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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

PROJECT PAPER

BANGLADESH

ENTERPRISE POLICY REFORM PROJECT

(388-0067)

June 1985

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AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE

A = Add
 C = Change
 D = Delete

Amendment Number

DOCUMENT CODE

3

2. COUNTRY/ENTITY

Bangladesh

3. PROJECT NUMBER

388-0067

4. BUREAU/OFFICE

ANE

5. PROJECT TITLE (maximum 40 characters)

Enterprise Policy Reform

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY
 06 30 90

7. ESTIMATED DATE OF OBLIGATION
 (Under 'B' below, enter 1, 2, 3, or 4)

A. Initial FY 85

B. Quarter 3

C. Final FY 87

8. COSTS (\$000 OR EQUIVALENT \$1 =)

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	1500	-	1500	3000	-	3000
(Grant)	(1500)	(-)	(1500)	(3000)	(-)	(3000)
(Loan)	(-)	(-)	(-)	(-)	(-)	(-)
Other U.S.						
1.						
2.						
Host Country	-	2500	2500	-	4500	4500
Other Donor(s)	-	-	-	-	-	-
TOTALS	1500	2500	4000	3000	4500	7500

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) FN	270	110		-	-	3000	-	3000	-
(2)									
(3)									
(4)									
TOTALS									

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

710

11. SECONDARY PURPOSE CODES

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code

B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

To strengthen the capacity of the BDG Ministry of Planning to formulate improved policies affecting small enterprises by institutionalizing the capacity of the Bangladesh Bureau of Statistics to collect, process and publish accurate and timely census and survey data on non-farm enterprises.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY
 1 0 8 7 0 4 8 9 0 3 9 0

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000 941 Local Other (Specify)

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment)

Mary S. Swellen
 Acting Controller

17. APPROVED BY

Signature

John R. Westley

Title

Director
 USAID/DHAKA

Date Signed

MM DD YY
 06 25 90

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY

PROJECT AUTHORIZATION

Name of Country: Bangladesh

Name of Project : Enterprise Policy Reform

Number of Project: 388-0067

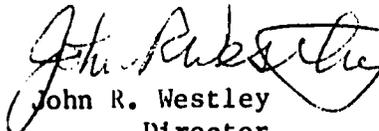
1. Pursuant to Section 103 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Enterprise Policy Reform Project for the People's Republic of Bangladesh (the "Cooperating Country") involving planned obligations of not to exceed Three Million United States Dollars (\$3,000,000) in grant funds over a three year period from date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project. The planned life of the project is from the date of initial obligation until June 30, 1990.

2. The project will assist the Bangladesh Bureau of Statistics to strengthen its capacity to collect, process, analyze and publish census data on non-agricultural productive enterprises, and to conduct large scale sample surveys of non-agricultural productive activities.

3. The Project Agreement(s) which may be negotiated and executed by the officer(s) to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate:

Source and Origin of Commodities, Nationality of Services

Commodities financed by A.I.D. under the project shall have their source and origin in Bangladesh or in countries included in A.I.D. Geographic Code 941 except as A.I.D. may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services shall have Bangladesh or countries included in A.I.D. Geographic Code 941 as their place of nationality, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States, Bangladesh, or other countries included in A.I.D. Geographic Code 941.


John R. Westley

Director
USAID/Bangladesh

Date 6/25/85

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LIST OF ACRONYMS

BBS	Bangladesh Bureau of Statistics
BGD	Bangladesh Government
BSIC	Bangladesh Standard Industrial Classification
BuGen	Bureau of the Census (US)
CDST	Customs Duties and Sales Taxes
CMLA	Chief Martial Law Administrator
CP	Condition(s) Precedent
EFT	Electronic Funds Transfer
GDP	Gross Domestic Product
HYV	High Yielding Varieties
IBRD	International Bank for Reconstruction and Development
IFB	Invitation for Bids
Lakh	100,000
L/Comm	Letter of Commitment
OMB	Office of Management and Budget (US)
OMR	Optical Mark Reader
PACD	Project Assistance Completion Date
PASA	Participating Agency Service Agreement
PEC	Post Enumeration Check
PERT	Program Evaluation Review Technique
PIL	Project Implementation Letter
PIO/T	Project Implementation Order/Technical Services
PSA	Purchasing Services Agent
SER/CM	Office of Contract Management, AID/W
SER/IRM	Information Resources Management, AID/W
TA	Technical Assistance
Tk.	Taka (approximately Tk. 26.94 = US \$1.00 at official rate)

x 5

EXECUTIVE SUMMARY

The purpose of the Enterprise Policy Reform Project (388-0067) is to strengthen the capacity of the BDG Ministry of Planning to formulate improved policies affecting small enterprises. The project indirectly addresses Bangladesh's massive unemployment problem. The project signals USAID/Dhaka's expectation that it will be involved in the long-term development of labor intensive, typically small and medium scale, off-farm enterprises for a great many years. The project is based on the belief, widely shared by professional economists, that poor policies inhibit small enterprise development in Bangladesh. The project will assist the Bangladesh Bureau of Statistics (BBS) strengthen its capacity to collect, process, and publish census data on all non-agricultural productive activities in a timely and accurate manner. It also will assist the BBS strengthen its capacity to conduct follow-on surveys in the same field. The true long term success of the project will be determined by the degree to which the data collected by the BBS are used to inform policies affecting small enterprises and how effectively those policies stimulate the expansion of productive jobs. USAID/Dhaka anticipates funding a studies activity in the Planning Commission that will link the Enterprise Policy Reform Project with its policy objectives.

The project, a FY 85 start, will obligate \$ 3.0 million in U.S. funds over its 5 year life. \$ 1,391,000 will be spent purchasing over 30 million census questionnaires, about 250,000 enumerator packets, data processing equipment and supplies (notably one or two optical mark readers), printing equipment and supplies, and other commodities. Needed Technical Assistance, consisting of long term resident advisors (48 person-months) and short term consultancies (23.5 person months) will cost \$ 942,700. Participant training will cost \$ 201,600. Estimates for inflation and contingencies account for the rest. The BDG contribution, in taka, is equivalent to about \$ 4.5 million or 60 percent of the project costs. The bulk of these taka expenditures are for honorariums for census enumerators, supervisors, coders and the like, and for remuneration for additional BBS staff.

The project will be dominated by the managerial and technical problems of conducting a full economic/enterprise census in a very poor country of about 100 million people. The census is tentatively scheduled for 8-10 March 1986. Data processing, including editing, coding, and reading as well as tabulating the results, will take about 15 months. The first final publications are expected to be released 18 months after enumeration. Two follow-on surveys also will be supported by this project. The first will be a continuing survey of permanent economic units (structures) conducted in monthly panels beginning in July, 1985. The second will be a one-time Survey of Household and Cottage Industries; enumeration is planned for January, 1990.

USAID/Dhaka intends to procure the needed technical assistance, the training services, and some minor commodities (integral to the technical assistance component) through a Participating Agency Service Agreement (PASA) with the U.S. Bureau of the Census (BuCen). BuCen has all the qualifications needed and enjoys a long and fruitful relationship with the BBS. A justification waiving the provisions of Office of Management and Budget A-76 is attached to this project paper. The PIO/T is budgeted at a level of over \$ 1,184.3 thousand (excluding provision for inflation and contingency). \$ 226,000 will be committed by USAID/Dhaka; the balance will be committed by the BuCen PASA.

USAID/Dhaka intends to procure all other commodities using two different instruments. USAID/Dhaka intends to procure the time-critical questionnaires and the enumerator packets through a direct contract. The commodities must arrive on or before January 1986. The budget is \$ 862,000.* USAID/Dhaka intends to procure the data processing and printing equipment and supplies, in two batches, through an 8-A set-aside with a PSA firm. The budget is \$ 489,000.*

The project will be subject to three types of evaluations. First, the long-term resident advisors from BuCen will submit quarterly reports assessing the degree to which the BBS is gaining the technical and administrative experience needed to conduct economic census and survey activities. Second, BuCen will field three reviews conducted in April 1986, October 1987, and April 1989 to explore, on an input/output level, the degree to which the project is meeting its institutional and development objectives. Third, USAID/Dhaka will conduct a review in March, 1990 that will focus on the policy impact of the census and the surveys.

* Excluding provision for inflation and contingency.

I. PROJECT RATIONALE AND DESCRIPTION

A. Project Rationale

1. The Problem

a. Unemployment

1.01 Creating massive numbers of productive employment opportunities is now, and will be well into the next century, one of the most pressing needs in Bangladesh. IBRD projections suggest that the population aged 10-64 will increase by over 30 million during the next 15 years. This massive increase is not very sensitive to differing assumptions regarding fertility; most of these people already have been born.

1.02 Agriculture, accounting for nearly half of GDP, is the mainstay of the economy of Bangladesh. Rapid rates of growth in agricultural production, especially of relatively labor intensive products and involving the adoption of HYVs, may make a substantial contribution to alleviating unemployment.* However, even under very optimistic assumptions about increased agricultural activity, no more than 25 percent of the expected growth in the labor force during the 1985-2000 period will be absorbed productively in agriculture. Official data suggest that Bangladesh is very rapidly approaching -- and may already have passed -- the point after which the absolute number of persons employed in agriculture falls. In any event, development strategies will need to emphasize the promotion of productive employment outside agriculture.

1.03 There are two major labor-intensive public works programs in Bangladesh, the Rural Works Program and the Food For Work Program. These programs have expanded rapidly in recent years; they serve useful purposes, both direct and indirect. They moderate otherwise very severe seasonal unemployment for the poor. They will generate an estimated 100 million person-days of work in FY 1985. They will not, however, expand rapidly in the future. And, while "100 million person-days" is a very impressive figure, it amounts to only about one-fifth of the net new employment needed each year during the 1985-2000 period. In short, the impact of these programs on total employment is, and will remain, very limited.

* Unemployment is estimated by the Planning Commission to be about 30 percent. This is an unemployment-equivalent estimate expressed as a ratio of person-days unemployed to person-days of employment offered.

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1.04 Value added in the formal industrial sector* has increased, in real terms, by only 1 percent per year since FY 1974. The income share of labor in gross formal industrial sector output actually declined during this period. Given its small base (5.4 percent of GDP) even very rapid growth rates in formal industrial production are unlikely to have an appreciable effect on employment. And the expansion of public sector enterprises, or of the government itself, is neither likely nor desirable.

1.05 Accordingly, the expansion of small private enterprises, in the industrial as well as in the service sectors, will have to bear the major burden of generating new productive employment opportunities.** Scattered bits of evidence reinforce the impressions of many observers who argue, on the basis of casual empiricism, that small enterprises are exhibiting an unexpected dynamism, particularly in the cities and in certain urban centers serving rural areas. Unskilled agricultural real wage rates, arguably near the subsistence floor, stopped their secular decline in the mid-1970s and now are rising. Labor force surveys show a surprising increase in employment in services and trades. Village level studies suggest that off-farm jobs available to the unskilled rural labor force are attracting workers. While the evidence is thin and, as yet, unconvincing, it is highly suggestive.

b. The Need for Data

1.06 The economy of Bangladesh, generally considered almost entirely dependent on agriculture, is being transformed. About two-fifths of total employment and half of GDP is non-agricultural. These shares have been rising steadily and rapidly. Yet very little is known about the (non-agricultural) secondary and tertiary sectors. Information on small enterprises is particularly weak. Comprehensive sample surveys can be designed to collect useful information. Such surveys must be based, in turn, on a valid sampling frame, that is, on reliable knowledge of the number and location of enterprises, classified by industrial code. In short, these surveys can only be based on a census of non-agricultural economic activities.

1.07 Conducting an economic census and its attendant sample surveys would accomplish three broad objectives. First, it would inform the policy process. A key element in the promotion of small enterprises is the creation of an appropriate policy context. Designing a sound policy reform program calls

* The phrase "industrial sector" here refers to formal sector industries many of which are large scale and most are either owned by or closely linked to the government.

** From the employment perspective, the common distinction between the "directly productive" primary and secondary sectors (e.g., agriculture, mining, manufacturing, construction) and the tertiary sector is meaningless.

for a continuing stream of relevant research, both surveys and studies, sponsored by both public and private groups. Most of these studies must await the creation of a proper sampling frame. Second, it would inform the project development process. The government must begin to generate information that will spawn specific project level interventions in the future. We know that agricultural and demographic censuses stimulate research, in universities and in other public and private institutions, that frequently leads to project interventions. In a similar manner, an economic census will stimulate increased research on small enterprises. As we learn more about small enterprises, we will be better able to design useful, tightly focussed project interventions. Third, it would provide benchmark data and other routinely collected information designed to monitor progress made toward achieving established goals. An economic census is an ideal vehicle for establishing relevant benchmarks. Reliable surveys, based on a sampling frame derived from such a census, are useful vehicles for monitoring progress. The BDG and USAID/Dhaka (and other donors) require the same information for their own programmatic purposes.

1.08 Of these three reasons, the most important is the first. This project is based on the belief -- widely shared by professional economists -- that poor policies inhibit small enterprise development in Bangladesh. For example, subsidized credit policies that favor large, capital intensive firms effectively discriminate against small, labor intensive firms. Duty drawback schemes that favor large integrated firms discriminate against large numbers of small subcontracting firms. Tariff structures that reward large industrial importers penalize merchant-importers and indirectly discriminate against the small industrial firms that must rely on those merchant-importers. The pervasive incentives of an overregulated socio-economic system consistently discriminate against the small firms whose proprietors are poorly positioned to capture rents. This project is designed to assist the BDG improve the data base needed for good policy formation in the small enterprise field. It will strengthen the capacity of the Bangladesh Bureau of Statistics to conduct periodic economic censuses and to conduct continuing economic surveys.

2. The Context: AID, USAID, and Host Country

1.09 This project signals AID's expectation that it will be involved in the long-term development of labor-intensive, typically small and medium scale, off-farm enterprises (called, in this project paper, "small enterprises") for a great many years. It is consistent with current thinking about AID's employment policy.* It is fully consistent with the Asia Bureau's Regional Strategy paper for the low income countries of

* The draft AID Policy Paper on Employment calls first for policy reforms. These reforms will set the stage for subsequent actions at the sector and project levels.

South Asia; that strategy paper identifies stimulating off-farm employment as the first of several themes that should dominate country programs in countries like Bangladesh.

1.10 This project address USAID/Dhaka's program of expanding employment. It recognizes that the BDG continues to place increasing reliance on market (rather than administrative) allocation mechanisms, and on private (rather than public) resource mobilization. Doing so will weaken the directive nature of economic planning in Bangladesh. Administrative planning mechanisms are based largely on setting public sector investment and production targets in a number of specific subsectors. The emerging market oriented planning mechanisms will be based far more heavily on devising broad policies designed to elicit appropriate responses from the private sector. This calls for a data base substantially different than that needed in command style planning systems. The BDG recognizes that existing data provide an inadequate data base for making informed policy decisions, particularly those affecting small enterprises where private allocation decisions are, and will continue to be, dominant.

1.11 USAID/Dhaka is persuaded that indirect interventions that stimulate more suitable policies, improved infrastructure (such as power and transport systems), and improved financial intermediation systems are likely to yield substantial returns in terms of productive employment generated in small enterprises. The most important of these is more suitable policies. By creating a proper sampling frame and generating relevant data, this project provides the essential base from which a more suitable policy framework may be established.

1.12 The BDG, in the forthcoming (starting in July, 1985) Third Five Year Plan, will elevate to the highest priority the urgent need to generate more off-farm, productive employment opportunities in Bangladesh. The BDG already has stated that productive employment will be the cornerstone of attaining the ultimate objective of that plan. The government believes that conducting an economic census is an essential first step in improving the relevant data base, an improvement that must be made to better inform the policy making process. The Director-General of the Bangladesh Bureau of Statistics strongly supports this view. The willingness to commit the bulk of the project's costs in its own resources is ample evidence of the importance of this project to the BDG.

