

**AGENCY FOR
INTERNATIONAL
DEVELOPMENT**



**ANNUAL BUDGET SUBMISSION
FY 1981**

BANGLADESH

**DEPARTMENT
OF
STATE**

MAY, 1979



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Table I - Long Range Plan By Appropriation Account
 (\$ 000)

	FY 1979 Est.	FY 1980 Est.	FY 1981 Request		Planning Period			
			Minimum	Current AAPL	1982	1983	1984	1985
Decision Unit: Bangladesh								
<u>Development Assistance</u>								
<u>Agriculture, Rural Dev. & Nutrition</u>								
Grants	72,050	92,920	75,000	101,450	133,000	155,200	180,200	204,300
Loans	-	-	-	-	-	-	-	-
<u>Population</u>								
Grants	8,500	5,000	11,000	11,000	12,200	14,000	14,000	14,000
Loans	-	-	-	-	-	-	-	-
<u>Education</u>								
Grants	100	2,080	-	50	350	-	-	-
Loans	-	-	-	-	-	-	-	-
<u>Selected Dev. Activities</u>								
Grants	400	5,000	-	-	4,800	5,800	5,800	6,700
Loans	7,000	-	-	-	-	-	-	-
<u>Sub Total Functional Accounts</u>								
Grants	81,050	105,000	86,000	112,500	150,000	175,000	200,000	225,000
Loans	7,000	-	-	-	-	-	-	-

DECISION UNIT
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TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
FY 1979 - FY 1981
(Thousands \$)

APPROPRIATION ACCOUNT/PROJECT NO./TITLE	I/G	FY 1979	FY 1980	Minimum	FY 1981		AA/PL
					Current		
<u>Agriculture, Rural Dev. & Nutrition</u>							
388-0003 - Agricultural Research	G	400	1,680 ^{1/}	-	-	-	-
388-0012 - Rural Irrigation	G	-	7,240 ^{2/}	-	4,000	4,000	-
388-0017 - Food For Work	G	500	-	-	-	-	-
388-0021 - Rural Electrification	G	13,000	21,000 ^{3/}	-	-	-	-
388-0024 - Fertilizer Distribution	G	57,000	50,000 ^{4/}	-	-	-	-
388-0027 - Technical Resources	G	1,150	2,000 ^{4/}	-	1,450	1,450	-
388-0037 - Rural Credit	G	-	-	10,000	10,000	10,000	-
388-0040 - Integrated Land & Water	G	-	5,000	-	-	9,000	-
388-0042 - Rural Industries	G	-	5,000	-	-	-	-
388-0051 - Agricultural Research II	G	-	-	-	1,000	1,000	-
388-0052 - Food For Work II	G	-	1,000	1,000	1,000	1,000	-
388-0053 - Fertilizer Sector	G	-	-	64,000	64,000	64,000	-
388-0054 - Rural Electrification II	G	-	-	-	20,000	20,000	-
<u>Population</u>							
388-0001 - Population/Family Planning	G	8,500	5,000 ^{5/}	-	-	-	-
388-0050 - Population/Family Planning II	G	-	-	11,000	11,000	11,000	-
<u>Education</u>							
388-0027 - Technical Resources	G	100	250 ^{6/}	-	50	50	-
388-0044 - National Women's Dev. Academy	G	-	-	-	-	300	-
388-0048 - Kishori Clubs	G	-	1,830 ^{7/}	-	-	-	-
<u>Selected Dev. Activities</u>							
388-0010 - PVO Co-Financing I	G	400	-	-	-	-	-
388-0018 - Karnaphuli Third Unit	L	7,000	-	-	-	-	-
388-0045 - PVO Co-Financing II	G	-	1,000 ^{8/}	-	-	-	1,000
388-0046 - Disaster Alert	G	-	4,000 ^{9/}	-	-	-	-
388-0049 - Rural Alternative Energy	G	-	-	-	-	-	2,200

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TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
FY 1979 - FY 1981
(Thousands \$)

APPROPRIATION ACCOUNT/PROJECT NO./TITLE	L/G	FY 1979	FY 1980	Minimum	FY 1981		AAPL
					Current		
Sub Total of Functional Accounts		88,050	105,000	86,000	112,500	125,000	
<u>Other Programs (Specify)</u>							
Total All DA Appropriation Accounts		88,050	105,000	86,000	112,500	125,000	

Explanatory Annex To Table IIIDecision Unit: Bangladesh

<u>Project No.</u>	<u>Change (+ or -) (\$000)</u>	<u>Explanation of Change in Funding Level</u>
1) Agricultural Research (0003)	+ \$312,000	In FY 1980 \$1,680,000 is requested which is a \$312,000 increase from the CP level of \$1,368,000. The increase will cover all construction and commodity costs for the development of the ARI Regional Station at Ishurdi. The increase will also fully fund the construction in FY 1980.
2) Rural Irrigation (0012)	- \$342,000	The FY 1980 proposed obligation has been reduced by \$342,000. The reduction is attributed to a decrease in the amount to be reimbursed for construction.
3) Rural Electrification (0021)	+ \$21,000,000	In FY 1980 \$21.0 million will be obligated as a continuation of the initial Rural Electrification Project. The Mission decision to obligate these funds in FY 1980 is based on the doubling of sign ups for electrification by the user groups.
4) Technical Resources (0027)	+ \$1,000,000	In FY 1980 a \$2,250,000 obligation is proposed which is a \$1,000,000 increase from the FY 80 CP. The increase is attributed to the BDG's identification of feasibility studies along with various project monitoring/evaluation requests and priority training requests.

<u>Project No.</u>	<u>Change (+ or -) (\$000)</u>	<u>Explanation of Change in Funding Level</u>
5) Population/Family Planning (0001)	- \$6,800,000	The FY 1980 obligation has been decreased by \$6.8 million . (CP proposed obligation was \$11.0 million). The decrease is attributed to the Mission's decision to defer the funding of contraceptives and condoms in FY 1980. This decision is based on the inability of the BDG to move the existing contraceptives already in country to the rural areas.
6) National Women's Development Academy (0044)	- \$1,600,000	This project has been postponed to FY 1981 owing to the delays by the BDG in implementing NWDA I.
7) Kishori Clubs (0048)	+ \$1,830,000	This project was not included in the FY 1980 CP. The \$1.83 million requested will be used to train rural girls in basic skills pertaining to family planning, nutrition, hygiene and other relevant skills. The Mission views this project as a potential fertility reduction activity.
8) PVO Co-Financing (0045)	+ \$600,000	In FY 1980, an obligation totaling \$1.0 million is proposed which is a \$600 thousand dollar increase from the CP level of \$400 thousand. The increase is attributed to the Mission's strategy of providing more funds to non government organizations, for population/family planning activities. This strategy is outlined in the CDSS.

