
ALL OTHER F.N. PSC COSTS	U305	255	-	-	-	XXXXX
JCC COSTS PAID BY AID/W	U306	113	-	-	-	
<u>HOUSING</u>	U400		453.9	97.6	551.5	XXXXX
RENT	U401	235	211.0	37.8	248.8	36.5
UTILITIES	U402	235	140.7	53.6	194.3	XXXXX
RENOVATION AND MAINT.	U403	259	-	6.2	6.2	XXXXX
QUARTERS ALLOWANCE	U404	127	-	-	-	
PURCHASES RES. FURN/EQUIP.	U405	311	22.2	-	22.2	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	13.5	-	13.5	XXXXX
SECURITY GUARD SERVICES	U407	254	65.0	-	65.0	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	-	-	-	XXXXX
REPRESENTATION ALLOWANCE	U409	252	1.5	-	1.5	XXXXX

TABLE VIII - FY 1984

ORGANIZATION USAID/BANGLADESH
(Including RIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		<u>1220.8</u>	<u>43.6</u>	<u>1264.40</u>	<u>XXXXX</u>
RENT	U501	234	<u>165.0</u>	<u>-</u>	<u>165.0</u>	<u>XXXXX</u>
UTILITIES	U502	234	<u>26.9</u>	<u>3.1</u>	<u>30.0</u>	<u>XXXXX</u>
BUILDING MAINT./RENOV.	U503	259	<u>6.6</u>	<u>.6</u>	<u>7.2</u>	<u>XXXXX</u>
OFFICE FURN./EQUIP.	U504	310	<u>22.2</u>	<u>-</u>	<u>22.2</u>	<u>XXXXX</u>
VEHICLES	U505	312	<u>19.9</u>	<u>-</u>	<u>19.9</u>	<u>XXXXX</u>
OTHER EQUIPMENT	U506	319	<u>27.5</u>	<u>-</u>	<u>27.5</u>	<u>XXXXX</u>
TRANSPORTATION/FREIGHT	U507	22	<u>21.8</u>	<u>-</u>	<u>21.8</u>	<u>XXXXX</u>
COMMUNICATIONS	U508	230	<u>14.2</u>	<u>1.8</u>	<u>16.0</u>	<u>XXXXX</u>
SECURITY GUARD SERVICES	U509	254	<u>8.6</u>	<u>.4</u>	<u>9.0</u>	<u>XXXXX</u>
PRINTING	U510	24	<u>2.9</u>	<u>.1</u>	<u>3.0</u>	<u>XXXXX</u>
RIG/II OPERATIONAL TRAVEL	U511	210	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
SITE VISITS - IN COUNTRY	U512	210	<u>29.3</u>	<u>29.7</u>	<u>59.0</u>	<u>500</u>
SITE VISITS - OTHER	U513	210	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
INFORMATION MEETINGS	U514	210	<u>5.4</u>	<u>-</u>	<u>5.4</u>	<u>2.0</u>
TRAINING ATTENDANCE	U515	210	<u>30.0</u>	<u>-</u>	<u>30.0</u>	<u>15.0</u>
CONFERENCE ATTENDANCE	U516	210	<u>15.0</u>	<u>-</u>	<u>15.0</u>	<u>10.0</u>
OTHER OPERATIONAL TRAVEL	U517	210	<u>30.1</u>	<u>2.5</u>	<u>32.6</u>	<u>25.0</u>
SUPPLIES AND MATERIALS	U518	26	<u>40.0</u>	<u>-</u>	<u>40.0</u>	<u>XXXXX</u>
FAAS	U519	257	<u>723.8</u>	<u>-</u>	<u>723.8</u>	<u>XXXXX</u>
CONSULTING SVCS - CONT.	U520	259	<u>-</u>	<u>-</u>	<u>-</u>	<u>XXXXX</u>
MGT./PROF. SVCS. - CONT.	U521	259	<u>-</u>	<u>-</u>	<u>-</u>	<u>XXXXX</u>
SPEC. STUDIES/ANALYSES CONT.	U522	259	<u>-</u>	<u>-</u>	<u>-</u>	<u>XXXXX</u>
ALL OTHER CODE 25	U523	259	<u>31.6</u>	<u>5.4</u>	<u>37.0</u>	<u>XXXXX</u>
TOTAL O.E. BUDGET			<u>4747.70</u>	<u>189.0</u>	<u>4936.70</u>	<u>XXXXX</u>
RECONCILIATION			<u>2822.70</u>	<u>-</u>	<u>2822.70</u>	<u>XXXXX</u>
OPERATING ALLOWANCE REQUEST			<u>1925.0</u>	<u>189.0</u>	<u>2114.0</u>	<u>XXXXX</u>