B. Project Objectives

1.13 The program goal addressed by this project is to help create productive jobs for, and to increase the incomes of, the rapidly expanding labor force in Bangladesh. The purpose of this project is to strengthen the capacity of the BDG Ministry of Planning to formulate improved policies affecting small enterprises. The project will assist the Bangladesh Bureau of

Statistics (BBS) strengthen its capacity to collect, process, and publish census data on all non-agricultural productive activities in a timely and accurate manner. Enumeration for the first Bangladeshi census of economic activities is tentatively scheduled for 8-10 March 1986. The project also will assist the BBS strengthen its capacity to conduct a series of large scale sample surveys of non-agricultural productive activities. Two such surveys will be conducted as part of this project. They will cover: (1) in a continuing annual survey conducted in monthly panels, fixed location, non-agricultural establishments (excluding household and cottage enterprises); and (2) in a one-time survey, informal sector household and cottage industries.

1.14 The primary project outputs will be the published census results, the published results of the first twelve (monthly) panels of the continuing survey, and the completion of the enumeration phase of the Household and Cottage Industries Survey. While these primary outputs will measure the degree to which the BBS has developed the capacity to conduct censuses and surveys of non-agricultural productive activities, the true long term success of this project cannot be so easily determined. That success will be determined by the degree to which the data collected by the BBS are used to inform policies affecting small enterprises. Additional inputs (e.g., to the Planning Commission to sponsor studies based on those data) are required if that higher objective is to be met. A time frame longer than the five year life of this project also may be required.

C. Project Elements

1. Inputs

a. Technical Assistance

1.15 It is expected that the U.S. Bureau of the Census (BuCen) will be awarded a PASA to implement the TA and training activities of this project. Four years of resident advisory services will be required (for details, see Annex G, Draft PIO/P). An economic census advisor will be required for the first 24 months of the project. This advisor will guide the census activity from the inception through enumeration and into publication of the results. This advisor will work closely with the Project Director, Economic Censuses and Surveys, and with the Deputy Director, Field Operations and Administration.* The economic census advisor will have direct and easy access to the Director-General, BBS. An economic surveys advisor will be required for the next 24 months of the project. This advisor will work closely with the Director, Economic Censuses and Surveys, and with each of the four Deputy Directors depending on the particular survey topics being addressed (e.g., household and cottage enterprises, annual economic survey). The advisor also

* For an organizational chart of the Directorate of Economic Census and Surveys to be established by this project, see Annex F, below.

will have direct and easy access to the Director-General, BBS. The resident advisors will advise and train their counterparts in all relevant aspects of census and survey work.

1.16 In addition, several short-term consultants will provide needed special technical expertise in areas such as sampling technique, industrial coding, editing and analysis, and sample survey methods. These consultants will be made available as needed; most (14 person-months of the 22 persons-months) will be required during the first two years of the project. An additional 1.5 person-months will be allocated to project review and inspection visits.

b. Training

1.17 Twelve persons nominated by the BBS will receive training in the collection and processing of economic statistics or in the sampling design and survey methods courses operated by BuCen (details are provided in Section III.D and in Annex G). Training will be divided into three parts: five persons will be sent for training in both FY 86 and FY 87, and two will be sent in FY 88. The courses last about six months. They are offered regularly and are composed of shorter "modules" tailored to specific needs of the students. These "modules" provide skills in how to conduct surveys, how to edit and review data, how to tabulate data, and so on. Several BBS staff have successfully taken a number of the courses offered by BuCen in the past.

c. Commodities

1.18 The commodities to be purchased include about 30 million questionnaires, 300,000 enumerator kits, one or two optical mark readers (OMRs), and miscellaneous printing equipment, office machinery, and materials and supplies. The OMRs will more than double the capacity of the BBS to read completed questionnaires. Using these OMRs and the new printing equipment will reduce the excessive time devoted to data processing and publishing; the time lag between enumeration and the publication of the first final report will be reduced from around 42 months (the lag associated with the 1981 Population Census) to about 18 months. A detailed procurement plan is presented in Annex J, Procurement Plan and List of Commodities.

2. Chronology of the Project

a. The Census

1.19 The best way to understand the project is to review it chronologically, one step at a time. The project has two components, the Economic Census and the follow-on surveys. The census will follow the procedures of the 1981 population census. Broadly these procedures are as follows. The entire country will be divided into enumeration areas. On average, each enumeration area will contain just over 100 units (establishment, household, institution, etc.); each enumerator will be

responsible for completing approximately 100 questionnaires (one census questionnaire per unit). For every 10 enumerators there will be one supervisor. As with the 1981 population census, the enumerators and supervisors will be recruited for a job of less than two weeks duration. The nominal honorarium paid (Tk. 150 for enumerators, Tk. 300 for supervisors) sum to Tk. 47.5 million. 2,500 BBS staff will be appointed zonal officers; each zonal officer will train about 100 supervisors and enumerators. The zonal officers will be trained by 70 district census coordinators who, along with some 20 regional census coordinators, will be trained by a small group of master trainers. Like the zonal officers, the coordinators and the master trainers will be BBS officers. Some advisors to the BBS may serve as resource persons.

1.20 This massive training and implementation effort will dominate the census operation. However, several other tasks must be undertaken simultaneously. Others already have been completed.

1.21 A preliminary project description was approved by the National Statistical Council in November, 1984. Draft enumeration questionnaires were prepared in January, 1985. The first of two pre-tests was conducted in February. A second pre-test was conducted in March. These pre-tests demonstrated that the enumerators can obtain useful information from respondents and led to refinements in the one-page questionnaire itself. (The resulting draft questionnaire is attached as Annex I.) The third pre-test is being conducted as this project paper is being drafted (April 1985) to finalize the questionnaire. Relying on fast and reliable OMR technology means that the questionnaires must be printed abroad since the tolerances and the paper quality requirements cannot be met locally.

1.22 The enumeration area maps will be based on the maps used in the 1981 Population Census, the 1983-84 Agricultural Census, and the 1984 "Urban Agriculture" Census. These maps will be updated, corrected, and, if necessary, redrawn (e.g. if population and household density has shifted dramatically in some areas).

1.23 Census materials will be distributed to the district census coordinators during the third week of February, 1986. Census packets, containing imported questionnaire books, OMR pencils, lumber crayons, etc., will be distributed to the zonal officers and then to the supervisors and the enumerators. The logistics problems may be severe. They originate with the foreign procurement of the questionnaires and the other elements of the census packets. Procurement, especially of the questionnaires, must meet an extremely tight schedule (see Section III, Implementation Plan, below).

1.24 A publicity campaign, designed to elicit cooperation by the people, is deemed essential to the successful completion of the Economic Census. A multimedia campaign is planned

relying on loudspeakers in urban areas; drum beatings in villages and hats; films in movie houses; and through radio, TV, newspapers, posters and pamphlets throughout the country. The full support of census committees, consisting of key local government officials, local leaders, and members of the local elite at the district, upazila and union levels, will be required.

1.25 Enumeration will take place on 8-10 March, 1986. The night of 7 March will be "census night," the reference point of the census (so designated to avoid double-counting). This is particularly important for members of the economically active "floating population" who do not conduct business from fixed locations. The structures of permanent units will be marked with lumber chalk so that they can be identified in the post enumeration check.

1.26 A standard post-enumeration check (PEC) will be conducted about a month after the enumeration period. The PEC will take three days. A sample of 250 enumeration areas will be completely reenumerated. Although the census counts will not be adjusted to reflect the PEC (a practice followed by the U.S. BuCen as well), the PEC results will be published.

1.27 The returned questionnaires will be edited and coded by four-digit Bangladesh Standard Industrial Classification (BSIC) code. About 500 people will be hired as temporary workers to do the editing and coding. This is a sensitive responsibility; several weeks of intensive training is required before these coders can begin work. The process of editing and coding the questionnaires will take from 9 to 12 months.

1.28 The questionnaires will be read by the OMRs on a flow basis (i.e. one batch of questionnaires, having been edited and coded, will be read by the OMRs as a second batch is being edited and coded). Reading the data and preparing tabulations on the computer also will be conducted on a flow basis so that publications can be prepared as quickly as possible. As stated above, the first final reports will be published about 18 months after enumeration.

b. The Surveys

1.29 Two follow-on surveys are supported by this project. The first is an annual Integrated Economic Survey in which enumeration will take place monthly (1/12 of the sample being taken each month) starting in July, 1988. The Integrated economic Survey will be based on the universe of permanent economic units identified in the economic census. New units will be added to the sample as appropriate. The specific questions to be asked have not yet been determined. The enumerators, all bachelor degree holders, will be permanent staff based in the field. Enumerator training will be extensive. Two stage (area and industry code) sampling techniques will be required. During the first year's enumeration, the survey will be confined to only 1,000 sample areas. Coverage will be provided by 25 multi-tiers

project staff enumerators. It is intended that the second and subsequent years' enumerations will be expanded to a full sample of 3,000 to 4,000 sample areas; 75 additional enumerators (full-time project staff) will be hired. Data will be processed on a flow basis. It is expected that data will be published starting about six months after the end of the first survey year.

1.30 The second survey is a Survey of Household and Cottage Industries. Unlike the Integrated Economic Survey, the Survey of Household and Cottage Industries will not be a regularly recurring survey. Only BBS staff will be used to conduct the survey. Training requirements will be limited. The sample will be selected in the January-June, 1989, period. The questionnaire will be designed and pre-tested in the June-November, 1989, period. Once again, two stage sampling techniques (area and industry code) will be used. Enumeration is planned for January, 1990.

c. Calendar of Activities

1.31 The general calendar of the census and survey operations is as follows:

<u>A. Economic Census</u>	<u>Period</u>
1. Preparation of questionnaires	06/85 - 12/85
2. Preparation of maps	06/85 - 12/85
3. Selection of personnel	10/85 - 01/86
4. Local training	02/86
5. Enumeration	03/86
6. Post enumeration check	04/86
7. Data processing	05/86 - 07/87
8. Publications	09/87 - 03/88
<u>B. Integrated Economic Survey</u>	
1. Sample selection	09/87 - 03/88
2. Preparation of questionnaires	01/88 - 03/88
3. Local training	05/88 - 06/88
4. Enumeration (first year)	07/88 - 06/89
5. Data processing	08/88 - 12/89
6. Publications	01/90 - 06/90
<u>C. Survey of Household and Cottage Industries</u>	
1. Sample selection	01/89 - 06/89
2. Preparation of questionnaires	06/89 - 11/89
3. Local training	12/89
4. Enumeration	01/90

1.32 Post-enumeration operations of the Survey of Household and Cottage Industries fall outside the scope of this project. Completing the Economic Census, and the first year of the continuing Integrated Economic Survey as well as conducting the Survey of Household and Cottage Industries, will have demonstrated effectively the increased capacity the BBS to

conduct similar activities as part of its routine statistical services.

II. COST ESTIMATE AND FINANCIAL PLAN

2.1 The costs of the project discussed below are those additional costs of institutionalizing the capacity to conduct the economic census and the two surveys identified in Part I of this project paper. Some of the local currency costs currently borne by the BDG are not included in this cost estimate; for example, 51 persons already on the BBS staff (permanent employees) will be shifted to the to-be-created Directorate of Economic Censuses and Surveys charged with conducting the census and associated surveys. Funds supporting these staff positions are not included in the project costs.

2.2 This project strengthens the institutional capacity of the BBS to conduct censuses and surveys. In the last year of this project, personnel costs will have risen by Tk. 50 lakh. A total of 212 new employees will have been hired by the BBS under this project. There are problems associated with such a proposed expansion. Administrative problems may loom large (see Project Analysis section below): for example, recruitment may be a cumbersome and time consuming task. Equally important is the BDG's capacity to pay the recurrent costs involved.

2.3 In this project, AID is covering primarily the foreign exchange costs. The project's local costs are borne primarily by the BDG. As noted above, the BDG's strong commitment to this project is, in part, measured by its willingness to carry the local currency burden, a burden amounting to about half of the project's total costs. But the government's ability to carry that burden is subject to question. Clearly, Bangladesh suffers from a recurrent cost problem; the government's budget is extremely tight, and development projects often are postponed for want of local currency resources.

2.4 The solution, however, is not to advocate that the BDG simply cut back across the board on its aggregate recurrent cost obligations. It must make cuts, but in a selective manner. Generating basic data is a governmental responsibility, primarily because there are large externalities in the consumption of these data and because there are substantial economies of scale in producing these data. There is considerable agreement that the solution to the recurrent cost problem should involve reductions in government holdings of productive enterprises more properly owned by the private sector, reductions of subsidies, increased reliance on user charges, and improvement in tax administration. Many steps toward such a solution have been taken, and others are being considered, by the BDG. As far as this project is concerned, the key issue is whether the recurrent cost component is consistent with financial feasibility (see Section V.B.).

2.5 Of the total \$7.3 million cost of the project, \$2.8 million will be funded by AID to cover primarily the foreign exchange component. AID will fund technical assistance, participant training in the U.S., and commodities. A summary cost estimate and financial plan is given in Table I; details on the foreign exchange cost estimates are presented in Annex K.

TABLE I
SUMMARY COST ESTIMATE AND FINANCIAL PLAN
(U.S. \$000)

<u>Use</u>	<u>Source</u>		<u>BDG</u> <u>(LC)</u>	<u>Total</u>
	<u>AID</u> <u>(FX)</u>	<u>(LC)</u>		
Personnel and Related Costs				3,886
- Additional BBS Staff	-	-	760	
- Advisory Services	868	75	-	
- Honoraria	-	-	2,183	
Training				258
- Participant (USA)	201	-	-	
- Local	-	-	57	
Equipment and Supplies	1,391	-	208	1,599
Miscellaneous (landing charges, local transport, publicity, etc.)	-	-	1,292	1,292
Sub-Total:	<u>2,460</u>	<u>75</u>	<u>4,500</u>	<u>7,035</u>
Inflation (@5%/year)	124	8	-	132
Contingency (12.5%)	<u>323</u>	<u>10</u>	<u>-</u>	<u>333</u>
Total:	2,907	93	4,500	7,500

2.6 USAID/Dhaka has estimated the costs of the technical assistance and training elements on the basis of previous experience. The advisory service components were estimated with the assistance of BuCen. Provision for transportation and per-diem is adequate. Estimates for commodity costs were made in close cooperation with Bangladeshi experts and with BuCen staff. The inflation factor for foreign exchange costs is 5 (simple) percent per year. A contingency of 12 1/2 percent will permit the flexibility needed to respond to unanticipated needs throughout the project period.

2.7 Anticipated expenditures by fiscal year is as shown in Table II. Details are presented in Annex K.

TABLE II
PROJECTION OF EXPENDITURES BY U.S. FISCAL YEAR
(U.S. \$000)

<u>U.S. Fiscal Year</u>	<u>AID</u>	<u>BDG</u>	<u>Total</u>
FY-1985	1,216	-	1,216
FY-1986	589	3,582	4,171
FY-1987	339	137	476
FY-1988	234	204	438
FY-1989	129	238	367
FY-1990	28	339	367
Inflation	132	-	132
Contingencies	<u>333</u>	<u>-</u>	<u>333</u>
Total:	3,000	4,500	7,500

III. IMPLEMENTATION PLAN

A. Implementation Management

3.01 The implementation agency is the Bangladesh Bureau of Statistics. The BBS is the major part of the Statistics Division of the Ministry of Planning (see the Organizational Chart, Annex F). The Division is headed by a Secretary; the Secretary also is Director-General of the BBS. The Statistics Division itself has about 70 employees and is responsible for providing administrative support to, and for formulating policies relating to, the BBS. The BBS in turn, with its over 3,500 employees, is responsible for implementing all official statistics programs in Bangladesh.

3.02 To manage the project, the BBS will create a project directorate headed by a Joint Director who will work under the immediate supervision of the Director-General of the BBS. The project directorate will manage the project. When fully established at the end of the project it will consist of 263 officers and staff, of which 212 will be recruited during the life of the project (51 persons already work for the BBS and will be transferred to the project directorate). The project directorate will be headed by the Director, Economic Census and Surveys. It is intended that the directorate will be reconstituted as a major part of a wing (primary division) of the BBS at the end of the project period if the BDG decides to fully institutionalize the economic census and surveys capacity of the BBS. For details, see Section V.D., Administrative Analysis, below.

3.03 The BBS has had some experience with donor assisted projects (e.g., the Population Census of 1981, the Agricultural Census of 1983 and 1984, and the Labor Force Survey of 1983-84). However, the BBS has limited contracting experience. For this project, as requested by the BBS, an AID direct contracting mode will be adopted. Doing so will expedite

the procurement of goods and services. Rapid procurement, especially of the questionnaires, is essential to meeting the tight schedule of this project. Equipment and supplies will be procured (1) directly by the USAID, and (2) through a Section 8A Set-Aside purchasing services agent (PSA). The PSA will be given technical support from BuCen. It is intended that technical support, and all the technical assistance (including a limited set of commodities that is integral to the technical assistance effort) and training services identified in this project paper, will be provided through a PASA with BuCen. A waiver of the provisions of OMB Circular A-76 will be required (see Annex H).