<u>Project No.</u>	<u>Change (+ or -) (\$000)</u>	<u>Explanation of Change in Funding Level</u>
9) Disaster Alert (0046)	-\$1,000,000	A \$1.0 million reduction in the FY 1980 obligation is proposed. The FY 1980 CP requested \$5.0 million. The reduction is attributed to decreased costs which surfaced during the writing of the Project Paper.
10) Rural Roads (0032)	-\$12,000,000	<p>The Mission in early May decided not to proceed with the implementation of the Rural Roads Project which was scheduled to begin in FY 1980. Accordingly, the \$12.0 million originally planned in FY 1980 for this effort was reprogrammed for Rural Electrification for the reasons given in footnote 3.</p> <p>The decision not to proceed with this project is based upon several factors including; 1) escalation of road construction costs from \$74,000 per mile in 1976 to 262,000 in February 1979; 2) the determination that the BDG is lacking the necessary maintenance capability for the proper up keep of the roads.</p>

TABLE IV PROJECT BUDGET DATA

NUMBER	PROJECT TITLE	G/L	OBLIGATION DATE		DATE OF NEXT PLANNED NON-ROUTINE EVAL.	GUM. PIPELINE AS OF 9/30/78	FY 1979		FY 1980		FY 1981 AAFPL OBLIG.	FY 1982 & BEYOND	FUTURE YEAR OBLIGATIONS		
			INITIAL	FINAL			OBLIG.	EXPEND.	OBLIG.	EXPEND.				CUM. PIPELINE	CUM. PIPELINE
	Agriculture, Rural Development & Nutrition														
388-0002	Development Services & Training	G	FY 74	FY 77	-	329	-	319	-	-	-	-	-		
388-0003	Agricultural Research	G	FY 76	FY 80	5/81	1,731	400	866	1,680	2,050	895	2/81	-		
		L	FY 76	FY 76	5/81	2,388	-	2,388	-	-	-	-	-		
388-0012	Rural Irrigation	G	FY 80	FY 84	-	-	-	-	7,240	3,985	3,255	5/82	6,000		
388-0016	Ashuganj Fertilizer	L	FY 75	FY 78	-	29,768	-	14,768	-	10,000	5,000	3/81	-		
* 388-0017	Food For Work	G	FY 76	FY 79	-	307	500	692	-	115	-	-	-		
388-0019	Small Scale Irrigation	L	FY 76	FY 76	6/81	13,962	-	2,106	-	6,713	5,143	6/81	-		
* 388-0021	Rural Electrification	G	FY 78	FY 80	8/81	21,000	13,000	20,276	21,000	28,198	6,526	2/81	-		
		L	FY 77	FY 77	8/81	15,229	-	15,229	-	-	-	-	-		
388-0024	Fertilizer Distribution	G	FY 78	FY 80	2/81	42,987	57,000	81,467	50,000	53,520	15,000	12/80	-		
388-0025	Rural Finance Experimental Project	G	FY 77	FY 77	10/80	6,984	-	1,178	-	4,806	1,000	12/80	-		
* 388-0027	Technical Resources	G	FY 79	FY 81	-	-	1,150	220	2,000	1,720	1,210	6/82	-		
388-0030	Fertilizer Storage	L	FY 76	FY 76	-	4,324	-	2,046	-	2,278	-	-	-		
388-0031	Project Development Grant	G	FY 76	FY 76	-	2,359	-	1,759	-	600	-	-	-		
388-0037	Rural Credit	G	FY 81	FY 85	-	-	-	-	-	-	-	3/83	16,000		
* 388-0040	Integrated Land & Water Use	G	FY 80	FY 82	-	-	-	-	5,000	250	4,750	3/82	11,000		
388-0042	Rural Industries	G	FY 80	FY 80	-	-	-	-	5,000	1,000	4,000	3/81	-		
388-0051	Agricultural Research II	G	FY 81	FY 85	-	-	-	-	-	-	-	9/82	1,000		
388-0052	Food For Work II	G	FY 80	FY 84	-	-	-	-	1,000	980	20	3/82	1,000		
388-0053	Fertilizer Sector	G	FY 81	FY 85	-	-	-	-	-	-	-	9/82	2,000		
388-0054	Rural Electrification II	G	FY 81	FY 85	-	-	-	-	-	-	-	9/82	75,000		
			FY 81	FY 85	-	-	-	-	-	-	20,000	9/82	23,000		
			FY 81	FY 85	-	-	-	-	-	-	-	9/82	73,000		

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DEVISION UNIT

Bangladesh

DECISION UNIT

Bangladesh

TABLE IV PROJECT BUDGET DATA

PROJECT NUMBER	PROJECT TITLE	G/L	OBLIGATION DATE		DATE OF NEXT PLANNED NON-ROUTINE EVAL.	CUM. PIPELINE AS OF 9/30/78	FY 1979		FY 1980		FY 1981 AAFI OBLIG.	FORWARD FUNDED TO (MO/YR)	FUTURE YEAR OBLIGATIONS	
			INITIAL	FINAL			OBLIG.	EXPEND.	CUM. PIPELINE	EXPEND.			CUM. PIPELINE	FY 1982
	Population													
388-0001	Population/Family Planning	G	FY 73	FY 80	-	6,441	8,500	5,402	9,539	5,000	9,351	9/81	-	-
388-0050	Population/Family Planning II	G	FY 81	FY 85	-	-	-	-	-	-	11,000	9/82	12,200	42,000
	Education													
* 388-0027	Technical Resources	G	FY 79	FY 81	-	-	100	15	85	250	185	6/82	-	-
388-0028	National Women's Development Academy	G	FY 77	FY 77	12/80	274	-	84	190	-	190	-	-	-
* 388-0044	National Women's Development Academy II	G	FY 81	FY 81	-	-	-	-	-	-	-	-	-	-
388-0048	Kishori Clubs	G	FY 80	FY 80	-	-	-	-	-	1,830	500	3/83	-	-
	Selected Development Activities													
388-0010	PVO Co-Financing	G	FY 75	FY 79	-	330	400	432	298	-	298	-	-	-
388-0018	Karnaphuli Third Unit	L	FY 76	FY 79	1/81	931	7,000	6,544	1,387	-	1,387	-	-	-
388-0045	PVO Co-Financing II	G	FY 80	FY 84	-	-	-	-	-	1,000	370	3/82	1,000	2,000
388-0046	Disaster Alert	G	FY 80	FY 80	-	-	-	-	-	4,000	3,367	3/81	-	-
388-0049	Rural Alternative Energy	G	FY 81	FY 85	-	-	-	-	-	-	2,200	1/82	2,000	7,100

* Final obligation years changed from FY 1980 (1).

TABLE V - FY 1981 PROPOSED PROGRAM RANKING

RANK	DECISION PACKAGES/PROGRAM ACTIVITY DESCRIPTION	TERM/ NEW/ CONT.	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)		WORKFORCE (Number of Positions)				
					INCR	CUM	INCR	CUM	FNDH INCR	CUM	
											Bangladesh
8.	<u>Work Force Increment For Project Design</u> Total Minimum Package And Related Workforce				-	86,000	24	24	66		
9.	<u>Decision Package Current</u> 388-0054 - Rural Electrification II	N	G	FN	20,000	106,000	2	26	1	67	
10.	388-0012 - Rural Irrigation	O	G	FN	4,000	110,000	2	28	-	67	
11.	388-0051 - Agricultural Research II	N	G	FN	1,000	111,000	1	29	1	68	
** 12.	388-0027 - Technical Resources	O	G	FN&EH	1,500	112,500	2	31	2	70	
13.	Executive Direction Workforce Increment				-	112,500	2	33	-	70	
14.	Program Design & Implementation Workforce Increment				-	112,500	4	37	2	72	
15.	Mission Support Program Increment				-	112,500	1	38	6	78	
16.	Mission Non Specific Program Increment				-	112,500	1	39	1	79	
	Total Current Package & Related Workforce				112,500		39		79		
	<u>Decision Package AAPL</u>										
17.	388-0040 - Integrated Land & Water	O	G	FN	9,000	121,500	1	40	-	79	
18.	388-0045 - PVO Co-Financing II	O	G	SD	1,000	122,500	-	40	-	79	
19.	388-0044 - National Women's Dev. Academy	N	G	EH	300	122,800	-	40	-	79	
20.	388-0049 - Rural Alternative Energy	N	G	SD	2,200	125,000	-	40	-	79	
21.	Title I (Veg. Oil & Cotton, Non-Add)				(34,000)	125,000	-	40	-	79	
	Total AAPL Package & Related Workforce				125,000		40		79		

* Plus one PASA for MODE of 41.

