

UNCLASSIFIED

**Annual Budget
Submission**

FY 1985

Bangladesh



MAY 1983

**Agency for International Development
Washington, D.C. 20523**

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BANGLADESH
FY 1985 ANNUAL BUDGET SUBMISSION

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MISSION ACTION PLAN

I. USAID Strategy

In the FY 1983 and the FY 1984 and FY 1985 Updates, the Mission identified four strategic sectoral objectives in which USAID resources would be concentrated to promote most effectively the sustained development of Bangladesh: fertility reduction, increased agricultural productivity, employment

generation through rural industries, and development of energy resources. The determination of the sectors is dictated largely by the country's economic circumstances -- its extreme poverty, lack of natural resources, and heavy dependence on agriculture -- and by its appalling demographic situation.

The Mission's strategy was most recently reaffirmed by AID/W in the course of the FY 1985 CDSS review. Planning levels, however, have again fallen far short of those projected at the time the strategy was conceived. The Mission must now reassess the situation and consider redefining employment generation and energy development as supportive cross-sectoral goals and devoting full sectoral emphasis only to population and agriculture. Explicitly concentrating on these two priority sectors may allow improved integration of project resources in support of common objectives, critical minimum funding levels needed to effect measurable progress towards sector goals, and sharper focus to USAID's policy dialogue with the BDG. The budgeting process -- squeezing recent years' programs out of a straightlined OYB -- has de facto enforced this reality.

II. Operational Objectives

A. Population

The Mission's foremost strategic goal is a reduction in human fertility. Consistent with the Asia Bureau's identification of rapid population growth as a central development concern throughout the region, this goal will be achieved through increased acceptance of family planning services across Bangladesh. The Mission's long range goal of a contraceptive prevalence rate of modern methods of 35 percent in 1990 (resulting in a sharply reduced population growth rate of roughly 1.5 percent) will be approached in the near term by the following program objectives and means:

1. With inputs from USAID, other donors, and the Government, Bangladesh may achieve a modern method contraceptive prevalence rate of 23 percent of eligible couples by the end of 1985. This broad goal, to be achieved jointly by

government and NGO programs, will be verified by bi-annual contraceptive prevalence surveys financed by USAID. Its achievement, of course, requires a multitude of actions beyond USAID's control or involvement.

2. Improved efficiency and effectiveness of the BDG program. During the FY 1984-85 two-year extension of the Family Planning Services Project, the Mission and other donors will negotiate major procedural and structural reforms of the Government's Population Control Program. Throughout FY 1984-85, special attention will also go to improvement of the BDG's management of contraceptive commodities. By FY 1985 a commodity logistics advisor (or team) will be placed in the offices of the Government program to aid in improving procedures for contraceptive procurement, distribution, and inventory management.

3. Expansion of family planning service delivery through NGOs. Since NGO's have developed the most efficient community based distribution programs and voluntary sterilization services in Bangladesh, the Mission will continue to fund their service delivery programs and to increase their institutional capabilities. The number of couples served by NGO family planning projects will increase from 375,000 at the end of CY 1982 to 625,000 in CY 1984 and 750,000 in CY 1985, reflecting the recent rapid expansion of these USAID-assisted programs.

4. Expansion of commercial retail sales. Couple years of protection through the Social Marketing Project will increase from 0.92 million in 1982 to 1.2 million in 1985. A secondary goal is to broaden the product line for both family planning and MCH products by FY 1985.

5. Demand Creation. In addition to supplying family planning services, the Mission will attempt to stimulate further demand for the services through advertising and through pilot activities in community incentives and female education. As a result of the mass media campaign, begun in FY 1983, there should be a 60 percent recognition of family planning advertising slogans by the end of CY 1985, and the CPR should be significantly higher among those who recognize the slogans than those who do not. The community incentive program will be established in several villages in FY 1985 to test the effectiveness of community incentives on achievement of contraceptive prevalence targets. Lastly, in FY 1985 USAID will evaluate the first three years of the BACE project to determine whether this project, which provides scholarships for young women in a rural area to attend secondary school, has a significant impact on secondary school attendance by women and on their subsequent age of marriage.

6. Internationalization of Commodity Procurement. Realizing that USAID's projected budget levels for population assistance will not be sufficient to continue to fund virtually all of Bangladesh's contraceptive commodities as well as the project's other activities, the Mission will assist the BDG over the next two years to develop other donor support for financing commodity imports and to establish procedures for international commodity procurement. By the end of FY 1984 all oral contraceptives for the BDG should be financed by other donors.

B. Agriculture

The Mission's second strategic goal is increasing per capita agricultural output as the basis for Bangladesh's sustained economic growth. As set forth in the Mission's approved CDSS, increased agricultural productivity will be achieved through three broad areas of activity:

1. Development and Dissemination of Agricultural Technologies. USAID's activities in this area are fully consistent with the Asia Bureau's strategic focus on national agricultural research, extension, and education systems. By FY 1985 the design, planning, and analysis of research experiments on foodgrain crops will be decentralized from headquarters institutions to regional stations and sub-stations. The Agricultural Research II Project, which supports that process, will be the subject of a final external evaluation in that year to determine the nature and direction of future USAID support for agricultural research in Bangladesh. By the end of FY 1985 the training cell at the Bangladesh Agricultural Research Council should be developed to the point where it can manage the training funds of all donors for agricultural research.

In FY 1984 revision of the curriculum for training water management specialists at Bangladesh Agricultural University will begin, and in FY 1985 the new curriculum will be instituted. In FY 1984 BAU should complete a manpower analysis delineating the needs for higher education in agriculture. Should a project be warranted, the Mission will complete a project paper during FY 85 for a new project to help meet those needs.

2. Increased access to institutional credit and agricultural inputs. During FY 1984 USAID and the BDG will engage in extensive policy analysis and dialogue regarding continuing reform of the banking system. Much of the analysis will be performed first by individual PSCs and then by a prime project contractor funded under the Rural Finance Project, the

latter to begin work in the third quarter of FY 1984. By FY 1985 policy decisions will be made on such key variables as the lending rates necessary to guarantee financial viability to the banks' rural lending portfolios and appropriate savings rates and simplified deposit procedures to mobilize rural savings (building on the initial set of reforms negotiated in FY 1983). In FY 1985, the technical assistance team will recommend reforms in administrative procedures to increase the efficiency of banking operations. And by the end of FY 1985 a performance incentive system will be developed for rural loan officers.

Fertilizer availability will continue to improve with USAID support. The Mission will finance the importation of 80,000 MT of fertilizer during FY 1984 and 1985. To allow a sufficient stock of fertilizer to be held at the regional level, construction of 26 fertilizer warehouses will be completed in FY 1984, and another 10 will be constructed in FY 1985. Under the Fertilizer Distribution Improvement II Project, an accounting of the Bangladesh Agricultural Development Corporation's distribution costs will be completed in CY 1984 as a basis for establishing a full-cost BDG pricing system that will allow private companies to compete fairly for shares of the wholesale fertilizer trade. In CY 1984 the legal/administrative framework will be established to allow private companies to distribute fertilizer nationwide from the ports and factories, and by the end of FY 1985 private distributors will be doing so, at least in major regions of the country.

In support of the Asia Bureau's strategic focus on irrigation and water management, the Mission will conclude in FY 84 a long running effort to develop a Water Management Systems project. If appropriate mechanisms for BDG interagency cooperation and responsibility are identified early in FY 1984 so that a sound and implementable project can be developed, the Mission will complete design of the project that year. In FY 1985 contractors should be in the field and activities initiated to increase private sector supply of irrigation equipment, spare parts, and maintenance services and to increase the efficiency and availability of institutional water management services to farmers.

Farmers' access to both inputs and rural markets will be improved through continued integration of D.A. and PL 480 resources to improve rural roads. During FY 1984, work will be completed on pilot construction of bridges and culverts funded with taka generated from sales of PL 480, Title II, Section 206 wheat. In the same year the Mission will design a FFW III project to incorporate new criteria for selection of developmentally sound FFW sub-projects. The appropriate role

for CARE will be reconsidered and further refined in the course of that design. A regular construction program utilizing Section 206 funds will begin in FY 1985. In FY 1984 the Mission will also program Title II resources in support of other program goals (e.g. Food for Work on Zilla Roads Maintenance or Section 206 financing of operating costs of the agricultural research program). In FY 1984 a Zilla Roads Maintenance Management Plan will be developed, and by FY 1985 it will be implemented in the three districts covered by that project. In FY 1984 project consultants will complete analysis and formulate recommendations on public financing of local road maintenance.

3. Improved foodgrain security, management, and marketing. USAID will continue to approach these objectives in the near-term through both PL-480 and project assistance. The policy dialogue undertaken through the Title III program will continue through FY 1984 under the current agreement and in FY 1985 under a two-year extension. The Mission will continue to encourage the BDG to rely increasingly on open market sales, rather than the public food distribution system, as the appropriate means of government intervention to ensure a stable grain market. By the end of FY 1985 the Mission hopes to have negotiated the elimination of rice from the ration system and the establishment of ration prices at least ten percent above public procurement prices. To conduct its analysis in support of this policy dialogue, the Mission will develop a new agricultural data base by the end of FY 1984, using its newly acquired micro computers.

The Agro-Climatic/Environmental Monitoring Project will make a measurable contribution to Bangladesh's food security planning in the short range. By FY 1985, the Space Research and Remote Sensing Organization will be receiving, analysing, and disseminating to BDG Ministries remotely sensed data on storm warnings, flooding, crop acreages and forestry resources.

C. Other Programs

1. Energy. In the first quarter of FY 1984, the Mission will make a decision on the future role that energy activities will play in the medium term USAID/Bangladesh program. Since D.A. planning levels are considerably below those projected several years ago, USAID plans for a large rural energy sector project have been curtailed, although the Mission may pursue selected opportunities to assist farmers to enhance their renewable energy resources. Consolidation and continuation of the benefits expected from the current Rural Electrification projects, however, will continue to be a priority, even in the absence of AID financing for construction beyond that which is currently programmed. During FY 1984, therefore, the

Mission will assist the BDG to identify other donors to finance the construction of further rural electrification cooperatives. By the beginning of FY 1985 USAID will decide by what means to extend for several more years consultancy services for the Rural Electrification Board to promote the sound management and financial viability of the cooperatives and to ensure sound implementation of REB's continuing construction program. In the near-term, all USAID-funded procurement actions for currently planned construction will be initiated by FY 1985.

In FY 1984 the Mission will assess the prospects for the Stirling engine rice husker and will decide whether or not further USAID participation is needed to encourage private sector manufacture and marketing of the energy conserving technology.

2. Rural Employment. Reduced budget projections are also causing the Mission to reconsider its program of rural industries promotion. Based on currently planned evaluations of the entrepreneurship programs run by the Micro Industries Development Assistance Society and the Bangladesh Small and Cottage Industries Corporation as well as on the FY 86 CDSS exercise, the Mission will decide early in FY 1984 whether or not to continue this sector of activity and if so through what strategy.