OTHER INFORMATION:

Dollar requirement for local currency costs
Exchange rate used (as of May 1, 1984)

\$917,600
Tk.25,1387 = \$1.00

TABLE VIII - FY 1985

ORGANIZATION USAID/BANGLADESH
(Including RIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		2,904.1		2,904.1	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	1,501.7		1,501.7	34
PT/TEMP U.S. BASIC PAY	U102	112	35.0		35.0	1
DIFFERENTIAL PAY	U103	116	309.5		309.5	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	52.3		52.3	XXXXX
OTHER MISSION FUNDED O.C 11	U105	119	-		-	XXXXX
EDUCATION ALLOWANCES	U106	126	247.2		247.2	39
RETIREMENT - U.S.	U107	120	109.7		109.7	XXXXX
LIVING ALLOWANCES	U108	128	-		-	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	61.0		61.0	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	14.8		14.8	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	92.0		92.0	15
POST ASSIGNMENT - FREIGHT	U112	22	200.1		200.1	15
HOME LEAVE - TRAVEL	U113	212	113.7		113.7	24
HOME LEAVE - FREIGHT	U114	22	63.6		63.6	24
EDUCATION TRAVEL	U115	215	20.0		20.0	7
R AND R TRAVEL	U116	215	50.5		50.5	24
ALL OTHER CODE 215 TRAVEL	U117	215	33.0		33.0	12
<u>FOREIGN NATIONAL DH</u>	U200		56.6	225.0	281.6	XXXXX
BASIC PAY	U201	114	1.9	225.0	226.9	61.0
OVERTIME, HOLIDAY PAY	U202	115	6.0		6.0	2.0
ALL OTHER CODE 11 - FN	U203	119	2.0		2.0	XXXXX
ALL OTHER CODE 12 - FN	U204	129	41.7		41.7	XXXXX
BENEFITS FORMER FN PERS.	U205	13	5.0		5.0	XXXXX
<u>CONTRACT PERSONNEL</u>	U300		160.5		160.5	XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	70.0		70.0	2.0
ALL OTHER U.S. PSC COSTS	U303	255	-		-	XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	20.5		20.5	13.0
ALL OTHER F.N. PSC COSTS	U305	255	-		-	XXXXX
JCC COSTS PAID BY AID/W	U306	113	70.0		70.0	1.0
<u>HOUSING</u>	U400		988.4		988.4	XXXXX
RENT	U401	235	424.9		424.9	
UTILITIES	U402	235	255.4		255.4	XXXXX
RENOVATION AND MAINT.	U403	259	10.0		10.0	XXXXX
QUARTERS ALLOWANCE	U404	127	-		-	-
PURCHASES RES. FURN/EQUIP.	U405	311	199.9		199.9	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	25.0		25.0	XXXXX
SECURITY GUARD SERVICES	U407	254	71.5		71.5	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	-		-	XXXXX
REPRESENTATION ALLOWANCE	U409	252	1.7		1.7	XXXXX

TABLE VIII - FY 1985

ORGANIZATION USAID/BANGLADESH
(Including RIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>			<u>1,521.5</u>		<u>1,521.5</u>	<u>XXXXX</u>
RENT	U501	234	156.1		156.1	XXXXX
UTILITIES	U502	234	33.0		33.0	XXXXX
BUILDING MAINT./RENOV.	U503	259	10.0		10.0	XXXXX
OFFICE FURN./EQUIP.	U504	310	52.7		52.7	XXXXX
VEHICLES	U505	312	57.0		57.0	XXXXX
OTHER EQUIPMENT	U506	319	131.1		131.1	XXXXX
TRANSPORTATION/FREIGHT	U507	22	13.9		13.9	XXXXX
COMMUNICATIONS	U508	230	16.0		16.0	XXXXX
SECURITY GUARD SERVICES	U509	254	9.9		9.9	XXXXX
PRINTING	U510	24	3.0		3.0	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	-		-	
SITE VISITS - IN COUNTRY	U512	210	60.0		60.0	480
SITE VISITS - OTHER	U513	210	-		-	
INFORMATION MEETINGS	U514	210	10.0		10.0	5.0
TRAINING ATTENDANCE	U515	210	40.4		40.4	20.0
CONFERENCE ATTENDANCE	U516	210	20.0		20.0	10.0
OTHER OPERATIONAL TRAVEL	U517	210	25.0		25.0	12.0
SUPPLIES AND MATERIALS	U518	26	47.5		47.5	XXXXX
FAAS	U519	257	868.5		868.5	XXXXX
CONSULTING SVCS - CONT.	U520	259				XXXXX
MGT./PROF. SVCS. - CONT.	U521	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U522	259				XXXXX
ALL OTHER CODE 25	U523	259	38.0		38.0	XXXXX
TOTAL O.E. BUDGET			<u>5,701.7</u>	<u>225.0</u>	<u>5,926.7</u>	<u>XXXXX</u>
RECONCILIATION			<u>3,007.70</u>	-	<u>3,007.70</u>	<u>XXXXX</u>
OPERATING ALLOWANCE REQUEST			<u>2,694.0</u>	<u>225.0</u>	<u>2,919.0</u>	<u>XXXXX</u>