** PP approved in 12/78.

DECISION UNIT: Bangladesh

DECISION PACKAGE NARRATIVE

I. Minimum Package

To achieve Bangladesh's supergoal of foodgrain self-sufficiency the Mission CDSS establishes three major goals for the five year period, FY 1981 - FY 1985. These are:

1. Reducing fertility;
2. Increasing foodgrain production;
3. Increasing employment.

The three goals are co-equal and interrelated in achieving foodgrain self-sufficiency. Foodgrain production is to be increased through the adoption of high-yielding variety (HYV) technology, which in turn requires more on-farm labor. Rural public works activities, designed to increase employment opportunities, can provide infrastructure needed to promote the adoption of HYV technology. However, increases in foodgrain production cannot achieve foodgrain self-sufficiency if there is no reduction in the fertility rate, presently estimated to be between 6.5 and 7.1 live births per female. The Mission believes that significantly more people will adopt contraceptive practices if child mortality is reduced. Malnutrition is the major cause of child mortality and can be alleviated by the increased production and improved distribution of food. The Mission notes that, in Bangladesh, family size tends initially to increase as living standards improve. In this context then, the availability of contraceptive services is vitally important.

The minimum package contains the key projects essential to maintaining progress toward the achievement of the three goals. A new Population/Family Planning project is to begin in FY 1981 and is being accorded first priority in order to make contraceptive services available to all potential acceptors. Successful implementation of this project is essential to reaching an acceptor rate of 40% by 1985. The project will reflect the Mission's revised strategy of placing more emphasis on non-governmental service delivery programs in order to have a more immediate impact on fertility in the short-term. At the same time, there will be continuing efforts to improve the institutional capability of the BDG to provide contraceptive services. Other donors will be addressing the major elements of the BDG's service delivery program with substantial funding.

To maintain progress in achieving foodgrain production increases, three things are required:

1. Adequate supplies of the key HYV input, fertilizer;
2. Access to HYV inputs by farmers below the poverty line;
3. Maintenance of incentive output prices for farmers.

In FY 1981, the Mission requests \$64 million for fertilizer imports. Assuming \$4 million for consultants and other costs and a 10% per annum rate of increase in fertilizer prices, \$60 million will finance 180 thousand tons as the AID share of a minimum estimated import requirement of 500 thousand tons. Continued AID financing of fertilizer imports is conditional upon the BDG's successfully implementing the reforms in their distribution and marketing system provided for under the terms of the Fertilizer Distribution Project. Insuring general fertilizer availability, however, isn't enough to guarantee that marginal cultivators have access to it. Institutional credit must also be provided to relieve small, landowning farmers and sharecroppers of their dependence on moneylenders, who charge rates of up to 100% per annum, for purchasing inputs. The Rural Credit Project is designed to provide small crop production loans primarily from commercial banking sources. The key feature of this project is that, unlike normal commercial loans for crop production, land titles are not required as collateral.

If farmers are to adopt HYV technology, they must be assured a net return sufficient to cover costs and to offset perceived risks. (A 2:1 benefit/cost ratio is generally considered the minimum margin required to induce investments in HYV technology.) The most effective way to insure adequate output prices is through an effective foodgrain procurement program. At the same time, there is a need to protect consumers from high prices during the "lean" or pre-harvest periods. In exchange for a PL-480 Title III-supported open market sales program to constrain foodgrain prices during the peak price season, the BDG has agreed to undertake foodgrain procurement activities to support farmgate prices at mutually agreed upon levels. Food for Work is the major off-farm employment creating project presently in the Mission's portfolio. As such, Title II wheat and the grant to CARE for monitoring the project are included in the minimum package in order to maintain progress toward the Mission's employment goals. This project is discussed more fully in the PL-480 section of this ABS.

It should be noted that while the Population/Family Planning, Fertilizer Sector and Rural Credit projects are technically "new

projects", in the sense of initial obligation in FY 1981, all are, in reality, continuations of activities begun in previous years. The approved life of each of the predecessor activities coincidentally expires in FY 1980.

II. Current Package

In the current package, the Mission program includes additional activities devoted to increasing foodgrain production and expanding employment opportunities. Rural Electrification II represents an extension of the BDG's national program to new areas of the country. Rural Electrification I, to date, has been quite successful; demand for electrical hook-ups has been 100% more than anticipated. The Mission believes the impact of rural electrification on foodgrain production and employment creation can be dramatic. Electrical power is cheaper and more efficient than diesel fuel for operating power pumps for irrigation. The same holds true for foodgrain processing machinery, e.g. rice hulling mills, grain driers and wheat crushing mills. Further, the availability of electricity can promote the growth of rural industries as sources of off-farm employment.

Rural Irrigation is directed primarily toward expanding the use of surface water for irrigation purposes. The winter rice (boro) crop, while the smallest of the three yearly rice harvests in Bangladesh, has the greatest potential for expansion of HYV varieties. Expansion, however, is heavily dependent on the provision of water during the dry, winter season. The Rural Irrigation project will provide surface water irrigation to areas promising the maximum impact in terms of increased food production by marginal cultivators. Since labor-intensive methods will be used, the Project has the added benefit of providing dry season employment to landless laborers.

The Agricultural Research II project will build on the base established by Agricultural Research I to develop HYV strains for non-rice crops specifically adaptable to Bangladesh. In the new project, the Mission hopes to place more emphasis on the work of the Appropriate Technology Cell of the Agricultural Research Council.

Finally, the current package includes the Technical Resources project, designed to meet the BDG's needs for improved project development, management and implementation in agriculture and rural development. A special component is provided within the project for enhancing the role of women professionals in the development planning and management process.

III. The Approved Assistance Planning Level

At the AAPL, the Mission adds innovative activities where new alternatives for reaching the Mission's goals are explored. In the Integrated Land and Water project, the Mission and the BDG again focus on the problem of providing the irrigation facilities necessary for expansion of HYV technology. The current feasibility study is directed toward an integrated area approach wherein both surface and ground water irrigation and drainage systems will be adapted to topographical conditions.

The PVO Co-financing project will continue to provide grants to private and voluntary organizations which have developed projects which contribute to the achievement of the Mission's CDSS goals. Funding priorities, in order, are:

1. PVOs who wish to develop or expand their activities in the delivery of family planning services;
2. PVOs who can contribute to the expansion of HYV technology among farmers below the poverty line; and
3. PVOs who develop innovative approaches to other development problems which may be of priority interest to the Mission in the future.

In the AAPL, the Mission proposes to provide a new grant to the National Women's Development Academy (NWDA). The Mission hopes to strengthen the rural outreach component of NWDA by refresher training of union-level staffs and the promotion of women's development activities through a credit program. This activity will proceed only if the present project is successfully completed. It may be mentioned here that greater participation of women in productive economic activities should have a significant impact on the fertility rate.

Several possible alternatives for the Rural Alternative Energy project are currently to be explored. Among the possibilities is the use of small engines powered by heat generated from the burning of rice hulls. Such engines could be used for a variety of grain processing tasks in small, rural mills. This project is being undertaken in recognition of the need to reduce the country's dependence on petroleum and hydroelectric power for its energy requirements. Further development work on this activity will probably proceed under the Technical

Resources project in FY 1980.

PL-480, Title I programs for vegetable oil and cotton are described in the PL-480 section of this ABS. In terms of priorities, cotton is relatively more important to meeting CDSS goals, i. e. increased employment, than is vegetable oil. The Mission notes, however, that the availability of cotton under PL-480 has been intermittent at best.

