

UNCLASSIFIED

AGENCY FOR
INTERNATIONAL
DEVELOPMENT



ANNUAL BUDGET SUBMISSION

FY 1977

BANGLADESH

DEPARTMENT
OF
STATE

JULY 1976



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AGENCY FOR INTERNATIONAL DEVELOPMENT

ANNUAL BUDGET SUBMISSION

FY 1977

BANGLADESH

JUNE 1975

ANNUAL BUDGET SUBMISSION

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BANGLADESH

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1. Mission Certification of the Continued Validity of the DAP

AID's projects in Bangladesh remain in line with Congressional mandates and the DAP strategy. New activities presently under consideration with the Government, such as the small scale irrigation and rural work projects, will further our ability to assist the very poor. Our population project will focus on expansion of the delivery of family planning services. Later drafts of the DAP will reflect the results of research starting now, a closer dialogue with the Government, and a greater consensus on specific sectoral development strategies.

In addition, the DAP makes the case for the use of food as a developmental resource. Although our food aid amounts to more than one half of our total assistance, it, with food imports from other donors, has not been contributing to development as directly as our projects have been. There are signs, however, that AID/W and Congress are increasingly concerned with this aspect of the Food for Peace program.

Although the Bangladesh DAP was well received in Washington, PPC has withheld approval subject to the completion of research suggestions recommended in the DAP. The Mission is now developing several of these proposals and the research should be completed over the next few years. We are currently exploring the use of local institutions, e.g. the Bangladesh Institute of Development Studies, to conduct this research in lieu of or complementary to studies performed by U.S. contract personnel.

2. Opportunities for Centrally Funded Research

Very few, if any, key development problems in Bangladesh can be addressed by centrally funded research alone. Central research programs, however, can be a valuable supplement to Mission research activities. During FY 1976 and FY 1977, the Mission hopes to sponsor a variety of local research activities to be carried out by BDG institutions, private Bengalee organizations, voluntary agencies, and U.S. consultants. Research topics which we envisage undertaking and which centrally funded research activities may supplement are as follows:

a. Land Tenure. The welfare of the rural poor depends in large measure upon their access to agricultural land, whether as farmers or as agricultural laborers. We know that the land tenure situation has been deteriorating for millions of rural people but we have little data defining the situation or explaining its causes and effects. In order to better design AID projects to meet the needs of this growing population, we will need to conduct research to document and analyze the land tenure situation.

b. Cropping Systems. Several of our projects would benefit from macro cropping system analyses. We need to ensure that our production-increasing investments are in areas and with strategies that necessarily have the highest payoffs both in terms of production and employment benefits. Within our planned Rural Works, Food for Work, and Kurigram projects we need to know the impact different types of infrastructure development will have on crop production and on-farm employment. The Agriculture Research Project will include assistance for research into cropping systems and will be drawing on the experience of the International Agricultural Research Centers.

c. Population Control. Research is needed to estimate the perceived and actual costs and benefits of additional children for both farmers and landless laborers. This research is desired to discover areas of coincidence between the perceived low private cost and the actual high social cost of additional children. This information should be useful: (a) in selection of messages for information, education and communications campaigns; and (b) in planning development policies and legal reforms. Small-scale experimental studies of a variety of incentive schemes are also required. Under present conditions of increasing landlessness, a very high inflation rate, growing unemployment, and accelerated migration to urban slums, there is also a need to know more about the effects of extreme poverty on people's perception of desirable family size. Factors affecting the capacity of villages to "support" a doubling of the population need to be better understood. In addition, it is important to have information on client's perceptions of the family planning program--the program personnel, the service facilities, contraceptives, sterilization procedures, and how clients are treated.

d. Non-Formal Education. A better understanding is needed of how information flows to a largely illiterate rural audience which does not have access to mass media. The national literacy rate in Bangladesh is less than 20% and probably is much lower in the rural areas. In addition, very few people have access to radios due to their high cost and even those that do have them often find it impossible to

obtain batteries. It is known, however, that there is wide dissemination of agricultural information to rural farmers and we feel fairly certain that it is not due to the efforts of the formal agricultural extension system primarily. Knowledge of how the informal information system works would enable the transmission of other development messages through this means.

e. Market Town Growth. The Bangladesh DAP emphasizes the importance of market town growth for employment creation and for the supply of basic consumer goods to rural people. In the past the industrial estate concept was thought to be an effective method of stimulating this growth, but has since proved to be simply an extension of capital intensive methods of organization and production to rural areas. It is now hypothesized that public policies governing credit, foreign exchange, infrastructure and information are more pertinent to the promotion of decentralized growth. These factors and others need to be examined at the level of the rural entrepreneur in order to provide the basis for policy recommendations. Such research would not lead to an AID project per se but would be useful in examining policy changes in import priorities and regulations, and the development of physical infrastructure, including rural electrification, which would encourage the growth of market towns.