OTHER INFORMATION:

Dollar requirement for local currency costs
Exchange rate used (as of May 1, 1984)

\$1,212,400
Tk.25,1387 = \$1.00

Estimated Wage Increases - FY 1984 to FY 1985
Estimated Price Increases - FY 1984 to FY 1985

10% - 60% (See detail)

TABLE VIII - FY 1986

ORGANIZATION USAID/BANGLADESH
(Including RIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		2,985.3		2,985.3	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	1,501.7		1,501.7	34
PT/TEMP U.S. BASIC PAY	U102	112	35.0		35.0	1
DIFFERENTIAL PAY	U103	116	309.5		309.5	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	52.3		52.3	XXXXX
OTHER MISSION FUNDED O.C 11	U105	119	-		-	XXXXX
EDUCATION ALLOWANCES	U106	126	271.9		271.9	39
RETIREMENT - U.S.	U107	120	109.7		109.7	XXXXX
LIVING ALLOWANCES	U108	128	-		-	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	61.0		61.0	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	14.8		14.8	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	101.2		101.2	15.0
POST ASSIGNMENT - FREIGHT	U112	22	220.0		220.0	15.0
HOME LEAVE - TRAVEL	U113	212	125.1		125.1	20.0
HOME LEAVE - FREIGHT	U114	22	70.0		70.0	20.0
EDUCATION TRAVEL	U115	215	22.0		22.0	6.0
R AND R TRAVEL	U116	215	55.1		55.1	20.0
ALL OTHER CODE 215 TRAVEL	U117	215	36.0		36.0	12.0
<u>FOREIGN NATIONAL DH</u>	U200		99.0	225.0	324.0	XXXXX
BASIC PAY	U201	114	36.0	225.0	261.0	58
OVERTIME, HOLIDAY PAY	U202	115	6.9		6.9	2
ALL OTHER CODE 11 - FN	U203	119	2.3		2.3	XXXXX
ALL OTHER CODE 12 - FN	U204	129	48.0		48.0	XXXXX
BENEFITS FORMER FN PERS.	U205	13	5.8		5.8	XXXXX
<u>CONTRACT PERSONNEL</u>	U300		176.6		176.6	XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	77.0		77.0	2.0
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	22.6		22.6	13.0
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
JCC COSTS PAID BY AID/W	U306	113	77.0		77.0	1.0
<u>HOUSING</u>	U400		1,180.1		1,180.1	XXXXX
RENT	U401	235	531.2		531.2	38
UTILITIES	U402	235	306.5		306.5	XXXXX
RENOVATION AND MAINT.	U403	259	11.0		11.0	XXXXX
QUARTERS ALLOWANCE	U404	127	-		-	
PURCHASES RES. FURN/EQUIP.	U405	311	219.9		219.9	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	27.5		27.5	XXXXX
SECURITY GUARD SERVICES	U407	254	82.3		82.3	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254				XXXXX
REPRESENTATION ALLOWANCE	U409	252	1.7		1.7	XXXXX