3.04 An implementation schedule follows. This schedule should be read in conjunction with the calendar of census and survey operations presented in Section I above.

<u>Event</u>	<u>Total</u>
Project Authorization Signed	06/85
Draft IFB Prepared	06/85
Draft PASA with BuCen Prepared	06/85
OMB Circular A-76 Waiver Prepared	06/85
Project Agreement Signed	06/85
CPS Satisfied	07/85
Technical Assistance Resident Advisor Arrived	07/85
Participant Training System Established	10/85
Questionnaires, Enumerator Packets Arrived	12/85
Census Enumeration Conducted	03/86
OMRs, Other Equipment and Supplies Arrived	04/86
First BuCen Review Conducted	04/86
Census Results Published	(Beginning) 09/87
Second BuCen Review Conducted	10/87
Integrated Economic Survey Enumeration Conducted (Beginning)	07/88
Third BuCen Review Conducted	04/89
Household and Cottage Industry Survey Enumeration Conducted	01/90
USAID Review	03/90
PACD	06/90

3.05 The Project Assistance Completion Date is June 30, 1990, providing for a 5-year life of project. Obligations will be made over two fiscal years. Disbursements are heavily concentrated in these first two years. The long-term technical assistance component stretches over the first four years. During the fifth year, a USAID review will assess the institutional viability of the project.

B. Financial Management

3.06 USAID anticipates issuing a direct letter of commitment to the firms (PSA or other) responsible for purchasing the commodities, payment being effected through EFT. This is a preferred method of financing as the USAID retains financial control of disbursements. However, it allows the contractor sufficient flexibility to arrange financing for the purchase as well as to obtain fast reimbursement of expenses.

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3.07 For the technical assistance training components and minor procurement contracted through a proposed PASA with BuCen, reimbursements of Washington expenses will be made on a quarterly basis based upon BuCen's submission of a 1081 and a line item breakout of expenditures. Expenditures incurred by the advisors and consultants in Bangladesh for travel, housing, utilities, education, etc. will be reimbursed directly to the technician or to the vendor providing the services. Funds for these types of expenses will be set aside for commitment outside of the PASA agreement. Commitment of these funds is contingent upon issuance of travel orders, purchase orders, etc. Financing and implementation of costs in this manner eliminates USAID paying an overhead or management fee of approximately 25% for these services. Increased input from USAID will be required, but the level of effort is minimal in comparison to the cost savings. A Methods of Implementation table follows:

Methods of Implementation

<u>Element</u>	<u>Method of Implementation</u>	<u>Method of Financing</u>	<u>Amount* (US\$000)</u>
<u>Technical Assistance</u>			
- Washington home office expenses for advisors/consultants	PASA	Direct reimbursement upon submission 1081	753
- In-country expenses, travel, housing, education, etc., for advisors	PIL, Travel Orders, other obligating documents	Direct reimbursement	190
<u>Training</u>			
- Tuition, per diem and settlement charges	PASA	Direct Reimbursement upon submission of 1081	165
- International Travel	Travel Orders, other documents	Direct reimbursement	36
<u>Commodities</u>			
- Questionnaires and enumerator packets	Direct contract to PSA	Direct reimbursement. Commitment via direct L/Comm with payment effected by EFT	862
- Data processing and printing equipment, supplies (OMRs, etc.)	Section 8-A Set-Aside for PSA	-Ditto-	489
- Miscellaneous	PASA	Direct reimbursement upon submission 1081	40
Total:			2,535

* Provision for inflation and contingency is \$ 465,000

C. Contract Management

3.08 As noted above, USAID/Dhaka intends to procure the needed technical assistance and training services through a PASA with BuCen and intends to procure the needed commodities through (1), a direct USAID contract for especially time sensitive commodities and (2), a contract with a Section 8-A Set-Aside purchasing services agent. Appropriate rules and procedures will apply. BuCen will provide technical assistance to the purchasing agent (See Annex G for a draft PIO/T.) Since the PASA will provide for the purchase of computer or office automation equipment and software valued at less than \$100,000, clearance by SER/IRM is not required prior to submitting the PIO/T to SER/CM. The PASA will be prepared by BuCen in Washington.

3.09 The BBS is responsible for providing logistic and related support for both the technical assistance contractor and for all equipment and supplies from the port of entry to the ultimate destination in country. This explicitly includes the supporting equipment and supplies for use by the contractors procured under the PASA as well the commodities procured under the AID direct contracts. In addition to office space, clerical assistance, and related support, BBS will ensure that adequate budgetary provision is made for customs duties and sales tax assessments, and for clearances from all agencies in the government as needed.* A procurement plan, including a list of the commodities to be procured, is attached as Annex J.

D. Training

3.10 Participant training in the U.S. will be planned in conjunction with the USAID training office. As noted above, training will be conducted by the U.S. Bureau of the Census. BuCen offers specific course work in a classroom setting at its ISPC training center in Suitland, Maryland. Training will emphasize two general areas: (i) economic statistics, and (ii) sampling design and survey methods.

3.11 Ten BBS staff members will be trained in economic statistics for six months each. Training will cover various aspects of collecting, processing and analyzing economic statistics. Courses will include: Microeconomic Concepts for Statisticians, Introduction to Design of Surveys and Censuses, Improvement of Economic Census and Surveys, Design of Sample Surveys, Design of Tables and Questionnaires, Introduction to Data Processing for Subject Matter Specialists, Management of Statistical Activities, and Editing, Coding and Imputation Principles. Two BBS staff members will be trained in sampling design and survey methods. Courses will include: Introduction to Design of Surveys and Censuses, Design of Sample Surveys, Survey Sampling

* This includes, inter alia the Computer Committee in the CMLA Secretariat, the National Board of Revenue, and the Ministry of Industries (no objection certificate).

Laboratory, Variance Estimation in Sample Surveys, and Field Demonstration Laboratory: Case Study in Sampling. The training schedule is as under:

Participant Trainees (# Persons/quarters
U.S. Fiscal Year and Quarter

	FY 1986				FY 1987				FY 1988				
	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	
Economic Statistics			4	---	4						2	---	2
Sampling Design and Survey Methods			1	---	1								

IV. MONITORING PLAN

4.01 USAID staff (AID/ECON) will be responsible for monitoring this project. The USAID project manager will be in frequent contact with the key officers of the BBS and with the long term resident advisors. The project will occupy less than 50 percent of the time of a U.S. direct hire. The BBS will prepare and deliver to AID reports on the pace of the project implementation, specifically including monthly financial execution/implementation reports, progress reports on imported commodities as appropriate, and quarterly progress reports on implementation relying on a PERT or a PERT-like analysis. The long term resident advisors will submit brief monthly progress reports. The short term advisors will submit brief reports upon completion of their assignments in Bangladesh. (See also Section VII and Annex G.)

4.02 BuCen will review the results of its technical assistance support three times during the project period. These reviews will be submitted to USAID/Dhaka within two weeks of the completion of the reviews. USAID/Dhaka will conduct its own formal review of the project in the last year of the project.

4.03 A number of important tasks must be accomplished in sequence and on time if the census and survey enumeration target dates are to be met. The most important are:

- expediting procurement, especially of the questionnaires and the enumerator packets;
- obtaining the services of BuCen;
- establishing a project administration system (the directorate);
- establishing a system for selecting candidates for participant training;
- hiring key project staff; and

- training enumerators, supervisors, coders, and other staff.

The USAID project manager will be responsible for setting in place the requisite monitoring systems.

V. PROJECT ANALYSIS

5.01 Several analyses are presented in this section. These are technical, financial, social soundness, and administrative. Environmental and energy analyses are not appropriate for this project. An economic analysis, as discussed in the PID, also is not appropriate; the project is not amenable to conventional economic analysis. However, economic analysis has played a major role in the project conceptualization process. For instance, the project is based:

- on the widespread agreement among economists that poor policies sharply inhibit the development of labor intensive small enterprises and that a poor data base frustrates suitable policy reforms;
- on the belief that the absence of a reliable sample frame inhibits research on small enterprises, research that would spawn project level as well as policy level interventions; and
- on the need for a data base to provide benchmark numbers against which progress in the crucial job creation area can be measured.

A. Technical Analysis

5.02 There are a large number of technical issues to be resolved in conducting an economic census. For example, a balance must be struck between excessively burdening enumerators by requiring them to collect too much information and getting speedy results consisting of insufficient information; between using highly sophisticated but expensive processing methods and using less expensive but time consuming methods; between relying on high-priced expatriate consultants and relying on less experienced local talent. These are among the most important technical issues. The project has been designed with these and other trade-offs clearly in mind; the technical option that is most sensible has been chosen.

5.03 The questionnaire will be administered in the field by educated (secondary school graduates) Bangladeshi enumerators. The enumerators will be paid an honorarium of Tk. 150 for 5 days effort involving 2 days of training and 3 days of actual enumeration work. BBS has drawn on its experience in related activities, and is now completing pre-tests of the questionnaires to assure that the enumerators can do the job. It was first believed that these enumerators would be able to code, on the spot, the enterprises that they canvassed. That proved both unworkable and undesirable for two reasons. First, the

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subjective element was too great: different enumerators frequently would code the same enterprise differently. Second, analysts and users wanted more detailed (four digit BSIC) information; more aggregated information was of little value.

5.04 Existing equipment in use for censuses activities at BBS includes two optical mark readers capable of reading (one side only) about 3,600 enumeration sheets per hour. For a census in which some 20 million completed questionnaires have been marked, these two OMRs would require about 14 months (at 25 days per month and 16 hours per day) to read the questionnaires. The cost of new OMRs recently has fallen even as their speed and reliability have increased. Adding two new OMRs similar to the existing machinery of the BBS will double the existing capacity to read the questionnaires. Alternatively, a single, compatible machine capable of reading at more than twice the speed of the existing machines may make even more sense. Given the tight schedules involved (the census results are to inform the studies to be performed by the Planning Commission) purchasing additional OMR hardware is crucial to the success of this project.

5.05 The BDG is trying to reduce the use of expatriate consultants in projects. Well intentioned, this attempt is not being viewed as a blanket prohibition against expatriate project consultants. It does, however, raise the issue: to what extent does reliance on expatriates inhibit the development of local talent? In the past, the BBS has relied rather heavily on expatriate consultants. One result has been the recent reduction in the need for the services of expatriate consultants; they have trained well their local BBS counterparts. But in wholly new activities, such as the economic census and economic surveys, the BDG recognizes that the services of expatriate consultants still are required. Only limited services (71.5 person-months, including 48 person-months of long term resident advisory services) will be provided in this project. Most of the broad technical issues (e.g. involving computers and data processing, reproduction and documentation, local training, research, and so on), will be resolved by experienced and well trained local staff.

5.06 In most technical areas, the staff of the BBS are aware of their own needs, of the best alternatives among various solutions, and of the means required to effect those solutions. The exceptions, largely confined to areas peculiar to economic censuses and economic surveys, are covered by the BuCen technical assistance package (for details, see Annex G).

B. Financial Analysis

5.07 As noted in section 2, above, a key issue in this project is whether the recurrent cost component is consistent with financial feasibility. At the end of the project period, the staff of the BBS will have increased by 212 persons. At present the BBS consists of 3,556 staff: 138 professional, 2,666 technical, and 752 administrative support (about 40 percent work

in Dhaka). The additional 212 staff spread over the 5 years of the project amounts to a less than six percent increase in staffing levels. This relatively modest increase in staff over a 5-year period is well below the growth rate of the population as whole.

5.08 Total pay and allowances for those 212 persons will be about Tk. 4.1 million (\$155,000) annually. Annual rental equivalent values for associated office space (Tk. 567,000 or \$21,400), and office furniture (Tk. 121,600 or \$4,590), and annual miscellaneous office expenses (Tk. 2,070,000 or \$78,100), sum to a total of \$254,500 annually. In short, an expenditure of about a quarter of a million dollars annually (in constant taka) will enable the BBS to generate a continuing flow of data from the Integrated Economic Survey and from annual exercises such as the Household and Cottage Industries Survey (financing a second economic census in, say, the seventh year would involve, of course, additional expenses). The total recurrent costs of the BBS, without the project, currently are estimated to be about \$4.2 million per year. The BBS is not planning any other major projects during the five year period starting 1 July 1985. The increase due to this project is under six percent, or 1.2 percent per year, over the 5-year life of the project. This is far below the projected rate of growth of BDG revenues over this period. By this measure, the BDG can well afford to finance the recurrent cost component of this project out of the current account budget beginning in 1990. The recurrent cost component of this project is consistent with financial feasibility.

C. Social Soundness Analysis

5.09 This project will not directly benefit the poor or the disadvantaged. The social effects will be indirect, operating in three stages. In the first stage, the primary effect will be to make available, for the first time, an adequate basis for determining the size, nature, and composition of all enterprises -- particularly small enterprises -- in Bangladesh. In the second stage, analysts in the BBS, the Planning Commission, and other institutions will explore hitherto neglected policy issues involving small enterprises. These policy studies will inform the policy making process. In the third stage, adjustments in the policy framework within which small enterprises must operate will stimulate a business expansion among small enterprises in the secondary and tertiary sectors. In the course of this business expansion, large numbers of new productive job opportunities will be created. It is only at this stage that a social soundness analysis makes sense.

5.10 Ultimately, through suitable policy reforms, the social and other costs of unemployment will be reduced. Beneficiary impact is expected to be nationwide and diffused. Traditional criteria for social soundness analyses are poorly suited to an analysis of a policy reform approach. However, recent development literature makes clear that, in impoverished labor surplus countries like Bangladesh, creating productive job opportunities is associated with both increased growth and improved

equity. To the extent that this project will indirectly lead to more productive job opportunities it will serve both growth and equity objectives.

D. Administrative Analysis

5.11 Recently, the BBS completed two large scale census operations, the Population Census of 1981 and the Agricultural Census of 1983 and 1984. The experience gained in these operations demonstrated the ability of the BBS to conduct massive census operations. The results of the 1981 Population Census have been widely accepted as accurate; it is generally accepted that the methods and the procedures adopted met high professional standards. Since results of the agricultural census have not yet been released, it is too early to judge the quality of that work.

5.12 In December 1984, the BBS conducted an Urban Agricultural and Economic Census. Originally intended to supplement the Agricultural Census of 1983 and 1984 by extending coverage to include municipal areas (only rural areas were covered in the Agricultural Census), the Urban Agricultural and Economic Census (the "Municipal Census") was used in part to test the feasibility of conducting a full economic census. The Municipal Census experience demonstrated that describing an economic activity and identifying the products sold, serviced, or manufactured--to be used for later coding under the Bangladesh Standard Industrial Classification (BSIC) code--was feasible. Using the "check box" approach and asking the enumerator to code the establishment on the spot was shown to be highly inaccurate. However, the detailed description of the activity by the enumerator is obviously the key to accurate coding by office staff. It was found that in the great majority of the cases the description was detailed enough and sufficiently accurate to provide adequate information to the coder to get an accurate 4-digit BSIC code, the lowest level of detail. In some areas, notably Dhaka and Chittagong, the proportion of poor descriptions was greater. As a result, the BBS has improved its training and supervision procedures to reduce the incidence of poor descriptions in large urban areas.

5.13 Prior to the Municipal Census, the number of economic units was not known; the size of the enumeration areas was determined by a "quick count" performed by the Cartographic Section of the BBS. "Quick counts" are just that and, in some cases, result in areas that are either too large or too small for optimum coverage by the enumerators. The "quick counts" for the Municipal Census displayed that characteristic and in some cases resulted in defining enumeration areas that were too large for enumerators to cover. For the Economic Census, the BBS will know with reasonable certainty the number of economic units in delineating urban enumeration areas; the BBS will not have to resort to quick counts for municipal areas.