3. Summary Tables of Funding Requirements

Table I - FY 1976

Table II - Interim Quarter

Table III - FY 1977

BANGLADESH
(Country)

Table I

Summary Table of Funding Requirements
Fiscal Year 1976
((\$000))

	F&N	PP&H	E&HR	SDP	SCO	Devel. Assist. Subtotal	Supporting Assistance	Total
ONGOING GRANTS:								
388-11-580-001		4,613				4,613		4,613
388-11-190-002	500					500		500
388-11-190-008	-					-		-
388-15-999-010				500		500		500
NEW GRANTS: *								
388-11-110-003	1,000					1,000		1,000
388-11-821-017	400					400		400
LOANS:*								
Agricultural Research	4,000					4,000		4,000
Agricultural Inputs	40,000					40,000		40,000
Karnaphuli Third Unit				2,500		2,500		2,500
Rural Works	5,500					5,500		5,500
Coastal Embankments	8,000					8,000		8,000
HIGs:								
PL 480	185,400			11,000		196,400		196,400
Title I	7,033					7,033		7,033
Title II								

* Listed by funding priority.

Table II

Summary Table of Funding Requirements
Interim Quarter
(\$000)

BANGLADESH
(Country)

	F&N	PP&H	E&HR	SDP	SCO	Devel. Assist. Subtotal	Supporting Assistance	Total
ONGOING GRANTS:								
388-11-580-001	-	1,154				1,154		1,154
388-11-190-002								
388-11-110-003	347					347		347
388-11-190-008	-					-		-
388-15-999-010	-					-		-
388-11-821-017	-					-		-
NEW GRANTS: *								
LOANS: *								
Agricultural Development	20,000					20,000		20,000
HIGs:								
PL 480								
Title I	34,000							45,800
Title II	1,758			11,800				1,758

*Listed by funding priority.

Table III
 Summary Table of Funding Requirements
 Fiscal Year 1977
 (\$000)

BANGLADESH
 (Country)

	F&N	PP&H	E&HR	SDP	SCO	Devel. Assist. Subtotal	Supporting Assistance	Total
ONGOING GRANTS:								
388-11-580-001		2,500**				2,500		2,500
388-11-190-002								
388-11-110-003	1,349					1,349		1,349
388-11-190-008				1,210		1,210		1,210
388-15-999-010								
388-11-821-017								
NEW GRANTS:*								
LOANS:*								
Small Scale Irrigation	15,000					15,000		15,000
Kurigram (North Unit)	15,000					15,000		15,000
Crop Production	5,000					5,000		5,000
Rural Flec (Irrigation)	25,000					25,000		25,000
Agricultural Devel	25,000					25,000		25,000
Coastal Embankments	15,000					15,000		15,000
HIGs:								
PI 480								
Title I	144,000			48,800		192,800		192,800
Title II	14,065					14,065		14,065

* Listed by funding priority.
 ** Does not include contraceptives requirements.

(a) New FY 1976 and Interim Quarter Projects

(1) 388-11-821-017 PL 480 Title II Food for Work (CARE). The PRP for this new FY 1976 project has recently been prepared by AID/W.

(2) 388-11-690-011 Pilot Rural Information Service. This FY 1976 project was intended to test various techniques of information dissemination in rural areas in an effort to demonstrate sound approaches for achieving development information outreach among the literate and illiterate. The Government of Bangladesh developed a proposal for a pilot rural information service in one of the northern districts of the country. The proposal was conceptually sound but did not incorporate sufficient administrative and organizational arrangements that would be required for realization of project purpose. The proposal therefore requires further development before any commitment of project funds can be considered, and the pilot project has been postponed. Meanwhile, further insights into rural information dissemination may be obtained by research undertakings planned for this area by a U.S. voluntary agency already in country (IVS).

(3) 388-11-810-012 Rural Public Works. This FY 1976 grant-loan activity was to have been a two-phased project: Phase I was to be a grant of \$1.7 million to fund a pilot project to assist the BDG in revitalizing and redirecting (to irrigation) the pre-liberation Rural Works Program (funded by AID throughout the 1960's), while simultaneously testing the fixed amount reimburseable cost method of project financing that AID would expect to use during subsequent Phase II loan implementation. Phase I of the project was designed to provide the experience necessary to make final decisions on when to move forward with the loan anticipated during late FY 1976. However, myriad political and administrative changes recently announced by the President of Bangladesh, and expected to be implemented over the next 12 months, have now forced reconsideration of prior plans. Phase I of the project, which in the present context would have to operate amid changing rural structures (multi-purpose cooperatives), has been cancelled. An alternative approach to the original Phase I pilot phase has been formulated, involving the fielding of a small Project Development and Technical Assistance Team to work with the BDG in designing a public works program able to accommodate the new rural institutions to be formed. This team, to be funded under Project No. 388-11-190-002 (Development Services and Training), is expected to be able to assist the BDG in successfully reestablishing its Public Works Program despite political and administrative changes occurring in rural areas. USAID therefore anticipates proceeding with a Phase II implementation loan in late FY

1976 or the Interim Quarter.