TABLE VIII - FY 1986

ORGANIZATION USAID/BANGLADESH
(Including RIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		<u>1,702.0</u>		<u>1,702.0</u>	<u>XXXXX</u>
RENT	U501	234	<u>187.3</u>		<u>187.3</u>	<u>XXXXX</u>
UTILITIES	U502	234	<u>39.6</u>		<u>39.6</u>	<u>XXXXX</u>
BUILDING MAINT./RENOV.	U503	259	<u>11.0</u>		<u>11.0</u>	<u>XXXXX</u>
OFFICE FURN./EQUIP.	U504	310	<u>58.0</u>		<u>58.0</u>	<u>XXXXX</u>
VEHICLES	U505	312	<u>62.7</u>		<u>62.7</u>	<u>XXXXX</u>
OTHER EQUIPMENT	U506	319	<u>241.6</u>		<u>241.6</u>	<u>XXXXX</u>
TRANSPORTATION/FREIGHT	U507	22	<u>27.4</u>		<u>27.4</u>	<u>XXXXX</u>
COMMUNICATIONS	U508	230	<u>19.2</u>		<u>19.2</u>	<u>XXXXX</u>
SECURITY GUARD SERVICES	U509	254	<u>11.4</u>		<u>11.4</u>	<u>XXXXX</u>
PRINTING	U510	24	<u>3.0</u>		<u>3.0</u>	<u>XXXXX</u>
RIG/II OPERATIONAL TRAVEL	U511	210	<u>-</u>		<u>-</u>	
SITE VISITS - IN COUNTRY	U512	210	<u>66.0</u>		<u>66.0</u>	<u>500</u>
SITE VISITS - OTHER	U513	210	<u>-</u>		<u>-</u>	
INFORMATION MEETINGS	U514	210	<u>11.0</u>		<u>11.0</u>	<u>5.0</u>
TRAINING ATTENDANCE	U515	210	<u>44.5</u>		<u>44.5</u>	<u>20.0</u>
CONFERENCE ATTENDANCE	U516	210	<u>22.0</u>		<u>22.0</u>	<u>11.0</u>
OTHER OPERATIONAL TRAVEL	U517	210	<u>27.5</u>		<u>27.5</u>	<u>13.0</u>
SUPPLIES AND MATERIALS	U518	26	<u>33.0</u>		<u>33.0</u>	<u>XXXXX</u>
FAAS	U519	257	<u>1,042.2</u>		<u>1,042.2</u>	<u>XXXXX</u>
CONSULTING SVCS - CONT.	U520	259				<u>XXXXX</u>
MGT./PROF. SVCS. - CONT.	U521	259				<u>XXXXX</u>
SPEC. STUDIES/ANALYSES CONT.	U522	259				<u>XXXXX</u>
ALL OTHER CODE 25	U523	259	<u>45.6</u>		<u>45.6</u>	<u>XXXXX</u>
TOTAL O.E. BUDGET			<u>6,384.0</u>	<u>225.0</u>	<u>6,609.0</u>	<u>XXXXX</u>
RECONCILIATION			<u>3,188.40</u>		<u>3,188.40</u>	<u>XXXXX</u>
OPERATING ALLOWANCE REQUEST			<u>3,195.6</u>	<u>225.00</u>	<u>3,420.6</u>	<u>XXXXX</u>

OTHER INFORMATION:

Dollar requirement for local currency costs
Exchange rate used (as of May 1, 1984)

\$1,468,700
Tk.25.1387 = \$1.00

Estimated Wage Increases - FY 1985 to FY 1986
Estimated Price Increases - FY 1985 to FY 1986

20%
10-25%

ORGANIZATION USAID/BANGLADESH

<u>Description of Service</u>	<u>FY 1984</u>	<u>FY 1985</u>	<u>FY 1986</u>
Legal Advisor	10,000	30,000	33,000
Computer Trainer/Assistant	33,261	35,000	38,000
JCC	47,500		
English Training	5,000	5,000	6,000
Summer Intern-Private Sector Strategy	1,600		

TABLE VIII(b) - All Other Code 25 Detail
(Function Code U523)

ORGANIZATION USAID/BANGLADESH

<u>Description of Service</u>	<u>FY 1984</u>	<u>FY 1985</u>	<u>FY 1986</u>
All Code 25 (F.C. U523) Services	37.0	38.0	45.6

OPERATING EXPENSE NARRATIVE

Section A - Management Improvements

USAID/Dhaka has taken several steps to improve management of the Mission and minimize operating expense requirements.

1. Residential furniture - USAID is exploring the possibility of purchasing locally made furniture from Thailand, India, and Indonesia. U.S. purchased furniture costs dols. 18-20,000 per set (excluding freight) in comparison to locally made furniture quotes of dols. 11-12,000 per set. The USAID anticipates purchasing 10 sets of furniture in both FY 85 and FY 86. Estimated cost savings for furniture in FY 85 and FY 86 is dols. 70,000 per year. Freight savings are estimated at dols. 10,000 annually.

2. International Travel - To the extent possible, USAID is utilizing excursion fare tickets for all TDY and conference travel. USAID estimated savings per ticket purchased is 30% of ticket price or approximately dols. 20,000 annually.

3. Overtime - FSN overtime requests are being scrutinized carefully and only essential overtime is being approved. In addition, drivers are required to work the same workweek as the other FSN or USDH for whom they are driving on a field trip. Estimated annual savings is dols. 5,000 per year.

4. FSNDH - Previously USAID hired local people to fill vacant FSNDH slots as soon as a slot became available. Now USAID is requiring an individual to work on a personal services contract for at least one year before being offered a direct-hire slot. This improvement has minimized separation/termination pay. Expected savings are dols. 5,000 per year.