FY 1985 ANNUAL BUDGET SUBMISSION
TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)
 COUNTRY/OFFICE BANGLADESH

DEVELOPMENT ASSISTANCE	FY 1983	FY 1984		FY 1985	PLANNING PERIOD			
	ESTIMATE	CP	ESTIMATE	AAPL	1986	1987	1988	1989
<u>Agriculture, Rural Dev. & Nutrition</u>								
Total	54,100	51,800	51,000	59,800	63,100	67,000	67,000	69,000
Grants	54,100	51,800	51,000	59,800	63,100	67,000	67,000	69,000
Loans	-	-	-	-	-	-	-	-
<u>Population</u>								
Total	24,800	26,000	26,000	27,000	28,500	30,000	33,000	33,000
Grants	24,800	26,000	26,000	27,000	28,500	30,000	33,000	33,000
Loans	-	-	-	-	-	-	-	-
(Centrally Procured Commodities)		(-)	(9,500)	(9,000)	-	-	-	-
<u>Health</u>								
Total	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
<u>Education</u>								
Total	-	200	-	200	400	-	-	-
Grants	-	200	-	200	400	-	-	-
Loans	-	-	-	-	-	-	-	-
<u>Selected Dev. Activities</u>								
Total	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Total D.A. Accounts	78,900	78,000	77,000	87,000	92,000	97,000	100,000	102,000
Grants	78,900	78,000	77,000	87,000	92,000	97,000	100,000	102,000
Loans	-	-	-	-	-	-	-	-
<u>PL 480 (Non-Add)</u>								
Title I	60,000	60,000	65,000	75,000	75,000	80,000	80,000	80,000
(of which Title III)	(60,000)	(60,000)	(65,000)	(75,000)	(75,000)	(80,000)	(80,000)	(80,000)
Title II	34,200	24,900	21,600*	21,800*	25,400*	27,100*	29,000*	31,000*
<u>Total Personnel</u>								
USDH (work years)	33.7	-	34.0	33.3	33.0	-	-	-
FNDH (work years)	66.5	-	63.0	62.0	60.0	-	-	-

*excluding proposed funding under Title II, Section 206.

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE IV PROJECT BUDGET DATA

PROJECT		OBLIGATION DATE		LIFE OF PROJECT COST		ESTIMATED U.S. DOLLAR COST (\$000)		FY OBLIGATIONS					Country/Office				
NUMBER	TITLE	G/L INITIAL PLAN		AUTH	PLAN	FY 1983 OBL	FY 1983 EXP	FY 1984 OBL	FY 1984 EXP	1985 AAPL	FUNDED TO MO/YR	1986	1987	1988	1989	FUTURE YEAR	ITEM #
388-0003	Agriculture, Rural Dev. & Nutrition	G	FY76	4224	4120	-	331	-	-	-	-	-	-	-	-	-	
388-0016	Zia Fertilizer Plant	L	FY76	4000	3732	-	-	-	-	-	-	-	-	-	-	-	
388-0017	Food For Work (OPG/U/R)	L	FY75	53000	52704	-	-	-	-	-	-	-	-	-	-	-	
388-0021	Rural Electrification	G	FY76	2373	2365	-	47	-	-	-	-	-	-	-	-	-	
		G	FY78	35300	35300	-	3306	-	-	-	-	-	-	-	-	-	
388-0024	Fertilizer Dist. Improvement	L	FY78	34000	34000	-	7000	4877	-	-	-	-	-	-	-	-	
		G	FY78	203000	193210	5800	25000	20000	-	-	-	-	-	-	-	-	
		L	FY78	32000	32000	-	20000	12000	-	-	-	-	-	-	-	-	
388-0025	Rural Finance Exp. Project	G	FY77	7000	6450	-	-	900	1500	1150	09/86	1450	-	-	-	-	
388-0027	Technical Resources	G	FY79	9650	9650	-	-	-	-	-	-	-	-	-	-	-	
388-0031	Project Development Grant	G	FY76	3000	2908	-	-	-	-	-	-	-	-	-	-	-	
388-0037	Rural Finance	G	FY83	-	75000	25000	24000	25000	25000	25000	12/86	-	-	-	-	-	
388-0042	Rural Industries (OPG/U/R)	G	FY81	5000	3300	-	500	300	700	550	03/86	-	-	-	-	-	
388-0045	RVO Co-Financing II (PVO/U/R)	G	FY80	2050	1975	-	400	325	450	-	-	-	-	-	-	-	
388-0046	Agro-Climatic/Environ. Monit.	G	FY81	5900	5900	-	300	-	3500	-	-	-	-	-	-	-	
388-0051	Agricultural Research II	G	FY81	25500	25500	6200	4000	4700	4400	5000	03/86	2900	-	-	-	-	
388-0052	Food For Work II (OPG/U/R)	G	FY81	2650	2575	700	1000	775	800	-	-	-	-	-	-	-	
388-0054	Rural Electrification II	G	FY81	50000	45000	13000	19100	5000	13602	2300	12/87	4700	-	-	-	-	
388-0056	Zilla Roads Maint. & Impr.	G	FY81	9200	9200	3000	2050	-	4100	-	-	-	-	-	-	-	
388-0058	Water Management Systems	G	FY84	-	25000	-	-	1000	800	6000	06/86	8000	6000	4000	-	-	
388-0060	Part. Dist. Improvement II	G	FY84	-	100000	-	-	13000	11000	19000	03/86	22000	23000	23000	-	-	
388-0061	Food For Work III (PVO/U/R)	G	FY85	-	4000	-	-	-	-	800	03/86	800	800	800	800	-	
	Appropriation Total			487847	673889	54100	107784	51000	102729	59800	-	39850	29800	27800	800	-	
	Grant			364847	551453	54100	80784	51000	85852	59800	-	39850	29800	27800	800	-	
	Loan			123000	122436	-	27000	-	16877	-	-	-	-	-	-	-	

Year Obligation Year changed from FY 84 CP.

FY 1985 ANNUAL BUDGET SUBMISSION

Country/Office
BANGLADESH

TABLE IV PROJECT BUDGET DATA

NUMBER	PROJECT TITLE	OBLIGATION DATE	LIFE OF PROJECT COST	G/L INITIAL PLAN	CUM PIPELINE AS OF 9/30/82	ESTIMATED U.S. DOLLAR COST (\$000)						ITEM #		
						FY 1983		FY 1984		FY OBLIGATIONS			1989 FUTURE YEAR	
						OBL	EXP	OBL	EXP	1985 FUNDED TO MO/YR	1986			1987
	Selected Dev. Activities													
388-0018	Karnaphuli Third Unit	FY81	700	G	343	-	-	-	-	-	-	-	-	
388-0045	PVO Co-Financing II (PVO/U/R)	FY80	2000	G	466	-	-	-	-	-	-	-	-	
	Appropriation Total		2700		809	-	-	-	-	-	-	-	-	
	Grant		2700		809	-	-	-	-	-	-	-	-	
	Loan		-		-	-	-	-	-	-	-	-	-	
	TOTAL		597089		189844	78900	130849	77000	125079	87000	40250	29800	27800	800
	GRANT		474089		145768	78900	103849	77000	108202	87000	40250	29800	27800	800
	LOAN		123000		44076	-	27000	-	16877	-	-	-	-	-

Water Management Systems (388-0058)

Project Funding: FY 1984 \$1,000,000 (Grant); FY 1985 \$6,000,000 (Grant); LOP \$25,000,000

Appropriation Acct: Agriculture, Rural Development and Nutrition

The project purpose is to strengthen the capacities of the Bangladesh Government and the private sector to provide efficient water management services. The primary activity is providing assistance to public and private institutions in order to enhance their capabilities to improve water management technology and application.

All of the 22 million acres of arable land in Bangladesh are cultivated. While cropping intensity has increased to about 155 percent, actual cropped area per person has declined. Existing irrigation facilities operate at unacceptably low levels of efficiency, i.e., about 20 acres per cusec as opposed to an estimated potential of 60-80 acres per cusec. This low level of water use productivity is due to a number of factors which cause sub-optimal levels of performance: poor equipment operation and maintenance, inadequate delivery and distribution system layouts, problems related to water use group formation and management, incorrect engine/pump combinations, and inappropriate pump locations. Government subsidized irrigation equipment sales and rental policies along with other difficulties have further reduced incentives to optimize the use of irrigation equipment.

The project will provide water management technical assistance and training to address these constraints. This effort will include private sector participation in the production and distribution of spare parts, in the siting and installation of equipment, and in the provision of repair/maintenance facilities to pump users. The project will also strengthen the capacity of public institutions within the Ministry of Agriculture and the Ministry of Local Government, Rural Development, and Cooperatives to meet farmer irrigation needs for improving system layout, upgrading procedures for operation, maintenance and repair of equipment, increasing user group management efficiency, utilization of modern cropping patterns, and timely delivery of seed, fertilizer, insecticides, credit and energy inputs. An appropriate mix of public and private sector institutions will undertake the various project activities.

Expansion of irrigated acreage is one of the most important short-term requirements to increase Bangladesh's agricultural production. The principal feature of the Second Five Year Plan (SFYP) is expansion of the area covered by shallow tubewells (STW), low lift pumps (LLP) and deep tube wells (DTW). Associated with this is the need to provide farmers with a wide range of services and materials to assist them to participate fully in the economic benefits of irrigated acreage. The project is consistent with the Mission's CDSS objective of increased agricultural productivity and with the Asia Bureau's strategic focus on irrigation and water management. It is also in accordance with the AID's major policy concerns of transferring technology, expanding private sector participation, increasing food availability, and developing human resource and institutional capacity as outlined in the AID Policy Paper "Food and Agriculture Development" (May 1982).

The target group includes three sectors: (1) farmers with access to modern irrigation technology; (2) the private sector associated with the production and distribution of irrigation equipment, spare parts, and repair/maintenance services; and (3) the public sector involved in the training and extension of improved water management practices.

The project is now in the primary design stage. Significant amounts of project funding will be designated for participant training and development of the private sector.

Food For Work III (388-0061)

Project Funding: FY 1985 \$800,000 (Grant); LOP \$4,000,000

Appropriation Acct.: Agriculture, Rural Development and Nutrition

The purpose of the project is to support a program of upgrading and maintaining selected rural roads. The project provides D.A. funds to cover CARE dollar costs in support of the much larger resources provided under Title II in the form of wheat and local currency (generated under Title II, Section 206) for the FFW earthworks and structures programs.

The project's primary objective is to upgrade the roads and construct small bridges and culverts, in selected areas. A secondary objective is to provide employment and nutritional supplements to the rural poor during seasonal periods of scarcity.

Bangladesh is a low-lying country with an extensive, dispersed network of rural roads that are poorly maintained and cut by numerous waterways. Many villages are accessible only by footpaths. Since 1976 the Food For Work program has supported the upgrading of these roads and paths that permits the supply of agricultural inputs, the marketing of farm surpluses, the introduction of public services and the intrusion of new ideas to formerly isolated areas.

Improved farm-to-market roads is a primary project output. The CDSS update for FY 1985 stresses the importance of developing the agricultural sector by disseminating agricultural technologies and increasing access to institutional credit and agricultural inputs. This project implements that strategy.

Bangladesh suffers from chronically high levels of unemployment and underemployment (upwards of 30 percent). The World Bank estimated the unemployment equivalency at 23 percent of the work force, or nearly 7 million workers. The rural labor force is growing at a rate of 2.6 percent, and the agricultural sector, even with an optimistic growth rate of 4 percent, is unable to absorb the additional labor. This project will provide off-farm, seasonal, employment and will benefit an estimated 5 million laborers and their families. Since most wages are paid in wheat, the project will also provide a much needed nutritional supplement during the food scarce season.

When the first phase of the project activity (FFW-I) concluded in FY 1979, a follow-on project (FFW-II) was started.