(4) Agricultural Development. Based on the FY 1976 Agricultural Inputs loan to Bangladesh described in the Congressional Presentation, funding will be needed during the Interim Quarter for additional fertilizer, pesticides, and seeds. A loan of \$ 20 million is proposed for this purpose, which would also finance supporting technical assistance for field testing and pilot studies required for improved utilization of agricultural inputs, and complementary irrigation equipment. A final determination of the loan's basic components is under review.

(b) New FY 1977 Projects

(1) Kurigram Flood Control and Irrigation (North Unit). The PID for this project is attached as an appendix.

(2) Small Scale Irrigation.* A \$15 million loan project to make irrigation equipment available to small farmers.

(3) Crop Production.* A \$5 million loan to expand production of food crops, including wheat.

(4) Rural Electrification.* A \$25 million loan for rural electrification directed primarily toward the provision of electric power for irrigation pumps.

(5) Agricultural Development.* A \$25 million loan for the provision of basic agricultural inputs and technical assistance for their improved utilization.

4. Ongoing Grant Activities

(a) Implementation Status

(1) Project No. 388-II-580-001 Population/Family Planning

The Population/Family Planning Project is a continuing

* Due to Mission workload, PIDs for these projects could not be prepared in time for forwarding with the Budget Submission. The PIDs will be prepared and transmitted during the first quarter of FY 1976.

effort which began in FY 1973. The focus of U.S. support to date has been on assisting the BDG to meet its basic program requirement for adequate and sustained availability of contraceptive supplies and fertility control instruments and equipment.

Output 1: Contraceptive and related supplies deployed throughout the country and accessible to program personnel when needed.

Progress to Date: Adequate quantities are available at the clinics and at the thana offices, which are the supply points for the program's field personnel. This has been verified by monthly reports submitted to USAID of shipments from the central warehouse to districts and by spot checks at district and thana levels by BDG, USAID, AID Audit and other donor agency personnel.

Output 2: Contraceptive supplies within reach to a potential of 10% of eligible couples on a continuing basis.

Progress to Date: As of June, 1975 there are AID-supplied oral contraceptives and condoms in-country to supply 13% of eligible couples for one year.

Output 3: About 12,000 field workers in place to distribute non-clinical contraceptives during home visits.

Progress to Date: 12,000 BDG integrated rural health and family planning field workers are in place, and have been providing preventive health services as well as distributing contraceptives since January 1974.

Output 4: About 500 Lady Family Planning Visitors available to insert IUDs.

Progress to Date: These paramedics, financed by the Bangladesh Government, are in place and providing IUD and other contraceptive services in clinical settings. About 170 paramedics are about to complete their pre-service training, with other donor assistance, as the first step in adding about 1200 paramedics for MCH/FP services.

Output 5: The AID objective of having one year's contraceptive supply in country and one year's requirement in the pipeline will be functioning on the basis of the below listed quantity estimates:

<u>Item</u>	<u>Estimated Supply</u>	<u>Estimated Pipeline</u>
Condoms (gross)	600,000	600,000

Orals (monthly cycles)	19 million	21 million
Intrauterine Contraceptive Devices (IUDs)	100 million	110 million
IUD Inserters	10,000	11,000

Progress to Date: The objective of one year's requirement in-country and one year's requirement in the pipeline has in fact been achieved, although not at the estimated levels quoted. These levels were estimated on the basis of the BDG's original Five Year Plan (1973-78) targets. The BDG FY 74-75, which ends June 30, 1975, is not yet completed. The amounts of contraceptives used during the twelve-month period ending March 31, 1975, however, as compared with amounts programmed, received in country, and still on order are as follows:

	<u>Actual Usage, April 1, 1974 to March 31, 1975</u>	<u>Programmed FY 73-75</u>	<u>Received (as of 6/75)</u>	<u>On Order</u>
Condoms (000 gross)	64.9	813	596	217
Orals (million MCs)	1.19	22	10.5	11.5
IUDs (000)	41.5	200	200	-

In view of the low usage levels to date and limited warehousing space, the delivery schedule for the remaining orals and condoms, as projected in the PROP, has been extended nine to twelve months.

There are a number of reasons for the wide disparity between preliminary targets and actual performance. The program approach selected by the BDG was vastly different from anything tried before. The tentative performance targets, selected of necessity without the benefit of prior experience, have proven to be unrealistic. Although there was an attempt at functional integration of health and family planning services at the level of the multi-purpose field workers, there was no integration of the services from which they were drawn at the several superior levels. The resulting administrative confusion and conflicting loyalties adversely affected the performance of the field workers. Training and supervision are widely acknowledged to have been inadequate as well.

The BDG reviewed the performance of the Integrated Health and Family Planning Program after it had been in operation about one year. This resulted in a decision that for vigorous prosecution of the family planning program, a reorganization and change of approach was needed.