5.14 Perhaps the most valuable facet of the Municipal Census as a pilot test for the Economic Census was in the coding

of industrial activity. The BBS had not had any experience in conducting such a large scale coding operation and, except for the manufacturing sector, rarely used the BSIC coding manual. The entire coding operation was devised from scratch including a translation of the BSIC and its associated alphabetic index into Bangla. The BBS established operating procedures and developed a quality control scheme. About 70 coders and supervisors were trained; about 50 developed into able coders. The entire operation was expected to take about 5 to 6 months, but the work is progressing faster than originally scheduled. A further benefit has been the identification of problem areas in the BSIC coding manual itself. These will be reviewed along with a full-scale general review of the classification scheme prior to the Economic Census. Although the scale of the Economic Census will be much larger (involving about 300 coders), the already trained cadre of 50 coders will be able to help by serving as "resource persons" (working supervisors) for this much larger group.

5.15 The planning of the tabulations and publications that ultimately will be released also will be greatly enhanced using the results of the Municipal Census. When designing tables that use various levels of industrial classification for various geographic levels, the size of the tables can quickly get out of hand if one has no prior knowledge of the characteristics of the universe. The Municipal Census results will give to the BBS the information necessary to plan for the optimum tabulation and publication layouts with respect to the amount of industrial detail and type of tables published for many key geographic areas.

5.16 As noted above, the project will be under the administrative control of the Director-General, BBS. At the end of the project, the project director will supervise 262 officers and staff. Of the 262 persons under his direction, 51 already are working at the BBS on existing tasks that will be folded into the new administrative system.

5.17 Recruitment of the remaining 212 staff will be phased in over several years. The BBS will recruit according to the following schedule:

<u>Title</u>	<u>FY 85</u>	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>
Director	1	-	-	-	-
Deputy Director	3	-	-	-	-
Statistical Officer, Asst.					
Statistical Officer	14	-	-	-	-
Statistical Investigator	-	10	59	25	75
Administrative Officer	-	1	-	-	-
Accountant	-	1	-	-	-
Administrative Support (Stenographer, Typist, Clerk etc.)	-	20	3	-	-
	<u>18</u>	<u>32</u>	<u>62</u>	<u>25</u>	<u>75</u>
Total: 212					

5.18 The organizational structure of the project, and the staffing patterns of the project are as follows:

Director-General
(BBS)

Project Director
(Census and Surveys)

<u>New Staff</u>	<u>Field Operations & Administrative Section</u>	<u>Construction & Transport Section</u>	<u>Services & Trade Section</u>	<u>Manufacturing Industries Section*</u>
Deputy Director	1	1	1	-
Statistical Officer, Assistant Statistical Officer	4	6	3	1
Statistical Investi- gator	105	24	20	20
Administrative Officer	1	-	-	-
Accountant	1	-	-	-
Administrative Staff (Stenographer, Typist, Clerk, etc.)	16	3	4	-
	<u>128</u>	<u>34</u>	<u>28</u>	<u>21</u>

Total: 211 plus project director

* This section is already operational. Under this project, the staff positions indicated will be added to existing staff positions.

5.19 The BBS will recruit the director, 3 deputy directors, and 14 statistical and assistant statistical officers in FY 85. They will be involved in pre-census and post-census work through FY 90. One of the deputy directors will be in charge of field operations and administration. The administrative support staff (13 persons) for this section will be recruited early in FY 86. Bringing these 36 persons on board quickly is essential. Fourteen persons also will be hired later in FY 86.

5.20 The 62 persons hired in FY 87 will be hired in June 1987. These Dhaka based statistical personnel, plus the 25 field based statistical investigators hired in FY 88, will be involved in the Integrated Economic Survey, as will seventy-five additional field agents to be hired in FY 89. This will complete the staffing needs of the project.

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5.21 As noted, success in the early stages of the project will depend crucially on the speed with which the staff are recruited. For permanent positions, the BBS would have to create new positions, fund the positions created, and then fill those positions. Doing so in government is not easy; the process is cumbersome at best. Approval must be obtained from several ministries; funding is a separate exercise. And after a position has been created, the equally cumbersome recruitment process begins. But the entire process can be avoided in technical assistance project efforts if temporary positions, rather than permanent positions, are created. In this project, all 212 additional staff positions will be designated as temporary positions. As such, the Director-General, BBS, can recruit staff to fill positions defined in the project and approved in the formal BDG project approval process. The EDG will decide, on the merits of the arguments to be presented at the end of the project period, whether to continue to fund these positions through the recurrent cost budget thereby making them permanent.

5.22 The BBS is creating a project directorate with this project (see Annex F). It is linked to, and incorporates part of, the already existing Industries, Trade, Labor Statistics, and National Income Wing of the BBS. This wing will be effectively and substantially augmented under this project. It is intended that the existing activities of the wing will be completely restructured by the end of the life of the project. The final form of the restructured wing, and its relationships with the other wings of the BBS, has not yet been fully determined.

5.23 In very broad terms, the BBS is charged with a long series of tasks including:

- to organize and conduct national censuses;
- to advise and coordinate statistical works of all office of government;
- to furnish and disseminate statistical information; and
- to promote and develop training programs in the field of statistics, especially for Government statistical personnel.

But first in this series is the task "to collect, compile, analyze and publish statistics of all sectors of the economy for meeting needs of development planning, research and decision making." To see that this task is properly accomplished, particularly as it relates to development planning for small enterprises, involves more than conducting censuses and surveys. In particular, the resulting data must be accessible to those well positioned to use them and the results must be both accurately and promptly published.

5.24 As demonstrated by the Indian Economic Census experience (see Annex E, 85 New Delhi 05364), both the appropriate design of the census and the surveys and the prompt

release of the results are important if the primary demands of development planners, researchers, and decision makers are to be met. Moreover, the census and surveys must be designed with policy formulation in mind. If they are designed primarily as part of an effort to improve national income accounts data, as was the case in India, they will likely not attract the interest of researchers and policy makers. The Bangladesh Economic Census and associated surveys are designed to be integrally related to a series of policy oriented studies conducted by the Planning Commission. The four year lag between enumeration and release of even partial data, as in India, sharply inhibits the use of these results for policy purposes. The Bangladesh Economic Census and surveys are designed to have very short lags--about 18 months between enumeration and publication of the first final results for the census, and about 6 months between the end of the first annual round and the publication of the first final results of the integrated economic survey.

5.25 The BBS has not yet convincingly demonstrated its capacity to produce published reports promptly; issues of timing will be closely followed in this project. In addition, since access to the data as well as to the published reports is important if policy issues are to be meaningfully addressed, the BBS will encourage suitably qualified persons and institutions, including AID, to have access to relevant data tapes, and to the information generated by the census and the surveys, that will be contained in the national data bank in the BBS computer center.

VI. CONDITIONS AND COVENANTS

A. Conditions Precedent to Disbursement

6.01 Prior to disbursement, the BDG will provide to AID evidence that it has taken initial steps to place key personnel deemed essential to the success of this project, particularly those needed during the first year of the project.

B. Covenants

6.02 The following special covenants will supplement those normally contained in Project Grant Agreements.

- The BDG agrees that, in a manner consistent with applicable rules and regulations (e.g., prohibiting access to unit level data) and at normal user charges, disaggregated data will be made readily accessible to AID, to organizations and individuals designated by AID, and to other suitable institutions such as the Planning Commission, the Bangladesh Institute for Development Studies, universities and private organizations. During the 5 year life of the project, these data will be made readily accessible to AID without charge.

- The BDG agrees that it will conduct its own review of the project during the fifth year of the project to determine the suitability of fully institutionalizing the enhanced capacity of the BBS to conduct economic censuses and surveys on a regular basis.

VII. EVALUATION ARRANGEMENTS

7.01 This project will be evaluated in three ways. First, the long term resident advisors will submit short quarterly evaluation reports that are based on project monitoring documents. These quarterly evaluation reports will assess the degree to which the BBS is gaining the technical and administrative experience needed to conduct census and survey activities. Second, BuCen will field three reviews, conducted in April 1986, October 1987, and April 1989. These reviews will fully explore, on an input/output level, the degree to which the project is meeting its institutional and development objectives. Third, USAID/Dhaka will conduct an in-house final evaluation and review in March, 1990. This review will focus on the policy impact of the census and the surveys and will assess the suitability of shifting the funding of the relevant staff positions to the revenue budget.

7.02 It is anticipated that USAID/Dhaka will fund a studies project with the Planning Commission (a FY 86 start is expected; see the Employment and Small Enterprise Development PID). This "sister project" will be linked to the BBS project; it is intended that the census and survey results, to the fullest practicable extent, will inform the policy deliberations of the study teams of the Planning Commission. The final evaluation of this "sister project" will assess the mechanisms through which the census and survey results inform the policy formulation process of the Planning Commission.

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ACTION:

AID

OO RUMJDK
CF RUEHC #4323/01 2963109
ZNR UUUUU ZZH
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FM SECSTATE WASHDC
TO AMEMBASSY DHAKA IMMEDIATE 0564
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UNCLAS SECTION 01 OF 02 STATE 124323

6 APR 85 04 58

INFO:

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ISHRON

AIDAC, PLEASE PASS TO ACTING MISSION DIRECTOR, JOSLIN

E.O. 12356: N/A

TAGS:

SUBJECT: BANGLADESH PROGRAM WEEK: DECISION MEMORANDUM

WORK PLAN REVIEW, PART II

MISSION DIRECTOR DID NOT HAVE OPPORTUNITY TO REVIEW PART II, PROJECTS, PRIOR TO HIS DEPARTURE. REQUEST REVIEW AND APPROVAL ASAP.

1. EMPLOYMENT AND SMALL SCALE ENTERPRISE SECTOR STRATEGY PAPER: THE MISSION WAS GIVEN A GREEN LIGHT TO PURSUE THE STRATEGY OUTLINED, INCLUDING DESIGN OF THE ENTERPRISE POLICY REFORM AND SMALL SCALE ENTERPRISE DEVELOPMENT PROJECTS.

THE NEXT CDSS SHOULD INCLUDE MORE ANALYSIS, WHICH CAN BE BASED UPON RESULTS OF THE CENSUS, SURVEYS AND STUDIES TO BE IMPLEMENTED UNDER THE ENTERPRISE POLICY

REFORM

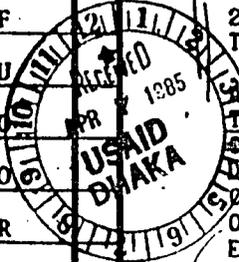
PROJECT. ANY ADDITIONAL PROJECTS WHICH MAY BE PROPOSED PRIOR TO RECEIPT OF THE FY '89 CDSS SHOULD BE SUPPORTED BY CAREFUL ANALYSIS BASED ON ALL AVAILABLE INFORMATION.

2. ENTERPRISE POLICY REFORM PID: THE BUREAU APPROVES THE PID. REVIEW FOCUSED ON TWO MAJOR ISSUES: THE

APPROPRIATENESS AND NEED FOR A FULL SCALE CENSUS, AND THE JUSTIFICATION FOR UTILIZING A PASA WITH THE BUREAU OF THE CENSUS. THE FACT THAT THE BDG IS INTENT UPON DOING A FULL CENSUS WITH OR WITHOUT AID ASSISTANCE WAS CONSIDERED TO BE AN IMPORTANT FACTOR IN DECIDING WHETHER OR NOT TO SUPPORT THE FULL SCALE CENSUS PROPOSAL, ESPECIALLY WITH REGARD TO ITS UTILITY WITHIN A LONGTERM STRATEGY. THE MISSION WILL NEED TO DEMONSTRATE THE UNIQUE CAPABILITY OF BUCEN AND NOT JUST THEIR COMPARATIVE ADVANTAGE IF THEY INTEND TO WAIVE COMPETITION FOR THE TECHNICAL ASSISTANCE COMPONENT. PROJECT PAPER APPROVAL DELEGATED TO FIELD BUT AID/W SHOULD BE KEPT INFORMED REGARDING BUCEN.

3. AGRICULTURE RESEARCH II PROJECT AMENDMENT PROPOSAL: THE BUREAU APPROVED THE AMENDMENT PROPOSAL. PP SUPPLEMENT TO BE SUBMITTED TO AID/W FOR APPROVAL DUE TO THE FUNDING LEVEL INVOLVED. SINCE THE CURRENT CONTRACT FOR TA IS A HOST COUNTRY CONTRACT AND SINCE THERE APPEARS TO BE STRONG JUSTIFICATION FOR A CONTINUATION OF THE CONTRACT WITH IADS, THE BUREAU SUPPORTS THE MISSION (29,639/8,-529, 9, 578 .-5534.

THE PROPOSED AMENDMENT SHOULD INCLUDE A COMPREHENSIVE PROJECT DATA COLLECTION, MONITORING AND EVALUATION PLAN FOR ASSESSING PROJECT PROGRESS AND IMPACT. MISSION SHOULD REVIEW ASIA BUREAU'S QUOTE GUIDELINES FOR DATA COLLECTION, MONITORING AND EVALUATION AND QUOTE PRIOR TO



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PREPARING PLAN. THIS PAPER WAS POUCHED TO MISSION DIRECTOR THE WEEK OF MARCH 4.

4. ZILLA ROADS MAINTENANCE AND IMPROVEMENT PROJECT AMENDMENT PROPOSAL: THE BUREAU APPROVED PROJECT AMENDMENT PROPOSAL FOR FIELD APPROVAL. THE BUREAU REQUESTED THAT THE PP SPECIFICALLY ADDRESS THE ISSUE OF INSTITUTIONALIZATION OF MAINTENANCE SYSTEMS FOR SECONDARY ROADS SYSTEMS. ALSO, IT SHOULD REFER TO LESSONS WHICH HAVE BEEN LEARNED FROM THE EXISTING PROJECT, ESPECIALLY WITH RESPECT TO THE CONTINUING POOR RECORD OF RURAL ROAD CONSTRUCTION PROJECTS IN GENERAL.

5. SMALL ENTERPRISE DEVELOPMENT CONCEPT PAPER: THE BUREAU APPROVED THE DEVELOPMENT OF THE PID FOR FIELD APPROVAL.

THE PID SHOULD PROVIDE AMPLE EVIDENCE TO INDICATE THAT REQUESTED CHANGES IN MANAGEMENT WILL PERMIT MIDAS TO BETTER SERVE AS A QUOTE CATALYST FOR ENTERPRISE

DEVELOPMENT END QUOTE AS OPPOSED TO ITS CURRENT DRIFT TOWARDS BECOMING A TRADITIONAL BANK.

6. DEVELOPMENT AND MANAGEMENT TRAINING CONCEPT PAPER: THE BUREAU APPROVED THE DEVELOPMENT OF THE PID FOR FIELD APPROVAL. THE PID SHOULD DEMONSTRATE THAT THERE ARE ADEQUATE NUMBERS OF QUALIFIED CANDIDATES AVAILABLE FOR THE PROJECT, AND THAT THE ANTICIPATED MISSION STAFFING LEVEL WILL BE ADEQUATE TO MANAGE THE PROJECT.

7. FEMALE SCHOLARSHIP PROGRAM: THE BUREAU AGREED THAT THE MISSION SHOULD PURSUE THE ACTIVITY, KEEPING IT WITHIN THE POPULATION PROJECT. AID/W SHOULD BE ADVISED IF THERE IS ANY PROBLEM WITH THIS COURSE OF ACTION BEFORE PROCEEDING WITH THE DEVELOPMENT OF ANY NEW PROJECT. IF THERE IS NO PROBLEM, FIELD NS DELEGATED APPROVAL AUTHORITY.

THE MISSION SHOULD SHARE WITH AID/W ITS HYPOTHESES CONCERNING FURTHER EXPANSION IN THIS AREA (E.G., HOW THE PROJECT WILL BE REPLICATED IF SUCCESSFUL, BY WHOM, AND TO WHAT EXTENT) AND THE RESULTS OF THE UPCOMING EVALUATION OF THE ASIA FOUNDATION'S CURRENT ACTIVITIES.

8. RURAL ELECTRIFICATION III PID: SUBSEQUENT TO PROGRAM WEEK WRAP-UP MEETING AA/ASIA APPROVED PID AND AUTHORIZED MISSION TO PROCEED WITH PROJECT DEVELOPMENT. HE DISCUSSED PROJECT WITH A.I.D. COUNSELOR AND DAA/PPC, BOTH OF WHOM EXPRESSED SOME CONCERN ABOUT MOVING AWAY FROM COSS STRATEGY AND WHO MAY RAISE QUESTION PRIOR TO PROJECT AUTHORIZATION. MISSION SHOULD BE SUR TO ADDRESS THOROUGHLY THE ISSUES RAISED DURING PROGRAM WEEK, SUMMARIZED BELOW, WITH PARTICULAR EMPHASIS ON RATIONALE FOR CONTINUING TO PROVIDE LARGE COMMODITY INPUT.

