

POCAV 733

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE

A = Add
 C = Change
 D = Delete

Amendment Number

DOCUMENT CODE

3

2. COUNTRY/ENTITY

3. PROJECT NUMBER

388-0061

4. BUREAU/OFFICE

5. PROJECT TITLE (maximum 40 characters)

04

FOOD FOR WORK III

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 4

C. Final FY 90

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						
(Grant)	(1090)	(361)	(1451)	(5953)	(3400)	(9353)
(Loan)	()	()	()	()	()	()
Other U.S.						
1. PL-480 TITLE II	25848		25848	129240		129240
2.						
Host Country		5540	5540		27701	27701
Other Donor(s)						
TOTALS	26938	5901	32839	135193	31101	166294

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)	133	061				9353		9353	
(2)									
(3)									
(4)									
TOTALS									

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

11. SECONDARY PURPOSE CODE

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

A. Code	BR	BL	LAB	PVOW
B. Amount	NA	NA	NA	6962

13. PROJECT PURPOSE (maximum 480 characters)

To develop a local institution capability to use program resources efficiently in achieving program goals.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY
 02 86 02 87 06 89

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.)

4-4-85
 Date

Raymond A. DeBruce
 Controller

17. APPROVED BY

Signature: Hans P. Peterson
 Title: Acting Director
 USAID/Bangladesh

Date Signed MM DD YY
 04 05 85

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

MM DD YY

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(3)									
(4)									
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MM DD YY

PROJECT AUTHORIZATION

Name of Country: Bangladesh

Name of Project : Food For Work III

Number of Project : 388-0061

1. Pursuant to Section 103 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Food for Work III Project for the People's Republic of Bangladesh (the "Cooperating Country") involving planned obligations of not to exceed Nine Million, Four Hundred Thousand United States Dollars (\$9,400,000) in grant funds over a five 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 September 30, 1990.

2. The project consists of providing the dollar costs and a portion of the local currency costs of the cooperating sponsor staff involved in monitoring and supporting Food For Work Programs conducted under Title II of P.L.-480. The project goals are to improve access within rural areas and provide employment to the rural poor by building roads, canals, and bridges.

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 or Bangladesh.

H. Patrick Peterson
Acting Director
USAID/Bangladesh

Drafted:RLA/SCAllen:msj:2/28/85



5 April 1985

Food for Work III - Project Paper

Table of Contents

I. Project Data Sheet

II. Draft Project Authorization

III. Project Rationale & Description

IV. Cost Estimates & Financial Plan

V. Implementation and Monitoring Plan

VI. Evaluation Plan

VII. Annexes

A. PID Approval Message

B. Statutory Checklist

VIII. Addendum - Program Paper

A. Program Rationale and Description

B. Program Analyses

i. Technical

ii. Economic

iii. Social

iv. Administrative

v. Environmental

IX. Log Frame Matrix

Project Paper for Food For Work III

III. Project Description:

This project will provide USAID in Bangladesh with funds over five years with which to implement the Title II Food For Work program. In brief, the program provides up to 120,000 MTs of PL 480 wheat a year to Bangladesh laborers working on labor intensive rural works, primarily roads. The wheat is paid to the laborers as wages in place of cash for up to 25.7 million man days of labor. Each year about 6,200 miles of rural roads are reconstructed under FFW. As a compliment to FFW a number of bridges and culverts, from 700 to 2,600 a year, will be built to span the many cuts in the roads made necessary by the waterways and irrigation canals that bisect the road alignments.

The program as a whole is supported by resources drawn from a number of sources; PL 480, AID development funds, the Government of Bangladesh, and local contributions public and private. The wheat used to pay the laborers is, of course, derived from Title II stocks granted to CARE annually through an Annual Estimate of Requirements and Operations Plan submitted to AID/W. AID DA funds have been used to finance CARE's oversight costs and support some small establishment cost of the HDG. The HDG grants funds to CARE to help defray local expenses and bears all costs associated with inland transportation, storage, and program administration. Local citizens allow land to be used for borrow pits and local governments make some contributions to the structures. Project Implementation Committees donate their time without cost. In addition, prior grants of Title II to the HDG in 1982 and 1983 have been monetized and the funds used to finance the construction of bridges and culverts in '83 and '84. The balance of these funds will be used to continue this activity during FFW III along with the proceeds of an emergency grant under Title III.

The goals of the program are those listed in the Bangladesh CDSS, to provide employment to the rural poor during periods of high seasonal unemployment and to improve access within and to rural areas. The goal of this grant, a sub component of the total program, as differentiated from the goals given above, is to assure program resources are used in a manner that yields maximum effectiveness in achieving program goals.

The purpose of this project (the grant) is to achieve the project goal through establishing a system of rigorous accountability and the development of a local institutional capability to use the resources provided efficiently

The purposes of the project are obtained by 1) providing the PVO CARE with funds to finance a field staff to monitor the program's implementation and provide guidance to the HDG on how to structure the program's administration, 2) providing USAID a part of the grant funds to recruit a technical cadre to provide the same service for that component of the program, bridge and culvert construction, that requires more technical expertise, 3) financing an outside evaluation of the project to determine if existing policies are achieving program goals.

Assuring adequate accountability and maximum impact of the programs U.S. financed resources (up to 120,000 MTs of wheat a year valued at approximately nineteen million dollars) is mandated by law and AID policy. Compliance with this mandate requires complex field oversight throughout the program area, some 75% of the country. CARE is the U.S. PVO that undertakes this task but which does not have adequate funds to do so. This grant will be used in part to finance their staff and related support costs. Grant financing will enable CARE to assign up to 256 local employees and eight expatriates full time plus up to 180 employees and three expatriates part time to oversee the Title II program.

While the major number of structures built on FFW roads will be relatively small units of less than 40' span built under CARE supervision there is also a need for larger, more complex structures. BDG regulations, however, require that all bridges with a span over 40 feet must be built through consulting engineering firms. The BDG will undertake the construction of these units through selected Architect and Engineering firms. USAID will advise the BDG on three major areas of this activity: (1) The technical qualifications of the A&E firms, (2) the oversight system of the BDG and (3) evaluating the system of large bridge construction. The PSC contractor will also monitor the program of smaller unit construction through CARE and serve as USAID's liaison with CARE and the BDG.

Lastly, the grant will fund the cost of external evaluations of both the earthworks and the structures programs. While external evaluations have been used in the past to provide insights into a number of issues the major exercise for this program period will be to extend the findings of the economic impact study completed in 1983. An ancillary evaluation will look at the management system established for construction of bridges and culverts to determine if it is effective and capable of expansion.