Table VI

PROJECT SUMMARY

NUMBER OF PROJECTS

	FY 77	FY 78	FY 79	FY 80	FY 81		AAPL
					MINIMUM	CURRENT	
Implementation at Beginning of Year	11	15	15	15	11	2	2
Moving from Design to Implementation During Year	4	2	1	7	3	2	2
Design for Future Year Implementation	5	6	9	7	-	1	-
SUBTOTAL	20	23	25	29	14	5	4
Number of Non-Project Activities	1	3	3	2	1	-	1
TOTAL	21	26	28	31	15	5	5

NUMBER OF PROJECTS MOVING FROM DESIGN TO IMPLEMENTATION BY PROJECT SIZE

AID'S CONTRIBUTION TO LIFE OF PROJECT COST	FY 77	FY 78	FY 79	FY 80	FY 81		AAPL
					MINIMUM	CURRENT	
Less than \$1 Million	1	-	-	-	-	-	1
\$1 To \$5 Million	-	-	1	5	-	-	-
\$5 To \$10 Million	1	-	-	-	-	1	1
\$15 To \$25 Million	1	1	-	1	-	-	-
More Than \$25 Million	1	1	-	1	3	1	-

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Table VII

OPERATING EXPENSE FUNDED PERSONNEL IN POSITIONS

FUNCTIONS	FY 77				FY 78				FY 79				FY 80			
	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT
Executive Direction	4	-	-	-	4	-	-	-	4	-	-	-	4	-	-	-
Program Planning	6	6	-	-	8	11	-	-	8	12	-	-	8	12	-	-
Project Design	9	10	5	1	8	12	1	1	8	10	1	1	8	10	-	-
Project Implementation	10	12	2	1	11	10	-	-	12	12	1	-	13	12	-	1
Financial Management	2	12	-	-	2	11	-	-	3	14	-	-	3	14	-	-
Mission Support	3	26	-	-	3	23	-	-	3	24	-	-	3	24	1	-
Non-Mission Specific	3	1	-	-	3	1	-	-	3	1	-	-	3	1	-	-
TOTAL	37	67	2	1	39	68	1	3	41	73	1	1	42	73	1	1
PLUS: PASA's (O.E. & Program)	1	-	-	-	-	-	-	-	1	-	-	-	1	-	-	-
LESS: JAO Details	2	-	-	-	2	-	-	-	2	-	-	-	2	-	-	-
MODE Requested	36	37	Approved MODE	37	37	39	Approved MODE	39	40	41	Approved MODE	41	41	41	Approved MODE	41

FUNCTIONS	FY 81 APL				FY 81 MINIMUM				FY 81 CURRENT			
	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT
Executive Direction	4	-	-	-	2	-	-	-	4	-	-	-
Program Planning	8	12	-	-	5	10	-	-	8	12	-	-
Project Design	8	14	-	-	3	12	-	-	8	14	-	-
Project Implementation	13	12	-	1	10	10	-	-	13	12	-	1
Financial Management	3	14	1	-	2	14	-	-	2	14	1	-
Mission Support	3	26	-	-	2	20	-	-	3	26	-	-
Non-Mission Specific	3	1	-	-	2	1	-	-	3	1	-	-
TOTAL	42	79	1	1	26	66	-	-	41	79	1	1
PLUS: PASA's (O.E. & Pr. 800)	1	-	-	-	1	-	-	-	1	-	-	-
LESS: JAO Details	2	-	-	-	2	-	-	-	2	-	-	-
MODE Requested	41	41	Approved MODE	41	25	40	Approved MODE	40	40	41	Approved MODE	41

(Table VIII A)

OPERATING EXPENSE SUMMARY

COST SUMMARIES	FY 77			FY 78			FY 79			FY 80		
	(8000's)	RELATED WORKYRS.	UNIT COST									
US Direct Hire	1,507.6	31.2	48.3	1,620.2	34	47.7	2,009.6	39.0	51.5	2,007.6	40	50.2
FN Direct Hire	123.1	64.8	1.9	130.7	71	1.8	177.0	73.0	2.4	189.4	73.0	2.6
US Contract Personnel	76.9	2.1	36.6	28.1	1	28.1	29.7	1.0	29.7	11.7	1.0	11.7
FN Contract Personnel												
Housing	304.9	31.0	9.8	303.9	34	8.9	377.7	39.0	9.7	397.3	40.0	9.9
Office Operations	683.7	XXXX	XXX	604.8	XXXX	XXX	972.8	XXXX	XXX	1,006.7	XXXX	XXX
TOTAL REQUEST	2,696.2	129.1	20.9	2,687.7	140	19.2	3,566.8	152.0	23.5	3,615.3	155.0	23.3
Amount of Trust Fund Included in Total Requested	153.4			175.4								

COST SUMMARIES	FY 81 AAPT.			FY 81 MINIMUM			FY 81 CURRENT		
	(8000's)	RELATED WORKYRS.	UNIT COST	(8000's)	RELATED WORKYRS.	UNIT COST	(8000's)	RELATED WORKYRS.	UNIT COST
US Direct Hire	2,161.0	40.0	54.0	1,354.1	24.0	56.4	2,114.0	39.0	54.2
FN Direct Hire	208.9	79.0	2.6	168.9	66.0	2.6	208.9	79.0	2.6
US Contract Personnel	12.3	1.0	12.3				12.3	1.0	12.3
FN Contract Personnel	3.0	1.0	3.0				3.0	1.0	3.0
Housing	375.9	40.0	9.4	237.8	24.0	9.9	366.4	39.0	9.4
Office Operations	1,014.5	XXXX	XXX		XXXX	XXX	949.9	XXXX	XXX
TOTAL REQUEST	3,775.6	161.0	23.5	2,382.1	114.0	20.9	3,654.5	159.0	23.0
Amount of Trust Fund Included in Total Requested	258.0			165.0					

(1) Notes: Activities reported are on actual basis. Against FY-1977 and FY-1978 as follows:
 (2) Office operations includes estimated FAS charges
 FY 1981 FY 1981 FY 1981 FY 1979 FY 1980
 Minimum Current 511.2 562.3 444.5 337.4

USAID BANGLADESH

TABLE VIII(B)

FY 80 Non-Expendable Property Procurement Plan
O/C 310, 311, 312 & 319

Item No.	DESCRIPTION OC-310	NUMBER OF AVAILABLE UNITS				Units* to be Purchased		COST		COMMENTS
		Warehouse	Issued	On Order	Total	C	A	Item	Freight	
1.	Typewriter, Man., Non-port(1340)	1	54	0	55		10	1,800	720	
2.	Typewriter, Elec. Non-port(1290)	0	30	0	30	1		700	300	
3.	Calculator, Electronic (0300)	0	10	0	10		6	280	112	1/
4.	Water Dispenser (0700)	1	7	1	8		1	400	200	
5.	Copy Machine (0530)	1	4	0	4	1		12,000	1,000	2/
6.	Desk, Office, Wood (0660)	1	67	0	68		2	540	0	
7.	Desk, Wood, Secy/Typist(0650)	0	26	0	26		2	500	0	
8.	Chairs, Wood, W/arms (0460)	1	95	2	95		2	200	80	
9.	Cabinet, File, Legal (0190)	0	74	0	74		6	810	0	
10.	Carpet, Indoor/outdoor()	0	Unable to identify	to identify --			400r.f.	1,600	600	
TOTALS										

C = Replacement based on condition of item.

A = Replacement based on age.