5. Local Travel - Local travel per diem for USDH is paid on the basis of 50% of the SGTR plus actual cost of lodging versus a flat rate as lodging costs are minimal in the field. This has resulted in savings of dols. 15,000 annually. FSNs traveling are paid a flat rate per day plus the cost of lodging. This has resulted in additional savings of dols. 15,000 per year.

6. TCNs - USAID in the past has funded salary and benefit costs of two TCNs from operating expense monies or the Trust Fund. Recently, we obtained approval from the BDG to fund these PSCs from project funds. Estimated operating expense savings are dols. 65,000 annually.

Section B - Justification for Funding Changes

Following is a recap of the expected changes by function code that will affect our FY 85 operating expense budget as requested by State 110182. Please note that the amounts shown as FY 84 Revised Budget - March below do not agree with the Table VIII - FY 84 amounts. Our revised March budget requested dols. 2,080,000 in O.E. funds, but USAID only received dols. 1,925,000 as an allowance. The ABS instructions require use of the actual O.E. allowance received and not the total requested Mission operating costs.

Changes in Operating Expense Needs by Function Code

A. F.C. 106 Education Allowance

FY 84 Revised Budget - March	\$199,400
FY 85 ABS Estimate	247,200
Estimated Increase Required	47,800

The international school has not increased its tuition rates during the past three years. The school board is now projecting an increase of \$300 per student for school year 1985-86. In addition, the Mission is projecting 11 new students for the school year, 7 of whom will require capital levy certificates at an estimated cost of \$21,000. The USAID has also projected a slight increase (\$800) in the school away from post allowance. The amount budgeted also includes educational allowance for JCC's children.

B. F.C. 110 All Other Mission Allowances

FY 84 Revised Budget - March	\$10,600
FY 85 ABS Estimate	14,800
Estimated Increase Required	4,200

The projected change results from an increased number of post assignments in FY 85 and the increased amount of foreign transfer allowance payable to employees.

C. F.C. 111 Post Assignment Travel

FY 84 Revised Budget	\$51,725
FY 85 ABS Estimate	92,000
Estimated Increase Required	40,275

The Mission anticipates 14 post assignments in FY 85. In FY 84, the Mission budgeted for 7 post assignments. Many of our current employees are completing their second tour and, as such, will be eligible for transfer. The increased budget is the anticipated travel costs for their replacements (14) plus the travel costs of one JCC.

D. F.C. 112 Post Assignment - Freight

FY 84 Revised Budget	\$ 78,500
FY 85 ABS Estimate	200,100
Estimated Increase Required	121,600

The increase is a result of the higher number (14) of post assignments (most personnel assigned have families) in FY 85. This trend is expected to continue and the increased funding required for freight is reflected in the above estimates. This budgeted increase also includes travel for one JCC.

E. F.C. 113 Home Leave - Travel

FY 84 Revised Budget	\$ 94,100
FY 85 ABS Estimate	113,700
Estimated Increase Required	19,600

The Mission expects an increase in airfares of approximately 10% in FY 85. In addition, there are more employees and dependents departing on home leave/return to post and home leave/transfer orders in FY 85 than there were in FY 84.

F. F.C. 114 - Home Leave - Freight

FY 84 Revised Budget	\$ 64,300
FY 85 ABS Estimate	63,600
Estimated Decrease	700

Most of the home leave travel in FY 85 is Home Leave/Transfer. As such, USAID will only be responsible for funding one leg of travel and airfreight to U.S. This is in comparison to FY 84 when most home leave travel was home leave/return to post where Mission had to pay for airfreight on both legs of trip.

G. F.C. 115 Education Travel

FY 84 Revised Budget	\$ 30,000
FY 85 ABS Estimate	20,000
Estimated Decrease	10,000

Mission expects fewer college age children in FY 85 (8) vs. FY 84 (10). In addition, students are not utilizing all of their UAB allowances for their travel which has reduced anticipated costs.

H. F.C. 116 R&R Travel

FY 84 Revised Budget	\$ 67,200
FY 85 ABS Estimate	50,500
Estimated Decrease	16,700

As noted earlier, most travel budgeted next year is for home leave. As such, R&R travel will be limited.

I. F.C. 117 All Other Travel

FY 84 Revised Budget	\$ 41,800
FY 85 ABS Estimate	33,000
Estimated Decrease	8,800

USAID is estimating only 12 units of travel in FY 85 - 10 trips to Bangkok for medical purposes and 2 trips to U.S. for emergency travel and no separated parents travel. In FY 84, Mission had two children travel on separated parents travel at a cost of \$6,500. Employee expects to transfer next year and will not require this allowance.