Project Inputs:

A total grant of \$9.353 million is sought for: 1. the budget of CARE (\$6.962 million); 2. one AID PSC and three local engineers to monitor sector of the structures activity (\$1.991 million); and 3. evaluations and pilot FFW activities (\$.400 million). The program in its entirety in addition to this grant will use (a) up to 600,000 MTs of grain over a five year period; (b) a grant by the Govt. of Bangladesh of \$1.841 million of direct program costs to CARE plus an estimated \$25.8 million in indirect services such as inland transportation and handling.

Project Outputs:

A management system used by local institutions which uses program resources in the most effective manner possible to achieve program purposes. The system established will provide rigorous accountability of all resources as well as developing the institutional capability to efficiently plan and design program sub projects (roads and structures). Indicators of output achievement will be documented by CARE reports on resource utilization, i.e., the quantity of wheat paid to workers in relation to the quantum of work accomplished and the number and quality of structures completed and the amount of AID furnished local currency expended. The capability of local government institutions to use FFW

resources effectively will be documented by data on the quality of project design, projects completed as per plan, and accuracy of reports submitted by local institutions. For larger structures, a sound management system to handle consulting firms will be developed for the BDG through guidance by USAID technical staff. An external evaluation will determine to what extent these outputs have achieved project goals.

Project Rationale and Rationale for Grantee

The necessity for close oversight of the use of PL-480 is mandated in existing legislation. Paragraph 3D of Handbook 9 reads "A major emphasis of AID policy dealing with Title II is the need for close and continuing attention to program management and control. Since Title II deals with the utilization of expensive and perishable resources effective program management and control is essential. The requirements of sound program management of commodities provided under Title II applies equally to cooperating sponsors and USG representatives". Title II programs are audited periodically by the Inspector General and cooperating sponsors are audited by external auditors at appropriate intervals.

The use of the PVO CARE to administer the FFW program conforms to normal practice in the administration of Title II programs and serves the interest of AID in Bangladesh. The original FFW program was originally proposed by the BDG in 1975 as a response to severe crop losses that pushed millions of people to the edge of subsistence. The Government's experience in administering its own FFW program, the need to feed large numbers of refugees fleeing from pockets of famine throughout the country, and the need for additional food grains over and above the commercial purchases being made by the Government prompted the BDG to request from AID a Title II agreement. As USAID was not interested in developing a government to government program CARE was approached and asked if they would be willing to participate as a cooperating sponsor in FFW. CARE was selected as they had been operating in Bangladesh since 1949, at that time East Pakistan, in community development projects and food distributions. The latter involved school feeding reaching 600,000 school children and collaboration with UNICEF and local voluntary agencies in disaster relief through FFW and other child feeding programs. As a registered U.S. voluntary agency they are eligible for PL 480 grants as other non-registered agencies would not be. Further, as one of the two largest U.S. volunteers who together account for the bulk of Title II development programming they have extensive experience and a world wide infrastructure of personnel and management resources on which to draw. Lastly, they have no religious affiliation which might be a sensitive issue in predominantly Moslem Bangladesh.

The use of PVO's such as CARE is the principal means of programming long term Title II food grants. For one, Title II programs address the mandates of both the voluntary agencies and of AID in terms of non-political, humanitarian assistance directed at the poorest sectors of the host country's population. PL 480 Title II legislation clearly states that these grants are to be used in humanitarian and development programs and prioritizes the major program uses in terms of maternal child health feeding programs, FFW, and school feeding. Disaster relief is, of course, the other major use of Title II in which PVO's have played a major role.

A government to government Title II program is not a viable option. For one, the financial resources needed to assure a given level of oversight for a PVO is considerably below that needed by AID or an AID contractor due to, inter alia, lower personnel costs. Note for example the ratio of costs for one AID PSC and three FSNS hired directly by AID to the CARE grant which provides a staff of 358. Nor would AID personnel ceilings allow staffing an office at a level needed to oversee a large Title II program. Additionally, because of their non-political nature, a PVO supported program is less vulnerable to political changes within the host government thus providing a degree of assured continuity not inherent in government to government agreements. This often allows an American presence in countries in which political developments have reduced or eliminated U.S. diplomatic and/or foreign assistance representation. In these circumstances, a PVO may provide a visible example of American society's commitment to concerns that override day to day partisanship. Lastly, support for a PL 480 program allows the PVO to use their own resources in other areas which contribute to overall development. For example, CARE now has some 900 employees, only 251 of which are chargeable fully to this grant. The balance is working in agricultural production, primary health care, and a companion program to FFW which focuses on road maintenance using destitute women.

The other channel available for food programming in Bangladesh is the World Food Program, a sub agency of FAO. In fact WFP does have a FFW program slightly larger than that of CARE's to which the U.S. Govt. may contribute. However, the terms under which WFP operates do not provide the same control or discipline in the use of U.S. resources as those of a U.S. volag. and is thereby a less desirable channel in terms of the legislative mandate of Title II.

Cooperating Sponsor Selection and Gray Amendment Considerations

There are other eligible voluntary agencies working in Bangladesh but they are considerably smaller, currently lack managerial and field personnel needed for a large scale FFW program, and have expressed little interest in becoming involved with PL 480. While they may be given consideration in implementing FFW in a limited area if future developments warrant, USAID is satisfied they could not be developed as an alternative cooperating sponsor for FFW and yield the managerial oversight needed at current costs within the project period.

Because of the long association of CARE with food aid programs, dating from 1949, the critical nature of the Food for Work Program to the Bangladesh economy and food supply, and the extensive experience of CARE in administering the FFW program here, it is the Mission's collective judgment that CARE should be continued as the cooperating sponsor. The position is too critical to be filled by a new, untried PVO, minority or otherwise. The Mission will consider the V.S. of Gray amendment organizations to provide the PSC engineer, or to provide portions of the evaluation services required during the project, through IOC's or longer term contracts, when these types of T.As. are required. The Mission Director certifies, by signing the face sheet of this Project Paper, that full consideration has been given to the potential involvement of small and minority enterprises, HBCU's and minority PVO's.

IV. Cost Estimates and Financial Plan

FFW III will be implemented through: (1) AID Direct contracts for the personal service contractor and the independent evaluators (2) a specific support grant to CARE, and (3) use of PIO/Cs to purchase equipment and commodities with financing done through direct payment and a Letter of Credit - Federal Reserve Bank (LCFRB) for CARE. Identifying potential opportunities for small, minority and women-owned enterprises to participate in the independent evaluation element of this project will be made and maximum consideration will be given towards utilizing the enterprises so identified. Similarly, maximum consideration will be given to members of minority groups regarding the procurement of the PSC (or U.S. Company) input required by the project.

AID will utilize direct contracts for the personal service contractor and the evaluation to enable better control over the contractor and his scope of work and to ensure that independent quality assessments are performed. Given the close AID control over the services, direct payment reimbursement will be used as the financing method. Advances are not anticipated. If necessary, the USAID will issue direct letters of commitment. USAID internal procedures for review of claims will insure that the services are provided and the expenditures comply with the appropriate USAID regulations. The acquisition of equipment for the PSC (or US Company) will be made through the use of a mission issued PIO/C.