A new Division of Population Control and Family Planning was created in the renamed Ministry of Health, Population Control and Family Planning. It has been given responsibility for family planning and maternal and child health services. The Division has authority to employ as full-time field workers three women and one man per union (15-18,000 population), or a total of about 18,000 persons. Recruited from the unions in which they will work, these field personnel will make visits to supply FP/MCH information and dispense non-clinical contraceptives including oral pills. At the same time, the existing 12,000 multipurpose field workers, nearly all of whom are male, will continue to dispense contraceptives during their home visits. It is planned that depot holders in the villages will be identified and regularly supplied with contraceptives. The number of paramedicals who will deliver MCH/FP services in clinical settings will be increased. Other recent actions of the BDG to make contraceptives easily available to everyone include removal of the very low sale price and making contraceptives free from program personnel and service facilities; and marketing them at highly subsidized prices through drug shops.

Most of these actions were taken in April and May, 1975. While it may take a year or more for the new program to become fully operational, it is an approach which will greatly increase the number of contraceptive supply points. This is expected to result in increased contraceptive usage.

This project has helped ensure sustained availability of contraceptives supplies for support of the Bangladesh population/family planning program. Given the magnitude and the urgency of Bangladesh's population problem, it is anticipated that AID assistance to the Government's population/family planning efforts will be required for an indefinite period. We expect to continue to maintain the required in-country and pipeline levels of contraceptives and related supplies and equipment required in the program. In addition, we plan to respond in the near future to BDG requests for assistance in other aspects of the program.

The BDG Population Control and Family Planning Division has requested U.S. assistance in developing their evaluation and operational research capability to produce the administrative intelligence needed for planning and program management. We expect to support this long range, institution-building effort at a cost of approximately \$500,000 over a five-year period.

The low status of women in Bangladesh constitutes a serious barrier to more rapid economic and social development. USAID is currently exploring with the BDG the provision of consulting services to assist in

integrating, and interrelating, population/family Planning education into the other educational activities of a major governmental program for women.

For the first time, the medical schools of Bangladesh are planning to introduce curriculum content on fertility-related subjects. The teaching hospitals attached to the eight medical colleges in Bangladesh have generally offered minimal fertility control services. Some of the hospitals are so overcrowded they have no space for providing an additional service. The World Bank and collaborating bilateral donors plan to construct fertility control clinics in four medical college hospitals. USAID proposes to provide funding for the establishment of fertility control clinics in the remaining four hospitals. At least three of these four have space for such clinics which requires only remodeling and equipping. The clinics will not only provide family planning services to surrounding population, but, more importantly, will provide medical students with facilities for practical experience in fertility control. This activity may cost between \$1.5 and \$2 million over a three year period.

Training will be an important component of future USAID assistance. Support will be provided for training in the U.S. and third countries for population control and family planning program personnel from both public and private sector organizations, and for teaching staff from those university departments which are developing a population education capability. Financing will also be available for in-country training of supervisory and field personnel and for further development of an ongoing training capability in the national program.

This broader range of project activities will be described in a revised Project Paper to be submitted to AID/W by September, 1975.

(2) Project No. 388-11-190-002 Development Services and Training

This grant assists the Bangladesh Government to obtain technical assistance and training to plan, implement, and effectively manage agricultural and rural development programs and projects.

Output 1: Sixty trained Bengalee planners, research specialists, program managers and evaluation specialists employed in agricultural and rural development operational agencies over the period of the grant (FY 75-77).

Progress to Date: As of June, 1975, thirty-four Bengalee participants have been programmed for training as follows:

<u>Field of Specialization</u>	<u>No. of Participants</u>
Agricultural Engineering	4
Agricultural Finance	1
Agronomy	2
Agronomy and Range Science	1
Cooperatives	2
Economics	2
Entomology	2
Fertilizer Distribution/Marketing	1
Fertilizer Plant Equipment	1
Fertilizer Plant Instrumentation	2
Financial Management (Cooperatives)	1
Fruit Culture	1
Grain Storage	1
Pesticides Management	2
Plant Breeding	2
Plant Pathology	4
Plant Protection	2
Potato Seed Storage	1
Water Management	2

The training component of the project is now moving rapidly and is expected to achieve the project's purpose of strengthening host government capacity, within 3 years, to help meet personnel needs within agencies responsible for agriculture and rural development. Additional training requests prepared by the host government are currently being processed.

Output 2: U.S. Technical advisory services for (a) planning and evaluation systems in rural development programs; (b) research on problems of rural employment and income distribution; (c) rural physical infrastructure planning; and (d) planning of cooperative activities (e. g. marketing, storage, and training).