J. F.C. 201 - Basic Pay

FY 84 Revised Budget - March	\$ 175,000
FY 85 ABS Estimate	226,900
Estimated Increase	51,900

U.S. Mission expects to implement a Provident Fund for all employees which will cost approximately 12% of basic pay. In addition, the cost of living increase for FSNs in FY 85 is expected to be about 15%.

K. F.C. 202 - Overtime

FY 84 Revised Budget	\$ 10,000
FY 85 ABS Estimate	6,000
Estimated Decrease	4,000

USAID Management has instituted improved controls on approval and use of overtime. USAID expects a decrease in overtime costs as a result.

L. F.C. 203 - Terminal Leave Pay

FY 84 Revised Budget - March	\$ 5,000
FY 85 ABS Estimate	2,000
Estimated Decrease	3,000

The Mission is experiencing a reduced level of turnover within the local staff due to a tightening in the local job market. This trend is expected to continue in FY 85.

M. F.C. 204 - Civil Service Retirement and Bonus

FY 84 Revised Budget - March	\$ 35,000
FY 85 ABS Estimate	41,700
Estimated Increase	6,700

Local employees receive a bonus of 2.5 months basic pay annually. As base salaries are expected to increase by 15% in FY 85, the cost of the bonus will also be effected.

N. F.C. 205 - Benefits Former FSN Personnel

FY 84 Revised Budget - March	\$ 15,000
FY 85 ABS Estimate	5,000
Estimated Decrease	10,000

As noted in L, the Mission is experiencing a reduced level of employee turnover and fewer retirements. As a result, the expenses associated with the turnover have been reduced.

O. F.C. 302 - U.S. PSC - Salary Benefits

FY 84 Revised Budget - March	\$ 97,300
FY 85 ABS Estimate	70,000
Estimated Decrease	27,300

In FY 84, USAID budgeted 6 months of expenses for JCC Wennergren. In FY 85, Mission plans to replace JCC Wennergren, but costs are budgeted in new F.C. 306.

P. F.C. 304 - FN PSC - Salary Benefits

FY 84 Revised Budget - March	\$ 47,000
FY 85 ABS Estimate	20,500
Estimated Decrease	26,500

In FY 84, Mission budgeted for two TCNs' local expenses from operating expense. In FY 85, both TCNs will be fully funded from project funds.

Q. F.C. 306 - JCC Costs Paid by AID/W

FY 84 Revised Budget - March	\$ -
FY 85 ABS Estimate	70,000
Estimated Increase	70,000

This is salary, differential, and Sunday pay for one JCC for FY 85. JCC will replace current JCC Agr. Economist whose contract expires in June, 1984.

R. F.C. 401 Rent

FY 84 Revised Budget - March	\$281,100
FY 85 ABS Estimate	424,900
Estimated Increase	143,800

USAID has four leases expiring in FY 85 which will not be re-negotiated due to sub-standard quality and increased costs of maintenance. JAO has estimated costs of replacing these four leases at dols. 120,000. This represents rent of \$15,000 per year plus an advance payment of two years rent. Recent changes in the housing market have also attributed to the increased residential rent costs. Landlords are requiring higher rents (dols. 1000-1250 per month vs. previous rental rates of dols. 500-600) and are requiring lease payments two years in advance (previously, USAID only had to advance pay for six months to one year). In addition to the four new leases, USAID has an additional ten leases which are expiring and must be renegotiated. Based on current housing market, USAID estimates that rental increase will approximate 60% for each lease. USAID has also budgeted for housing costs of JCC.

S. F.C. 402 Utilities

FY 84 Revised Budget - March	\$217,600
FY 85 ABS Estimate	255,400
Estimated Increase	37,800

The BDG has indicated that the subsidy for residential electricity rates will be reduced in FY 85. USAID has conservatively estimated that electricity rates will increase by 15% as a result of the decreased subsidy.

T. F.C. 403 Renovation and Maintenance

FY 84 Revised Budget	\$ 6,200
FY 85	10,000
Estimated Increase	3,800

Increased Costs of Renovation

U. F.C. 405 Residential Furniture and Equipment

FY 84 Revised Budget - March	\$ 97,200
FY 85 ABS Estimate	199,825
Estimated Increase	102,625

The USAID did not receive the monies requested in FY 84 for purchase of residential furniture. As such, USAID is now required to budget for both FY 84 shortfall and FY 85 needs this year. The USAID has not purchased any new residential furniture or replacements since FY 81 because of restricted O.E. budgets. As a result, our furniture situation is becoming serious. Prior purchases of furniture have been made locally, but the life of this furniture has been much shorter than expected. Mission is now investigating other regional sources for furniture (India, Indonesia, Thailand, etc.).