THE MAJOR ISSUES DISCUSSED REVOLVED AROUND:

- A) THE INCLUSION OF A LARGE AMOUNT OF COMMODITIES AND THE INTENT BEHIND THIS COMPONENT;
- B) THE PLANS OF OTHER DONORS AND OUR COORDINATION WITH THEM REGARDING THE INTENSIFICATION WITHIN EXISTING PES; AND EXPANSION TO NEW ONES; AND
- C) THE JUSTIFICATION FOR EXTENDING

LOGFRAME MATRIX

ANNEX B

PROJECT TITLE AND NUMBER: ENTERPRISE POLICY REFORM PROJECT (388-0067)

NARRATIVE SUMMARY	OBJECTIVE VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTION
<p><u>PROGRAM OR SECTOR GOAL:</u></p>	<p><u>MEASURES OF GOAL ACHIEVEMENT:</u></p>		
<p>To create productive jobs by alleviating constraints to the rapid expansion of labor intensive, typically small and medium-scale, off-farm enterprises.</p>	<p>1. By the end of the project, significant policy changes will have been made causing (i) unemployment rates to fall and (2) unskilled labor wage rates to rise.</p>	<p>1. Planning Commission Studies. 2. BSS data</p>	<p>1. BDG continues to emphasize the importance of market allocation mechanisms and Ministry of Planning continues to play a key role in policy development.</p>
<p><u>PROJECT PURPOSE:</u></p>	<p><u>CONDITION THAT WILL INDICATE PURPOSE HAS BEEN ACHIEVED; END OF PROJECT STATUS (5YEARS):</u></p>		
<p>To improve the capability of the BDG Ministry of Planning to formulate improved policies by institutionalizing the capacity of the Bangladesh Bureau of Statistics to collect, process and publish accurate and timely census and survey data so as to inform the policy making process.</p>	<p>1. Economic census reports published starting on or about September 1987. 2. Integrated Economic Survey reports, published monthly starting on or about January 1990. 3. Survey of Household and Cottage Industries enumeration conducted on or about January 1990. 4. Reliance by analysts in the Planning Commission, other BDG offices, universities, donor organizations and the like on data generated in the economic census for studies leading to policy recommendations in the small enterprise field.</p>	<p>1. Published BBS Census. 2. Published BBS Survey 3. BBS Records 4. AID evaluation</p>	<p>1, 2, 3. That procurement process proceeds expeditiously and is not unduly slowed. 4. That data will be made readily accessible to perspective users in and out of government.</p>

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RRATIVE SUMMARY	OBJECTIVE VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTION
<u>INPUTS:</u>			
Training manuals for master trainers, zonal officers, supervisors, enumerators, editors, coders, and others completed and training fully accomplished.	1. Before end of year 1	1. BSS records	1. That key personnel can be placed in the project rapidly, that the technical assistance component and key commodities (questionnaires and enumerator packets) can be procured promptly.
Census maps, census questionnaires, and Bangladesh Standard Industrial Classification code system revised and applied.	2. Before end of year 1	2. BBS records	
Census enumeration conducted.	3. Before end of year 1	3. Observation	
Census data edited, coded, processed and tabulated.	4. During year 2	4. BBS records	
Census results published.	5. During year 3	5. Existence of publications	
Annual integrated economic survey published.	6. During year 4 and thereafter	6. Observation	

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NARRATIVE SUMMARY	OBJECTIVE VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTION
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OUTPUTS: (continued)

- | | | | |
|---|---|------------------------------|--|
| 7. Monthly results of integrated economic survey published. | 7. Beginning end of year 4 and continuing monthly | 7. Existence of publications | |
| 8. Survey of household and cottage industries conducted. | 8. During year 5 | 8. Observation | |

INPUTS:MAGNITUDE OF INPUTS:

AID (\$3,000,000)

1. Technical Assistance (\$943,000)

USAID Contractor records

- | | | | |
|---|-----------------------------------|--|--|
| - Long Term Resident Advisors | 48 person-months | | |
| - Short Term Resident Advisors consisting of: | 23.5 person-months consisting of: | | |
| - Survey Statistician Coding | 6 person-months | | |
| - Survey Statistician Editing and Analysis | 2 person-months | | |

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RRATIVE SUMMARY	OBJECTIVE VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTION
INPUTS: (continued)			
Mathematical Statistician, Sampling Schemes:	12 person-months		
Survey Statistician, Surveys	2 person-months		
Review, Inspection and Evaluation	1.5 person-months		
. Training (\$201,000)		USAID Contractor records	
- Economic Statistics	60 person-months		
- Sampling Design and Survey Methods	12 person-months		
Commodities (\$1,391,000)		USAID, Contractor and BBS records	
- Questionnaires and Enumerator Supplies	\$862,000		

NARRATIVE SUMMARY	OBJECTIVE VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTION
- Data Processing and Printing Equipment and Supplies	\$498,000		
- Minor Procurement to support the Technical Assistance	\$ 40,000		
4. Inflation, at 5 percent per year simple rate	\$132,000		
5. Contingency, at 12.5 percent	\$333,000		

bt

PROJECT NO. 388-0067

STATUTORY CHECKLIST

5C(1) - COUNTRY CHECKLIST

See the Country Checklist submitted with the Project Paper for Food for Work III Project(No. 388-0061).

5C(2) PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A. includes criteria applicable to all projects. Part B. applies to projects funded from specific sources only: B.1. applies to all projects funded with Development Assistance Funds, B.2. applies to projects funded with Development Assistance loans, and B.3. applies to projects funded from ESF.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? a) Yes
HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT? b) Yes

A. GENERAL CRITERIA FOR PROJECT

1. FY 1985 Continuing Resolution Sec. 525, FAA Sec. 634A; Sec. 653(b):
 - (a) Describe how authorizing and appropriations committees of Senate and House have been or will be notified concerning the project; (a) A CN will be sent to Congress before obligation.
 - (b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that amount)? (b) Yes
2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,000, will there be (a) engineering, financial or other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?
 - (a) Yes
 - (b) Yes
3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance? Not required.
4. FAA Sec. 611(b); FY 1985 Continuing Resolution Sec. 501. If for water or water-related land resource construction, has project met the standards and criteria as set forth in the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973?(See AID Handbook 3 for new guidelines.) N/A

5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project? N/A
6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. No
7. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; and (c) encourage development and use of cooperatives, and credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions. (a) N/A
(b) It will encourage increased reliance on market allocation mechanisms and on private resource mobilization.
(c) N/A
(d) It will encourage the government to stimulate competitive small enterprises.
(e) N/A
(f) N/A
8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise). N/A
9. FAA Sec. 612(b), 636(h); FY 1985 Continuing Resolution Sec. 507. Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars. The host country will contribute over half of the costs of the project, principally for compensation for census workers and other personnel costs.
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release? No
11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? Yes

12. FY 1985 Continuing Resolution Sec. 522. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity?

N/A

13. FAA Sec. 118(c) and (d). Does the project comply with the environmental procedures set forth in AID Regulation 16? Does the project or program take into consideration the problem of the destruction of tropical forests?

a) Yes.

b) N/A

14. FAA Sec. 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (dollars or local currency generated therefrom)?

N/A

15. FY 1985 Continuing Resolution Sec. 536. Is disbursement of the assistance conditioned solely on the basis of the policies of any multilateral institution?

No

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria:

a. FAA Secs. 102(b), 111, 113, 281(a). Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries?

(a) Indirectly, by building a suitable data base, stimulating policy studies and policy reforms affecting small and labor intensive enterprises; large numbers of new job opportunities will be created.

(b) N/A

(c) By indirectly creating jobs.

(d) Women will benefit as more productive jobs are made available to them.

(e) N/A

1/2

b. FAA Sec. 103, 103A, 104, 105, 106. Does the project fit the criteria for the type of funds (functional account) being used?

Yes, Sec. 103

c. FAA Sec. 107. Is emphasis on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

N/A

d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?

Yes

e. FAA Sec. 110(b). Will grant capital assistance be disbursed for the project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, or is the recipient country "relatively least developed"? (M.O. 1232.1 defined a capital project as "the construction, expansion, equipping or alteration of a physical facility or facilities financed by AID dollar assistance of not less than \$100,000, including related advisory, managerial and training services, and not undertaken as part of a project of a predominantly technical assistance character."

No, although Bangladesh is considered "relatively least developed."

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

Yes

g. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government.

The project is based on the urgent need for productive employment, especially by the poor. By providing a data base and stimulating policy reform affecting small labor intensive enterprises, jobs will be created. The project will strengthen the capacity of the Bangladesh Ministry of Planning to devise more suitable policies.

2. Development Assistance Project Criteria
(Loans Only):

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, at a reasonable rate of interest. N/A

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

3. Economic Support Fund Project Criteria:

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

b. FAA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities? N/A

c. FAA Sec. 534. Will ESF funds be used to finance the construction of the operation or maintenance of, or the supplying of fuel for, a nuclear facility? If so, has the President certified that such use of funds is indispensable to nonproliferation objectives? N/A

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

5C(3) - STANDARD ITEM CHECKLIST

Listed below are the statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation, or covered in the agreement by imposing limits on certain uses of funds.

These items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

A. PROCUREMENT

1. FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? Yes

2. FAA Sec. 604(a) Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him? Yes

3. FAA Sec. 604(d). If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? Yes

4. FAA Sec. 604(e); ISDCA OF 1980 Sec. 705(a). If offshore procurement of agricultural commodity or product is to be financed, is there provisions against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.) N/A

5. FAA Sec. 604(g). Will construction or engineering services be procured from firms of countries otherwise eligible under Code 941, but which have attained a competitive capability in international markets in one or these areas? No

6. FAA Sec. 603. Is the shipping excluded from compliance with requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent that such vessels are available at fair and reasonable rates? No

7. FAA Sec. 621. If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? If the facilities of other Federal agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?
- a) Yes, except as below b)
b) Yes - determination of suitability of BuCen for PASA attached to Project Paper.
8. International Air Transport. Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available?
- Yes
9. FY 1985 Continuing Resolution Sec.504. If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States?
- Yes, such clauses are routinely inserted in all A.I.D.-direct contracts.
- B. CONSTRUCTION
1. FAA Sec. 601(d). If capital (e.g., construction) project, will U.S. engineering and professional services be used?
- N/A - not a capital project.
2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable?
- N/A
3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million (except for productive enterprises in Egypt that were described in the CP)?
- N/A
- C. OTHER RESTRICTIONS
1. FAA Sec. 122(b). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter?
- N/A
2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights?
- N/A

3. FAA Sec. 620 (h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? Yes
4. Will arrangements preclude use of financing:
- a. FAA Sec. 104(f); FY 1985 Continuing Resolution Sec. 527: (1) To pay for performance of abortions as a method of family planning or to motivate or coerce persons to practice abortions; (2) to pay for performance of involuntary sterilization as method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization? (3) to pay for any biomedical research which relates, in whole or part, to methods or the performance of abortions or involuntary sterilizations as a means of family planning; (4) to lobby for abortion? (1) Yes
(2) Yes
(3) Yes
(4) Yes
- b. FAA Sec. 620(g). To compensate owners for expropriated nationalized property? Yes
- c. FAA Sec. 660. To provide training or advice or provide any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? Yes
- d. FAA Sec. 662. For CIA activities? Yes
- e. FAA Sec. 636(1). For purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? Yes
- f. FY 1985 Continuing Resolution, Sec. 503. To pay pensions, annuities, retirement pay, or adjusted service compensation for military personnel? Yes
- g. FY 1985 Continuing Resolution, Sec. 505. To pay U.N. assessments, arrearages or dues? Yes
- h. FY 1985 Continuing Resolution, Sec. 506. To carry out provisions of FAA section 209(d) (Transfer of FAA funds to multilateral organizations for lending)? Yes
- i. FY 1985 Continuing Resolution, Sec. 510. To finance the export of nuclear equipment, fuel, or technology or to train foreign national in nuclear fields? Yes

j. FY 1985 Continuing Resolution, Sec. 511. Will assistance be provided for the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights?

No

k. FY 1985 Continuing Resolution, Sec. 516. To be used for publicity or propaganda purposes within U.S. not authorized by Congress?

Yes, arrangements will preclude such use.

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From : M. Akhtar Ali,
Joint Secretary

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D.O. No. ERD/Am-1(P)-4/85/127

Date.....May..8y..1985.....

Sub : Economic Census, 1986

Dear Mr. Joslin,

AID/ECON Dept

ACTION TO:	
REPLY	
DUE:	5/22
INFO	
DIR	
DD	
PRO	
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Int'l	
Date	MA 85
File:	AID/ECON

You may be aware that the Bangladesh Bureau of Statistics (BBS) will carry out the first ever programme of nationwide Economic Census in early March, 1986. Since the census undertaking will be a large scale statistical operation, it will be conducted with support of a separate development project in the Third Five Year Plan.

The BBS has prepared a scheme on Census of Economic Activities and Disabled Persons 1985-90 and submitted it to Planning Commission. A copy of the executive summary of the scheme is attached.

I had informally discussed the possibility of U.S. assistance of this project with Mr. Robert Kramer on April 28, 1985 in ERD during our meeting on FDI-II.

For the technical assistance component of the project, we request you to provide \$ 2.8 million from USAID fund. An itemised list of the proposed T.A. assistance is also attached with the executive summary.

We would be grateful to receive your response to our request at an early date.

Thanking you,

Yours sincerely,

M. Akhtar Ali
8/5/85

Mr. William R. Joslin,
Acting Director
USAID Mission to Bangladesh
Jiban Bima Bhaban,
10, Dilkusha C.A., Dhaka.



INCOMING TELEGRAM
AMEMBASSY INTAKA

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ACTION:

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PP RUMJDK
DE RUEHNE #5364/01 0631005
ZNR UUUUU ZZH
P 041001Z MAR 85
FM AMEMBASSY NEW DELHI
TO RUMJDK/AMEMBASSY DHAKA PRIORITY 5278
INFO RUEHC/SECSTATE WASHDC 1952
PT
UNCLAS SECTION 01 OF 03 NEW DELHI 05364

AIDAC

E.O. 12356: N/A
SUBJECT: PROPOSED SUPPORT FOR BANGLADESH ECONOMIC CENSUS
REF: DHAKA 0991

1. SUMMARY: BASED ON DISCUSSIONS WITH A FEW INFORMED INDIVIDUALS IN DELHI, THE MAIN USE OF THE ECONOMIC CENSUS AND FOLLOW ON SURVEY PROGRAM HAS BEEN IMPROVEMENT OF RELIABILITY OF NATIONAL INCOME ACCOUNT ESTIMATES FOR THE UNORGANIZED SECTOR. THE PLANNING COMMISSION HAS USED DATA FROM THE 1980 ECONOMIC CENSUS FOR EMPLOYMENT AND OUTPUT PROJECTIONS FOR THE SEVENTH PLAN, 1985-1990. NO EVIDENCE EMERGED THAT THE PROGRAM HAS PLAYED A ROLE IN CHANGES IN INDUSTRIAL POLICY. WE MET ONE ACADEMIC RESEARCHER WHO PLANNED TO USE RESULTS OF THE 1980 ECONOMIC CENSUS FOR A STUDY OF RURAL ENTERPRISE AND HEARD OF ANOTHER WHO HAS USED THE DATA FOR A STUDY OF REGIONAL DISPARITIES. WE DID NOT MEET OR HEAR OF ANYONE OUTSIDE OF CENTRAL STATISTICAL ORGANIZATION (CSO) WHO HAD USED DATA FROM THE FOLLOW ON SURVEYS. IF THE PDG DECIDES TO MOVE AHEAD IN EXPLORING AN ECONOMIC CENSUS AND FOLLOW ON SURVEY PROGRAM WE RECOMMEND THAT A TEAM FROM BANGLADESH SPEND TIME IN INDIA TO INTENSIVELY EXPLORE THE INDIAN EXPERIENCE IN ESTABLISHING THE PROGRAM AND USING THE DATA GENERATED BY IT. END SUMMARY.