Progress to Date: The following U.S. technicians have been programmed to provide advisory services:

<u>Field of Specialization</u>	<u>No. of Technicians</u>
Agricultural Research	3
Financial Management (Cooperatives)	1
Plant Protection	5
Appropriate Agricultural Technologies	1

Within 3 months it is anticipated that the following additional technicians will be made available under the project:

<u>Field of Specialization</u>	<u>No. of Technicians</u>
Agricultural Research Station Devel	1
Rural Public Works	3
Fisheries	1
Vegetable Research	1
Rural Development (Extension)	1

The provision of U.S. technical advisory services has been delayed due to host country difficulties in reacting to changing program priorities and in processing technical services contract documentation. With regard to expatriate consultant needs, the Government's Planning Commission is now in the process of revising its specific requirements as envisaged when the grant was originally executed. As this process takes place, and the Government acquires more experience in the formulation, review and clearance of contract documentation, the advisory services component of the grant can be expected to reach full implementation status within FY 1976. BDG requests for an additional 120 man months of technical advisory services are now under review.

(3) Project No. 388-11-190-008 Project Studies

This grant assists the Government of Bangladesh to undertake feasibility, marketing and other studies to aid in the identification and design of projects to help solve major developmental problems.

Outputs: Six to twelve project feasibility studies of high priority development activities in agriculture, rural development and closely related areas.

Progress to Date: Study proposals and scopes of work proposed by the BDG are now under review for the following activities:

. Kurigram Flood Control and Irrigation (North Unit)

The proposed project would provide flood protection and controlled irrigation water for 103,500 acres in one of the country's major food deficit areas.

. Rural Electrification. The study proposal would provide a

basis for focusing on projects needed to supply electric power to rural areas, primarily for the operation of electrically driven pumps.

. Rural Industries: The study proposal would examine means to foster the growth of market towns within the rural countryside in order to provide increased employment opportunities and promote the development of agriculturally based industries.

Due to difficulties experienced by the Government's development administration in determining program and project priorities, the grant has not moved ahead according to the original schedule. Recent progress has been made however, as noted above, in the identification of three potentially important development studies. The USAID Mission continues to work closely with the Government's Planning Commission to facilitate implementation of the grant. In addition, the Government has recently created and staffed a Project Implementation Bureau to expedite externally financed development projects.

(4) Project No. 388-15-999-010 Private Voluntary Organizations Co-Financing

This project makes available grant funds to engage and support U.S. Private Voluntary Organizations (PVOs) in projects to benefit the rural poor. Under the project AID provides up to 70% of the total costs of each activity sponsored and implemented by individual PVOs.

Output 1: PVO use of systematic project design and evaluation techniques.

Progress to Date: In April, 1975 more than thirty-five agency representatives from sixteen PVOs attended a week long design and evaluation workshop in Dacca jointly sponsored by USAID and the Association of Voluntary Agencies in Bangladesh. The workshop attempted to introduce to PVOs, both local and foreign, concepts which might help them focus resources at their disposal on specific development problems in such a way as to be able to measure and report on results. These concepts are for use generally and also are the basis for presentations to USAID requesting support under co-financing arrangements. The workshop's major emphasis was on the use of systematic project design and evaluation techniques. Six PVO project proposals using the basic concepts taught in the workshop have been received by USAID to date. USAID plans to continue providing assistance to PVOs in the use of improved project design techniques.

Output 2: Low cost, high impact projects involving operational innovations (activities which improve local strategies for increasing the economic and social development of Bangladesh's lowest income groups).

Progress to Date: A total of eleven PVOs have approached AID with co-financing proposals. Five have been formal submissions under this category and are under consideration at the present time. Examples of the range of activities proposed: experiments with pisciculture, integrated health system demonstrations, non-formal education efforts, and extension of new techniques in agriculture.

Output 3: Low cost, high impact projects involving operational improvements (activities which bolster ongoing government or private institutional programs providing services to the lowest income groups).

Progress to Date: Under this category a \$290,000 grant is being awarded to International Voluntary Services for a project involving up to 11 volunteers working to demonstrate operational improvements--management, accounting, extension--in the Bangladesh Government's rural cooperatives network.

The PVO co-financing project was approved in mid FY 1975 and is slightly behind schedule. An extension of the initial life-of-project (FY 75-77) may be required to accommodate all PVO initiatives contemplated.

b. Table IV - Fiscal Data

- (1) Project No. 388-11-580-001 Population/Family Planning
- (2) Project No. 388-11-190-002 Development Services and Training
- (3) Project No. 388-11-190-008 Project Studies
- (4) Project No. 388-15-999-010 Private Voluntary Organizations Co-Financing

(Tables to be forwarded in July.)

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5. PL 480, Title I

Since achieving independence in 1971, the foodgrain import needs of Bangladesh have ranged from 1.5 to 2.5 million tons annually. The foodgrain import requirement for FY 1976 is provisionally estimated to be 1.5-2.0 million tons, of which some 1.0-1.3 million tons are anticipated to be provided under concessional terms and the balance by commercial purchases. A significant reduction of overall food import needs is not expected during FY 1977.