V. F.C. 406 Transportation/Freight

FY 84 Revised Budget- March	\$ 38,500
FY 85 ABS Estimate	25,000
Estimated Decrease	13,500

This is projected freight costs for 10 sets of furniture. See explanation at U also.

W. F.C. 407 Security Guard Service

FY 84 Revised Budget - March	\$ 65,000
FY 85 ABS Estimate	71,500
Estimated Increase	6,500

JAO is projecting a 10% cost increase in the commissary managed contract for residential guard services in FY 85.

X. F.C. 409 Representation Allowance

FY 84 Revised Budget - March	\$ 1,500
FY 85 ABS Estimate	1,700
Estimated Increase	200

A number of USAID employees currently have representational duties. This modest increase would reduce their out-of-pocket costs.

Y. F.C. 501 - Rent

FY 84 Revised Budget - March	\$ 165,000
FY 85 BS Estimate	156,100
Estimated Decrease	8,900

The office lease is denominated in local currency. Devaluation of the taka has lowered the dollar equivalent of the lease.

Z. F.C. 502 - Utilities

FY 84 Revised Budget - March	\$ 30,000
FY 85 ABS Estimate	33,000
Estimated Increase	3,000

BDG is projecting a 10% increase in utility rates in FY 85 due to decreased government subsidy.

A.A. F.C. 503 - Building Maintenance

FY 84 Revised Budget - March	\$ 7,200
FY 85 ABS Estimate	10,000
Estimated Increase	2,800

Increased cost of Janitorial Services in FY 85.

B.B. F.C. 504 Office Furniture

FY 84 Revised Budget - March	\$ 22,200
FY 85 ABS Estimate	52,650
Estimated Increase	30,450

USAID did not receive sufficient funds to purchase/replace needed office furniture in FY 84 due to limited operating expense allowance provided by AID/W. As a result, USAID must purchase required furniture in FY 85. USAID anticipates purchasing desk chairs for employees, several large bookcases (locally made), xerox machine, typewriters, and calculators.

C.C. F.C. 505 - Vehicles

FY 84 Revised Budget	\$ 19,900
FY 85 ABS Estimate	57,000
Estimated Increase	37,100

USAID requested replacement of 5 vehicles in FY 84. Due to limited O.E. funds allotted to Mission, USAID was only able to purchase 2 vehicles. The amount budgeted above is sufficient to replace the seven vehicles which have already reached the standards for replacement (age or mileage). Funds requested are for 2 field vehicles, 1 sedan, 3 station wagons, and one bus.

D.D. F.C. 506 Other Equipment

FY 84 Revised Budget - March	\$ 27,500
FY 85 ABS Estimate	65,000
Estimated Increase	37,500

AID/W has advised the Mission that the MACS accounting system has been developed for use on a Wang microcomputer and FM has notified the Controller that the Mission is scheduled to bring up the computerized system in FY 85. As a result, Mission has budgeted \$50,000 to purchase the Wang. Our program levels are such that computerization would be a definite asset in controlling obligations, expenditures, and pipeline. In addition, the Mission has budgeted funds for the purchase of additional Apple Computers and software. Due to limited O.E. funds in FY 84, USAID did not purchase any additional micro computers although the 6 units now in place are fully utilized and considerable demand for access to the machines cannot be met.

E.E. F.C. 507 Transportation/Freight

FY 84 Revised Budget - March	\$ 21,800
FY 85 ABS Estimate	9,400
Estimated Decrease	12,400

F.F. F.C. 508 Communications

FY 84 Revised Budget - March	\$ 16,000
FY 85 ABS Estimate	16,000

The Mission does not anticipate any changes in this line item.

G.G. F.C. 509 Security Guard Service

FY 84 Revised Budget - March	\$ 9,000
FY 85 ABS Budget	9,900
Estimated Increase	900

USAID anticipates a 10% increase in guard salaries in FY 85.

H.H. F.C. 510 Printing

FY 84 Revised Budget - March	\$ 3,000
FY 85 ABS Estimate	3,000

The Mission does not anticipate any changes in this line item.

I.I. F.C. 512 - Site Visits - In-Country

FY 84 Revised Budget - March	\$ 59,000
FY 85 ABS Estimate	60,000
Estimated Increase	1,000

The Mission anticipates a slight increase in local airfares.

J.J. F.C. 514 Information Meetings

FY 84 Revised Budget - March	\$ 5,400
FY 85 ABS Estimate	10,000
Estimated Increase	4,600

K.K. F.C. 515 Training Attendance

FY 84 Revised Budget - March	\$ 30,000
FY 85 ABS Estimate	40,400
Estimated Increase	10,400

AID/W has requested that all employees in certain backstops attend the project implementation workshop before end of FY 85. The increase required will allow USAID to send the designated backstops to the training and meet anticipated increases in airfare and per diem.