USAID BANGLADESH

TABLE VIII(B)

FY 80 Non-Expendable Property Procurement Plan
O/C 310, 311, 312 & 319

Item No	DESCRIPTION OC-311	NUMBER OF AVAILABLE UNITS				Units* to be Purchased		COST		COMMENTS
		Warehouse	Issued	On Order	Total	C	A	Item	Freight	
1.	Living Room Furniture, Drexel-B (set)	0	57	2	57	4	2	6,300	0	3/ 3a/
2.	Dining Room Furn. Drexel-B(set)	2	48	2	50	4	2	7,500	0	3/ 3a/
3.	Bedroom Sets, Drexel #3 (set)	2	38	3	40	6	6	14,400	0	3a/
4.	Refrigerators, Food, HH (3640)	3	61	10	64	16	2	6,120	2,430	4/
5.	Freezer, Upright (3440)	1	7	2	8	16	3	5,700	2,192	5/
6.	Washing Machine, HH (3920)	13	38	5	51	9	2	2,695	1,444	6/
7.	Range, Cooking, Gas (3772)	1	36	14	3	7	2	1,850	740	7/
8.	Dryer, Clothes, Gas (3360)	6	35	7	41	2	2	550	200	
9.	Carpet, H/H (3690)	27	137	0	164	12	2	1,120	412	
10.	Lamps, Table, Large (3510)	21		16		24	0	720	288	8/
11.	Lamps, Table, Boudoir (35)			30		46	12	696	255	8/
12.	Lamps, Table, Desk/study(35	0	0	20	0	2	2	60	24	8/
TOTALS										

C = Replacement based on condition of item.

A = Replacement based on age.

USAID BANGLADESH

TABLE VIII(B)

FY 80 Non-Expendable Property Procurement Plan
O/C 310, 311, 312 & 319

Item No.	DESCRIPTION	NUMBER OF AVAILABLE UNITS				Units* to be Purchased			COST		COMMENTS
		Warehouse	Issued	On Order	Total	C	A	NI	Item	Freight	
	OC-311 (Cont'd)										
13.	Lamps, Floor, (3500)	12	41	3	53	3			90	35	8/
14.	Vacuum Cleaner (3900)	3	8	0	11			2	190	76	
	OC-312										
1.	Vehicle, Van, Cat. 7	0	4	0	0			1	20,000	4,000	
2.	Vehicle, Truck, Cat 6	0	4	0	4			1	7,000	2,000	
3.	Vehicle, Pass. Cat IC	0	5	0	5			3	18,000	6,000	
4.	Vehicle, Non-Pass. 4X4 Cat 5	0	31	3	31			1	36,000	8,000	
	TOTALS										

C = Replacement based on condition of item.

A = Replacement based on age.

USAID BANGLADESH

TABLE VIII(B)

FY 80 Non-Expendable Properly Procurement Plan
O/C 310, 311, 312 & 319

Item No.	DESCRIPTION OC-319	NUMBER OF AVAILABLE UNITS				COST		COMMENTS
		Warehouse	Issued	On Order	Total	Item	Freight	
1.	Air Conditioners, (6020) 20,000 BTU	16	112	0	128	2,700	1,070	
2.	Air Conditioner, (6020) 14,000 BTU	0	180	20	180	9,800	3,800	
3.	Vacuum Cleaner, Comm'l (8270)	1	1	0	2	160	60	
4.	Mower, Lawn, Manual (7235)	0	19	12	19	440	176	9/
5.	Fans, Table, Oscil. (6650)	2	49	4	51	300	125	
6.	Fans, Exhaust (66)	3	41	4	44	160	90	
7.	Postal Scale, Parcel (7590)	0	0	0	0	30	10	
8.	Sink, Kitchen, S/S (7685)	1	47	0	48	180	72	
9.	Intercom, Hard-Wire, 4-Station (6930)	0	0	0	0	60	5	
10.	Water Sterilizer, Elec. ()	5	38	3	43	530	200	10/
11.	Air Conditioner. Central, 240,000 BTU (6010)	0	4	0	4	40,000	10,000	
TOTALS								

3 = Replacement based on condition of item.

4 = Replacement based on age.

- 24
- 1/ Will replace 6 calculator, non-electronic, desk (0330)
 - 2/ Carried forward from FY-79 request per State 106947
 - 3/ 2 replacement sets carried forward from FY-79 request per State 106947
 - 3a/ Property cards being updated to show each item of HH furniture by control number; this will be reflected in next inventory/NXP property reconciliation.
 - 4/ 10 replacement units carried forward from FY-79 request per State 106947
 - 5/ 3 replacement units carried forward from FY-79 request per State 106947; additionally, 7 leased quarters are without freezers.
 - 6/ 3 replacement units carried forward from FY-79 request per State 106947
 - 7/ 4 replacement units carried forward from FY-79 request per State 106947
 - 8/ All lamps currently shown in one total in inventory; will show each type by control number in next inventory/NXP property reconciliation. 16 table lamps, living room; 16 lamps, boudoir; 3 lamps, floor, carried forward from FY-79 per State 106947
 - 10/ Unable to locate control number/OC.

COMMENTARY ON PERSONNEL AND OPERATING EXPENSES.

I. The Bangladesh Government's Ability to Support and Commitment to AID Programs and Projects.

The BDG's ability to provide technical and managerial support to AID projects is extremely limited for several reasons. First, the BDG has the responsibility for maintenance of law and order, the administration of a plethora of regulatory activities, the operation of six public sector corporations -- which are holding companies for a larger number of other public sector companies -- and a large economic development program. The scope of these activities stretches the BDG's talent to the breaking point. Second, there is a continuing exodus of managers, technicians, medical personnel, skilled and even semi-skilled labor to the Middle East. This, in turn, means inadequate BDG project management, construction delays and deficiencies, cost overruns, lack of trained technical personnel to backstop the delivery of medical and social services, e.g. sterilization services, etc. Third, there is pervasive corruption within the BDG, which means unreliable performance by some officials. Fourth, there is a considerable lack of coordination among BDG agencies and a jealous guarding of bureaucratic "turf". For example, at least six different national agencies are involved in agricultural extension. Development problems are usually multi-faceted but it is extremely difficult to integrate the efforts of two separate agencies.

The BDG commitment to the objectives of AID's programs and projects is low. There is a strong BDG preference for imports, primarily food, and for infrastructure of various types. It has been and is the Mission's intention to utilize food and fertilizer imports desired by the BDG to re-orient their agricultural policies toward more equity-oriented objectives. Similarly, while being responsive to the BDG's desire for basic infrastructure, the Mission seeks to provide assistance for those projects which create rural employment and provide services for the poor.

II. The Relationship of BDG Ability and Commitment to Personnel Requirements.

As noted above, BDG talent, particularly at the middle-management and technical levels, is stretched very thinly. Because of this, the Mission, along with most other donors, must devote considerable time to project development. Although the BDG is involved in the project development process, it is usually in a consultative role, with the Mission doing most of the research, design work and writing. Further, because of the very weak data base, considerable time is spent in the collection of data necessary for analyses to support project development. This often requires considerable time in the field by both U.S. and Bangladeshi staff.

Several Mission activities have substantial commodity elements including: Fertilizer Distribution Improvement, Population/Family Planning, U.S. financed food under PL 480 Titles I, II and III, Rural Electrification, Ashuganj Fertilizer Plant and the Karnaphuli Third Unit.

The Mission maintains a sizeable staff of Bangladeshi employees who spend most of their time in the field monitoring food and fertilizer stock levels, checking ordering and procurement procedures and advising Bangladeshi field warehouse managers on a variety of problems.

Most AID projects in Bangladesh have an infrastructure or construction element. Most notable is the warehouse construction component of both the Fertilizer Storage Project (388-0030) and the Fertilizer Distribution Improvement Project (388-0024). The Mission intends to use program-funded U.S. consultants to the fullest extent possible in construction supervision and management. We note, however, that U.S. consulting firms frequently have difficulty recruiting qualified personnel and keeping them at post, once assigned. We foresee a need to frequently "fill the gap" so that projects may proceed despite consultant delays in recruiting and replacing personnel.

Given the relative weakness of most BDG agencies in project management, the Mission must devote a substantial portion of its workforce to project management. Most Mission project officers spend the largest portion of their time working with BDG counterparts attempting to resolve management problems, coordinating inputs from other Mission elements, BDG agencies and other donors, and visiting project sites. The major infrastructure projects, in particular, require an intensive effort.