Most foodgrains imported by Bangladesh go directly into the Government's ration shop system, which provides food at subsidized rates to civil servants and others in the nation's five largest urban areas. The grain is distributed through fair price shops: under statutory rationing (between 4 to 5 million rationees throughout the year) and under modified rationing (half rations for from 4 to 16 million persons, seasonally fluctuating). Also, some 200,000 tons are required for relief and special distribution.

The Government of Bangladesh recognizes that the ration shop system constitutes a heavy burden on both its foreign exchange reserves and domestic budgets. Interested donors have suggested to Bangladesh the need for reform of the ration system and the use of foodgrains, both imported and domestic, as a long term developmental resource. The most recent discussions on the subject took place in Paris at the June 1975 meeting of the Bangladesh Aid Group. The Aid Group, chaired by the World Bank, consists of 26 donor nations and organizations including the United States. The head of the Bangladesh delegation at the Paris meeting announced that his government intended to raise prices of subsidized food during FY 1976 and to review the entire food distribution system. He also stated that Bangladesh was according the highest priority to population and food production programs. For the present, however, Bangladesh will need foodgrain imports on concessional terms until food self-sufficiency is achieved. PL 480 Title I assistance can play an important role in helping to meet the country's existing food needs.

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BANGLADESH
(Country or Subregion)

Table V

PL 480 Title I Agreements and Shipments

Commodity	FY 1975 Estimate			FY 1976 Request*			Carryover to Interim Quarter
	Agreements (\$)	Shipments (MT)	Carryover to FY '76 (MT)	Agreements (\$)	Shipments (MT)	Carryover to Interim Quarter (\$)	
Wheat	550,000	550,000	-	82.7	600,000	68.9	500,000
Rice	340,000	250,000	90,000	77.2	250,000	61.7	200,000
Edible Oil	7,100	7,100	-	11.0	20,000	11.0	20,000
Cotton	-	-	-	25.5	100,000	25.5	100,000

Commodity	Interim Quarter*			FY 1977 Request*			Carryover to FY '78
	Agreements (\$)	Shipments (MT)	Carryover to FY '77 (\$)	Agreements (\$)	Shipments (MT)	Carryover to FY '78 (\$)	
Wheat	19.4	150,000	12.9	80.0	600,000	66.7	500,000
Rice	7.5	25,000	7.5	33.1	100,000	30.9	100,000
Edible Oil	7.1	10,000	7.1	30.9	10,000	30.9	10,000
Cotton	10.0	40,000	7.5	41.6	160,000	41.6	160,000
In.Fallow	1.8	5,000	1.8	7.2	20,000	7.2	20,000

* Estimated Agreements

Table VI
PL 480 Title II FY 77
(000)

BANGLADESH
(Country)

Sponsor's Name (CARE)

A. Maternal and Child Health

None.

B. School Feeding

None.

C. Other Child Feeding

None

D. Food for Work Total Recipients 186.0

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Pounds</u>	<u>Dollars</u>
<u>186.0</u>	<u>Wheat</u>	<u>222,000</u>	<u>14,065</u>
<u>Total FFW</u>		<u>220,000</u>	<u>14,065</u>

E. Other

None.

Table VIII

8. AID Financial Support for Private Voluntary Organizations
(\$000)

<u>BANGLADESH</u> (Country)	<u>FY 1976</u>	<u>INT QTR</u>	<u>FY 1977</u>
ONGOING GRANTS:			
A. Ongoing OPG			
IVS - Co-Financing Grant	-	-	-
B. Non-OPG			
None.			
NEW GRANTS:			
A. OPG			
CARE - Cooperatives Development	250	-	250
Co-Financing Grant*	210	-	-
Co-Financing Grant*	100	-	-
Co-Financing Grant*	50	-	-
Co-Financing Grant*	50	-	-
Co-Financing Grant*	-	-	125
Co-Financing Grant*	-	-	100
Co-Financing Grant*	-	-	75
Subtotal			
of which cooperatives	(250)	(-)	(250)
B. Non-OPG			
CARE - Title II Food for Work	400	-	-
LOANS: None.			

* Grantee to be determined.

9. Contraceptives Tables

Table VIII. A. - Centrally Funded Title X Contraceptives for
Bilateral Programs (Orals)

Table VIII. B. - Centrally Funded Title X Contraceptives for
Bilateral Programs (Condoms)

Table VIII. C. - Contraceptives Provided by Other Donors,
Organizations, and Host Country Govern-
ment

(Tables to be forwarded in July.)