During this second phase, the project's relief goals were deemphasized as widespread distress lessened somewhat. In 1982 the first grant of wheat was given to the project and provision was made under Section 206 to sell the grain and use the locally-generated currency to build bridges and culverts on FFW roads. Under PL-480 Title II, for the first time, local currency resources are being combined with food to complete rural road segments. The Mission expects to continue this effort on a wider scale in the third phase (FFW-III) of the project.

In FY 1984 the Mission is planning an economic assessment of existing FFW II project activities to evaluate the economic effects of the road projects. An IQC contractor, Abt Associates, has been identified to do the study. The important variables influencing successful road projects will be identified, and the FFW III project will be designed to maximize those elements of longer-range economic goals identified by the assessment.

The primary target groups are landless laborers and small farmers. The latter group will benefit by increased access to markets and government services. Under a special activity supported by Section 206 activities, rural women, drawn from the ranks of the most destitute, will receive benefits in the form of employment and cash wages (instead of wheat) as compensation for maintenance of selected rural roads. This special activity has a target of employing 30,000 women.

Higher Education For Agriculture (388-0062)

Project Funding: FY 1985 \$1,000,000; LOP \$12,000,000

Appropriation Acct.: Agriculture, Rural Development and Nutrition

The project purpose is to increase the quality of agricultural graduates working in the agriculture sector. The project will enhance the capacity of the Bangladesh Agricultural University (BAU) to train the professionals necessary to improve the development and application of modern agriculture technology.

Bangladesh is favorably endowed with agricultural resources. Nevertheless the country has a food deficit. The lack of food surplus is a major constraint in Bangladesh's overall economic growth. A basic problem in increasing food production is the severe shortage of trained agriculturalists necessary to exploit the agricultural potential of the country. Scientists are needed, in large numbers, to assist in developing and applying modern agriculture technology. Extension agents are needed to bring the new technology to the farmers. Administrators, economists, and social scientists are required to design, plan and implement the policies and projects required to increase the pace of agricultural modernization. The project is directed at strengthening the major institution providing the manpower resources to meet these requirements - The Bangladesh Agriculture University. The Agency's "Food and Agriculture Development" policy paper, dated May 1982, highlights the need to enhance institutional capabilities necessary for the development and application of agricultural technologies.

The model for the project is found in India where USAID, a generation ago, provided support to Indian agricultural universities that today are the principal suppliers of the skilled human capital for modernizing the nation's agriculture. USAID, in the 1960s, played a key role in assisting the initial development of BAU. That support was curtailed with the War of Liberation and never resumed. Today it is widely recognized that BAU must improve the quality of its training in order to play a more useful role in Bangladesh's agriculture sector. The proposed project will address the need to: modernize curricula, improve teaching capabilities, expand collaborative work with Bangladesh's extension and research systems, upgrade library and laboratory facilities, and expand BAU's regional and international linkages with other universities and International Agricultural Research Centers (IARCs). Project resources will be used to finance linkages with US land grant

universities, Asian universities and IARCs through staff exchange programs, research and extension activities, and the purchase of equipment, books, and journals. The project will also support increased cooperative work with the Ministry of Agriculture's planning, research, and extension organizations. The project will provide assistance in strengthening BAU's leadership role within the agriculture system of higher education. Particular focus will be on developing program linkages and standardization among BAU and the Bangladesh Agricultural College (BAC) and Bangladesh Agricultural Research Institute (BARI).

The project's target group is the students enrolled in the Bangladesh Agricultural University. The project is in the preliminary design stage, and estimates on participant training are still undeveloped.

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE V - FY 1985 PROPOSED PROGRAM RANKING					Country/Office BANGLADESH	
RANK	PROGRAM ACTIVITY	ONGOING NEW	LOAN GRANT	APPR ACCT	PROGRAM FUNDING (\$000)	
	DESCRIPTION				INCR	CUM
1.	388-0050 Family Planning Services	O	G	PN	27,000	27,000
2.	388-0037 Rural Finance	O	G	FN	25,000	52,000
3.	388-0051 Agricultural Research II	O	G	FN	5,000	57,000
4.	388-0060 Fert. Dist. Improvement II	O	G	FN	14,000	71,000
5.	PL-480 Title III (non-add)	-	-	-	(75,000)	71,000
6.	PL-480 Title II (non-add)	-	-	-	(23,700)	71,000
7.	388-0061 Food For Work III	N	G	FN	800	71,800
8.	388-0054 Rural Electrification II	O	G	FN	2,300	74,100
9.	388-0058 Water Management Systems	O	G	FN	4,000	78,100
10.	388-0027 Technical Resources	O	G	FN&EH	1,350	79,450
11.	388-0060 Fert. Dist. Improvement II	O	G	FN	5,000	84,450
12.	388-0042 Rural Industries	O	G	FN	550	85,000
13.	388-0058 Water Management Systems	O	G	FN	2,000	87,000
14.	Higher Educ. for Agriculture	N	G	FN	(shelf)	87,000

TABLE V NARRATIVE - PROPOSED PROJECT RANKINGA. Criteria

To a large extent, the priority ranking of projects in Table V reflects the relative priorities the Mission attaches to its sector goals. Reduction in human fertility is the sine qua non for sustainable development in Bangladesh and USAID's primary objective. Rapid rises in population dilute the effects of progress in all sectors of Bangladesh's economy and depress the quality of life. The second priority is increasing productivity in agriculture, the sector which not only must feed Bangladesh but must generate incomes for the vast majority of Bangladeshis. In the realization that agriculture cannot and should not employ everyone, a third goal is to expand rural employment. The fourth goal is to develop the energy resources required for growth in agriculture and rural industries.

Table V rankings were also determined on the basis of USAID's emphasis on projects which effect policy reform and promote development of private sector capabilities. These concerns cut across all sectors. The emphasis on policy reform is founded on the Mission's belief that a coherent set of public policies efficiently allocates resources and promotes the climate in which indigenous human, capital, and natural resources can be effectively utilized to produce sustained, equitable growth. The related emphasis on expanding the role of the private sector reflects the Mission's assumptions that businessmen respond more quickly to economic opportunities than do government agencies and that the private sector is more efficient than bureaucracies in producing and distributing goods and providing most services.

Another basis for Table V project rankings is emphasis on provision of quick disbursing commodities. Mission and AID/W analyses of recent economic developments have led to agreement that Bangladesh's continuing crises in foreign exchange earnings and public finance mobilization pose severe threats to achievement of the country's development goals. Therefore, continued emphasis in the near term on resource transfers which support appropriate policy reforms will best promote USAID's objectives.

B. Projects

Reflecting USAID's primary objective of fertility reduction, the Family Planning Services project receives top priority. Family Planning Services is USAID's first sector-wide project, and as such it has allowed the Mission to apply considerable resources to sectoral goals in a concerted fashion. The project

has also promoted the role of non-governmental organizations in expanding family planning services and testing innovative approaches.

The Mission's second priority is the Rural Finance Project, a \$25 million per year grant in support of major reforms of the rural banking system. This project supports USAID's goals of increased farm productivity and non-farm employment by making the banking system more capable of providing credit to small farmers and rural entrepreneurs. The large foreign exchange component which supports the banking reforms will also enable the BDG to import quick disbursing essential commodities.

The Agriculture Research II project addresses the technology constraint to agricultural productivity identified in the CDSS. Continuing development and dissemination of appropriate agricultural technologies is essential to the medium and long run increases in productivity needed on the farms of Bangladesh. This project institutionalizes that process. It's high ranking is indicative of the Mission's long term commitment to the sub-sector.

The Fertilizer Distribution Improvement II project continues the process begun under its predecessor of improving the access of small farmers to fertilizer by shifting distribution and marketing functions from the government to private dealers. The project is ranked highly because of its expected effect on foodgrain production, its policy content, its promotion of the private sector, and its financing of fast disbursing essential commodities (the bulk of project funds will be used to import fertilizer). Ideally, this project will be funded at \$20 million per year. But if USAID's FY 85 budget should be inadequate, the Mission will budget only \$14 million for this project, reducing FY 1985 fertilizer imports, and increase subsequent year funding accordingly.

The PL 480 Title III program will continue to address policy constraints in the areas of output pricing and foodgrain marketing, among others, in support of USAID's sectoral goal of increased agricultural production. The program provides foreign exchange relief and local development resources by meeting some of the BDG's food import needs and financing rural development projects with the taka receipts from sales of the imports. Title III also promotes the role of the private sector in distribution of the imported commodities.

The Title II wheat along with the PVO grant under the Food for Work project constitute a major off-farm employment generation activity. Foodgrain production is directly affected

through rural infrastructure projects, primarily all-weather roads, which allow improved supply of inputs and government services and improved marketing of farm output in formerly isolated areas.

Rural Electrification II promotes USAID's goals in agriculture, rural employment, and energy, spreading the network of electrification for irrigation pumps and rural enterprises through member-owned rural electrification cooperatives. Because the Mission's FY 84 and FY 85 D.A. budgets are now projected at levels lower than expected at the time this project was designed, the Mission expects to reduce LOP funding by \$5 million by helping the Rural Electrification Board to identify alternative sources of donor financing for some of the project's construction commodities. However, since the project has proved to be such a success story (developmentally sound and effectively implemented), USAID hopes to continue to fund the technical assistance component for several more years.

The spread of irrigation to small landholdings is believed to be the surest way of expanding use of productive high yielding variety (HYV) packages. The Water Management Systems Project, ranked next, addresses this problem through improvement of irrigation facilities and on-farm water management by involved BDG institutions, cooperatives and other water user groups and through private firms supplying irrigation equipment and maintenance services. Although the Mission has budgeted \$6 million of its AAPL for this activity, the project can proceed with only \$4 million in FY 85 if technical assistance contracts are partially funded only through the second quarter of FY 86.

The Technical Resources Project will continue to provide technical assistance and training aimed at increasing the project design and management capabilities of BDG development ministries. Consideration will be given to innovative pilot activities to help the Mission and the BDG determine project and policy needs in any of the sectors of program emphasis.

The final \$5 million for the fertilizer project will allow the Mission to maintain a relatively stable level of support for fertilizer imports over the final four years of the project.

The Rural Industries Project is the cornerstone of the Mission's program to promote rural employment through development of small industries. Although the funds available are

insufficient to bring about high level discussions on industry policy with the BDG, the project does provide an opportunity to test a variety of approaches to rural industries promotion. It provides technical assistance and commodities to institutions involved in rural industries and tests new products and production techniques.

The additional \$2 million for Water Management Systems will allow the project to proceed at the designed rate of implementation and will allow a comfortable forward funding of technical assistance contracts.

Higher Education for Agriculture, a possible new project for 1985, will be funded if additional funds become available or if implementation of an ongoing project slows to the point where a portion of FY 85 funding can be reprogrammed.

Evaluation Plan - Issues NarrativeA. Introduction

USAID's FY 84-85 Evaluation Plan is intended to provide management information on key issues related to Mission strategy as outlined in its Country Development Strategy Statement and Action Plan. Attention will focus on major sector goals: fertility reduction, increased agricultural productivity, employment generation, and energy expansion.