III. Procurement And Operating Expenses

We wish to note, at this point, that poor transportation facilities have a major effect on workforce requirements. Except for those project sites close to Dacca, of which there are few, no site can be visited in a one-day trip. Frequently it takes one day to get to the project site, one day for inspection and one day to return to Dacca, even using domestic air service. Nor is it usually possible to inspect more than two sites per day.

The need for extensive field travel, the poor roads and inadequate vehicle maintenance capability (Bangladeshi mechanics are recruited by Middle Eastern countries), places an enormous demand on the Mission's fleet of vehicles. USAID is re-orienting the composition of its vehicle fleet to increase the transportation capability for field travel. In FY 1980 we are replacing 5 vehicles and adding 1 new one.

The procurement of household furnishings is primarily routine replacement due to age and condition and new procurement in anticipation of two additional positions.

With respect to office furniture and equipment it is also primarily routine replacement and provision of basic furnishings for the two additional positions. We have also made provision to replace a 13 year old central air conditioner and propose to retire two copying machines and replace them with one Xerox copier which is better suited to the Mission's needs.

As table VIII A shows, there are no significant increases in the total budget request nor in the per capita costs between the fiscal years 1979 to 1981. The increases that do occur are mostly related to the addition of new personnel and the provision of travel funds for AID/W staff.

Inflation has not had any significant impact on our budget and this is due primarily to the fact that most of the Mission houses are still under leases that were negotiated some time ago.

The BDG does make a modest contribution to a Mission Trust Fund and these contributions have been increasing as our program has expanded.

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING
 POSITION REQUIREMENTS - FY 1979 - 1981
 (By Function, Organizational Unit, Position Title and Professional Speciality)

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	NUMBER OF POSITIONS											
	FY 1979			FY 1980			FY 1981			A.A.P.L.		
	Minimum		Current		Minimum		Current		Minimum		Current	
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH
<u>Executive Direction</u>												
<u>Director's Office</u>												
Director	1		1		1							
Deputy Director	1		1				1					
All Other (Non Professional)	2		2		1		1					
Sub Total Executive Direction	4		4		2		2					
<u>Program Planning</u>												
<u>Program Office</u>												
Program Officer	1	2	1	2	1	2	1	2	1	2		
Deputy Program Officer	1	1	1	1	1	1	1	1	1	1	1	1
Assistant Program Officer	1	2	1	2	1	2	1	2	1	2		
Assistant Program Officer	1	1	1	1	1	1	1	1	1	1	1	1
Agricultural Economist	1		1		1		1		1			
Research & Evaluation Officer	1		1		1		1		1			
Program Economist	1	1	1	1	1	1	1	1	1	1		
All Other ;	1	5	1	5	1	5	1	5	1	5	1	1
	8	12	8	12	5	10	3	2				

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING
 POSITION REQUIREMENTS - FY 1979 - 1981
 (By Function, Organizational Unit, Position Title and Professional Speciality)

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	DECISION UNIT											
	BANGLADESH											
	DECISION PACKAGE											
	NUMBER OF POSITIONS											
	FY 1979			FY 1980			FY 1981			FY 1981		
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH
<u>Program Design And Implementation</u>												
<u>Office of Rural Development & Engineering</u>												
General Engineering Officer	1	2	1	2	1	2						
Deputy General Engineering Officer	1	1	1	1					1			1
Capital Project Development Officer	1	1	1	1	1	1						
Electrical Engineer	1		1		1	1						
Capital Project Development Officer	1	1	1	1	1	1						
Civil Engineer	1		1		1	1						
Capital Project Development Officer	1	1	1	1	1	1						
Capital Project Development Officer	1	1	1	1	1	1						
Civil Engineer (New)	1		1		1	1						
Hydraulic Engineer	1		1		1	1						
Civil Engineer (New)	1		1		1	1						
General Engineer	1		1		1	1						
All Other		4		4								
<u>Office of Agriculture</u>												
Agricultural Development Officer	1	1	1	1	1	1						1
Agricultural Adviser	1	1	1	1	1	1						1
Capital Project Development Officer	1	1	1	1	1	1						2
All Other		2		2								3

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	DECISION UNIT BANGLADESH DECISION PACKAGE											
	TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING POSITION REQUIREMENTS - FY 1979 - 1981 (By Function, Organizational Unit, Position Title and Professional Speciality)						NUMBER OF POSITIONS					
	FY 1979		FY 1980		FY 1981		Minimum		Current		AAPL	
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH
<u>Office of Health & Population</u>												
Population Officer	1	1	1	1	1	1	1	1				
Deputy Population Officer	1		1				1					
Population Assistant	1		1				1					
Population Assistant	1		1					1				
All Other		3		3				3				
<u>Office of Food And Nutrition</u>												
Nutrition Adviser	1	1	1	1						1		2
Assistant Food For Peace Officer	1	2	1	2			1	2				
All Other		2		2				2				
Sub Total Project Design & Implementation	20	22	21	22	13	22	8	22	4			
<u>Financial Management</u>												
Controller	1	8	1	8	1	8						
Budget & Fiscal Officer	1	5	1	5	1	5						1
Financial Analyst (IDI)	1		1					1				
All Other		1		1								
Sub Total Financial Management	3	14	3	14	2	14		14				1

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING
 POSITION REQUIREMENTS - FY 1979 - 1981
 (By Function, Organizational Unit, Position Title and Professional Speciality)

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	DECISION UNIT BANGLADESH DECISION PACKAGE																		
	FY 1979						FY 1980						FY 1981						
	Minimum		Current		AAPL		Minimum		Current		AAPL		Minimum		Current		AAPL		
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	
<u>Mission Support</u>																			
EXO	1	9	1	1	9	1	9												
Asst. Personnel Officer	1	5	1	1	5					1	6								
Logistics Management Officer	1	8	1	1	8	1	9												
All Other		2			2		2												
Sub Total Mission Support	3	24	3	3	24	2	20			1	6								
<u>Non Mission Specific</u>																			
Regional Legal Adviser	1	1	1	1	1					1	1								
General Services Officer (Non Add)	(1)		(1)	(1)		(1)													
Assistant General Services Officer (Non Add)	(1)		(1)	(1)		(1)													
All Other																			
Sub Total Non Mission Specific	1	1	1	1	1					1	1								
Total Increment	39	73	40	40	73	24	66			15	13								
Cumulative Total	*39	73	*40	*40	73	24	66			39	79								79

* Excludes PASA for Vertebrate Pest Component
 under the Agricultural Research Project (388-0003)

Decision Unit: Bangladesh

Supporting Narrative on Position Requirements

The key underlying assumption for workforce levels, is that the Mission will be able to replicate during the 81-85 planning period, at generally higher levels, projects for Fertilizer, Small-Scale Irrigation, Rural Irrigation, Integrated Land and Water Use, Agricultural Research, Population and Family Planning, Rural Electrification, and PVO Co-Financing. PL 480 Titles I, II (Food-For-Work) and III are continued as well. Workforce accretions, therefore, are minimized and are mainly attributed to increased monitoring responsibilities. This is because infrastructure programs are an important component of the requested levels. The Mission will have to curtail severely, projects currently in planning or implementation should full staffing within the minimum and current levels not be forthcoming.

The fact that approximately 42 percent of each years requested level is for fertilizer imports, largely accounts for the overall low intensity personnel levels relative to the large size of the program. The other factor affecting personnel levels is that with only one exception i.e., Rural Alternative Energy, projects proposed for the FY 1981-85 planning period are either already in their initial phases of implementation or the proposed activities are currently in advanced stages of project preparation i.e., Kishori Clubs, Integrated Land and Water Use and Rural Industries.