The scope of work for CARE, as financed under this project, contemplates substantial involvement by CARE in exercising technical support, monitoring and approval responsibilities over (a) the use of sales proceeds of Title II and III funds for development activities, and (b) assuring the proper utilization of commodities furnished under the Food For Work element of the Title II Program (see USAID/Dhaka and BDG Title II Agreement, and USAID/Dhaka and CARE contract AID/ASIA G-1171). Use of a specific support grant has been chosen as the method of implementation to obtain the required services from CARE. The specific support grant will conform to the requirements of HNBK #13. Accordingly the standard provisions of the specific support grant will be those given in HNBK #13 Chapter 4 Appendix 4C. The method of financing will be by LCFRB which is considered by USAID as a preferred method of financing. Under the specific support agreement CARE will be responsible for the procurement of the equipment budgeted for by CARE. As a result of the USAID/Dhaka Controller's Office review of the CARE/Bangladesh accounting and financial reporting system, additional clauses will be added to the provisions of the specific support grant in order to strengthen controls over the LCFRB method of financing. In addition, CARE/Bangladesh will be asked to revise certain managerial and accounting practices in order to strengthen financial control over inventory and expenditures. CARE is audited annually by a U.S. big eight CPA firm. Therefore no provision has been made in the project for audit services.

The Financial Plan for FFW-II indicates a total 5 year requirement of \$166,294,000. This includes the U.S. dollar grant to CARE, the grant of U.S. PL-480 Title II wheat, the BDG taka contribution to the CARE contract, and estimated BDG costs associated with administering and implementing the program. These contributions are summarized in Exhibits 1 and 2.

The CARE budget averages \$1,186,000 a year in constant dollars for the project period. This compares with an average of \$449,500 for the first four years of FFW I beginning FY 76 through FY 80. FFW II, FY 81 through FY 84, averaged \$642,000. While at first the current proposal appears as a substantial increase, it represents a less than proportional raise for the increase in field work that has been imposed on CARE. In 1981 the Inspector General's office required CARE to:

- (a) increase its oversight to place primary emphasis on selecting and implementing soundly designed projects that have a potential for increasing food production and alleviating the need for such assistance;
- (b) require CARE's interim monitoring reports to include (1) the wage rate for each person day of earthwork moved on the project, (2) the volume of earthwork constituting a person day, (3) the wheat wages actually paid to the laborers and (4) the amount of underpayments to laborers;
- (c) require CARE to periodically summarize the results of their monitoring activity and report on the magnitude of underpayments to workers.

To respond to these requirements necessitated increasing CARE's field coverage to include monitoring procedures that determined work accomplished and wages actually paid as opposed to reliance on reports issued by local committees entrusted by the Government with project implementation. In addition, CARE now presurveys all proposed projects to assure they meet reasonable development goals rather than only a percentage as was the practice prior to the audit.

In addition to meeting AID basic accountability requirements, CARE has instituted allocation procedures and training programs that promote the development of local institutions to make more effective use of resources at their disposal.

In 1983 AID requested CARE to undertake the monitoring of a pilot project in bridge and culvert construction. This proved successful and in 1984 was expanded to some 578 structures in all sub Districts in which CARE operates. From '85 through '89 it is planned to further expand this activity from 745 in the first year to up to 2,600 in the last. The approach used by CARE is basically the same for these structures as for earthworks. The regional offices of CARE approve the design of each project after visiting the sites. Their technical staff again visit each site at least twice during the construction period to assess the progress and the quality of the works. After each visit a report is submitted to CARE headquarters, the Upazila office, USAID, and the Directorate of Relief and Rehabilitation. An additional report is submitted on project completion. This report notes the total cash paid to the contractors for the project which should be credited to the BDG from the Sec. 206/202 funds or other grant funds. It should be noted that construction sites are not on

those roads under construction but on roads built one or more years earlier. (From a technical perspective, it is necessary to wait until the soil has naturally compacted before beginning construction.) This dispersal of field sites has added heavily to CARE's man-days of field travel requirements and necessitated additional staff and support services over and above that needed for earthworks.

The augmenting of CARE field and management staff and related support services needed to address these requirements raised their administrative costs which in turn required increased funding from AID. The systems established at that time are now in place and their costs are represented by the budget figures given in Section IV.

Inflation of the dollar has been a second factor in the rise of CARE costs since the program originated in FY 76. According to International Monetary Fund data, the U.S. dollar has declined in purchasing power from 1977 to \$.58 in 1983. The CARE expenses of FFW I would be valued at approximately \$781,000 in 1983 dollars. The difference between the average then of FFW I and FFW III is \$405,000 in FY 83 dollars and represents approximately a 51% increase over eight years.

A third factor has been a decline in percentage of total cost of the BDG's contribution to the program as a result of the erosion of the value of the taka and the increase of oversight responsibilities described above. In FY 83 The BDG contributed in dollar terms approximately \$379,000 to meet all local costs while AID provided \$700,000 to cover foreign exchange costs. In FY 85 this ratio will be \$368,000 to \$1,045,000, a decline from 35% to 26%. Grant funds will now be needed to meet a portion of CARE local costs that have increased from the addition of the structures program and the need for more field coverage to assure more precise accountability as recommended by the Inspector General.

Despite the fact that substantial increases in structures are planned which would ordinarily require increased supervision costs, CARE feels that the development of indigenous institutions will proceed as the program expands thereby requiring less oversight per unit by CARE. While an expansion of authorized program levels for earthworks is not planned, the actual quantum of work accomplished within established levels should rise considerably over the life of the project. Presently out of an authorized level of 120,000 MTs which could produce some 25.7 million man days of labor only 74,000 MTs were utilized in FY 84 representing some 15.8 million man days. If present strategies are successful, there would be a rise in output per year of some 33% to 50% in tonnage for earthworks and more than 110% in dollar terms for structures over the life of the project. However, the CARE infrastructure will only undergo a small increase in staff from that proposed for FY 85. Budgeted increases in cost are for the most part to cover inflation and contingencies.