B. Population

The Mission's Family Planning Services Project purpose is to increase Bangladesh's contraceptive prevalence rate from its 1981 level of 13 percent to 25 percent by the end of FY 83. Achieving this purpose requires an effective delivery system throughout the country. An FY 82 external evaluation contributed to our decision to intensify policy dialogue with the BDG concerning organizational and management changes in the FP program. During the same period, the Contraceptive Prevalence Survey scheduled to examine the rate of progress toward increased contraceptive prevalence was postponed due to BDG management and personnel problems. The evaluation issues which will be addressed during FY 84-85, therefore, relate to measurement of project progress and to BDG management performance in the delivery of FP services.

Population FY 84-85

Major questions and issues include:

1. What is the current contraceptive prevalence rate (CPR) in Bangladesh? How has this rate changed from previous years in aggregate terms and in terms of method mix? Differential knowledge and use of contraceptive methods will also be examined.
2. How should the delivery of FP services and "beyond family planning" initiatives be organized in order to increase the contraceptive prevalence rate significantly?
3. What may be done to improve commodity supply and logistics management in the FP program at all levels of the system?

4. Which NGO initiatives appear most effective and efficient in improving the CPR? How may such initiatives be expanded? Is it possible to incorporate NGO-initiated interventions into the BDG program?

5. What is the effectiveness of the Social Marketing Project, regarding number and types of products, the effects of the mass media campaign, and the type of management structure?

6. What lessons may be learned from the small-scale BACE experiment in providing scholarships to secondary school girls? Can this or similar initiatives be expanded to other regions of the country? What institutional mechanisms will be required?

7. What factors account for the wide variation in acceptor rates among thanas in Bangladesh? (Note: in the FY 83-84 plan, the focus was on districts. It has been changed to thanas at the request of the BDG.)

The contraceptive prevalence survey will begin in the third quarter of FY 83, utilizing a private research firm or institution. In FY 85 a follow-on CPS will be contracted. USAID is negotiating with the World Bank and UNFPA to undertake a joint assessment in the third quarter of FY 85 of the effectiveness and efficiency of the BDG's overall FP program. The relative effectiveness and efficiency of various NGO approaches to family planning service delivery will be analyzed in the first quarter FY 85. In the last quarter of FY 85, evaluation of a small "beyond family planning" project managed by an NGO will assess the relationship of scholarships to girls on secondary school attendance and subsequent age of marriage.

C. Agriculture

Increased agricultural productivity and the achievement of foodgrain self-sufficiency in Bangladesh are the goals of the Mission and the BDG. USAID assistance in this sector concentrates on development and dissemination of agricultural technologies; increasing farmer access to inputs and credit; and improving foodgrain security, management, and marketing. Major evaluation issues related to the Mission's action plan for FY 84-85 include:

1. To what extent has the Agricultural Research II project contributed to the development of responsive, viable agricultural research in Bangladesh? What directions should a follow-on project take?

2. What is the relationship between the Bangladesh Agricultural University and other components of the agricultural sector? What project initiatives might be undertaken to strengthen this relationship?

3. What progress may be seen, and what constraints noted, in the shift of fertilizer distribution to the private sector as part of USAID's Fertilizer Distribution Improvement II Project?

4. What progress has occurred, and what constraints have appeared, in the implementation of the Rural Finance Project's initial stages?

5. What developmental impact may be seen as a long-term consequence of Title II Food for Work roads in rural areas? How may these findings be utilized in the planning and implementation of Food for Work under the new, decentralized BDG planning mechanism centered on the thana? And how may such findings be related to the activities of the Zilla Roads Maintenance Project in the future?

6. Has implementation of the Open Market Sales program for foodgrain distribution continued to contribute to moderation of market prices?

7. How effective has the BDG's implementation been of foodgrain production and consumption policies and programs which were agreed upon under the Title III agreement? What steps to improve performance may be recommended?

D. Other Programs

Early in FY 1984, the USAID Mission must decide what energy activities to pursue in coming years, given constraints on funds and staff. A major input to these decisions will be provided by evaluation studies of activities in the Rural Electrification II Project, which have been undertaken in FY 83. These findings will also allow USAID to discuss participation in rural electrification activities with other donors. During FY 84 and FY 85, evaluations of productive uses of electricity in the 13 original project sites is expected to produce information which may be used to accelerate the rate of economic expansion in those areas. The USAID Mission's interest in development of rural employment initiatives will be reassessed in FY 84. Evaluations of the MIDAS and BSCIC components of the Rural Industries study project carried out in late FY 83 and again during FY 84 will provide the information required for planning future activities in this sector.

Major issues include:

1. What impact has the Rural Electrification Project had in increasing agricultural productivity and employment? How might this impact be increased in the future?

2. How efficient, and how effective, has institutional development of the Rural Electrification Board and the semi-autonomous Rural Electrical Societies been? Are the cooperative societies financially viable? What further assistance looks most beneficial? What role should other donors be encouraged to play? What long-term AID commitment to energy development will be required?

3. What level, and what type, of continuing support for MIDAS will prove most useful? How useful are institutions like MIDAS in promoting development of private enterprise?

4. How effective is the BSCIC Women's Entrepreneurship Program as a development initiative? Is this program capable of expansion beyond its present limits without becoming overly bureaucratized and staff-heavy? Should support for this program be continued?

5. Should the Stirling Engine rice-husker be supported beyond its present, pilot phase? If so, in what ways, and through what institutional mechanism?

LIST OF PLANNED EVALUATIONS, FY 1984-1985

Project List (Project No. & Title)	Last Eval. Completed (No./Yr.)	FY 1984		FY 1985		Reasons/Issues	Funding Source	USAID Person Days	Collateral AID Assistance
		Start (Qtr.)	To AID/W (Qtr.)	Start (Qtr.)	To AID/W (Qtr.)				
1. <u>Population/Family Planning</u> 368-0050 Family Planning Services									
(a) CPS	--	2	--	--	3	PACD 09/30/85 (a) To obtain CPR by various methods. To evaluate effectiveness of the project.	Project 150	20	Contractor
(b) NCO	6/82	4	--	--	2	(b) Evaluate effectiveness and efficiency of different NGO approaches and institutional capability.	Project 20	10	-- do --
(c) SMP	--	--	--	3	2 (86)	(c) Evaluate management structure, effectiveness of product mix, prices and mass media campaign.	Project 20	6	-- do --
(d) BDG	3/83	--	--	1	2	(d) Evaluate the effectiveness & efficiency of the program with particular emphasis on recommendation for needed structure and policy changes.	Project 30	15	-- do --

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Evaluation Officer: Hugh S. Plunkett
Behavioral Science Advisor
(50% of time)

Project List (Project No. & Title)	Last Eval Completed (Mo./Yr.)	FY 1984			FY 1985			Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
		Start (Qtr.)	To AID/W (Qtr.)	Start (Qtr.)	To AID/W (Qtr.)	Start (Qtr.)	To AID/W (Qtr.)				
2. <u>Agriculture, Rural Development & Engineering</u> 388-0027 Technical Resources	7/82	3	3	--	--		PACD 02/15/85 Assess performance of TA, training and women's training component.	--	5	None	
3. PL-480 Title III	11/82	4 (83)	1 (84)	4 (84)	1 (85)		Review the BDG's implementation of the foodgrain production & consumption policies and programs mutually agreed upon under the Title III agreement.	Project OE	30	1 AID/W TDY for 2 weeks. 1 USDA TDY for two weeks.	
4. 388-0042 Rural Industries	8/82	3	3	3	3		PACD 06/30/85 1) Identification and determina- tion of appropriateness of the BSCIC credit programs. (2) Deci- sion on continuing support for MIDAS.	P.D.&S.	10	1 Consultant for 120 days.	
5. 388-0045 PVO Co-Financing II TAF/Rice	9/82	4	4	--	--		PACD 11/30/85 Determination of achievement of Phase II objectives decision on Phase III.	--	10	None	
6. 388-0046 Agro-Climatic Environmental Monitoring	6/82	--	--	1	1		PACD 09/30/85 Examine equipment selection, installation and effective- ness of personnel training for project maintenance.	Project OE	10	1 Consultant for 30 days.	

Project List (Project No. & Title)	Last Eval. Completed (Mo./Yr.)	FY 1984		FY 1985		Reasons/Issues	Funding Source	USAID Person Days	Collateral AID Assistance
		Start (Qtr.)	To AID/W (Qtr.)	Start (Qtr.)	To AID/W (Qtr.)				
7. 388-0051 Agricultural Research II	6/82	3	3	3	3	PACD 06/04/87 (a) Assess contractor/BDG perfor- mance and achievement of target, progress toward imple- mentation in I.A., Tig. commo- dity procurement & contract research and construction. Assess quality, usefulness & appropriateness of results to date.	Project	50	1 AID/W TDY For 1 month. 3 Consul- tants for 1 month.
(b) BRRI	12/83	1	2	1	2	(b) Evaluate usefulness of BRRI technology developed since Nov. 1982. Assess rate and adoption by farmers.	Project	50	1 Consultant for 2 1 month.
(c) Rat Control in Wheat (in pro- gress)	5/83	To be Deter- mined	To be Deter- mined	To be Deter- mined	To be Deter- mined	(c) To assess effectiveness of media campaign (radio, comic strips, posters, demonstra- tions) and farmer acceptance of rodenticide use.	Project	10	1 PASA for 2 weeks
8. 388-0052 Food For Work II	5/83	3	4	3	4	PACD 12/21/84 (a) Detailed analysis of previous project successful in meeting development criteria. To find out what elements led to the success of those projects and to build those elements into the project guidance for future years.	P.D.&S.	30	2 Consultants for 9 months.

(continued)

LIST OF PLANNED EVALUATIONS, FY 1984-1985

Project List (Project No. & Title)	Last Eval. Completed (Mo./Yr.)	FY 1984		FY 1985		Reasons/Issues	Funding Source	USAID Person Days	Collateral AID Assistance
		Start (Qtr.)	To AID/W (Qtr.)	Start (Qtr.)	To AID/W (Qtr.)				
8. 388-0052 (continued) Food For Work (b) Construction	In Pro- gress 5/83	3	4	3	4	(b) Evaluate various pilot projects under the construction component.	P.D.&S.	90	None
9. 388-0021 & 0054 Rural Electrifica- tion I & II	6/82	3	4	3	4	PACD 12/15/83 and 12/31/87 Study the record of REB. Promotion of productive uses of rural electricity.	--	30	None.
10. 388-0056 Zilla Road Maintenance and Improvement	--	3	4	3	3	PACD 12/01/85 Evaluate to progress toward achievement of project objectives.	PD.&S.	20	3 Consultants for 2 months.