The USAID Bangladesh program must be sensitive to program proliferation given likely AID-wide staffing limitations and the limited ability of the BDG to undertake new initiatives.

The above considerations require that the entire U.S. workforce as well as the whole of the FN workforce, be placed within the minimum and current packages. Only the I.D.I. is shown in the AAPL, since this is basically a training position which cannot be justified on program grounds alone.

Country: Bangladesh

TABLE XI

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

Commodities Title I	FY 1979			Estimated FY 1980			Projected FY 1981			Carryin to FY 1982 \$ MT	
	Agreement \$	Shipments		Agreement \$	Shipments		Agreement \$	Shipments			
		MT	MT		MT	MT		MT	MT		
Wheat	56.0	400	400	52.0	400	52.0	400	53.6	400	400	-
Corn											
Rice											
Edible Oil	6.1	10	10	19.5	30	19.5	30	15.6	25	15.6	25
Cotton	-	-	-	19.6	60	19.6	60	18.4	60	18.4	60
Total	62.1		62.1	91.1		91.1		87.6		87.6	
Of which Title III											
Wheat	56.0	400	400	52.0	400	52.0	400	53.6	400	53.6	400
Corn											
Rice											
Total	56.0	400	400	52.0	400	52.0	400	53.6	400	53.6	400

Comment:

A major evaluation of the Open Market Sales (OMS) component of the Bangladesh PL-480, Title III, Food For Development program was underway as the FY 1981 ABS was being prepared. From evaluation work done to date, it would appear that program changes may be required but the mission is not prepared to make recommendations until the evaluation is complete. Mission representatives will provide the evaluation report and mission recommendation at a presentation in AID/W in late June.

Country: Bangladesh

TABLE XII
PL 480 TITLE I/III
Supply and Distribution
 (000 Metric Tons)

<u>Stock Situation</u>	<u>BD FY 1978/79</u>	<u>Estimated BD FY 1979/80</u>
<u>Commodity - Wheat</u>		
Beginning Stocks	245	260
Procurement	74	81
Imports	1,232	1,273
Concessional	(1,232)	(1,273)
Non-Concessional	-	-
Consumption	1,217	1,200
Ending Stocks	334	414
Inventory Adjustment For Loss	- 74	- 73
Adjusted closing stock estimate	<u>260</u>	<u>341</u>
<u>Commodity - Rice</u>		
Beginning Stocks	355	155
Procurement	320	660
Imports	68	250
Concessional	(68)	(150)
Non-Concessional	-	(100)
Consumption	554	600
Ending Stocks	189	465
Inventory Adjustment For Loss	- 34	- 37
Adjusted closing stock estimate	<u>155</u>	<u>428</u>

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 programs and Open Market Sales programs. 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. All figures correspond to official BDG estimates except for consumption, which the Mission has revised downward by about 25% for FY 1979/80. The main reasons for the revision is that the BDG's projection is much higher than historical experience would indicate, especially when one considers that the procurement estimate reflects a excellent crop production year and, thus, less need to release public stocks.

Table VIII

PL 480 TITLE II

FY - 81

1. Country BANGLADESHSponsor's Name CARE/GOVERNMENT OF BANGLADESH

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

No. of Recipients by Commodity	Name of Commodity	KGS	(Thousands)	Dollars
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----
<u>Total MCH</u>				

B. School Feeding..... Total Recipients

No. of Recipients by Commodity	Name of Commodity	KGS	(Thousands)	Dollars
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----
<u>Total School Feeding</u>				

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

No. of Recipients by Commodity	Name of Commodity	KGS	(Thousands)	Dollars
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----
<u>Total Other Child Feeding</u>				

D. Food for Work..... Total Recipients 1,433,333

No. of Recipients by Commodity	Name of Commodity	KGS	(Thousands)	Dollars
<u>1,433</u>	<u>Bulk Wheat</u>	<u>120 MT</u>		<u>22,080</u>
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<u>Total Food for Work</u>				

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

No. of Recipients by Commodity	Name of Commodity	KGS	(Thousands)	Dollars
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<u>Total Other</u>				

PL - 480 Narrative

1. Title I/III

a. **Edible Oil.** Edible oil is not directly contributory to the Mission's basic CDSS objectives. Nevertheless, the U.S. has historically provided this commodity to Bangladesh and Title I financed imports help satisfy the demand of poor consumers for this essential commodity. The Mission believes Title I financed edible oil should be gradually phased-out over the next five years unless the BDG continues to improve the distribution to poor consumers and to meet more of their needs from domestic production.

The mission estimates Bangladesh's edible oil requirements as follows in thousands of metric tons:

	1979/80	1980/81
1. Edible Oil Requirement @ 6 lbs. per capita	244	250
2. Edible oil from domestic production	55	60
3. Estimated imports	90	95
a. Commercial	40	45
b. Concessional	50	50
4. Net availability	145	155
5. Per capita availability	3.57	3.71

In 1978, the Ministry of Food began distribution of edible oil to the poorest rural consumers through the Modified Ration (MR) system. This was done as a condition to the FY 1978 PL - 480, Title I agreement. During 1978/79, the Ministry of Food has reduced its distribution of edible oil to middle class consumers

from an average of 3,000 tons per month in 1977/78 to about 2,100 tons per month. Approximately 1,600 tons per month is now being distributed to poor rural consumers through MR.

Domestic production increases have not been encouraging. It is estimated that there is approximately 30,000 tons of excess crude edible oil refining capacity in Bangladesh. For example, there is a public sector refinery, which is presently unused, capable of crushing and refining an additional 15,000 tons of edible oil. Increased domestic production to utilize this excess capacity would add slightly more than 1 lb. to per capita availability. Progress toward increasing domestic production is and will continue to be a major condition for Title I financing.

b. Cotton. Title I financed cotton is directly related to a key objective of the CDSS, increased off-farm employment. According to BDG estimates, there are 350,000 handlooms in Bangladesh, with each loom employing an average of two persons per day. These workers earn the equivalent of \$.80 to \$1.00 per day. The USAID financed Rural Industries Study shows the manufacture of handloom products is the largest single industrial source of employment in rural Bangladesh. Further, the study showed that 39 percent of the handloom workers surveyed were women. The BDG reports that, of the 35,000 bales of cotton financed under Title I in FY 1978, 23,800 bales were distributed to these handlooms.

The BDG's announced objective is to provide 12 yards of cloth per capita by the end of the Five-Year Plan period in 1985. This would require approximately 580,000 bales of cotton by 1985. To meet this same goal in 1981, 525,000 bales would be required. Domestic cotton production targets for the Second Five Year Plan are provided below:

	<u>Area</u>	<u>Production</u>
1980-81	25,000 acres	17,000 bales
1981-82	40,000 acres	26,000 bales
1982-83	60,000 acres	40,000 bales
1983-84	80,000 acres	55,000 bales
1984-85	100,000 acres	75,000 bales

Clearly, if per capita clothing requirements are to be met, substantial cotton imports will be required. In addition to Title I, the BDG will draw on program loans and grants provided by the IBRD and other donors and, to the extent possible, its own foreign exchange to meet the import requirement.

c. Wheat. Wheat provided under the Title III, Food For Development Program is a key feature of the Mission strategy. The program is described on pp. 41-42 of the Bangladesh CDSS.

The BDG first development priority is to achieve foodgrain self-sufficiency by 1985. Production, acreage and yield per acre targets necessary to reach this goal are provided on pp. 53 and 55 of the CDSS. The BDG Second Five-Year Plan is still in the drafting stage and, therefore, a definitive statement of the BDG's strategy does not yet exist. However, the CDSS describes, on pp. 41-45, the main elements which should be addressed to both increased production and improved income distribution. It should be noted that achieving foodgrain self-sufficiency in 1985 will require substantial reductions in fertility as well as increases in foodgrain production.