FOOD FOR WORK III

Project Budget by Implementing Unit

CARE

	FY 85	FY 86	FY 87	FY 88	FY 89	
(\$ Costs per budget)						
Technical Assistance	387	306	404	408	404	1,989
Equipment/Commodities	296	111	329	329	284	1,349
Evaluation		10	30	30	30	100
Total	683	507	763	767	718	
A. Inflation adjusted from FY 85 base year	683	507	802	844	831	3,667
(Taka costs per budget)						
Local Support	285	552	552	552	552	2,493
B. Adjusted for inflation, exchange rate variables from FY 85 base year	267	555	596	613	630	2,661
Contingency 10% (A+B)	95	106	140	146	146	633
Total	1,045	1,168	1,538	1,604	1,607	6,962

PSC

(\$ Costs)						
Technical Assistance	222	210	246	243	286	1,207
Equipment/Commodities	85					85
A. Inflation Adjusted	307	210	258	258	331	1,374
(Taka costs)						
Local Support	65	79	86	91	89	410
B. Adjusted for inflation, exchange rate variables.	61	79	93	101	102	436
Contingency 10%(A+B)	37	29	35	37	43	181
Total	405	318	386	406	476	1,991
USAID External Evaluation		100	100	100	100	400
Grand Total	1,450	1,586	2,024	2,110	2,183	9,353

EXHIBIT 2

FOOD FOR WORK III

Project Budget by Input
through USAID, Title II, and BDG
(000)

	USAID	Title II	BDG	Total
Technical Assistance	3,196			3,196
Equipment/Commodities	1,434			1,434
Evaluation	500			500
Local Support	2,903		1,841	4,744
Contingency/Inflation	1,320			1,320
Title II Commodities		129,240		129,240
BDG Support			25,860	25,860
Total Projected Inputs	9,353	129,240	27,701	166,294

Inflation is calculated at World Bank projections for dollar costs at 5% (for CARE FY 87-FY 89; for PSC FY 86-FY 89) and for taka costs at 10% to 15% for the same program years as noted in the dollar inflation. However, the taka costs also consider estimated varying exchange rates. For example, CARE original base taka costs were converted at Taka 25 to \$1.00. Estimated World Bank rates used by USAID are 26.75, 28.662, 30.620, 32.7699, and 35.06379 respectively, for the fiscal years '85 through '89. This yields a negative inflation rate for FY 85 since there was no inflation for this base year while an actual higher exchange rate lowered the dollar value of taka costs.

EXHIBIT 3
METHODS OF FINANCING BY PROJECT ELEMENTS/INPUTS

<u>Project Elements/Inputs</u>	<u>Contracting (Implementation)</u>	<u>Method of Financing</u>	<u>Amount Total \$ (\$000's)</u>
<u>Technical Assistance</u>			\$ <u>3,196.0</u>
CARE	SSG	LCFRB	\$ 1,989.0
PSC	Direct AID Contract	Direct Payment	1,207.0
<u>Equipment</u>			\$ <u>1,434.0</u>
CARE	SSG	LCFRB	\$ 1,349.0
PSC	P.O./Direct Contr	Direct Payment	85.0
<u>Evaluation</u>			\$ <u>500.0</u>
CARE Internal	SSG	LCFRB	100.0
Independent Evaluation	Direct AID Contract	Direct Payment	400.0
<u>Local Support</u>			\$ <u>2,903.0</u>
CARE	SSG	LCFRB	2,493.0
PSC	P.O./Direct Contr	Direct Payment	410.0
<u>Contingency for Inflation and Increased Project Activity</u>	N/A	N/A	1,320.0
<u>Total Project (USAID Direct Funding only)</u> *****			\$ <u>9,353.0</u> *****
Title II Public Law 480 in-kind		N/A	\$129,240.0
BDG Direct Monetary Admin. support to CARE	Host. Govt. Contract to CARE	Direct Reimbursement	\$ 1,841.0
BDG Project Support	N/A	N/A	\$ 25,860.0 *****
TOTAL PROJECT			\$ <u>166,294.0</u> *****

Notes:

- A. To be procured by CARE
- B. Specific Support Grant (HNDK #13 Chap 4)
- C. Federal Reserve Letter of Credit

V. Program Implementation and Monitoring Plan

1. THE BDG and CARE with USAID concurrence have established the following procedures and records systems:

(A) Each year the BDG, CARE and USAID agree upon a total quantum of Title II resource (wheat and cash) to be allocated among participating Upazilas. The wheat resource is divided among Upazilas by means of a set formula which takes into account each area's population and relative chronic distress level. Cash funds for culverts and bridges are also allocated on the basis of an objective formula which considers each area's population and size. The area's performance in using resources accountably will also be considered in the determination of cash allocations. CARE prepares the allocation lists. The Ministry of Food reviews, approves and publishes them.

(B) The Upazilas are informed of their Title II allocations well in advance of their utilization. Within these allocation figures, the Upazilas are invited to prepare and submit to CARE earthwork and structures scheme proposals. Scheme size within the allocation figure is not regulated, but Upazilas are limited as to the maximum number of schemes which may be submitted each year. The Upazilas have three months (December, January, and February) in which to select schemes from their plan books, research project sites and prepare detailed proposals. During this period, CARE engineers are available to assist Upazilas in scheme planning and research. The Upazila Parishad (or Council of elected leaders) approves all scheme proposals before forwarding to the CARE field offices.

(C) The CARE field offices (there are six sub offices overseeing 14 districts) receive proposals in March and begin CARE "presurveys". Presurvey means that CARE engineers visit the project site to verify resource requirements by standard survey measurements. During the presurvey visit, the CARE engineers assess the project's feasibility, impact on the environment and local agriculture, its benefits, actual/hidden costs, and appropriateness of design. CARE submits a detailed engineering report to the Upazila Parishad which includes the approved cost estimate of the proposed project and suggested or required design modifications. CARE presurveys 100% of the proposed projects (earthworks and structures).

(D) On the basis of the CARE presurvey, undertaken jointly with Upazila engineering staff, and any modifications incorporated into the design, the CARE sub-office prepares a funding approval report (Form 7) to the concerned Upazila, the Director General, Relief and Rehabilitation Directorate, USAID, and CARE-Dhaka.

(E) CARE Dhaka reviews the funding approval report for errors, ensures that duplicate funding and funding in excess of allocation has not occurred, and forwards to the Directorate of Relief & Rehabilitation and to USAID a computer list of the final approved projects and their funding levels.

(F) Upon receipt of CARE's list, the Directorate issues to each concerned Upazila project-wise Allotment Orders (AO) for commodities and prepares Sanction Orders (SO) for cash. The AO's and SO's are issued in the project's name and are under the control of the Upazila Chairman. These orders inform the Local Storage Depots and local banks of the total amount of wheat/cash resources which may be drawn against a specific project. At the same time, the Directorate issues Sanction Orders to the Upazila for BDG cash funds to cover transport and administrative costs for earthwork projects.

(G) During the FY 84 and FY 85 construction season Sanction Orders for structures projects are actually released by the Directorate when a copy of the deposit slip for the Upazila cash contribution to the project has been received. Upon notification of that deposit, the Directorate releases to the Upazila ninety per cent (90%) of the USAID donated funds. The remaining ten per cent, which represents approximately two-thirds of a budget reserve (contingency fund) for each project, is not sent to the Upazila until the project is completed and CARE postsurvey verifies that the balance fund is required to meet actual expenditures. In the out years, FY 86-89, it is expected this procedure will be modified.