ORGANIZATION - USAID, Bangladesh

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		2,709.7		2,709.7	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	1,668.0		1,668.0	33.7
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116	265.1		265.1	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	7.0		7.0	XXXXX
OTHER MISSION FUNDED O.C. 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126	141.3		141.3	24
RETIREMENT - U.S.	U107	120	126.8		126.8	XXXXX
LIVING ALLOWANCES	U108	128				XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	37.0		37.0	XXXXX
OTHER MISSION FUNDED O.C. 12	U110	129	11.2		11.2	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	92.8		92.8	24
POST ASSIGNMENT - FREIGHT	U112	22	160.4		160.4	24
HOME LEAVE - TRAVEL	U113	212	63.3		63.3	14
HOME LEAVE - FREIGHT	U114	22	23.5		23.5	14
EDUCATION TRAVEL	U115	215	11.7		11.7	4
R AND R TRAVEL	U116	215	76.6		76.6	40
ALL OTHER CODE 215 TRAVEL	U117	215	25.0		25.0	10
<u>FOREIGN NATIONAL DH</u>	U200		228.7		228.7	XXXXX
BASIC PAY	U201	114	165.7		165.7	66.5
OVERTIME, HOLIDAY PAY	U202	115	9.0		9.0	3.3
ALL OTHER CODE 11 - FN	U203	119	5.0		5.0	XXXXX
ALL OTHER CODE 12 - FN	U204	129	34.0		34.0	XXXXX
BENEFITS FORMER FN PERS.	U205	13	15.0		15.0	XXXXX
<u>CONTRACT PERSONNEL</u>	U300		155.2	0.2	155.4	XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	90.5		90.5	2
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	64.7	0.2	64.9	6
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400		232.1	218.3	450.4	XXXXX
RENT	U401	235	107.1	134.3	241.4	35
UTILITIES	U402	235	55.4	84.0	139.4	XXXXX
RENOVATION AND MAINT.	U403	259	5.0		5.0	XXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311				XXXXX
TRANS./FREIGHT - CODE 311	U406	22				XXXXX
SECURITY GUARD SERVICES	U407	254	63.0		63.0	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	0.2		0.2	XXXXX
REPRESENTATION ALLOWANCE	U409	252	1.4		1.4	XXXXX

ORGANIZATION USAID, Bangladesh

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		<u>1,432.8</u>	<u>50.0</u>	<u>1,482.8</u>	<u>XXXXX</u>
RENT	U501	234	<u>160.0</u>		<u>160.0</u>	<u>XXXXX</u>
UTILITIES	U502	234	<u>20.0</u>		<u>20.0</u>	<u>XXXXX</u>
BUILDING MAINT./RENOV.	U503	259	<u>6.4</u>		<u>6.4</u>	<u>XXXXX</u>
OFFICE FURN./EQUIP.	U504	310	<u>15.8</u>		<u>15.8</u>	<u>XXXXX</u>
VEHICLES	U505	312				<u>XXXXX</u>
OTHER EQUIPMENT	U506	319	<u>24.2</u>		<u>24.2</u>	<u>XXXXX</u>
TRANSPORTATION/FREIGHT	U507	22				<u>XXXXX</u>
COMMUNICATIONS	U508	230	<u>15.0</u>		<u>15.0</u>	<u>XXXXX</u>
SECURITY GUARD SERVICES	U509	254	<u>7.6</u>		<u>7.6</u>	<u>XXXXX</u>
PRINTING	U510	24	<u>4.4</u>		<u>4.4</u>	<u>XXXXX</u>
RIG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS	U512	210		<u>40.0</u>	<u>40.0</u>	<u>800</u>
INFORMATION MEETINGS	U513	210				
TRAINING ATTENDANCE	U514	210	<u>3.2</u>		<u>3.2</u>	<u>3</u>
CONFERENCE ATTENDANCE	U515	210	<u>25.4</u>		<u>25.4</u>	<u>13</u>
OTHER OPERATIONAL TRAVEL	U516	210	<u>22.0</u>		<u>22.0</u>	<u>14</u>
SUPPLIES AND MATERIALS	U517	26	<u>35.5</u>		<u>35.5</u>	<u>XXXXX</u>
FAAS	U518	257	<u>1,054.6</u>		<u>1,054.6</u>	<u>XXXXXX</u>
CONSULTING SVCS - CONT.	U519	259				<u>XXXXX</u>
MGT./PROF. SVCS. - CONT.	U520	259				<u>XXXXX</u>
SPEC. STUDIES/ANALYSES CONT.	U521	259				<u>XXXXX</u>
ALL OTHER CODE 25	U522	259	<u>38.7</u>	<u>10</u>	<u>48.7</u>	<u>XXXXX</u>
TOTAL O.E. BUDGET			<u>4,758.5</u>	<u>268.5</u>	<u>5,027.0</u>	<u>XXXXX</u>
RECONCILIATION (U-101, 103, 104, 107, 109 & 518) AID/W Funded			<u>3,158.5</u>		<u>3,158.5</u>	<u>XXXXX</u>
OPERATING ALLOWANCE REQUEST			<u>1,600.0</u>	<u>268.5</u>	<u>1,868.5</u>	<u>XXXXX</u>
OTHER INFORMATION:						
Dollar requirement for local currency costs				<u>765.8</u>		
Exchange rate used (as of May 1, 1983)				<u>24.4487</u>		

ORGANIZATION - USAID/Bangladesh

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		2,789.2		2,789.2	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	1,654.0		1,654.0	34
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116	354.1		354.1	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	20.0		20.0	XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126	179.8		179.8	28
RETIREMENT - U.S.	U107	120	118.3		118.3	XXXXX
LIVING ALLOWANCES	U108	128				XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	43.0		43.0	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	3.6		3.6	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	51.2		51.2	8
POST ASSIGNMENT - FREIGHT	U112	22	64.0		64.0	8
HOME LEAVE - TRAVEL	U113	212	82.3		82.3	25
HOME LEAVE - FREIGHT	U114	22	62.5		62.5	25
EDUCATION TRAVEL	U115	215	9.0		9.0	6
R AND R TRAVEL	U116	215	122.4		122.4	34
ALL OTHER CODE 215 TRAVEL	U117	215	25.0		25.0	10
<u>FOREIGN NATIONAL DH</u>	U200		240.0		240.0	XXXXX
BASIC PAY	U201	114	175.0		175.0	63
OVERTIME, HOLIDAY PAY	U202	115	10.0		10.0	3.4
ALL OTHER CODE 11 - FN	U203	119	5.0		5.0	XXXXX
ALL OTHER CODE 12 - FN	U204	129	35.0		35.0	XXXXX
BENEFITS FORMER FN PERS.	U205	13	15.0		15.0	XXXXX
<u>CONTRACT PERSONNEL</u>	U300		170.6		170.6	XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	103.0		103.0	2
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	67.6		67.6	9
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400		296.7	203.2	499.9	XXXXX
RENT	U401	235	119.1	143.2	262.3	35
UTILITIES	U402	235	75.0	60.0	135.0	XXXXX
RENOVATION AND MAINT.	U403	259				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	0.4		0.4	XXXXX
REPRESENTATION ALLOWANCE	U409	252	1.5		1.5	XXXXX

ORGANIZATION - USAID/Bangladesh

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		<u>1,594.9</u>	<u>25.0</u>	<u>1,619.9</u>	<u>XXXXX</u>
RENT	U501	234	<u>165.0</u>		<u>165.0</u>	<u>XXXXX</u>
UTILITIES	U502	234	<u>20.0</u>		<u>20.0</u>	<u>XXXXX</u>
BUILDING MAINT./RENOV.	U503	259	<u>7.2</u>		<u>7.2</u>	<u>XXXXX</u>
OFFICE FURN./EQUIP.	U504	310	<u>18.6</u>		<u>18.6</u>	<u>XXXXX</u>
VEHICLES	U505	312	<u>9.9</u>		<u>9.9</u>	<u>XXXXX</u>
OTHER EQUIPMENT	U506	319	<u>27.5</u>		<u>27.5</u>	<u>XXXXX</u>
TRANSPORTATION/FREIGHT	U507	22	<u>18.9</u>		<u>18.9</u>	<u>XXXXX</u>
COMMUNICATIONS	U508	230	<u>16.0</u>		<u>16.0</u>	<u>XXXXX</u>
SECURITY GUARD SERVICES	U509	254	<u>9.0</u>		<u>9.0</u>	<u>XXXXX</u>
PRINTING	U510	24	<u>3.0</u>		<u>3.0</u>	<u>XXXXX</u>
RIG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS	U512	210	<u>25.0</u>	<u>25.0</u>	<u>50.0</u>	<u>998</u>
INFORMATION MEETINGS	U513	210				
TRAINING ATTENDANCE	U514	210	<u>24.0</u>		<u>24.0</u>	<u>6</u>
CONFERENCE ATTENDANCE	U515	210	<u>58.8</u>		<u>58.8</u>	<u>14</u>
OTHER OPERATIONAL TRAVEL	U516	210	<u>33.1</u>		<u>33.1</u>	<u>10</u>
SUPPLIES AND MATERIALS	U517	26	<u>15.0</u>		<u>15.0</u>	<u>XXXXX</u>
FAAS	U518	257	<u>1,100.0</u>		<u>1,100.0</u>	<u>XXXXX</u>
CONSULTING SVCS - CONT.	U519	259				<u>XXXXX</u>
MGT./PROF. SVCS. - CONT.	U520	259				<u>XXXXX</u>
SPEC. STUDIES/ANALYSES CONT.	U521	259				<u>XXXXX</u>
ALL OTHER CODE 25	U522	259	<u>37.0</u>		<u>37.0</u>	<u>XXXXX</u>
TOTAL O.E. BUDGET			<u>5,091.4</u>	<u>228.2</u>	<u>5,319.6</u>	<u>XXXXX</u>
RECONCILIATION (U-101,103,104,107,109 & 518)			<u>3,289.4</u>		<u>3,289.4</u>	<u>XXXXX</u>
AID/W Funded						
OPERATING ALLOWANCE REQUEST			<u>1,802.0</u>	<u>228.2</u>	<u>2,030.2</u>	<u>XXXXX</u>
OTHER INFORMATION:						
Dollar requirement for local currency costs				<u>833.7</u>		
Exchange rate used (as of May 1, 1983)				<u>24.4487</u>		
Estimated Wage Increases - FY 1983 to FY 1984				<u>10%</u>	(effective: 4/1/84)	
Estimated Price Increases - FY 1983 to FY 1984				<u>12%</u>		

ORGANIZATION -USAID/Banqladesh

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		2,863.5		2,863.5	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	1,596.6		1,596.6	33.3
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116	340.6		340.6	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	20.0		20.0	XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126	245.0		245.0	34
RETIREMENT - U.S.	U107	120	111.8		111.8	XXXXX
LIVING ALLOWANCES	U108	128				XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	45.0		45.0	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	13.8		13.8	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	57.6		57.6	9
POST ASSIGNMENT - FREIGHT	U112	22	72.0		72.0	9
HOME LEAVE - TRAVEL	U113	212	115.1		115.1	33
HOME LEAVE - FREIGHT	U114	22	121.0		121.0	33
EDUCATION TRAVEL	U115	215	12.0		12.0	8
R AND R TRAVEL	U116	215	83.0		83.0	28
ALL OTHER CODE 215 TRAVEL	U117	215	30.0		30.0	10
<u>FOREIGN NATIONAL DH</u>	U200		264.0		264.0	XXXXX
BASIC PAY	U201	114	195.0		195.0	62
OVERTIME, HOLIDAY PAY	U202	115	12.0		12.0	3.7
ALL OTHER CODE 11 - FN	U203	119	7.0		7.0	XXXXX
ALL OTHER CODE 12 - FN	U204	129	40.0		40.0	XXXXX
BENEFITS FORMER FN PERS.	U205	13	10.0		10.0	XXXXX
<u>CONTRACT PERSONNEL</u>	U300		186.7		186.7	XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	112.2		112.2	2
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	74.5		74.5	9
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400		312.5	205.0	517.5	XXXXX
RENT	U401	235	130.0	145.0	275.0	35
UTILITIES	U402	235	80.0	60.0	140.0	XXXXX
RENOVATION AND MAINT.	U403	259				XXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311	19.0		19.0	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	11.6		11.6	XXXXX
SECURITY GUARD SERVICES	U407	254	70.0		70.0	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	0.4		0.4	XXXXX
REPRESENTATION ALLOWANCE	U409	252	1.5		1.5	XXXXX