2. BACKGROUND: THE INFORMATION AND VIEWS THAT FOLLOW ARE BASED ON DISCUSSIONS WITH A FEW INDIVIDUALS AT THE WORLD BANK, CENTER FOR POLICY RESEARCH, INSTITUTE OF ECONOMIC GROWTH AND SCHOOL OF ECONOMICS AT DELHI UNIVERSITY, PLANNING COMMISSION, DEVELOPMENT COMMISSIONER OF SMALL SCALE INDUSTRIES, CENTRAL STATISTICAL ORGANIZATION AND INDIAN STATISTICAL INSTITUTE. INDIVIDUALS WERE CONTACTED EITHER BECAUSE THEY WERE KNOWLEDGEABLE ABOUT THE ECONOMIC CENSUS AND FOLLOW ON SURVEYS PROGRAM OR THEY WERE INVOLVED IN RESEARCH AND/OR POLICY FORMULATION ON INDUSTRIES.

3. THE ECONOMIC CENSUS AND FOLLOW ON SURVEYS ARE AN INTEGRALLY RELATED PROGRAM OF DATA COLLECTION PLANNED, GUIDED AND ADMINISTERED BY CENTRAL STATISTICAL ORGANIZATION (CSO) AND ESTABLISHED PRIMARILY FOR THE PURPOSE OF IMPROVING THE RELIABILITY OF NATIONAL INCOME ACCOUNTS, ALSO THE RESPONSIBILITY OF CSO. THE ECONOMIC CENSUS, AS IT HAS EVOLVED, PROVIDES A SAMPLING FRAME FOR FOLLOW ON SURVEYS. THE FOLLOW ON SURVEYS COLLECT ENTERPRISE INFORMATION FROM WHICH ONE CAN ESTIMATE CONTRIBUTION TO VALUE ADDED OF FIRMS IN THE UNORGANIZED SECTOR, I.E. FIRMS WITH LESS THAN TEN EMPLOYEES WITH POWER AND 20 WITHOUT POWER.

AID/ECON
3/10
[Handwritten notes and stamps on a vertical form]



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EXPERIENCE. THE 1980 ECONOMIC CENSUS, BENEFITTED SIGNIFICANTLY FROM THAT EXPERIENCE. FOR EXAMPLE, THE 1977 CENSUS SUCCEPDED TO THE TEMPTATION TO SEEK INFORMATION BEYOND RUDIMENTARY DATA ON LOCATION, INDUSTRY AND EMPLOYMENT; THE ADDITIONAL INFORMATION PROVED TO BE UNRELIABLE AND RAISED THE COST OF THAT CENSUS. THE 1980 ECONOMIC CENSUS INTERVIEW SCHEDULE COLLECTED ONLY RUDIMENTARY DATA WITH SOME REFINEMENTS; PROVIDED BROADER COVERAGE AND WAS MUCH LESS COSTLY THAN THE 1977 ECONOMIC CENSUS BECAUSE IT WAS CARRIED OUT IN CONJUNCTION WITH THE POPULATION CENSUS.

5. THE 1980 ECONOMIC CENSUS TURNED UP 60 PERCENT MORE ENTERPRISES THAN THE 1977 CENSUS. THE REASONS FOR THE DIFFERENCE WERE ATTRIBUTABLE TO BROADER DEFINITION AND COVERAGE, GROWTH OF SMALL ENTERPRISE AND UNDERENUMERATION IN 1977. THE COVERAGE IN 1980 INCLUDED ALL ENTERPRISES EXCEPT THOSE IN CROP PRODUCTION AND PLANTATION. IN THE 1977 CENSUS, COVERAGE WAS LIMITED TO NON AGRICULTURAL ESTABLISHMENTS WITH AT LEAST ONE HIRED WORKER AND THUS EXCLUDED OWN ACCOUNT ENTERPRISES AND CERTAIN AGRICULTURAL ENTERPRISES. ADDITIONALLY AS IT WAS TOO COSTLY TO DO A DOOR TO DOOR LISTING IN ALL VILLAGES, IT WAS DECIDED THAT IN VILLAGES WITH UNDER 5,000 PERSONS AN INFORMANT SYSTEM WOULD BE USED TO LOCATE ENTERPRISES; THIS RESULTED IN UNDERENUMERATION.

6. THE FOLLOW ON SURVEYS TO THE 1977 ECONOMIC CENSUS WERE CARRIED OUT IN 1978-79 FOR MANUFACTURING AND IN 1979-80 FOR OTHER SECTORS (E.G., TRADE, HOTEL AND RESTAURANT, TRANSPORT). THE SURVEYS USED THE ANNUAL SURVEY OF INDUSTRIES (ASI) INTERVIEW SCHEDULE AND FORMAT. THE RESULTS OF THESE TWO SURVEYS ARE AVAILABLE IN MIMEOGRAPH FORM FROM CSO. WE WERE TOLD THAT THE RESULTS OF THE 1978-79 SURVEY WERE ABOUT TO BE PRINTED. (NOTE: THE ASI IS PART CENSUS AND PART SAMPLE SURVEY. IT PROVIDES COMPLETE COVERAGE EACH YEAR FOR FIRMS WITH 50 OR MORE EMPLOYEES WITH POWER OR 100 WITHOUT POWER AND A 50 PERCENT SAMPLE OF THE BALANCE OF FIRMS WITH 10 OR MORE EMPLOYEES WITH POWER AND 20 WITHOUT POWER).

7. ONE COMMENT ON THE FOLLOW ON SURVEYS TO THE 1977 CENSUS, WHICH WE WERE NOT ABLE TO FOLLOW UP ON AND DESERVES CONSIDERATION, WAS THAT AS MANY AS 20 TO 35 PERCENT OF ENTERPRISES COULD NOT BE LOCATED IN THE FOLLOW ON SURVEYS. WHATEVER THE PRECISE LEVEL OF MORTALITY OF SMALL ENTERPRISES, CSO REACHED THE CONCLUSION THAT THE SAMPLING FRAME HAD TO BE REESTABLISHED EVERY FIVE YEARS. HENCE A PROPOSAL HAS BEEN FORWARDED TO THE PLANNING COMMISSION TO DO ANOTHER CENSUS IN 1986 WITH THE SAME COVERAGE AND DEFINITION AS THE 1977 CENSUS AND ANOTHER IN 1990 IN CONJUNCTION WITH THE POPULATION CENSUS WITH THE SAME COVERAGE AND DEFINITION AS IN 1980. WE WERE TOLD THAT THE 1986 CENSUS HAS BEEN APPROVED. IF THIS IN FACT IS THE CASE, THE ECONOMIC CENSUS AND FOLLOW ON SURVEY PROGRAM APPEARS TO BE WELL ON THE WAY TO BECOMING INSTITUTIONALIZED.

8. THE RESULTS OF THE 1980 ECONOMIC CENSUS FOR ALL INDIA HAVE JUST BEEN PARTIALLY RELEASED TO THE PUBLIC ALTHOUGH THEY HAVE BEEN AVAILABLE WITHIN THE GOI FOR SOME TIME. ALSO, SOME OF THE STATES HAVE PRINTED AND RELEASED PROVISIONAL RESULTS OF THE CENSUS DURING THE PAST TWO YEARS.

9. THE FOLLOW ON SURVEY PROGRAM FOR THE 1980 ECONOMIC CENSUS HAS BEEN SPREAD OVER THREE YEARS. THE 1983-84 ROUND COVERS HOTELS AND RESTAURANT, TRANSPORT, STORAGE AND WAREHOUSING, ETC.; THE 1984-85 ROUND MANUFACTURING; AND THE 1985-86 ROUND WILL COVER TRADE. THE PROPOSED PROGRAM OF FOLLOW ON SURVEYS FOR THE 1986 ECONOMIC CENSUS WOULD BE SPREAD OVER FOUR YEARS PROVIDING AN EXCLUSIVE YEAR FOR TRANSPORT, AND HOTELS AND RESTAURANTS.

10. USES OF THE ECONOMIC CENSUS AND FOLLOW ON SURVEYS: THE DRIVING FORCE BEHIND THE ECONOMIC CENSUS AND FOLLOW ON SURVEY PROGRAM HAS BEEN THE IMPROVEMENT OF THE RELIABILITY OF NATIONAL INCOME ACCOUNTS DATA. SPECIFICALLY, THE PROGRAM WAS DEVELOPED TO PROVIDE RELIABLE ESTIMATES OF VALUE ADDED FOR FIRMS WITH LESS THAN 10 EMPLOYEES WITH POWER AND 20 WITHOUT POWER.

11. AT THE PLANNING COMMISSION EXTENSIVE USE WAS MADE OF THE CENSUS DATA IN DEVELOPING PROJECTIONS FOR EMPLOYMENT AND OUTPUT FOR THE UNORGANIZED SECTOR. BOTH ADVISERS WITH WHOM WE SPOKE STRONGLY SUPPORTED THE CENSUS AS HAVING AN IMPORTANT IMPACT ON THE QUALITY OF PROJECTIONS. IT WAS INDICATED THAT THE MAIN DRAWBACK OF THE PROGRAM WAS THE LONG TIME LAG IN RELEASE OF THE DATA ESPECIALLY TO PERSONS OUTSIDE OF GOVERNMENT.

12. WE SPOKE WITH THE DEVELOPMENT COMMISSIONER, SMALL SCALE INDUSTRIES (DCSSI), WHO INDICATED THAT FOR A SAMPLING FRAME DCSSI RELIES ON A CENSUS DONE BY DCSSI IN THE EARLY 1970S. THE DCSSI CENSUS AND DCSSI FOLLOW ON SURVEYS LEAD INTO A MAZE, WE CHOSE NOT TO ENTER. THE DCSSI DATA COULD HAVE POLICY IMPLICATIONS AS THEY POTENTIALLY PROVIDE THE BASIS, UNDER INDIA'S SYSTEM OF ADMINISTRATIVE CONTROLS, FOR ALLOCATIONS OF RAW MATERIALS AND CREDIT TO SMALL ENTERPRISE AND ALSO FOR DEMARCATING FIRMS ELIGIBLE FOR PRODUCT RESERVATION AND GOVERNMENT PURCHASE SCHEMES. IT WAS OUR IMPRESSION FROM THE DISCUSSION THAT DCSSI DATA WERE NOT USED AT PRESENT FOR THESE PURPOSES BECAUSE THEIR RELIABILITY WAS NOT WIDELY ACCEPTED. DCSSI DOES NOT USE THE ECONOMIC CENSUS DATA BECAUSE THE SIZE CLASSIFICATION SYSTEM USED BY DCSSI IS VALUE OF PLANT AND MACHINERY AND THE ECONOMIC CENSUS ONLY OFFERS A SYSTEM BASED ON NUMBERS OF EMPLOYEES. THE FOLLOW ON SURVEYS BASED ON ECONOMIC CENSUS COLLECT DATA ON ASSETS WHICH COULD BE HELPFUL TO DCSSI, BUT FOR ONE REASON OR ANOTHER ARE NOT USED BY THAT ORGANIZATION.

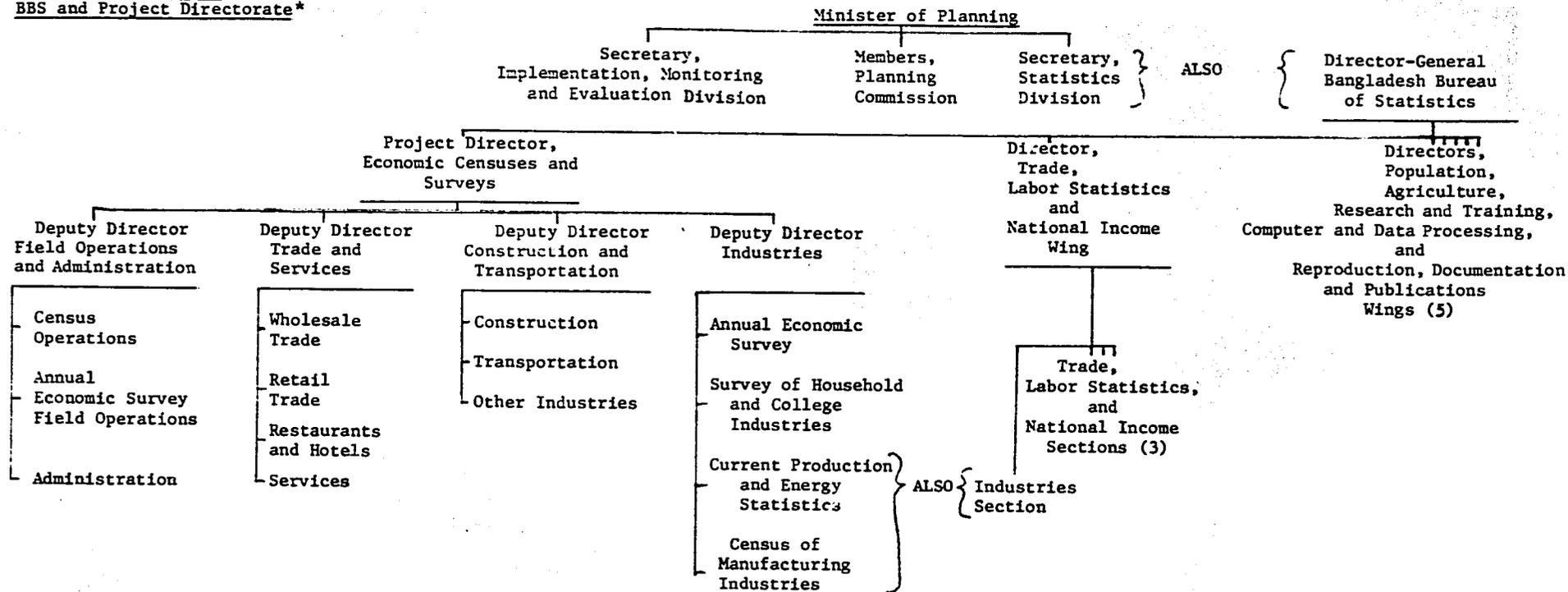
13. BASED ON DISCUSSION WITH TWO STAFF MEMBERS, THE WORLD BANK'S INDIA OFFICE DOES NOT APPEAR TO MAKE USE OF THE ECONOMIC CENSUS AND FOLLOW ON SURVEYS IN ITS WORK ON INDUSTRIES.

14. AMONG ACADEMIC RESEARCHERS, WE FOUND SOME AWARENESS OF THE DATA GENERATED BY THE ECONOMIC CENSUS BUT PRACTICALLY NO APPLICATION. WE WERE TOLD THAT ONE RESEARCHER USED THE CENSUS FOR STUDYING REGIONAL DISPARITIES. ANOTHER RESEARCHER AT DELHI UNIVERSITY HAD A COPY OF THE PROVISIONAL RESULTS FROM THE 1980 ECONOMIC CENSUS FROM UTTAR PRADESH IN HER LIBRARY AND INDICATED THAT SHE PLANNED TO USE THE CENSUS DATA FOR A STUDY OF RURAL ENTERPRISES. WE DID NOT FIND ANY ACADEMIC RESEARCHERS USING THE FOLLOW ON SURVEY DATA.

15. CONCLUSIONS: THE ECONOMIC CENSUS AND FOLLOW ON SURVEY PROGRAM IS PROBABLY BEST CHARACTERIZED AT THIS STAGE OF ITS DEVELOPMENT AS A PROGRAM UNDER WHICH CSO GENERATES DATA LARGELY FOR ITS OWN CONSUMPTION. THE PROGRAM HAS BEEN SOLD ON THE BASIS OF IMPROVING RELIABILITY OF NATIONAL INCOME ACCOUNTS DATA WHICH CSO IS RESPONSIBLE FOR PREPARING. WE FOUND STRONG SUPPORT AND INTEREST IN THIS USE OF THE DATA SETS. ALSO THE PLANNING COMMISSION WAS USING THE DATA FOR EMPLOYMENT AND OUTPUT PROJECTIONS. WE FOUND LITTLE INDICATION THAT THIS DATA WAS BEING USED FOR POLICY FORMULATION FOR SMALL INDUSTRIES. INTEREST EXISTS IN THE ACADEMIC COMMUNITY IN THE DATA SETS BUT TIME LAGS IN PUBLICATION AND PROBLEMS OF ACCESS

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Organizational Chart
BBS and Project Directorate*



* This is a functional organizational chart. 51 BBS staff members will be assigned temporarily to the project. They will retain their status as members of the Trade, Labor Statistics and National Income Wing and will continue to be paid as permanent employees, from the BDG revenue budget. There still will be an Industries Section in the Trade, Labor Statistics and National Income Wing.