(H) Once the project funds are transferred, the Upazila authorizes Project Committees to be formed and contractors hired. Project Committees will be headed by the Union Chairman and will hire a project committee secretary to maintain records and accounts. The BDG will provide funds to pay a nominal remuneration to these secretaries. Simple project forms - (a) the modified muster roll and measurement/payment ledger for earthworks, (b) a consolidated report of project work and labor payments on earthworks designated as form 8B, and the daily status and usage reports for structures will be given to the Project Committees to record project progress and expenditure of resources. Form 8A is a consolidated report, maintained by the Upazila, on wheat withdrawals from the Local Storage Depot against a particular project. Upazila and CARE staff will periodically check the Project Committee records and will verify their information by independent, on-site research.

(I) During the months of project implementation, December through May, CARE engineers will intensively monitor a random sample of earthworks projects, questioning laborers on their last payment, measuring their work for that payment, checking project work status and all project records. (Projects for sample monitoring will be elected through the computer each month.) Project Committees and the Upazila technical/administrative officers responsible for scheme supervision will also be interviewed. The CARE engineers will leave a copy or summary of their field report with the Upazila Chairman. Shortly thereafter, the CARE sub-office administrator will prepare the official monitoring report (Form-10) for distribution to the Upazila, Deputy Commissioner of the District, Ministry of Food, USAID and CARE-Dhaka. This report will summarize the problems observed, if any, and will make recommendations.

(J) Also on the basis of the original monitoring data each month CARE-Dhaka will prepare for the Ministry of Food and USAID a comprehensive computer printout, showing performance and status of projects/wage payments throughout the country. This report will assist the BDG in identifying potentially serious problems and taking appropriate action.

(K) In FY 84, the Ministry of Food also instituted monitoring and commodity/fund release control systems. Each time a Project Committee requests a Distribution Order (DO) which permits it to withdraw a portion of the wheat allotted for the project, the Committee must file a simple Commodity Release Request Form. Thereafter, the Upazila Officer in charge of project supervision is required to sign the form, signifying his agreement/disagreement with the request. Before he signs, he is to visit the site, interview laborers, check records and file a site monitoring report with the Upazila Chairman. The same procedure has been instituted for request/release of cash funds for structure projects. When the Upazila technical officer has visited the site, filed a report and signed the request form, the request goes to the Upazila Chairman for his decision. All the above records must be kept in the Upazila project files and will be checked by CARE. The Upazila Chairman prepares a monthly project report, on the basis of his technical officers' site visits, for the Deputy Commissioner of his District and for the Ministry of Food. He will depute his technical officers to verify Upazila reports by visits to a random selection of schemes.

The CARE and MOF monitoring and reporting systems are quite similar. CARE field officers will assist Upazilas in learning the new system.

(L) As the projects are completed, Upazila technical staff will "postsurvey" the sites, review the project records and prepare Project Closure Reports. These reports will be submitted to CARE, the Deputy Commissioner and the Directorate of Relief and Rehabilitation. CARE field staff will then visit a randomly selected sample of earthworks projects to assess actual work accomplished. For FY 85 CARE field staff will visit all of the completed structures projects and prepare a final Status Report (Form-11) on each project. In addition, CARE-Dhaka will prepare a comprehensive computer Final Report and analysis of all projects undertaken that year. Both reports will be submitted to USAID, the Directorate of Relief and Rehabilitation, and concerned Deputy Commissioners.

(M) Calculation of reimbursement for in-kind commodity usage will be based on sample project data, collected during CARE monitoring and postsurvey. The first calculation, based on sample post survey, will determine the quantum of work actually done compared to the amount reported accomplished in the Project Closure Reports and Form 8B's. The percentage thus derived will be applied against the project Closure Report figures of all projects not post surveyed, and the amount of wheat which should have been spent for the work done, assuming full payment of wages, will be calculated. That amount will be adjusted to reflect the actual commodity wages received by the average beneficiary. The basis of that calculation will be the cumulative data from all sample monitoring reports, collected throughout the implementation season. This cumulative average wage rate, expressed as a percentage of the authorized rate, will be multiplied by the amount of commodity reimbursed for work accomplished. The resultant figure will represent the amount to be reimbursed for work done and wages paid. Cash payments to migrant workers, not to exceed ten per cent of the total program level, will be approved for reimbursement.

(N) Audits on incountry stocks are not required because of the "reimbursement system" under which the program operates. All above-cited project records will be maintained by CARE and the Upazilas for at least three years.

The above procedures ("A" through "B") represent a continuous process of scrutiny by CARE in order to assess project status, work quality and correct payment of workers. CARE, USAID, and the Ministry of Food will hold monthly meetings to discuss the CARE reports and decide appropriate responses to problems.

Moreover, in-depth evaluations undertaken by independent researchers will be done at least twice during the program life (FY 85-89) to assess the program's developmental impact. The evaluation conducted in 1983 by Abt Associates, Inc., "The Development Impact of FFW Roads", may be used as a baseline study for the future evaluations.

2. Port Facilities - Practices:

A. Offloading facilities at Chittagong and Chalna ports are generally adequate to handle large shipments of commodities. Care must be taken to avoid port congestion by spacing the arrival months of big grain shipments. The World Food Program tracks the arrival schedules for all grain imports. CARE consults WFP on this point before making a call forward.

B. In addition to the BDG port authorities who oversee the offloading of commodity, an independent surveying agency, contracted by CARE, witnesses the delivery and files a detailed report. On the basis of this report, CARE files claims for marine loss, damage or shortlanding. The Ministry of Food also assists CARE in obtaining the Outturn Report from the Port Authority and the Delivery Receipt from the Controller of Movement and Storage. Copies of these reports, including the Bill of Lading, are given to USAID.

C. "Port charges other than duty" are not applicable as the program is exempt from all such charges.

3. In-Country Storage and Transportation

Primary BDG storage facilities such as port silos, Central and Local Supply Depots are able to handle large grain supplies, again provided that grain imports are carefully scheduled so as not to occur simultaneously or during periods when the BDG is purchasing local grain. WFP closely monitors the in-country stock situation and advises grain importers on the favorable delivery times.

Storage of wheat in Union godowns near the project site generally does not present a problem as these stocks are released to site workers within a week or so after delivery from the Local Storage Depots.

The BDG has a fairly adequate rail and truck transport system for movement of commodity. Except in a few low lying areas for which transport is done by boat, most Upazilas are connected to major road or rail systems. To ensure that adequate wheat stocks are made available to the Upazilas before the project begins, CARE will notify the Ministry of Food of the

approved funding levels at least a month in advance of the implementation season.

In accord with the reimbursement system described above, the distributing agency, CARE, will not retain control of the wheat during transportation and storage. Control will be maintained *ex post facto* by the reimbursement system itself.