ORGANIZATION - USAID/Bangladesh

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		<u>1,709.7</u>	<u>25.0</u>	<u>1,734.7</u>	<u>XXXXX</u>
RENT	U501	234	<u>170.0</u>		<u>170.0</u>	<u>XXXXX</u>
UTILITIES	U502	234	<u>23.0</u>		<u>23.0</u>	<u>XXXXX</u>
BUILDING MAINT./RENOV.	U503	259	<u>8.0</u>		<u>8.0</u>	<u>XXXXX</u>
OFFICE FURN./EQUIP.	U504	310	<u>14.1</u>		<u>14.1</u>	<u>XXXXX</u>
VEHICLES	U505	312	<u>10.7</u>		<u>10.7</u>	<u>XXXXX</u>
OTHER EQUIPMENT	U506	319	<u>26.3</u>		<u>26.3</u>	<u>XXXXX</u>
TRANSPORTATION/FREIGHT	U507	22	<u>13.6</u>		<u>13.6</u>	<u>XXXXX</u>
COMMUNICATIONS	U508	230	<u>18.0</u>		<u>18.0</u>	<u>XXXXX</u>
SECURITY GUARD SERVICES	U509	254	<u>10.0</u>		<u>10.0</u>	<u>XXXXX</u>
PRINTING	U510	24	<u>3.0</u>		<u>3.0</u>	<u>XXXXX</u>
RIG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS	U512	210	<u>25.0</u>	<u>25.0</u>	<u>50.0</u>	<u>998</u>
INFORMATION MEETINGS	U513	210				
TRAINING ATTENDANCE	U514	210	<u>24.0</u>		<u>24.0</u>	<u>6</u>
CONFERENCE ATTENDANCE	U515	210	<u>59.0</u>		<u>59.0</u>	<u>14</u>
OTHER OPERATIONAL TRAVEL	U516	210	<u>35.0</u>		<u>35.0</u>	<u>15</u>
SUPPLIES AND MATERIALS	U517	26	<u>25.0</u>		<u>25.0</u>	<u>XXXXX</u>
FAAS	U518	257	<u>1,200.0</u>		<u>1,200.0</u>	<u>XXXXX</u>
CONSULTING SVCS - CONT.	U519	259				<u>XXXXX</u>
MGT./PROF. SVCS. - CONT.	U520	259				<u>XXXXX</u>
SPEC. STUDIES/ANALYSES CONT.	U521	259				<u>XXXXX</u>
ALL OTHER CODE 25	U522	259	<u>45.0</u>		<u>45.0</u>	<u>XXXXX</u>
TOTAL O.E. BUDGET			<u>5,336.4</u>	<u>230.0</u>	<u>5,566.4</u>	<u>XXXXX</u>
RECONCILIATION (U-101,103,104,107,109 & 518)			<u>3,314.0</u>		<u>3,314.0</u>	<u>XXXXX</u>
OPERATING ALLOWANCE REQUEST			<u>2,022.4</u>	<u>230.0</u>	<u>2,252.4</u>	<u>XXXXX</u>
OTHER INFORMATION:						
Dollar requirement for local currency costs				<u>914.1</u>		
Exchange rate used (as of May 1, 1983)				<u>24.4487</u>		
Estimated Wage Increases - FY 1984 to FY 1985				<u>15% (effective 1/1/85)</u>		
Estimated Price Increases - FY 1984 to FY 1985				<u>12%</u>		

TABLE VIII NARRATIVE - OPERATING EXPENSES

A. Management Improvements

The Mission USDH work force levels remain relatively constant during FY 83, 84, and 85. However, because of our emphasis on policy changes, the mix of USDH employees has changed slightly, with greater emphasis on economists. With this added emphasis in both macro and micro economic expertise, Mission management will be better able to plan strategy and analyze and influence major BDG policy changes implicit in our portfolio. With the recent hiring of an Agricultural Economist we now have on board two Agricultural Economists (USDH and IPA) and two Program Economists (USDH).

We are also reviewing on board personnel (USDH and FN) to determine where best to assign Project Officers and FN support staff in relation to our current and planned mix of projects.

By the very nature of our business, the majority of our expenses involve people and the costs that support people. Thus, to the extent that there is not a reduction in USDH there is little opportunity for cost savings. This is particularly true when inflation in Bangladesh is estimated to be 12 percent for the budget years. In addition, we anticipate continued (if to a lesser extent) inflationary trends in our non-Taka expenses. The net result is that expenses for FYs 84 and 85 require an overall increase over FY 83. There are a few categories where expenses are anticipated to decrease or remain constant, but such changes are due more to personnel actions than cost savings.

The one significant management improvement will be the acquisition of micro computer equipment. When this equipment is fully functional it will improve our ability to do meaningful analysis, save time in the preparation of statistical data and documents, and perform accounting and clerical duties. With the addition of this equipment, we should be able to do better with less and perhaps comply with additional work requirements (such as prompt payment legislation) with a constant work force.

In addition, we will continue to monitor carefully areas where we can effect savings (even if minor in relation to the whole), such as international travel involving TDY, seminars, etc. and housekeeping costs in connection with USDH leased quarters. Examples of our attempt to reduce housekeeping costs

are (a) a continual review of maintenance costs viz-a-viz advisability of lease renewal and (b) periodic reporting of utility costs that indicate employees' usage ranking. This type of monitoring has instilled "cost awareness," with a visible effort on the part of employees to reduce costs.

B. Justification for Funding Changes

FY 84 vs FY 83

Function Code U-400:

In FY 83 we did not purchase any non-expendible property. However, we have budgeted \$35,700 (C&F) for FY 84. In addition, we have anticipated rental increases of 12 percent for leases renewed in FY 1984.

FY 85 vs FY 84

Function Code U-200:

The anticipated wage increase of 15% for FSNs is the primary reason for the funding change between FY 84 and FY 85.

C. Trust Fund

Bangladesh, with one of the lowest per capita incomes of any AID recipient, plans to contribute 14.4%, 11.2% and 10.2% towards our total operating expenses budget in FY 83, 84 and 85 respectively (Mission allocation).

Based on current and anticipated economic conditions in Bangladesh and the continued shortage of local currency revenues, we do not believe it appropriate, at this time, to make a major effort to obtain an increase in Trust Fund support. We plan, however, to propose, effective with the Bangladesh Fiscal Year 1985, a modest increase in the BDG Trust Fund contribution.

BANGLADESH
TABLE VIII(a)
OBLIGATIONS OF ADP SYSTEMS
(\$000)

	-----Fiscal Year-----		
	1983	1984	1985
A. <u>Capital Investments</u>			
1. Purchase of ADP Equipment	17.7	6.0	-0-
2. Purchase of Software	3.5	1.0	1.0
Subtotal	21.2	7.0	1.0
B. <u>Personnel</u>			
1. Compensation, Benefits, Travel	-0-	-0-	4.0
2. Workyears	-0-	-0-	1.0
Subtotal	-0-	-0-	5.0
C. <u>Equipment Rental and Other</u>			
<u>Operating Costs</u>			
1. ADP Equipment (ADPE) Rentals	-0-	-0-	-0-
2. Supplies and Leased Software	1.0	1.5	2.0
Subtotal	1.0	1.5	2.0
D. <u>Commercial Services</u>			
1. ADP Service Bureau	-0-	-0-	-0-
2. Systems Analysis and Programming	-0-	2.5	2.5
3. ADPE Maintenance (If separate from item C.1.)	2.0	2.0	2.0
Subtotal	2.0	4.5	4.5
E. <u>Total Obligations (A-D)</u>	24.2	13.0	12.5
F. <u>Interagency Services</u>			
1. Payments	-0-	-0-	-0-
2. Offsetting Collections	-0-	-0-	-0-
Subtotal	-0-	-0-	-0-
G. <u>Grand Total (E+F)</u>	24.2	13.0	12.5
Amount included in <u>Mission allowance</u> for existing systems	-0-	7.0	11.5
Amount included in <u>Mission allowance</u> for new/expanded systems	24.2	6.0	1.0

Narrative: Automated Data Processing Systems

The Mission has requested procurement of four Apple IIE micro-computer systems. The equipment will be used to: develop and maintain data series for commodity imports in order to monitor project performance and forecast requirements; analyze macroeconomic and agricultural data to support bilateral policy dialogues; process and analyze data for studies in connection with project implementation, design, and evaluation; and assist Mission management through inventory control, financial reporting/accounting, and word processing.

Equipment includes four Apple IIE micro-computers, four Zenith monitors, two Epson MX-100 printers, two Mayday uninterruptible power sources, and associated software and peripherals. We expect this equipment to become operational by the end of CY 1983.

During FY 84, the Mission plans to expand capacity of its four micro-computer systems, to add software as required, and to purchase letter quality line printers.

TABLE IX(a) - WORKFORCE REQUIREMENTS (U.S. DIRECT HIRE)

SKILL CODE	POSITION TITLE	WORKYEARS			
		FY 83	FY 84	FY 85	FY 86
011	MISSION DIRECTOR	1.0	1.0	1.0	0.7
012	DEPUTY MISSION DIR	1.0	1.0	0.9	1.0
071	EXECUTIVE ASSISTANT	0.7	1.0	1.0	1.0
050	SECRETARY	0.7	1.0	1.0	0.8
850	REGIONAL LEGAL ADV	0.6	1.0	1.0	1.0
021	PROGRAM ECONOMIST	1.0	1.0	0.8	1.0
021	ASST PROGRAM ECON	0.5	1.0	1.0	1.0
023	PROGRAM OFFICER	0.7	1.0	1.0	1.0
023	DEPUTY PROGRAM OFF	1.0	1.0	0.7	1.0
023	ASST PROGRAM OFF	1.0	1.0*	1.0*	0.7*
754	BEHAVIORAL SCI ADV	1.0	0.4*	-	-
023	ASST PROGRAM OFF	-	0.4	1.0	1.0
940	PROJECT DEV OFFICER	1.0	1.0	1.0	1.0
940	ASST PROJECT DEV OFF	1.0	1.0	1.0	1.0
940	ASST PROJECT DEV OFF	0.8	1.0	1.0	1.0
940	ASST PROJECT DEV OFF	1.0	1.0	1.0	0.8
940	ASST PROJECT DEV OFF	1.0	0.8*	1.0*	1.0*
940	ASST PROJECT DEV OFF	1.0	-	-	-
251	GEN ENGINEERING OFFICER	1.0	1.0	1.0	1.0
251	GEN ENGINEERING ADVISOR	0.9	1.0	1.0	0.8
251	GEN ENGINEERING ADVISOR	1.0	1.0	1.0	1.0
103	AGRICULTURAL DEV OFF	0.9	1.0	1.0	1.0
101	AGRICULTURAL ECONOMIST	0.5	1.0	0.6	1.0
103	ASST AGRL DEV OFF	1.0	1.0	1.0	0.7
103	PROJ MGR AGRICULTURE	1.0	1.0	0.8	1.0
103	PROJ MGR AGRICULTURE	-	-	0.2*	1.0*
150	FOOD FOR PEACE OFFICER	1.0	0.8	1.0	1.0
150	ASST FFP OFFICER	1.0	1.0	1.0	1.0
150	ASST FFP OFFICER	1.0	0.8*	1.0*	1.0*
932	SUPPLY MGT ADVISOR	0.7	-	-	-