ANNUAL BUDGET SUBMISSION

FY 1977

PANGLADESH

APPENDIX

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT IDENTIFICATION DOCUMENT FACESHEET TO BE COMPLETED BY ORIGINATING OFFICE				1. TRANSACTION CODE (X) APPROPRIATE BOX <input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> CHANGE <input type="checkbox"/> ADD <input type="checkbox"/> DELETE		PID DOCUMENT CODE 1			
2. COUNTRY/REGIONAL ENTITY/GRANTEE Bangladesh				3. DOCUMENT REVISION NUMBER					
4. PROJECT NUMBER		5. BUREAU		6. PROPOSED NEXT DOCUMENT					
		A. SYMBOL NES A	B. CODE 4	A. <input checked="" type="checkbox"/> PRP <input type="checkbox"/> PP B. DATE					
7A. PROJECT TITLE - SHORT (STAY WITHIN BRACKETS)				8. ESTIMATED FY OF AUTHORIZATION/OBLIGATION					
[Kurigram (North Unit)]				A. INITIAL FY [77] B. FINAL FY [77]					
7B. PROJECT TITLE - LONG (STAY WITHIN BRACKETS)				9. ESTIMATED COST (LIFE OF PROJECT)					
[Kurigram Flood Control and Irrigation (North Unit)]				(\$000 OR EQUIVALENT, \$1 = 12.9)					
				PROGRAM FINANCING		AMOUNT			
				A. AID APPROPRIATED		15,000			
				B. OTHER U.S.					
				C. HOST GOVERNMENT		25,000			
				D. OTHER DONOR(S)		1,200			
				TOTAL		41,200			
10. ESTIMATED COSTS/AID APPROPRIATED FUNDS (\$000)						11. OTHER U.S. (\$000)			
A. APPROPRIATION (ALPHA CODE)	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE	FIRST YEAR		ALL YEARS		A. PROGRAM TYPE	B. FIRST YEAR	C. ALL YEARS
			D. GRANT	E. LOAN	F. GRANT	G. LOAN			
FN				15,000		15,000			
TOTAL				15,000		15,000	TOTAL		
12. PROJECT GOAL (STAY WITHIN BRACKETS)									
[Foodgrain self-sufficiency in the Kurigram area by 1981.]									
13. PROJECT PURPOSE(S) (STAY WITHIN BRACKETS)									
[Establishment of flood control/irrigation/drainage infrastructure which allows year round cropping in the Kurigram area.]									
14. PLANNING RESOURCE REQUIREMENTS (STAFF/FUNDS)									
Water Resources Specialist - 1 M/M - \$6,250 Ground Water Hydrologist - 1 M/M - \$6,000									
15. ORIGINATING OFFICE CLEARANCE						16. DATE RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION			
SIGNATURE Joseph S. Toner									
TITLE Director USAID/Bangladesh			DATE SIGNED						
			MO. DAY YR. 0 6 2 6 7 5			MO. DAY YR.			

PROJECT IDENTIFICATION DOCUMENT

Kurigram Flood Control and Irrigation (North Unit)

1. Summary of the Problem to be Addressed and the Proposed Response

Increased food production is accorded highest priority by the Government of Bangladesh (BDG) and constitutes a central feature of AID's development assistance strategy. The Government of Bangladesh is very concerned about the chronic food deficient pockets of the country and in particular has requested all ministries to give greater preference to the isolated, neglected areas of northern Bangladesh. Kurigram Sub-Division in northern Bangladesh remains one of the nation's most economically depressed regions. The Kurigram region is particularly susceptible to annual flooding, and even in less severe years about 30 to 40 percent of the land area is inundated with water for several months. In addition to crop losses due to flooding the excess water also substantially reduces local cropping intensity in the area. As a consequence Kurigram remains an isolated, food deficient region.

The proposed response to the land and water management problem in Kurigram is a project to create a flood control and irrigation system that would: (a) protect the area from annual flood damage; and (b) provide for more efficient utilization of surface and groundwater. On the basis of a 1971 feasibility study, a project of this nature would increase cropping intensity from 1.5 to 2.7 in the northern part of Kurigram. By way of contrast, national cropping intensity during 1972-73 was 1.3. If the feasibility study calculations are correct, the proposed project could result in a net increase of some 44 percent in the agricultural productivity of the Kurigram area.

The project area consists of two discrete units--the north and south units. The north unit consists of 103,500 acres and the south unit 157,500 acres. It is estimated that completion of both units of the project would require 5 to 10 years. It may be advisable therefore for the BDG to start and complete the units individually, operating and testing one unit prior to investing in the second. Considering the overall costs and complexity of the total activity, it may also be advisable for USAID to focus on a loan project encompassing only the north unit. This unit has a comparative advantage in the availability of surface water. In developing the project it is proposed that USAID explore the possibility of constructing embankments and canals using labor intensive techniques, and incorporating a pilot activity for testing small scale, UNICEF-type hand pumps for irrigation. The primary outputs necessary to achieve project purpose are

a network of protective embankments and an internal irrigation system. The Bangladesh Water Development Board would be responsible for implementing the project; however, it is assumed that the Bangladesh Power Development Board, the Ministry of Agriculture, the Bangladesh Agriculture Development Corporation and the Ministry of Local Government, Rural Development and Cooperatives would also be extensively involved. Therefore, firm agreements and implementation plans concerning the provision of agricultural inputs should be secured from each of the concerned agencies/ministries prior to committing AID funds for the project. AID loan funds required for the project are estimated to total \$15 million, obligated in FY 1977 and disbursed through FY 1980. The Asian Development Bank (ADB) has also indicated interest in providing financial support for the project.