A Project Committee, constituted at the lowest level of self-government (Union Parishad) and headed by the elected Chairman of the Union, will be responsible for withdrawing wheat from Local Storage Depots, transporting the commodity to the project site and distributing it to the workers. The Chairman and Project Committee will distribute commodity at least every two weeks. The next level of local government (Upazila Parishad) and its Chairman will be responsible for releasing wheat and project related cash funds (for commodity transport and site administration) to Project Committees. Cash for the culvert and bridge construction will be released to project contractors by the local bank by cosignature of Upazilla Chairman and the Upazila executive officer.

The Government of Bangladesh, via the Directorate of Relief and Rehabilitation, is responsible for clearing all commodity shipments from port, for transport and storage of the wheat up to final distribution points. Under the "reimbursement" system in effect for the Title II program, the BDG is responsible for covering any and all internal losses of commodity.

The World Food Program and the Government itself also support Food for Work programs. To avoid duplication WFP and CARE work in separate districts. The BDG works exclusively in two districts on the eastern border and also supports small projects in the WFP and CARE areas. All three programs closely coordinate and share projects lists to ensure that duplicate funding of projects does not occur. Program formats, procedures, wage rates and implementation schedules are the same for the three programs.

Upon arrival in-country, the Government of Bangladesh receives title to the amount of commodity as shown on the Bill of Lading and as verified by an independent surveyor, employed by CARE, at time of offloading. The amount of Title II commodity actually committed for utilization in any given program year is only the amount which can be verified as having reached the intended beneficiary in that same year. If the shipped amount exceeds the amount verified as received by the beneficiary, the excess is credited against the next year's program. Technically speaking, internal losses of Title II wheat do not occur. All losses are automatically covered by BDG commodity.

USAID Monitoring

USAID's major monitoring responsibility is to ensure that:

(a) the program meets the accountability requirements governing PL 480 Title II programming as described in HB 9, Reg. 11; (b) the program meets the guidelines periodically issued by AID/W on Title II programming where applicable and the recommendations of the Inspector General; (c) the program is reaching its goals and purposes as set forth in the USAID CIDSS, PID, and PP. Monitoring will be undertaken by a review of all documents issued by any of the other two participants, data gathered by field visits of CARE and the BDG, and field visits by AID staff. Findings of AID will be presented at joint implementation meeting where project problems will be reviewed.

The project requires monitoring on two major components, earthworks and structures. AID will focus its monitoring on the following areas.

A. Implementation - USAID will review copies of CARE monitoring reports which indicate wages paid, work accomplished and note outstanding problems. These reports, Form 10's, serve as guides for assessing program progress during the construction season. The individual reports are supplemented by a monthly summary wherein findings are consolidated on a district and national basis. These monitoring visits of CARE form the basis of commodity accountability.

B. Project Achievement - USAID will monitor reports from CARE and the BDG on project achievements in terms of total man-days of employment created and miles of roads and canals reconstructed. These final assessments determine if the program is achieving its purposes and, as a consequence, if there is a need for USAID management decisions on future program allocations and/or policy change.

C. Evaluation - In coordination with CARE and the BDG USAID will design the program's external evaluation to determine if the program is achieving its goals. It is expected the evaluation function will be carried on during implementation and the data generated will flow to the contractor and program management in a routine sustained manner which USAID will monitor.

USAID will also monitor the structures program which forms a complement to FFW. As in earthworks, USAID will monitor CARE reports and conduct field visits to ensure there is adequate resource accountability, implementation is conducted in accordance with AID regulations and appropriate guidelines, and that the activity contributes to goal achievements.

For the structures component PSC contractor and three FSN staff will bear major responsibility for USAID's oversight. They will evaluate the PL-480 Title II section 206/202 activities that will (a) utilize the services of local Architect and Engineering firms to perform design and supervision activities for appurtenant structures on Food for Work roads, (b) will monitor the progress of the phase of the Local Government Program through CARE, (c) will act as the liaison between CARE, USAID, and Director General (DG), Relief and Rehabilitation Division.

In order to accomplish the above, the PSC and his staff is expected to perform the following tasks:

- 1) Review various progress reports submitted by Architect and Engineering (A/E) Firms during the planning and construction phase.
- 2) Review procedures employed by the various A/E Firms in collecting the required data in such areas as soil conditions, high water level, drainage area and roadway data for appropriate site adaptation during the design phase.
- 3) Review of the entire tendering process from development of the tender package (designs, specifications and contracts) through advertisement and bid analysis to the final process of contract award. The PSC will pay particular attention to relationships between the A/E Firm and Upazila officials as well as officials in the Ministry of Food (MOF). He records the various difficulties encountered in the tendering process and the solutions applied to overcoming these problems.
- 4) Review the status of the construction through regular site visits; reviews the contract files maintained by A/E Firms in the field and monitors the progress of the project through discussions with the Upazila/Technical staff and other concerned UZ officials. The site visits include a review of the technical aspects of the construction such as quality of the work as well as review of the degree and intensity of supervision. Also during the implementation stages of the project, the PSC Contractor is expected to observe the approaches used by the A/E Firms in solving problems of a technical and administrative nature.
- 5) Performs site visits after the completion of construction in order to verify the completion of work and monitor the quality of the structures.
- 6) The Contractor will assist the D.G. during the planning stage of the next year's program. This will involve:
 - a) Assist in the preparation of the schedule of events and any necessary circulars.
 - b) Prequalifying A/E Firms to perform design and supervision services.
 - c) Final A/E selection: technical proposal evaluation and contract negotiation.
- 7) Is responsible for the review of the implementation of the CARE assisted component paying particular attention to:
 - a) The training effort to insure that the needs of the UZ staff are being addressed in the training program. He will review with CARE and the D.G. the proposed course outlines and materials. The Contractor will be expected to attend some of the courses to judge their effectiveness in meeting training objectives.
 - b) Review all CARE monitoring and status reports to identify major

trends that could be used during the future planning phase to improve project performance.

c) Visit the various CARE Unit Offices to review implementation progress in the Unit. The Contractor will review the files maintained at the CARE Unit offices and discuss any major issues that surfaced.

8) The Contractor will assist the D.G. and CARE during the planning stages of future year's programs. This will involve:

a) Participation in the drafting of all circulars related to planning and implementation.

b) Attend implementation meetings as required.

9) The contractor will supervise the USAID monitoring staff comprised of three Bangladeshi engineers. The Contractor will schedule field trips for this staff (making all necessary arrangements) and will review their field trip reports. It is anticipated that the Contractor will spend on the average about 50% of his time in the field to gain first hand knowledge of the field activities.

The PSC contractor is to submit written monthly progress reports to the USAID/Bangladesh Project Development and Engineering Division in 10 copies. These interim reports include the results of the information gathered from the field visits during the particular reporting period. The following topics are to be included in the interim reports:

(i) progress of work from both the technical and administrative standpoint; (ii) problems encountered; (iii) approaches used by the Bangladesh Government, CARE and the A/E Firms to resolve problems noted in the project; (iv) suggestions and recommendations on how the program might be improved.