Since sorghum was not among the commodities listed in the FY 1981 ABS guidance, the Mission has programmed only wheat for the Title III program in FY 1980 and FY 1981. Subject to further tests of the acceptability of sorghum from the FY 1979 Title II program and discussions with the BDG, the Mission may request the substitution of up to 25,000 tons of sorghum for an equivalent amount of wheat in the FY 1980 and FY 1981 Title III program. The sorghum would be distributed to the poorest consumers through the Modified Ration system.

2. Title II. Title II wheat is used in a voluntary agency (CARE) sponsored Food-for-Work (FFW) program. The relationship of FFW to the Mission's objectives is described on pp. 50-51 of the CDSS. It is specifically directed at creating more employment for landless laborers during periods when on-farm employment is generally not available. The Mission's employment targets for 1985/86 are provided on p. 56 of the CDSS.

CARE Food-for-Work Program

There are approximately 22 million people in the agricultural labor force but only about 13 million person-years of the labor force are required to do all of the agricultural tasks. This leaves about 9 million unemployed. Many of these are poor itinerant laborers whose normal tasks of planting, irrigating, and harvesting offer only seasonal employment. When these jobs are complete there are few, if any, alternative means of support for laborers and their families. It appears that even with the most optimistic assumptions, during the next decade there will be a rise in the rate, as well as the absolute level of unemployment and underemployment in rural Bangladesh.

To provide relief to this destitute population and to utilize this slack economic resource, the Bangladesh Government (BDG) has implemented a food relief program in Bangladesh using Title II donated wheat as payment to laborers. The overall goal of the Food-for-Work (FFW) program is to provide direct relief food and employment to rural landless and near landless people. The Title II resources are used both as an incentive and a wage to laborers for the construction of labor intensive, rural earthwork projects such as irrigation canals, flood control and land reclamation embankments, roads, and water reservoirs. A more complete description of the integrated Title II Program is provided in the Project Paper and related documents.

In FY 1979, a total of 1,158 FFW projects representing 120,000 MT were approved for implementation. These projects included reexcavation of 349 irrigation canals and 145 water reservoirs, and reconstruction of 664 roads and flood control/land reclamation embankments. For FY 1979 thru FY 85, it is estimated that approximately 1,000-1,400 earthwork projects will be implemented annually involving payments of 120,000 MT each year to approximately 1.4 million participants.

The program is an integrated one in the sense that CARE, in addition to programming wheat as a PL 480 Title II Cooperating Sponsor, is also an AID grantee. This grant is used to finance the dollar costs of operating 9 Regional Field Offices which approve and monitor the FFW projects as submitted by local government. Based on CARE's field monitoring, which consists of field engineer surveys of 50% of the projects, CARE reimburses the BDG for the percentage of wheat which is utilized according to specifications. In FY 1976, for example, CARE reimbursed 42,811 MT of Title II wheat after the government expended 51,000 MT of its own wheat for the projects. The 15% "docking" represented wheat which was not used by the BDG according to specifications. In FY 1978, CARE reimbursed 85,991 MT of Title II wheat after the Government expended 96,347 MTs of its own wheat for a 10.75% "docking/reimbursement" percentage. The reimbursement aspect of this unique Title II program reduces losses of Title II wheat and serves as a built-in incentive to the BDG to reduce inefficiencies and to improve the quality of the projects.

Ration Rate

The ration rate will remain 6.15 lbs of whole wheat per person, per day for 70 cubic feet of earthwork moved. This rate is adjusted according to soil conditions and the distance the laborer must move the earth. The program is designed so that the average worker, who has a family of six, will earn 6.15 pounds per day which is equivalent to 2,789 grams of wheat containing 9,203 calories and 343 grams of protein.

Enhancing the Development Potential of FFW Projects

Although the program is oriented toward relief and employment generation at the macro-level, it is evident that at the local level where the projects are designed, approved and implemented, the development potential of the earthwork structures is the primary consideration of the Project Implementation Committee and other approving authorities. Generally speaking, these local leaders are

sufficiently familiar with their immediate geographic areas to adequately plan relatively small earth-work projects without the benefit of a national level master plan for irrigation and road development. The program places faith in this local initiative capability and in doing so strengthens it. A recent study by USAID confirmed that local selection of projects is developmentally sound.

Apart from project selection it is felt that more development impact can be gained by providing more technical assistance to local leadership during project design and construction. Improved design of the selected project begins with the Project Committees which submit the detailed project proposals and supervise construction. The BDG and CARE have developed a FFW technical manual and distributed it among the Sub-divisional Officers, Project Implementation Officers, Circle Officers, and the thana technical staff. USAID supported contracts with the Bangladesh University of Engineering and Technology (BUET) to develop and print another Earth Work Design Manual in English and Bengali for the use of Project Committee Members and Union level supervisors. BUET will also translate into Bengali the recently published Design Manual for Culverts, Bridges and Sluices, which was financed by AID and intended for thana-level project supervisors.

The BDG has hired 400 Project Implementation Officers (PIOs), 65 percent of whom are technically trained. Their prime responsibility is to motivate and provide guidance to the FFW Project Committees and to supervise and monitor the implementation of the FFW projects. Each PIO is responsible for an average of 3 CARE FFW projects. The PIOs are the most influential elements in the program, and CARE has focused technical training activities on this group of civil servants. Throughout the life-of-project, PIO motivation and competence will remain a major concern.

The construction of appurtenant structures such as culverts and small bridges is considered an important input which enhances the self-sustaining development aspects of the project. To this end CARE has used non-AID financial resources in FY 1978 to build 18 structures on a pilot basis. In FY 1979, after gaining experience in

their initial construction pilot effort, CARE undertook 36 FFW "pucca" construction projects, again with non-AID financial support. During this two year pilot effort the PIOs and other local engineering staff at the thana level are gathering experience needed to effectively administer a larger pucca works program which USAID is planning to support in FY 1980 thru FY 1984. Approximately 70 reinforced concrete structures will be built annually under the appurtenant structure component of the FFW program.

The Project Paper and the USAID/CARE grant agreement stipulates a five year \$1.6 million grant and 450,000 MT Title II program from FY 1976 through FY 1980. However, the grant dollars have been expended in four (4) years and AID is now preparing a new FFW Project Paper and a new grant for the period FY 80-84. The FY 1980 Operation Plan has been approved by USAID/Dacca and submitted to AID/W. It contains a detailed description of all the operational aspects of the program. When AID/W approves the FY-80 Operation Plan and after the FFW Project Paper is approved the Mission will forward a revised FY 81 FFW Operation Plan.

Evaluation

A Project Evaluation Summary (PES) report is completed each year as a part of normal evaluation procedures. This was done in FY 1976, FY 1977, and FY 1978. An AAG audit was also conducted in FY 1976. As part of the AID/CARE grant agreement, a special in-depth evaluation was conducted by a five-member team during March and April, 1978. Difficult issues were raised and the final report provided broad guidance for the years ahead. USAID and CARE have also had the benefit of three UN Interagency Special Evaluation Team reports on WFP's parallel Relief Works for Land and Water Development Project. These reports have provided valuable program assistance to the BDG, CARE and USAID management in their efforts to maximize program benefits. In addition USAID contracted with the Institute of Nutrition and Food Science, University of Dacca to conduct a study entitled the "Economic and Nutritional Effects of the Food Relief Works Program" which provided a profile of the average FFW laborers and his family.

USAID also completed the FFW Saturation and Constraints Study which found that a) FFW will never be constrained by a lack of laborers, and b) a significant expansion of the FFW program would not negatively affect agricultural employment opportunities. At present, USAID is conducting a series of FFW project case studies to design an evaluation methodology for a longer-term evaluation.