Major assumptions pertinent to project success involve the Government's capability to plan, orchestrate, and implement a major undertaking of this nature, and, upon completion of the project, to properly maintain the flood control and irrigation networks constructed.

The use of earthen embankments for land and water resources management is widespread in Bangladesh. AID has long financed an embankments project in the country's coastal areas, and the BDG is currently implementing a substantial number of flood control projects nationwide under food-for-work programs. With regard to the Kurigram region specifically, the British Overseas Development Ministry is financing a similar development project, south of Kurigram on the east side of the Brahmaputra river in the Belkuchi area. USAID has consulted the expatriate technicians working on the Belkuchi project regarding implementation problems and other difficulties.

If the Kurigram region is to achieve food self-sufficiency there appears to be no realistic alternative to the construction of a flood control and/or irrigation network. Any short-term gains in agricultural productivity that arise from alternative approaches, such as improved agriculture practices, or better supplies of inputs including fertilizers and seeds, are almost certain to be wiped out by the periodic and occasionally devastating flooding that occurs in this area of Bangladesh, and significant production increases are not possible during the dry season in the absence of controlled irrigation water.

The beneficiaries of the proposed project, both direct and indirect, will be the total population of Kurigram Sub-Division and surrounding areas. Although the project will benefit all income groups including the well-to-do, it is important to note that there is a direct correlation

between flood damage in Bangladesh and the displacement of small farmers from their land. It is the smallest farmers who typically occupy the least desirable and most flood-prone land. Last year's disastrous flooding added many more families to the ranks of the landless poor, families which mortgaged and ultimately lost their small holdings when they needed loans to purchase food or meet similar needs.

Successful completion of the northern unit could have an important spread effect in Bangladesh by serving as a prototype for more effective development and management of the country's land and water resources. The overall need is clear. Extensive flooding is an annual occurrence in Bangladesh, with heavy monsoon rains during June-August. However, much of the country approaches a state of semi-aridity during the prolonged dry season months (November-March). The resultant annual pattern of flooding and drought seriously limits Bangladesh's long term agricultural growth potential.

II. Financial Requirements and Plans

The estimated total project cost for each unit at mid-1974 prices is as follows:

	<u>North Unit</u> (103,500 acres)	<u>South Unit</u> (157,500 acres)
Capital Investment (Taka)	\$ 31.9 million	\$80.0 million
Foreign Exchange	\$ 7.0 million	\$18.3 million
Annual Cost	<u>\$02.3 million</u>	<u>\$06.5 million</u>
Total	\$41.2 million	\$104.8 million

For the northern unit, the anticipated AID share of total costs is as follows:

Total North Unit Cost	\$41.2 million
AID Loan	\$15.0 million
Other Donor Loan	\$ 1.2 million
BDG Contribution	<u>\$25.0 million</u>
	\$41.2 million

III. Development of the Project

Prior to independence the Government of East Pakistan contracted with Techno-Consult Eastern Ltd. (a local firm) to complete a detailed study on the feasibility of implementing a flood control and irrigation project in the Kurigram area. The feasibility study was completed in November 1971. After independence, the BDG requested Techno-Consult to complete a feasibility up-date. The up-date was recently completed and is being reviewed by the appropriate BDG offices. The Chief of Planning and Development in the Bangladesh Water Development Board (BWDB) is coordinating the review.

USAID has discussed the project with the Planning Ministry, the Ministry of Flood Control, Water Management and Power, and concerned donors. USAID has also consulted private engineers and a Bengalee geomorphologist who was formerly a consultant to BWDB. All officers involved agree that the project is complex and therefore requires a thorough and careful review. USAID has requested the technical services of an expatriate Water Resources Specialist and a Ground Water Hydrologist to review the feasibility study and visit the project site. The consultants' findings will provide the basis for reaching decisions as to feasibility and preliminary project design details. Services of the consultants have been requested for July, 1975. Given favorable conclusions regarding feasibility, it is anticipated that a PRP will be ready for submission in September/October 1975, with the PP prepared by March/April 1976.

IV. Issues of a Policy or Programmatic Nature

It is necessary to reach a final decision on whether to proceed with the north unit separately of the south unit, to develop both units in tandem, or to proceed on a Phase I-Phase II basis ultimately incorporating both units. On the basis of this decision, a determination of the respective cost benefits of embankments construction versus irrigation may become a controlling factor in deciding on final elements of project scope and design. Another issue of major importance concerns the institutional aspects of embankments/irrigation systems: supporting agricultural services, earthworks and pump maintenance, and adequate supplies of agricultural inputs through reliable channels. These factors will need to be weighed in gauging prospects for ultimate success of the project.

USAID/Bangladesh
June 26, 1975