L.L. F.C. 516 Conference Attendance

FY 84 Revised Budget - March	\$ 15,000
FY 85 ABS Budget	20,000
Estimated Increase	5,000

The estimated increase will allow USDH to attend conferences for their backstops, i.e. Agriculture and Rural Development Officers Conference, RLA Conference, Controller Conference, etc. and meet anticipated increases in per diem and airfare.

M.M. F.C. 517 Other Operational Travel

FY 84 Revised Budget - March	\$ 32,600
FY 85 ABS Estimate	25,000
Estimated Decrease	7,600

The Mission anticipates making fewer TDY requests for AID/W assistance due to limited travel budget.

N.N. F.C. 518 Supplies and Materials

FY 84 Revised Budget - March	\$ 40,000
FY 85 ABS Estimate	47,500
Estimated Increase	7,500

The Mission anticipates a slight increase in the cost of supplies and materials purchased locally.

O.O. F.C. 523 All Other Code 25

FY 84 Revised Budget - March	\$ 37,000
FY 85 ABS Estimate	38,000
Estimated Increase	1,000

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USAID requested an operating expense allowance of \$2,080,000 in FY 84 in addition to the Trust Fund budget of \$189,000. Therefore, the total Mission O.E. budget was \$2,269,000. Funds

allotted to the USAID totalled only \$1,925,000 or a shortfall of \$155,000. The above analysis (FY 84 Revised Budget - March) reflects the USAID's request for an O.E budget allowance of \$2,080,000 and does not represent the actual O.E allowance of \$1,925,000. The shortfall in FY 84 funds has been rebudgeted in FY 85.

FY 84 Revised ABS Estimate	\$2,269,000
Less: Trust Fund	189,000
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USAID FY 84 O.E. Allowance Required	\$2,080,000
Actual FY 84 O.E. Allowance	\$1,925,000
	<hr/>
Shortfall	\$ 155,000
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Section C - Trust Funds

The USAID currently receives a Trust Fund of approximately dols.225,000 annually, or about 10% of our operating cost. USAID is currently negotiating with the Bangladesh Government (BDG) to increase the contribution to dols. 640,000. Because of serious BDG budgetary problems, we are doubtful that any increase in Trust Fund levels will be obtained in FY 1985. The Mission is hopeful that the USAID will receive an increase in FY 86.

FY 1986 ANNUAL BUDGET SUBMISSION

TABLE XI

P.L. 480 TITLE I/III REQUIREMENTS
(Dollars in Millions, Tonnage in Thousands)

COMMODITIES:	Actual FY 1984		Estimated FY 1985		Projected FY 1986	
	\$	MT	\$	MT	\$	MT
<u>Title I</u>						
Wheat	31.0	220.9	35.0	224.0	36.0	228.0
Rice	15.0	55.7	20.0	53.0	20.0	49.0
Vegetable Oil	9.0	14.3	10.0	14.0	9.0	14.0
Cotton	10.0	26.0	10.0	26.5 (Bales)	10.0	26.6 (Bales)
TOTAL:	65.0		75.0		75.0	

of which
Title III

Wheat	31.0	220.9	35.0	224.0	36.0	228.0
Rice	15.0	55.7	20.0	53.0	20.0	49.0
Vegetable Oil	9.0	14.3	10.0	14.0	9.0	14.0
Cotton	10.0	26.0	10.0	26.5 (Bales)	10.0	26.6 (Bales)
TOTAL:	65.0		75.0		75.0	

COMMENT: Purchase of all the commodities provided under the program for FY-1984 is complete. Exact amount of cotton purchased in FY-1984 is not available. The figure shown represents estimated amount. The vegetable Oil (CDSO) arrived in February 1984. Wheat and rice shipments are continuing and are expected to be completed in April. Cotton shipments are expected in May/June, 1984. The funding and shipment level for FY-1984 will increase if our request for an additional fund of \$2.6 million to be used for import of an extra 4,000 MT of CDSO is approved.

FY 1986 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

I. Country Bangladesh

Sponsor's Name CARE

A. Maternal and Child Health.....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total MCH		_____	_____

B. School Feeding.....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total School Feeding		_____	_____

C. Other Child Feeding.....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total Other Child Feeding		_____	_____

D. Food for Work.....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>5,000,000</u>	<u>Bulk Wheat</u>	<u>140,000</u>	<u>23,100</u>
_____	_____	_____	_____
Total Food for Work		_____	_____

E. Other (Specify).....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total Other		_____	_____

II. Sponsor's Name CARE