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DRAFT PIO/T WITH BUCEN

The PASA will commit \$1,189,400 (LOP); \$277,200 will be reserved for use by, and will be committed by, USAID/Dhaka to provide logistic support for the technical assistance personnel provided under the PASA. USAID/Dhaka expects to enter into a PASA with the International Statistical Program Center (ISPC) of the U.S. Bureau of the Census (BuCen) of the U.S. Department of Commerce. Incrementally funded, the total budget is \$1,446,600 dollars. The PIO/T face sheet will indicate that AID/W is authorized to enter into a Participating Agency Service Agreement with the U.S. Bureau of the Census, Department of Commerce. The PASA will provide the technical assistance services, training and limited commodities supporting the technical assistance services as described in the attached statement of work. These activities are part of the USAID's Enterprise Policy Reform Project.

The PIO/T face sheet also will indicate that the provisions of OMB Circular A-76 have been waived (see Annex H). A detailed draft statement of work for the proposed PASA agreement follows:

1. Purpose

The purpose of providing the technical assistance, training, and supporting commodities identified below is to help establish, in the Bangladesh Bureau of Statistics (BBS), the institutional capacity to collect, process, and publish census and large scale sample survey data on non-agricultural productive activities. A 1986 Economic Census is planned, as are two large scale surveys that will be based on the census results. The first survey, a continuing annual survey conducted in monthly panels, will cover all fixed location, non-household, non-cottage, enterprises. This survey will be conducted beginning in July 1988. A survey of household and cottage industries will be conducted in 1990.

The funds provided through the PASA will support services to be performed from FY 1985 through FY 1990. The services can be described in five categories:

- Resident advisory services
- Short term technical assistance
- Limited commodities to support resident advisors
- Participant training
- Procurement support

2. Scope of Work

a. Resident Advisory Services

BuCen will provide long term advisors for two years each, in each of the following areas:

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- preparation for, enumeration of, and analysis of data collected in a census of all economic activities in Bangladesh; and
- preparation for, enumeration of, and analysis of data collected in large scale sample surveys of selected economic activities in Bangladesh.

The same individual may be selected as the long term resident advisor in each area. The first technical expert should begin work as soon after 1 July, 1985, as is practicable. In addition to having the requisite technical skills (as indicated below), the ideal advisors should be familiar with the unique attributes of South Asian statistical organizations in general and the BBS in particular. The technical assistance will draw heavily on census and survey management as well as analytical skills. The advisors will:

- participate fully in all technical areas involving questionnaire design, logistics, training (of enumerators, supervisors, zonal officers and so on), mapping, sampling, editing, coding, and data tabulation and analysis;
- coordinate all other project activities specifically including short-term technical assistance; procurement, installation, modification and service of all project equipment and supplies; and U.S. training activities;
- establish and take a leading role in the deliberations of census and survey working groups to ensure optimal coordination within the project directorate;
- train counterparts in all aspects of census and survey work; and
- coordinate effective working relations with other wings of the BBS.

b. Short-Term Technical Assistance

Short-term technical assistance for the census operation will be used to transfer specific skills and technology to counterparts in the design, development, and implementation of industrial classification systems, and in the area of data editing and analysis. Short-term assistance for the follow-on surveys will be in the areas of sample design and selection. A 2-month TDY in the final year of the project will review the progress of the follow-on economic surveys. The overall project also will be the subject of periodic review and evaluation tours.

BuCen has a diversified staff comprised of experts in many specialized areas of census and survey methods and data analysis. Various members of this staff are drawn upon at critical stages of project implementation. For this project, relevant BuCen staff fall into two broad professional groups: i) survey statisticians, who specialize in census and survey design,

methods, management, and analysis, and ii) mathematical statisticians, who specialize in sample design, variance calculation, and statistical analysis.

Listed below are the specific areas in which the BBS will require assistance during the five years covered by this PASA. The estimated amount of BuCen staff time (in person months) and number of TDYs required is shown directly beside each activity. This list of activities should be viewed as flexible. During project implementation certain activities may require fewer resources than expected, while others may require more.

A certain amount of shifting of resources from one activity to another is expected. Major changes will require formal amendment of this agreement.

BUCEN SHORT-TERM TECHNICAL ASSISTANCE

<u>Activity</u>	<u>Staff Time in Person-Months</u>		<u>Duration of TDY's</u>
	<u>TA Survey</u>	<u>TA Math</u>	
1. Assistance in revision and application of the Bangladesh Standard Industrial Classification (BSIC), including an operational system for classifying economic units in the 1986 Economic Census.	6.0		1 6-week TDY 1 3-month TDY
2. Assistance in designing and implementing a manual and computer editing and analysis system, including a set of analytic tabulations.	2.0		1 6-week TDY
3. Assistance in designing and implementing a sampling scheme for the follow-on economic surveys.		12.0	1 4-week TDY 1 3-month TDY 2 6-week TDY's
4. Follow-up assistance for overall review of the economic survey system to ensure the continued development of the economic surveys	2.0		1 6-week TDY
5. Review, inspection, & evaluation	1.5		3 1-week TDY's

The timing of the provision of this short-term technical assistance is anticipated to be as shown below. This schedule is flexible.

Time Frame For BuCen Short-Term Technical Assistance

<u>Activity</u>	US Fiscal Year (in quarters)																	
	1986				1987				1988				1989				1990	
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>1</u>	<u>2</u>
1. Industrial classification	x		x	x														
2. Data editing and analysis				x														
3. Sample design and selection					x		x	x	x	x	x							
4. Economic survey maintenance																		x
5. Review and inspection		x						x						x				

c. Limited Commodities to Support Resident Advisors

The management, within the BBS, of the key project activities (the economic census and the two surveys) is severely hampered by the lack of office equipment and microcomputers for word processing, process (PERT) management, and overall statistical analysis. The objective of this equipment is to allow the resident advisors, in close cooperation with the BBS, to properly manage the census and follow-on surveys, including the preparation of questionnaires and manuals of instruction for supervisors and enumerators, time schedules and work plans, computer specifications, tabulation plans, and other tasks.

BuCen will arrange the purchase, shipping, and installation of:

- 2 microcomputers with related equipment and supplies
- 1 plain paper copier with reduction
- 1 Gestetner-type duplicating machine
- 2 electric typewriters
- 20 desk top printing calculators
- Miscellaneous equipment and supplies

The resident advisor will be responsible for the installation of, and will provide on-the-job training on, the microcomputers. An estimated budget of these items can be found below in the Provisional Budget, item C.

d. Participant Training

The purpose of overseas training in this project is to transfer skills and technology to BBS staff in specialized areas of data collection, processing, and analysis, particularly with respect to conducting economic surveys. This training will be organized in a structured manner, and will be delivered in a classroom setting. Training will be emphasized in two areas:

- i) economic statistics and, ii) sampling methods.

Ten BBS persons nominated by the Director-General will be trained in economic statistics for 6 months each at the ISPC in Suitland, Maryland. Training will cover various aspects of the

collection, processing, and analysis of economic statistics. Course work will include Microeconomic Concepts for Statisticians, Introduction to Design of Surveys and Censuses, Improvement of Economic Censuses, Design of Tables and Questionnaires, Introduction to Data Processing for Subject Matter Specialists, Management of Statistical Activities, and Editing, Coding, and Imputation Principles.

Two persons nominated by the Director-General will be trained, for 6 months each, in selected areas of sampling design and survey methods. Courses will include Introduction to Design of Surveys and Censuses, Design of sample Surveys, Survey Sampling Laboratory, Variance Estimation in Sample Surveys, and Field Demonstration Laboratory: Case Study in Sampling.

The timing of the 72 person-months of training is anticipated to be as shown below. This schedule is flexible.

Time Frame for BuCen Training at Suitland, MD

	U.S. Fiscal Year (in quarters)																			
	1985		1986				1987				1988				1989				1990	
	<u>3</u>	<u>4</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>1</u>	<u>2</u>				
1. Economic Statistics (60 person-months)					x	x			x	x			x	x						
2. Sampling Design and Survey Methods (12 person-months)					x	x			x	x										
e. <u>Procurement Support</u>																				

BuCen will act as USAID/Dhaka's technical agent in monitoring all procurement activities undertaken in connection with this project, and will provide technical support to USAID/Dhaka and to USAID/Dhaka's procurement services agent or agents. BuCen will provide, from Washington, procurement support services that include: preparing detailed specifications, developing suitable documentation, providing technical support in advertising and reviewing bids, monitoring suppliers' progress toward delivery, and generally keeping USAID/Dhaka informed regarding the procurement process.

This project will use three procurement channels. BuCen itself will procure limited commodities to support the resident advisors. The other two channels involve (1) a direct USAID/Dhaka contract and (2) a USAID/Dhaka contract under a Section 8-A set-aside through the Small Business Administration with an experienced and qualified firm.

The commodities to be procured are identified in Attachments J-2 and J-3 to Annex J.

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3. Reporting Requirements

The following reports will be prepared and delivered to the USAID/Dhaka project manager in a timely fashion during the life of the project:

- a. Short, concise monthly monitoring reports by the resident advisors covering all major project issues and activities.
- b. Quarterly evaluation reports by the resident advisors, based on the monthly monitoring reports, that assess the degree to which the BBS is gaining the technical and administrative experience needed to institutionalize the economic census and survey activities.
- c. Quarterly reports by BuCen on all PASA expenditures.
- d. Trip reports prepared by BuCen's short-term technical advisors at the completion of each TDY. These reports will emphasize the specific technical accomplishments of the TDY activities and will identify issues and concerns regarding the general progress of the project.
- e. Four BuCen monitoring and evaluation reports, specifically including the three 2 week long scheduled review, inspection and evaluation reports and the 2 month long overall review of the economic survey system scheduled in the final year of the project.
- f. Brief quarterly reports on the nature and content of the participant training programs, and on the progress of participants in those programs.

4. Logistic Support

USAID/Dhaka will provide, for the long term advisors, housing and utilities, furniture, household equipment, medical facilities (subject to State Department regulations), local pouch privileges (subject to State Department regulations), commissary privileges, education allowance, customs clearance services for personal effects, in-country transportation, ready access to international direct dial telephone service for official communications to Washington, provisions for R and R, home leave and emergency travel, and all return travel arrangements. Dependents are authorized to accompany the long term advisors.

USAID/Dhaka will provide, for the short term technical advisors, medical and pouch privileges (both subject to State Department regulations). Dependents are not authorized. USAID/Dhaka will provide for, and make all travel arrangements for, all participant trainees.

BuCen will provide for, and make all arrangements for, international travel for the long term advisors, and will provide for, and make all arrangements for, all travel for the short term advisors. BuCen will ship the limited supporting equipment and supplies provided under this PASA CIF to Bangladesh consigned to the BBS.

The BBS will provide office space, associated office equipment, and secretarial support services for all long and short term advisors. The BBS also will provide an official vehicle for the use of the long term advisors.

5. Provisional Budget

The PIO/T facesheet will show a total budget for the PASA services of \$1,446,600. Of that total amount, \$1,189,400 will be committed by the PASA to cover the expenditures of BuCen. The balance, \$277,200, will be reserved for use by, and committed by, USAID/Dhaka. The \$277,200 will cover the logistic support items noted in paragraph 4, above, that USAID/Dhaka agrees to provide.

A provisional budget is as follows:

<u>Provisional Budget</u> (US \$ '000)		
<u>Item</u>	<u>PASA Agency (BuCen)</u>	<u>USAID/Dhaka</u>
A. <u>Resident Advisory Services</u>		
1. Personal Compensation	290.0	-
2. Personal Benefits (e.g., education allowance)	43.5	32.0
3. International Travel	24.6	47.0
4. In-Country Transportation	-	20.0
5. Rent, Utilities and Furnishings	-	86.0
6. Other Direct Costs		
- Insurance, Physical Examinations	0.8	-
- Miscellaneous	12.2	5.0
Sub-Totals	<u>371.1</u>	<u>190.0</u>
B. <u>Short-Term Technical Assistance</u>		
1. Personal Compensation	110.8	-
2. Personal Benefits	22.1	-
3. International Travel plus Per Diem	75.5	-
4. Other Direct Costs	15.0	-
Sub-Totals	<u>223.4</u>	<u>0</u>

C. Limited Commodities to Support Resident Advisors

1. Two (2) microcomputer systems (10 mb hard disk, 1 dot matrix printer, 1 letter quality printer, 1 6-pen plotter, software for word processing, data base management, graphing, spreadsheet, project management)	9.5	-
2. One plain paper copier with reduction	7.4	-
3. One Gestetner-type duplicating machine	10.0	-
4. Two electric typewriters	1.6	-
5. Twenty desk top printing calculator machines (@ \$400)	8.0	-
6. Miscellaneous equipment and supplies	3.5	-
Sub-Totals	<u>40.0</u>	<u>0</u>

D. Participant Training

1. International Travel	-	36.0
2. Tuition plus per diem (72 months @2,200)	158.4	-
3. Settlement charge (12 persons @600)	7.2	-
Sub-Totals	<u>165.6</u>	<u>36.0</u>

E. Procurement Support Services (Overheads)

These services will be provided by BuCen from overhead charges. No travel or related activities are anticipated.

Overheads (BuCen Activities)

1. 30.5% on items B1, B2	40.5	-
2. 25.5% on items A1-A6, B3, B4	<u>117.7</u>	-
Sub-Totals	<u>158.2</u>	<u>0</u>
Totals	958.3	226.0
Inflation (@5% per year)	<u>99.0</u>	<u>20.4</u>
Totals	1057.3	246.4
Contingency (12.5%)	<u>132.1</u>	<u>30.8</u>
Totals	<u>1189.4</u>	<u>277.2</u>
Grand Total	1466.6	

ACTION MEMORANDUM FOR THE USAID DIRECTOR

FROM : Jan H. van der Veen, AID/ECON
SUBJECT : Justification of PASA with the U.S. Bureau of the Census For Technical Assistance under the Enterprise Policy Reform Project (No. 388-0067) Pursuant to Section 621(a) of the Foreign Assistance Act (FAA)

PROBLEM

Your certification is required to justify procurement of the technical services described in the draft PIO/T attached to the Project Paper for the Enterprise Policy Reform Project through a Participating Agency Service Agreement (PASA) under FAA Section 621(a).

STATUTORY CRITERIA FOR JUSTIFICATION OF PASA

FAA Section 621(a) provides: "In such fields as education, health, housing, or agriculture, the facilities and resources of other Federal agencies shall be utilized when such facilities are particularly or uniquely suitable for technical assistance, are not competitive with private enterprise, and can be made available without interfering unduly with domestic programs."

According to the RSSA/PASA Guidance Manual, December 1984, page 4, to demonstrate particular suitability "(w)hat is required is that the Federal agency must have a clear and substantial superiority to private enterprise either on technical or cost grounds to the extent that private enterprise is not in the competitive range when compared to the Federal agency." "Unique suitability" requires a finding of "an absence of expertise in the entire field outside of the Participating Agency" (page 5). The Guidelines, page 10, and 85 State 123571 further provide that "in approving PASAs under Section 621(a), the Mission Director must determine the unique suitability or particular suitability of the proposed participating agency. Each request for approval should therefore include a list of factors which have led the AID officer requesting the PASA to conclude that the proposed Participating Agency has either unique suitability or particular suitability to carry out the technical assistance. The justification shall include the steps taken by AID to determine the capabilities of the private sector and other Federal agencies in the field."

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BACKGROUND

The purpose of this project is to help the BDG Ministry of Planning formulate improved policies affecting small enterprises. The project will assist the Bangladesh Bureau of Statistics (BBS) strengthen its capacity to collect, process and publish census data on all non-agricultural activities in a timely and accurate manner. The project also will assist the BBS strengthen its capacity to conduct follow-on sample surveys of non-agricultural productive activities. The data generated by the BBS will be used to inform the policy making process.

The success of this project depends crucially on the technical assistance inputs provided to the BBS. There are three components of this technical assistance. They are, (1) advisory services, both by resident long term advisors (48 person months) and by short term advisors (23.5 person months), (2) participant training services in which 12 BBS staff members will be trained in economic statistics and in sampling design, and (3) minor commodity procurement that is integral to the advisory services assistance.