TABLE IX(a) - WORKFORCE REQUIREMENTS (U.S. DIRECT HIRE)

SKILL CODE	POSITION TITLE	WORKYEARS			
		FY 83	FY 84	FY 85	FY 86
502	HEALTH DEV OFFICER	1.0	1.0	1.0	0.7
550	ASST POPULATION OFF	0.8	1.0	1.0	1.0
550	PROJ MGR POPULATION	1.0	1.0	1.0	1.0
501	POP OFFICER PHSN	1.0	1.0	1.0	0.8
502	IDI HEALTH	0.7	1.0	0.3	-
043	CONTROLLER	1.0	0.8	1.0	1.0
042	BUDGET/ACCTG OFF	0.6	1.0	1.0	1.0
041	ACCNT FINL ANALYST	0.6	1.0	1.0	1.0
032	MANAGEMENT OFFICER	1.0	1.0	1.0	1.0
033	PERSONNEL OFFICER	1.0	-	-	-
SUBTOTAL FULL-TIME USDH		33.0	33.0	33.0	33.0
SUBTOTAL IDI EMPLOYEES		0.7	1.0	0.3	-
TOTAL USDH EMPLOYEES		33.7	34.0	33.3	33.0

TABLE IX(b) WORKFORCE REQUIREMENTS (F.N. DIRECT HIRE)

SKILL CODE	POSITION TITLE	WORKYEARS			
		FY 83	FY 84	FY 85	FY 86
024	PROGRAM SPECIALIST* (WOMEN'S AFFAIRS)	1.0	1.0	1.0	1.0
024	PROG SPEC (GENERAL)	1.0	1.0	1.0	1.0
050	SECRETARY	0.6	-	-	-
024	PROG SPEC (GENERAL)	1.0	1.0	1.0	1.0
050	SECRETARY	1.0	1.0	1.0	1.0
910	PARTICIPANT TRNG SPEC	1.0	1.0	1.0	1.0
910	PARTICIPANT TRNG ASST	1.0	1.0	1.0	1.0
910	TRAINING ASSISTANT*	1.0	1.0	1.0	-
050	SECRETARY	1.0	1.0	1.0	1.0
850	LEGAL ASSISTANT	1.0	1.0	1.0	1.0
032	ADMINISTRATIVE ASST	0.6	-	-	-
033	PERSONNEL ASSISTANT	1.0	1.0	1.0	1.0
050	SECRETARY	1.0	-	-	-
050	SECRETARY	1.0	1.0	1.0	1.0
072	COMM & REC SUPERV	1.0	1.0	1.0	1.0
072	COMM & REC CLERK	1.0	1.0	1.0	1.0
070	OFFICE MACHINE REPAIRMAN	1.0	1.0	1.0	1.0
050	TELEPHONE OPERATOR	1.0	1.0	1.0	1.0
050	TELEPHONE OPERATOR	1.0	1.0	1.0	1.0
070	DUPLICATING EQPT OPER	1.0	1.0	1.0	1.0
070	MAIL CLERK	1.0	1.0	1.0	1.0
070	TRAVEL ASSISTANT	1.0	1.0	1.0	1.0
070	TRAVEL ASSISTANT	1.0	1.0	1.0	1.0
070	RECEPTIONIST	1.0	1.0	1.0	1.0
070	RECEPTIONIST	1.0	1.0	1.0	1.0
041	FINANCIAL ANALYST	1.0	1.0	1.0	1.0
041	SUPERVISORY VOUCHER EXAM	1.0	1.0	1.0	1.0
041	SUPER ACCTG TECHNICIAN	1.0	1.0	1.0	1.0
041	PROJ ACCTG TECHNICIAN	1.0	1.0	1.0	1.0
041	ACCOUNTING TECHNICIAN	1.0	1.0	1.0	1.0
050	CASHIER*	1.0	1.0	1.0	1.0
050	SECRETARY	1.0	-	-	-
041	FINAN ANAL/VOUCHER EXAM	1.0	1.0	1.0	1.0
041	VOUCHER EXAMINER	1.0	1.0	1.0	1.0
041	ACCTG TECHNICIAN	1.0	1.0	1.0	1.0
041	VOUCHER EXAMINER	1.0	1.0	1.0	1.0
041	FINAN ANAL/VOUCHER EXAM	1.0	1.0	1.0	1.0
041	VOUCHER EXAMINER	1.0	1.0	1.0	1.0
041	BUDGET ANALYST	1.0	1.0	1.0	1.0

TABLE IX(b) - WORKFORCE REQUIREMENTS (F.N. DIRECT HIRE)

SKILL CODE	POSITION TITLE	WORKYEARS			
		FY 83	FY 84	FY 85	FY 86
940	PROG ASST (RURAL DEV)*	1.0	1.0	1.0	1.0
940	PROG ASST (CAP DEV)	1.0	1.0	1.0	1.0
050	SECRETARY	1.0	1.0	1.0	1.0
050	CLERK-TYPIST	1.0	1.0	-	-
251	ENGINEER (GENERAL)	1.0	1.0	1.0	1.0
940	PROG ASST (RURAL DEV)	1.0	1.0	1.0	1.0
050	SECRETARY	1.0	1.0	1.0	1.0
050	SECRETARY	1.0	1.0	1.0	1.0
100	PROG SPEC (AGRIC)	1.0	1.0	1.0	1.0
100	PROG SPEC (AGRIC)	1.0	1.0	1.0	1.0
050	SECRETARY	1.0	1.0	1.0	1.0
050	SECRETARY	1.0	1.0	1.0	1.0
101	PROG SPEC (AGRIC)	1.0	1.0	1.0	1.0
100	PROG SPEC (AGRIC)	1.0	1.0	1.0	1.0
932	PROGRAM SPECIALIST	1.0	1.0	1.0	1.0
932	SHIPMENT ASSISTANT	1.0	1.0	1.0	-
050	CLERK-STENOGRAPHER	1.0	-	-	-
932	SHIPMENT ASSISTANT*	1.0	1.0	1.0	1.0
932	SHIPMENT ASSISTANT*	1.0	1.0	1.0	1.0
100	PROG SPEC (NUTRITION)	1.0	1.0	1.0	1.0
100	PROG SPEC (AGRIC)	1.0	1.0	1.0	1.0
100	PROG ASST (NUTRITION)	1.0	1.0	1.0	1.0
050	SECRETARY	1.0	1.0	1.0	1.0
930	PROG SPEC (POPULATION)	0.3	1.0	1.0	1.0
550	PROG SPEC (GENERAL)	1.0	1.0	1.0	1.0
550	PROG SPEC (POPULATION)	1.0	1.0	1.0	1.0
050	SECRETARY	1.0	1.0	1.0	1.0
050	SECRETARY	1.0	1.0	1.0	1.0
041	P-TIME ACCTG TECHNICIAN	1.0	1.0	1.0	1.0
SUB-TOTAL FULL-TIME FN		65.5	62.0	61.0	59.0
SUB-TOTAL PART-TIME FN		1.0	1.0	1.0	1.0
TOTAL FN EMPLOYEES		66.5	63.0	62.0	60.0

TABLE IX NARRATIVE - WORKFORCE

The Mission has recently made some changes in the staffing pattern and plans other changes to reflect its emphasis on analysis and reform of public policies and the needs of its evolving project portfolio.

In FY 1983 the analytical capability of the Mission was augmented when a new position of Assistant Program Economist was created and filled and the position of Agricultural Economist was filled after a year-and-a-half search. These positions, along with the Program Economist, an IPA Agricultural Economist, and two FSN analysts, give USAID increased capability to analyze economic and agricultural data in support of policy reform, project design and evaluation, particularly in the areas of foodgrain production and marketing, use of agricultural inputs, rural finance, employment generation, and energy use. Their work will be facilitated by the Mission's new micro-computers.

The Mission's evolving project portfolio will affect the mix of project officers required to develop and implement the program. A new water management project will require an officer with experience in that area by FY 1985. Long-term commitments to projects in population, agricultural research, agricultural inputs, and rural finance will require continuing technical expertise in those key areas through the planning period and beyond.

To augment this USDH workforce in areas in need of additional technical and management expertise, USAID will continue to fund several American and third country contract personnel, notably in the areas of engineering and family planning.

To accommodate the decreasing personnel levels for foreign national employees, the Mission will have to eliminate eight existing positions. Secretarial positions slated for elimination, however, can be replaced by contract employees.

If required to reduce USDH personnel by ten percent, the Mission would eliminate the positions marked with an asterisk in Table IX(a). The work of the Assistant Program Officer would have to be divided among several other officers, a PSC would be hired to coordinate PVO activities, the Deputy Program Officer would have to coordinate the Training Office, and project backstopping responsibilities would have to be divided among the three other program officers. In addition to the Assistant

Project Development Officer position already scheduled for elimination in FY 1984, the Office of Rural Development and Engineering would drop another APDO slot. Doing so would require reallocating project management responsibilities among the officers in that division. To accommodate further cuts, the Mission would also drop plans for an agriculturalist to manage irrigation activities, although doing so would harshly tax the management capacity of the Food and Agriculture Office. Finally, the Mission would eliminate an Assistant Food For Peace Officer position, in spite of the fact that important new Title II initiatives are just now coming on stream.

To accomplish a 10 percent reduction in foreign national staff, the Mission would eliminate a Program Specialist for Womens' Affairs, a Participant Training Assistant, the USAID cashier, two Shipment Assistants, and a Program Assistant for Rural Development.

PL-480 NARRATIVE

The PL 480 Program in Bangladesh is a multi-faceted resource used in collaboration with DA resources. It is fully integrated into the Mission's development assistance strategy. The current program is composed of three major elements: (1) a large, multi-year Title III Program focusing on foodgrain production, marketing, and consumption policies; (2) another multi-year project, the CARE Title II Food for Work activity, which builds rural infrastructure while employing large numbers of needy people; and (3) annual requests for Title II, Section 206 programs, to provide the BDG with local currency for use in association with Title II-supported activities, such as bridge and culvert construction on FFW roads, or for local currency financing of supplements to the local operating budgets of critically underfunded D.A. programs. With this ABS, it is proposed that all of these activities be continued on a regular basis from FY 1985 through FY 1989.

Bangladesh's food production situation and trends, import requirements, and ability to finance commercial purchases, have been covered exhaustively elsewhere and, therefore, need no repetition here. For general background in these areas, the recently completed Agricultural Sector Assessment is a most useful resource, as is the World Bank's annual report entitled: Bangladesh: Recent Economic Trends and Medium-Term Development Issues. The current food situation in-country is reported monthly by both USAID and the World Food Programme. The consensus of existing analysis is that Bangladesh is making considerable headway in agriculture but that further progress will require continued external assistance for at least the next decade. Assistance will take the form not only of DA projects such as Agricultural Research and Fertilizer Distribution, but also the policy reforms involved in the provision of Title III programs. Meanwhile, P.L. 480 food aid will help to bridge the food gap until the achievement of foodgrain self-sufficiency. After that point is reached, or approached, other commodities will be phased into the Title III aid pipeline to maintain the needed overall level of resource transfer.