The following are staff requirements for the project broken down by technical division.

1. The Food and Agriculture Division:

a. One full time and one part-time U.S. Direct Hire Position in the PL-480 program to coordinate project activity for both the earthwork and structures component.

b. Four FSN positions to meet program analysis and reporting requirements in the field and office.

2. Project Development and Engineering Division:

a. One part-time U.S. Direct Hire Engineer to provide technical assistance to the structures program.

b. One full time Personnel Services Contract position to be filled by

an engineer with responsibility for monitoring the structure program.

c. The PSC will be assisted by two FSN engineers with responsibility for field monitoring of the structures program.

USAID feels this staff level will be adequate to meet its monitoring responsibilities.

VI. Program Evaluation Plan

AID defines evaluation as the "retrospective measurement and analysis of the results of a development project." In summary, evaluation is to determine to what degree the inputs of the project are achieving the project goals. In FFW-III goals remain (a) to improve access within rural areas and (b) to provide relief to the rural poor during periods of high unemployment. To assess the degree to which the program is reaching these goals, it will be necessary to examine project purposes and targets as indicators of goal accomplishments. These indicators will relate to both implementation and the effect the project has on its human environment. The main thrust of the evaluation exercise will be a review of the results of the project's outputs, roads, on rural access in terms of the actual socio-economic impact the road has had on the communities it serves.

Project purposes are given in the PID as:

1. To upgrade the network of farm to market roads.
2. To provide employment and nutritional supplements to numbers of the rural poor.

There are a number of indicators that will be examined to determine if these purposes are being served. Each will be discussed in turn. Before proceeding, the evaluation needs of the program will be clearer if prior evaluations are discussed first.

Several important project evaluations have been conducted in the past. These have demonstrated that the project is reaching the intended beneficiaries, the rural poor, with the nutritional inputs prescribed. Further, the inputs are earned through the creation of substantive periods of employment during the peak unemployment season.

The first examination of the primary effect of the program was undertaken by the Institute of Nutrition and Food Science of Dhaka University in 1978. This review focused on the primary effects of the project, the beneficiary laborers and their families. Through worker interviews a graphic picture of the socio-economic conditions of these laborers emerged which confirmed the need for the project in terms of basic human needs. The major findings were as follows:

- a. Seventysix per cent of the laborers had no other job opportunities during this period of the year.
- b. Fiftyseven per cent of the laborers had no farm land; of those that did have land, the average size was 0.38 acres.
- c. The average annual cash income was \$135.00. However, sixtytwo per cent of FFW families earn less than Tk. 2,000 per year (\$80.00).
- d. Nineteen of all children of Food for Work families are severely malnourished; fortytwo per cent are moderately malnourished and thirtynine per cent are adequately nourished.

In summary this evaluation demonstrated that the beneficiaries being served were from the poorest sectors of society and were in grave need of employment and supplemental resources. USAID is satisfied on this point and does not plan any additional initiatives to study this during the project period.

A second review conducted by the same INFS attempted to study the project in terms of the productivity of the laborers, the actual span of employment being offered, and the marketing of crops. Its major finding was that labor productivity was much higher than originally thought. This, plus the finding that wage payments were being overreported led to a reform in the manner in which reimbursements to the BDG were being calculated. Further, an attempt was made to determine if in fact the completed road did foster the marketing of crops produced in the area being served. The conclusion was that it did. However, USAID will in future evaluations explore in greater depth this last point as the evidence is not hard. The subject of wage payments will be evaluated each project year as it is a major concern of project management. The relation of the wages paid out and the work accomplished determines if the beneficiary labor is being treated equitably and also determines the cost effectiveness of the program. This will be discussed further below.

A study of Women in FFW was conducted in 1980-81 and demonstrated the desperate need of large numbers of women who, through death or abandonment, were left without the support of a husband or a family. While women do not work on FFW projects in large numbers, although in theory there are projects set aside for them, the study did lead to the development of a women's maintenance program which will eventually be extended throughout the country. This program is funded outside FFW-III but will form a complement to it.

An evaluation in 1983 looked at the Pilot Program of Construction of Bridges and Culverts. This study reviewed a \$80,000 grant to thirteen newly created Upazilas, an upgraded sub-district that is the product of a major government thrust at decentralization, and a \$17,000 pilot in three Upazilas in Rangpur District. The report concluded that direct grants to sub-districts could be effectively managed by qualified local staff in terms of project design, construction supervision, and that established government procedures were adequate to contract and evaluate designs and costs. The assessment also noted that building bridges as a means of completing road segments was a valid development concept. The report recommended that the program could be improved by (a) continuing the practice of making direct grants to the sub-district; (b) providing more technical equipment to the sub-district in project supervision; (c) and encouraged the classification of rural roads by relative economic importance with a scheduled plan to construct bridges on the more important roads.

The last major study was completed also in 1983 and attempted to measure the impact of the completed road on the social and economic environment in the area the road served. The results were positive in a number of important areas. In addition, the methodology employed will serve as the basis for the principal evaluation activity planned for the FFW-III project.

The Abt study was the first major attempt to measure the development impact of FFW road and road/embankment projects. Such impact would be the ultimate determinant of, and justification for, widened access to rural communities, the primary project goal. Where such impact is substantial the project has achieved its goal and justified its cost. Where such impact is not substantial, the project has not justified the cost of its inputs. To determine why the project has not succeeded in reaching its goals then requires an examination of the roads selection criteria, construction, and/or the projects assumptions.

Selection of significant determinants of development impact was the second purpose of the study. Appropriate determinants would be those that may be directly attributed to the presence or absence of a road, such as the increased use of wheeled transportation and the corresponding reduction in travel time between points. This in turn may lead to easier marketing of local crops, more visits by health and family planning workers, etc.

The third intent was to provide a base for recommending criteria for design and implementation of FFW road projects that may result in positive development impact. The report made several important recommendations for project implementation.

1. Expand construction of bridges and culverts.
2. Target projects to areas with adequate maintenance funds.
3. Assign preference to project using development related criteria, such as links to educational or agricultural centers.
4. Construct alternative types of roads in high distress areas with sandy soil.
5. Coordinate site selection with other rural development programs such as rural electrification and family planning programs.

The study attempted to investigate the impact of the completed road on the economic and social life of the surrounding area, e.g., up to one half mile on either side of the road.

The study concluded that the completed roads improved local communication, reduced transportation costs, increased use of new farm technology, increased commercial activity, increased access to health services, increased use of family planning services, and increased primary school attendance.