The U.S. Bureau of the Census (BuCen) has been providing overseas technical assistance in social and economic censuses since 1939. It has a well established and well recognized program. It has previously provided very useful technical assistance to the BBS. It has outstanding training facilities at its International Statistical Program Center at Suitland, Maryland. BuCen has trained numerous BBS staff at Suitland. That training was judged very useful by the BDG.

JUSTIFICATION

The Enterprise Policy Reform Project will primarily support the efforts of the BBS to conduct a census of all non-agricultural productive activities in Bangladesh. Advisors are required:

- to participate fully in all technical areas involving questionnaire design, logistics, training (of enumerators, supervisors and zonal officers), mapping, editing, coding, data tabulation, and analysis;
- to participate fully in all managerial decisions involving the procurement, installation, modification and service of project equipment; the logistics of purchasing, importing and distributing more than 30 million questionnaires and 250,000 enumerator packets; and the training of well over 200,000 people in a variety of tasks involving enumeration, coding, analysis and the like;

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to provide specific short term expertise as needed in areas such as applying a revised Bangladesh Standard Industrial Classification system to the census units, designing and implementing a data editing and analysis system, and designing and implementing a sampling scheme for the follow-on surveys.

The abilities to provide these critical advisory services are the criteria for evaluating the comparative suitability of the private sector and of BuCen to carry out the scope of work.

BuCen is the only organization in the U.S. capable of supplying the broad range of technical and management assistance required in this project. Experience in national economic census work in developing countries is essential. The economic census is a massive undertaking. In Bangladesh the census calls for the effective development of 200,000 enumerators, 20,000 supervisors, and 2,500 core staff. The logistics of training and supplying these people with over 30 million questionnaires and other enumeration materials are extremely complex. In addition, about 20 million questionnaires must be processed; an estimated 4 million enterprises must be accurately coded.

BuCen also is the only U.S. organization that provides practical participant training in conducting economic censuses and surveys.

USAID/Dhaka has canvassed a number of firms and institutions that persons outside the field might reasonably expect could provide the services required. We also questioned one AID officer who is fully knowledgeable in this field. Specifically, we asked Forrest Cookson, economist and Principal Associate of Robert R. Nathan and statistical advisor under contract to the Bangladesh Bank, Bill Abraham of the Harvard Institute for International Development and Industrial Statistics advisor to the Bangladesh Government, Jack Reedy, Senior Economist of Arthur D. Little, and Pat Peterson, former AID/PPC Director of the BuCen RSSA, the same questions: "Do you know of any private U.S. organization that has ever conducted a national economic census? Do you know of any private U.S. organization that can provide even remotely comparable technical assistance services in support of a national economic census?" In all cases the answers were "no." In addition we note that, on 22 April, 1985, USAID/Cairo Director Kimball signed a similar justification for a population census. The arguments advanced in support of that waiver apply with equal force to this waiver request. As no private sector firm can adequately perform the required functions, BuCen does not compete with the private sector in this field.

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Because only the U.S. Bureau of the Census has conducted economic censuses, no other federal agency, including AID, can fulfill the technical assistance requirements of this project. BuCen assures us that their providing this technical assistance will not interfere with their domestic programs. BuCen is therefore both uniquely and particularly suitable to perform this technical assistance.

AUTHORITY

The December 1984 RSSA and PASA Manual states on page 13 that "all requests for PASAs must be approved by the Mission Director." The Mission Director must certify that the facilities of the participating Agency are either particularly or uniquely suitable for technical assistance, are not competitive with private enterprise, and can be made available without interfering unduly with domestic programs. If the Mission Director so certifies, AID may enter into a PASA with the participating agency without regard to OMB Circular A-76.

RECOMMENDATION

I recommend that you approve this justification of the use of a PASA with BuCen for technical assistance in the Enterprise Policy Reform Project pursuant to FAA Section 621(a).

Certified and Approved: John R. Westley

Disapproved: _____
John R. Westley
Director
USAID/BANGLADESH

Date: 6/25/85

Clearances: RLA/SAllen SA
PRO/TBethune TS
DD(A)/HPeterson AP

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BANGLADESH BUREAU OF STATISTICS
1986 ECONOMIC CENSUS AND HEAD COUNT
THIS REPORT IS CONFIDENTIAL

Unit No. Sub No. Name of unit or household head: Address:

PART A. COMPLETE FOR ALL UNITS										PART B. FOR HOUSEHOLDS ONLY				PART C. COMPLETE FOR UNITS WITH ECONOMIC ACTIVITY																																							
Unit number					Use of unit					Facilities available in unit				Economic status				Economic activity																																			
Sub-number					Residence					Electricity				Economic status				Working owners																																			
Detailed description of activity					Products manufactured, sold, serviced, or repaired					Ownership				Economic status				Liquid family workers																																			
Office code					Are these products manufactured/ repaired in this location?					Foreign Public Autonomous Private Cooperative				Wholesale Retail				Part time employees (working less than a full work-day)																																			
PART D. LIST ALL INDIVIDUALS WHO WERE LIVING AND TAKING MEALS IN THIS UNIT ON THE DAY OF ENUMERATION. Enter all particulars requested below for each person listed. If there are more than 9 persons, use the next questionnaire and mark the continuation box.										Relation to HH head				Sex		Marital Status		Can read/write		Main activity		For disabled persons																															
Name (Household head first)					Age in full years					Head of HH		Spouse		Child		Other		Male		Female		Unmarried		Married		Other		Yes		No		Not working		HH work		Agr.		Mgmt		Retail		Other		Type of disability		Ext		On set		Treat-ment		Self support	
1.																																																					
2.																																																					
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REMARKS:

CUSTOMER

FORM

CUR

SHEET FORM

Unit No ()

CUR

Procurement Plan and Lists of Commodities

Procurement Plan

USAID/Dhaka proposes to use three instruments for procurement of commodities. These are (1) a proposed PASA with BuCen, (2) a Section 8-A direct contract through the Small Business Administration with an experienced and well qualified procurement services agent (PSA) such as the Franklin Export Trade Company, and (3) a direct USAID contract with a Code 941 supplier for the time critical imports: the enumeration sheets and the enumerator packets.

(1) The PASA with BuCen will cover technical assistance and training. A limited set of commodities determined to be an integral part of the technical assistance effort and not readily separated from that technical assistance effort also will be procured through the PASA. That limited set of commodities will cost an estimated \$47,200. The commodities are listed in Attachment J-1.

(2) The AID direct contract for an 8-A PSA will cover specialized commodities. The PASA with BuCen will include a component so that BuCen can provide advice to the PSA on technical issues concerning the specialized equipment to be purchased. For example, the Optical Mark Readers (OMRs) to be purchased under this contract must be compatible with existing equipment. At present, BBS relies on IBM 3881 OMRs. Advice on compatibility with these 3881s, and on the modifications that may be needed to ensure full compatibility, will be provided by BuCen.

The commodities will be purchased in two batches. Batch I, Data Processing Equipment and Supplies, will be delivered CIF to Bangladesh arriving on or about March 1986. Batch II, Printing Equipment and Supplies, will be delivered CIF to Bangladesh arriving on or about September 1986. Some flexibility in the budget between and within batches is assumed. The budget is \$563,700. The commodities are listed in Attachment J-2.

(3) Through a direct contract, USAID/Dhaka will procure the questionnaire books and the enumerator packets. IFBs will be issued requesting firm bids contingent upon obligation of project funds. A contract will be awarded as soon as possible after obligation. The commodities will be delivered CIF to Bangladesh, arriving on or before 1 January, 1986. Some flexibility in the budget is assumed. The budget is \$969,700. The commodities are listed in Attachment J-3.

Commodities Supporting the Technical Assistance
Provided through a PASA with RuCen*

	<u>Estimated Cost (US\$)</u>
Two (2) microcomputer systems (10 mb hard disk; 1 dot matrix printer, 1 letter quality printer; 1 6-pen plotter, software for word processing; d-base management, graphing, spreadsheet, and project management)	9,500
One (1) plain paper copier with reduction	7,400
One (1) Gestetner-type duplicating machine	10,000
Two (2) electric typewriters	1,600
Twenty (20) desk top printing calculator machines (@ 400)	8,000
Miscellaneous equipment and supplies	<u>3,500</u>
	Total
	<u>\$40,000</u>
Inflation and Contingency**	<u>7,200</u>
	Total
	\$47,200

* Includes provision for spare parts and shipping costs.

** Inflation at 5% per year and contingency at 12.5%

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Commodities Provided through a Section
8-A Procurement Services Agent Direct Contract

<u>Batch I-- Data Processing Equipment and Supplies*</u>	<u>Estimated Cost (US\$)</u>
Optical Mark Readers (compatible with IBM 3881s and having a minimum aggregate throughput of 6,000 questionnaires per hour)**	100,000
Supplies	150,000
- 500,000 sheets, continuous form paper, 14 7/8"x11", 1 part	
- 500,000 sets, continuous form paper, 14 7/8"x11", 4 part	
- 100,000 sets, continuous form paper, 14 7/8"x11", 2 part white, unruled	
- 2,500 reels of magnetic tape, 2,400 feet, 1,600 bpi	
- 1,000 8" diskettes, single density	
- 300,000 adhesive labels, 4"x1 7/16", 3 across	
- 100 printer ribbons for IBM 4341 series printer	
- 20 printer ribbons for IBM 5280 series printer	
Total	\$250,000
Inflation and Contingency***	<u>31,300</u>
Total	\$281,300

* Includes estimated 7 percent fee for PSA services, and shipping costs.

** A single OMR machine may be optimal. For example, the National Computer Systems W201 OMR reads more than 10,000 documents per hour. Alternatively, two slower machines (e.g., 2 IBM 3881s) each reading 3,600 documents per hour may be, on balance, a better alternative. Cost estimate includes provision for spare parts and service contracts.

*** Inflation at 5% per year and contingency at 12.5%.

<u>Batch II-- Printing Equipment and Supplies*</u>	<u>Estimated Cost (US\$)</u>
Two (2) Offset duplicators (e.g., A.B. Dick Model 350) with spare parts	32,500
One (1) Offset printing machine 23"x36" single color	70,000
One (1) plain paper copier with reduction	8,500
One (1) AM Varitype Phototypesetter with one off-line with spare parts and supplies	50,000
Supplies	78,000
- 100 Packets (100 sheets/packet) graphic film, 20"x24", 0.004" thick polyester base	
- 300 Packets (10 litres/packet), developer for graphic film	
- 200 Rolls, phototypesetting paper, (100 rolls @ 8"x150" and 100 rolls @ 4"x100")	
- 2,000 Reams, white printing paper, 65 gsm 23"x36"	
- 500 Kgs., offset printing ink	
- 1,000 packets (100 sheets/packet) Offset Masters, pin bar, 10"x15", long run (e.g., A.B. Dick 6-4024)	
- 200 Gallons, A.B. Dick Offset Etch, 4-1015	
- 200 Gallons, A.B. Dick Fountain Concentrate, 4-1125	
- 100 Printer ribbons for IBM 4341 Series Printer	
- 20 Printer ribbons for IBM 5280 Series Printer	
Total	<u>\$239,000</u>
Inflation and Contingency**	43,400
Total	<u>\$282,400</u>

* Includes estimated 7 percent fee for PSA services, and shipping costs.

** Inflation at 5% per year and contingency at 12.5%.

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Commodities Provided through a USAID Direct Contract

	<u>Estimated Cost (US\$)</u>
Questionnaire Books (31.52 million questionnaires):	567,000
- 225,000 books, top bound, consisting of	
-- 1 cover sheet (instructions)	
-- 1 tally sheet	
-- 120 questionnaires	
- 80,000 books, top bound, consisting of	
-- 1 cover sheet (instructions)	
-- 1 tally sheet	
-- 40 questionnaires	
- 7,500 training books, top bound, consisting of	
-- 60 sets of 6 pages (340 pages per book) consisting of	
-- 1 cover sheet (instructions)	
-- 1 tally sheet	
-- 4 questionnaires	
Enumerator Supplies (packets)	295,000
-- 350,000 OMR pencils	
-- 250,000 erasers	
-- 250,000 pencil sharpeners	
-- 250,000 lumber crayons	
-- 250,000 waterproof 9x12 envelopes (tyvek diskette jacket material)	
-- 300,000 printed blank checks	
Total	<u>\$ 862,000</u>
Inflation and Contingency	<u>107,700</u>
Total	<u>\$ 969,700</u>

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DETAILED FOREIGN EXCHANGE COSTS
(US\$000)

<u>Use</u>	<u>Amount</u>
<u>I. Technical Assistance</u>	942.7
A. Resident Advisors (48 pm)	655.7
1. Compensation and Benefits	365.5
2. International Travel	71.6
3. In-Country Travel	20.0
4. Rent, Utilities, etc.	86.0
5. Miscellaneous	18.0
6. Overhead (BuCen)	94.6
B. Short Term TA (23.5 p.m)	287.0
1. Compensation and Benefits	132.9
2. International Travel, Perdiem	75.0
3. Miscellaneous	15.0
4. Overhead (BuCen)	63.6
<u>II. Participant Training/6 month ISPC Courses</u>	201.6
A. Economic Statistics (60 pm)	168.0
B. Sampling Methods (12 pm)	33.6
<u>III. Commodities</u>	1391.0
A. Printed Questionnaires (approximately 30 million)	567.0
B. Data Processing Equipment & Supplies	250.0
1. Optical Mark Reader(s), including spares and service contract	100.0
2. Supplies (e.g., continuous form paper, magnetic tape, diskettes)	150.0
C. Printing Equipment and Supplies	239.0
1. Offset Printer, Phototypesetter, Copier, Duplicator, etc.	151.0
2. Supplies (e.g. graphic film, offset masters, printing paper)	88.0
D. Enumerator supplies (e.g., 350,000 OMR pencils, 250,000 lumber caryons, waterproof envelopes)	295.0
E. Equipment to Support Technical Assistance (e.g., microcomputers, 2 typewriters, plain paper copier)	40.0
TOTAL (I, II and III):	2535.3
INFLATION FACTOR (5% per year):	131.4
CONTINGENCY (12.5%):	<u>333.3</u>
GRAND TOTAL:	\$ 3000.0

BREAKDOWN OF COSTS BY U.S. FISCAL YEAR
(U. S. \$'000)

ANNEX V-2

	FY85		FY86		FY87		FY88		FY89		FY90		TOTAL	
	AID	EDG	AID	EDG	AID	EDG	AID	EDG	AID	EDG	AID	EDG	AID	EDG
	USAID	BUCK	USAID	BUCK	USAID	BUCK	USAID	BUCK	USAID	BUCK	USAID	BUCK	USAID	BUCK
Technical Assistance														
- Long Term	46.5	46.4	34.5	8.4	44.4	91.4	38.0	63.4	26.5	62.5	-	-	190.0	371.1
- Short Term	-	-	-	61.8	-	74.5	-	44.7	-	19.0	21.7	-	-	225.0
- Overhead	-	11.8	-	40.4	-	44.5	-	34.0	-	21.3	6.2	-	-	158.2
Participant Training (USA)	-	-	15.0	69.0	15.0	69.0	6.0	27.6	-	-	-	-	36.0	165.6
Commodities	1112.0	-	239.0	40.0	135.0	-	-	-	-	-	-	-	1351.0	40.0
Local Staff support	-	-	-	3447.0	-	37.0	-	204.0	-	238.0	-	339.0	-	8365.0
Salaries, Honorariums,														
Miscellaneous														
	FE	LC	FE	LC	FE	LC	FE	LC	FE	LC	FE	LC	FE	LC
Sub Total:	1216.7	-	589.1	3582.0	338.6	137.0	233.7	204.0	129.3	238.0	27.9	339.0	2535.3	4500.0
Inflation*	-	-	29.5	-	33.9	-	35.1	-	25.9	-	7.0	-	131.4	-
Total:	1216.7	-	618.6	3582.0	372.5	137.0	268.8	204.0	155.2	238.0	34.9	339.0	2666.7	4500.0
Contingency**	152.1	-	77.3	-	46.5	-	33.6	-	19.4	-	4.4	-	133.5	-
Grand Total:	1368.8	-	695.9	3582.0	419.0	137.0	302.4	204.0	174.6	238.0	39.3	339.0	3000.2	4500.0

* @ 5% per year
** @12.5% per year

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