Title III

The P.L. 480 Title III Program in Bangladesh is fully consistent with the thrust of several A.I.D. Policy Papers, including Approaches to Policy Dialogue; Pricing, Subsidies and Related Policies in Food and Agriculture; and Private

Enterprise Development, and with recent Title III guidance from the Agency. Recent Title III performance has indicated major achievements in each of the primary policy areas addressed, as noted in the annual program evaluation. While the program's achievements are encouraging, they should be regarded as a first step in solving the longer-term problem of managing effective foodgrain production and consumption policies. There is a need for continued dialogue with the BDG policy makers and foodgrain managers alike through the next several years. USAID will propose, therefore, a two-year extension of the existing Title III program for FY 1985 and 1986. Existing policy thrusts will continue to be emphasized. Additionally, the Mission will sharpen its focus on the broader issues of market operations in the foodgrain sector. This will involve further reductions in the size of the ration system, encouragement of private sector activity in the grain trade, and BDG support of floor prices at times of excessive price decline.

The major policy issues in the current Title III Agreement are listed below in the order of appearance in Annex B. The manner in which these policies will continue to be implemented, and possible areas for future development and negotiation, are touched on below:

--- The Title III Program's primary objective, to encourage the production of foodgrains through the efficient management of the foodgrain system and enlightened BDG interventions, will be submitted to further testing and refinement during FY 1984 and FY 1985. The past two years have witnessed generally favorable market prices. Thus, the BDG's commitment to maintain floor prices to producers has not been effectively tested since the bumper harvests of 1980-81. Large-scale interventions in support of prices are certain to pose difficulties for a government perennially short of cash resources, for which reason Title III policy will continue to focus on this issue.

--- The Open Market Sales Program was designed as an ancillary market mechanism to function in tandem with the ration system as regulatory elements for effective management of the foodgrain system during periods when market prices are unacceptably high. While BDG acceptance of OMS is now established, the Program's recent origins do not allow for meaningful analysis of performance. The BDG requires a great deal more experience with OMS before it is satisfied that the program is an effective tool for managing the foodgrain system with the least possible interference. This experience will come with running OMS through several seasons when high prices prevail. As the ration system

is phased down and ultimately out, it is apparent that OMS must assume increasingly greater importance as the BDG's primary means of public foodgrain distribution.

--- Under the terms of the present Title III Agreement, debt forgiveness is earned primarily through the sale of foodgrain through OMS. The Agreement also provides for forgiveness, through the commodity use offset provision, at times when market conditions do not warrant OMS operations and stocks are above agreed benchmark levels. Owing to persistently low stock levels, the offset mechanism has not yet come into effect. Should a favorable supply situation develop in FYs 1984 and 1985, this mechanism, and the policies associated with it, can be put into effect, tested, and further developed. Historically, Bangladesh has experienced considerable difficulty in managing both the stock and the financial implications of good production; so continued work in this area, the supply situation permitting, is of paramount importance. An associated program element is commodity flexibility. This would allow the USG to ship soybean oil or cotton in increased quantities in the event that the supply of foodgrains is adequate to the point that further reserves are not considered necessary. Follow-through on the appropriate foodgrain supply policy in years of good production, an essential Title III policy element, should assume increasing importance as the country approaches self-sufficiency in foodgrains.

--- Reduction in the Public Food Distribution System to date has been relatively easy, involving incremental movement through the adjustment of prices, the ration size, and the commodity composition of the ration. Succeeding steps of a more structural nature may prove more difficult. Potential changes to consider in both the Title III evaluation and in the negotiation process include: (1) elimination of rice from the ration (2) elimination of the Statutory Ration, and/or the Modified Ration; (3) charging costs of Essential Priority rations to the responsible ministries; and (4) increasing the ration price to a fixed higher percentage above the procurement price so that the total subsidy will be eliminated. These areas will have to be negotiated as part of a two-year extension of the current agreement. After FY 86 the Mission will seek a new multi-year Title III agreement embracing other, new policy initiatives and perhaps the programming of local proceeds in association with DA-funded projects.

Title II - CARE Food for Work

In the past two years, the CARE Food for Work program has been restructured and has become a much more effective development program. The objectives of the program have been redefined, and development impact has been placed ahead of employment

as the primary focus of the activity. Project guidance and implementation systems have also been restructured to reflect the new priorities. The BDG has reorganized the national and local government bodies responsible for the program's implementation to make them more effective. CARE's own management systems have been revised to make the monitoring of the traditional earthwork aspect of the activity more precise (through the use of random sample monitoring and the computer analysis of results) and to deal with an important new program involving the construction of bridges and culverts. USAID, the BDG, and CARE share a common satisfaction in the changes in the project which they look forward to implementing at least through FY 1989. In this connection, a new Food for Work Phase III, D.A. funded project will have to be developed to provide the dollar support for this activity. (See separate ABS project narrative). Commodity authorizations for Food for Work should continue at the level of 120,000 metric tons annually. We expect that actual commodity use, which has been at lower levels, will increase at a rapid pace so that in the near term the full 120,000 metric tons entitlement will be used every year.

CARE has expressed a keen interest in monetizing a portion of the authorized Title II commodities to provide for the local currency costs associated with the new directions of the Title II Program. Although some of the costs of the new program for bridge and culvert construction are now being funded under the Section 206 bilateral activity, such construction is likely to expand rapidly to the point where it can no longer be accommodated by existing resources. USAID anticipates undertaking Section 206-funded construction activities on CARE Food For Work roads, through a number of implementing mechanisms. A monetization of the balance of wheat not disbursed for earthworks in a given year would therefore be of considerable assistance in meeting the continuing requirement for the funding. Alternatively, other Title II commodities might be provided specifically for sale to meet this purpose.

As per ABS instructions, the Mission has enclosed as supplements to Table XIII CARE's two planning documents: the Food For Work Action Plan; and a Multi-Year Program Plan covering the period FY 1984-86. The two attachments summarize CARE's goals and the new directions of the revised FFW Program. The Action Plan outlines objectives of the integrated rural infrastructure program, which combines P.L. 480 Title II Food For Work with locally generated currencies under Section 206 to build completed rural road networks. The Multi-Year Program Plan outlines in some detail CARE's view of resource requirements for the program, training and implementation objectives, and benchmark program goals. The program plan covers the period

FY 1984-86 but also provides a fairly comprehensive description of how the program goals evolved from a primary relief emphasis to a program of development. The program plan describes the basis for planning and local community participation in design and implementation and provides a description of CARE's role in the program.

Title II - Section 206

Although the need for construction activities will exceed the availability of future Section 206 resources, the Mission anticipates a broader program. The Mission has already designed and submitted a request for the use of Section 206 proceeds in association with the dollar-funded Agricultural Research Project. In agricultural research, there is an obvious need for local currency to cover the increased operating costs necessary to make the best use of the investment which we and other donors have made in physical facilities, technical assistance, and training of local scientists. There are also other agriculture-related areas where the Mission may seek to use local currency generated under Section 206.

Section 206-funded bridge and culvert construction efforts have now developed into three distinct programs. One is the CARE activity cited above, allowing for construction (in some areas of the country) of culverts and bridges up to a 40-foot span. A separate but similar activity is being undertaken by local government (under the upgraded Thana scheme) in other areas of the country. Finally, an architectural and engineering firm will be employed for structures on road segments requiring bridges with spans in excess of 40 feet, since such structures necessitate more sophisticated design and more careful supervision. Given the facts that Bangladesh is a low-lying country with a vast network of waterways, and that the CARE-assisted projects have already built many thousands of embankments which need bridges and culverts to be turned into useful roads, the construction of such structures represents a very effective development investment. This is particularly true in light of the current rapid development and adoption of modern agricultural technologies requiring the marketing of both inputs (HYV seed, irrigation equipment, fuel, and fertilizer) and production. Rural roads, therefore, have become a key link in assisting the modernization of agriculture.

We plan to request \$30 million dollars of Section 206 commodity every year from FY 1985 through FY 1989. In years when foodgrain crop production in Bangladesh falters, there will be a requirement for Section 206 wheat to provide for the

country's urgent consumption needs at the same time that sales of that commodity generate local currency for development uses. In years of good production, we will request commodities in excess U.S. domestic supply, such as rice or soybean oil.

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TABLE XI

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

COMMODITIES	FY 1983			Estimated FY 1984			Projected FY 1985		
	Agreement \$ MT	Shipments \$ MT	Carry into FY 1983 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1984 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1985 \$ MT
<u>Title I</u>									
Wheat	28.9 230	28.7 227.7	-	34.6 200	-	-	48.1 275	-	-
Rice	10.0 37	10.0 35.4	-	9.9 30	-	-	-	-	-
Soybean/Cottonseed oil	10.9 27	10.9 26.0	-	10.8 20	-	-	11.7 20	-	-
Cotton	10.2 31 (bales)	10.2 29.5 (bales)	-	9.7 30 (bales)	-	-	15.2 47 (bales)	-	-
Total	60.0	59.8	-	65.0	-	-	75.0	-	-
<u>Of which</u>									
<u>Title III</u>									
Wheat	28.9 230	28.7 227.7	-	34.6 200	-	-	48.1 275	-	-
Rice	10.0 37	10.0 35.4	-	9.9 30	-	-	-	-	-
Soybean/Cottonseed oil	10.9 27	10.9 26.0	-	10.8 20	-	-	11.7 20	-	-
Cotton	10.2 31 (bales)	10.2 29.5 (bales)	-	9.7 30 (bales)	-	-	15.2 47 (bales)	-	-
Total	60.0	59.8	-	65.0	-	-	75.0	-	-

COMMENT:

Shipments of wheat and rice for 1983 are almost complete. Purchase of Soybean/Cottonseed Oil is yet to be completed. Amounts shown under shipment column for 1983 are based on actual purchases made to-date and additional purchases estimated to be made with the available funds.

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TABLE XII

Country/Office BANGLADESH

PL 480 TITLE I/III

Supply and Distribution
(000 Metric Ton)

<u>STOCK SITUATION</u>	<u>FY 1984*</u>	<u>Estimated FY 1985*</u>
<u>Commodity - Wheat</u>		
Beginning Stocks	469	415
Domestic Procurement	130	200
Imports	1,181	1,100
Concessional	(981)	(1,000)
Non-Concessional	(200)	(100)
Consumption	1,305	1,200
Ending Stocks	475	515
Adjustment for Inventory Loss	60	60
Adjusted Ending Stocks	415	455
<u>Commodity - Rice</u>		
Beginning Stocks	279	493
Domestic Procurement	635	700
Imports	50	-
Concessional	(50)	-
Non-Concessional	-	-
Exports	-	200
Consumption	435	400
Ending Stocks	529	593
Adjustment for Inventory Loss	36	42
Adjusted Ending Stocks	493	551

* Stock level projections can change substantially with the change in domestic procurement, import and offtake estimates.

Comment:

Accurate figures on production and consumption of total stocks (private and public) are not available. The figures above represent the best proxy available, which is the BDG public foodgrain supply and distribution system. This system includes the BDG's public food rationing, food-for-work program and open market sales program. The Bangladesh fiscal year from July 1 to June 30 has been used since that is the period used by the BDG in developing its estimates. "Procurement" has been used in lieu of "production". Procurement is that portion of domestic production which enters the public system via the BDG's grain price support mechanism. WFP's estimate has been used for 1984. Estimate for 1985 has been developed by the Mission.

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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 _____

Thousands of Recipients by Commodity	Name of Commodity	(Thousands)	(Thousands)
		KGS	Dollars
5,000	Wheat : Whole Bulk	120,000	21,800
_____	_____	_____	_____
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