It was originally planned that a major evaluation would be undertaken in 1987. However on reflection it is apparent that the conclusions drawn from such a review would not be available to management before the beginning of FY 89, the last year of FFW-III. This would not provide the data needed within a reasonable time frame to allow for any mid-term corrections that might be warranted. Further, the final Abt report itself suggested two follow-on studies in '84 and '86. Correspondence with the Asia Bureau suggested consideration of an evaluation system comprising several limited reviews over time rather than large expensive studies at

infrequent intervals. Lastly, the use of an approach that reviews impact by reviewing objective sources at regular intervals would yield more reliable data and make it available at an earlier time than the use of a single examination of a large number of variables. The use of periodic reviews of written records would also obviate the need to rely heavily on less reliable techniques such as subject recall. USAID now plans to evaluate project impact through the use of several limited studies over a period of two to four years during the project period rather than contracting for a large study in 1987 as originally planned.

The Abt study's methodology will be the basis for these reviews. In the original evaluation, eighteen Thanas were randomly selected from all Districts where CARE and USAID continue to support FFW activities. Excluding two large Districts where CARE has withdrawn, this sample represented about five per cent of the total number of Thanas.

In each Thana three roads were chosen for observation and data collection.

Site 1 was a randomly selected road built through CARE in 1979-80.

Site 2 was a 1981-82 CARE road.

Site 3 was a road site proposed to be reconstructed during the 1983-84 work season.

Roads three years old were selected because earlier studies had postulated that most development impact should appear after three years from completion. Also, the principle means of data collection, the personal interview, would be compromised by visiting older roads since fewer respondents would be expected to recall various socio-economic conditions existing more than three years prior to reconstruction.

Roads reconstructed in 1982, one year before the study, were also included as other studies have suggested that development impact diminishes over time as the physical conditions of the road deteriorates under the assumption of little or no maintenance. It might be assumed, therefore, that more favorable impact would be indicated for newer roads.

Finally, roads planned for reconstruction were chosen as comparison sites to approximate more closely the true baseline environment. More importantly, the data collected on these comparison sites could be used as baseline data for studies to be undertaken in FFW-III.

The contractor's evaluation team then visited the roads and interviewed a cross section of the population using a group of twenty respondents divided by profession, i.e., ten farmers, four businessmen, two Union chairmen, two primary school teachers, and two health workers. They also identified indicators of impact such as tubewells, rice mills, etc. Where available, they examined records relating to crop marketing and production.

There were a number of limitations noted in this approach. One was the biases of the respondents and the other the recall of the respondents as to conditions that existed two to four years in the past.

USAID intends to use the baseline data established for roads proposed

for the '83-'84 work season to re-examine selected areas of impact of greater interest to AID. Given the advantage of longitudinal perspective, findings will have greater validity than those established through respondent recall. Areas of major focus will be those which USAID has selected as its principal sectors for intervention, agricultural production, marketing, and family planning. Questions on program implementation that relate to impact will also be reviewed in greater depth. Special attention will be paid to bridging gaps, maintenance, and selection criteria.

While the impact studies will measure goal accomplishments in terms of greater access, an examination of project purposes and their indicators will assess the degree to which the project's implementation supports goal achievement. These purposes are to upgrade networks of farm to market roads and a limited number of canals by completing the necessary earthworks and the construction of bridges and culverts where needed. A secondary purpose is to provide employment to the rural poor during periods of high unemployment and scarce availability of food.

The normal monitoring function performed by CARE is designed to yield substantial data on those elements that determine accomplishments of project purposes.

1. The miles of rural roads constructed will be determined by measuring the work completed at the end of each work season. Determining the actual number of completed segments, e.g., those sectors of roads which have all cuts bridged and which join other completed arterial roads, will be more difficult. It will require the review of each road alignment after two to three years to determine if the structures proposed for that site have been completed and if there are any remaining gaps. This will be an important function of the impact review described above.

2. The actual numbers of workdays created and the total amount of wheat received by the workers will be determined by CARE. This calculation is done at the end of each work season and is based on the data collected by CARE during its 20% random surveys during the year and the post surveys at the end of the year in which the total quantity of work completed is related to the total wages received by the laborers. This is an especially sensitive issue as it determines how much grain will be reimbursed to the BDG from Title II stocks. However, it is also an important evaluation indicator as it reveals how well the project performed against planned targets, e.g., how much was completed in relation to the total approved.

It is planned to have Abt Associates design an approach that, in broad outline, would reflect the following:

Roads reviewed in 1983 as control or comparison sites will again be surveyed in 1985. The questionnaire format used by the original Abt study will be used again to determine if there have been any significant changes in the socio-economic indicators of the area since the road has been completed. A further review will be undertaken in 1986 or 1987 to provide a longitudinal view of both impact and road and structure wear. The process will be repeated on a sampling of roads proposed for construction in 1985 and 1986. The process can be continued indefinitely if the data generated indicates that additional reviews would be of value.

USAID does not foresee that this approach would be any more costly than a single complete study and, in all probability, would prove more economic. Once the techniques are established, and to some degree they already are, contractor involvement will be minimal. While initial data analysis might have to be done by the contractor in Washington, it may be found that subsequent analysis can be done in Bangladesh. One or two expatriate contractors would be needed in Dhaka to train host country teams but once trained, there would be little reason for extended U.S. personnel visits.

The structures component will be evaluated by the PSC contractor. While the number of structures under the CARE program may increase, they are limited to a certain size, e.g., up to 40 ft. in length. Recent experience has shown the Upazilas are capable of handling this type of structure; in the first year of full operations the CARE monitored structures were 90% completed. The second year of operation showed that the Upazilas opted to build a fewer number of large structures than many small ones. This limited the actual number of projects approved to about the same as the prior program year despite the fact the allocation per Upazila was approximately 26% larger. As allocations increase, USAID will be prepared to undertake a full scale evaluation of the structures program using an outside contractor. For the first one or two years of the project, however, it appears the PSC and his staff and CARE are adequate to evaluate the structures component.

ACTION:

AID

R 301125Z NOV 84
FM SECSTATE WASHDC
TO AMEMBASSY DHAKA 88
BT
UNCLAS STATE 353922

AIDAC

E.O. 12356: N/A

TAGS:

SUBJECT: FOOD FOR WORK III (388-0061)PID

REFS: A. STATE 334362, B. STATE 327688, C. DHAKA 07701

1. AA/ASIA HAS APPROVED THE BANGLADESH FOOD FOR WORK III (388-0061) PID. USAID/DHAKA MAY PROCEED WITH THE PROJECT PAPER AND PROJECT AUTHORIZATION.

2. REGARDING THE MONETIZATION ISSUE, MISSION IS AWARE THAT THE DCC SUBCOMMITTEE ON FOOD AID HAS APPROVED DOLS. 17 MILLION TITLE III ALLOCATION FOR BANGLADESH FROM THE FY 85 UNALLOCATED RESERVE TO HELP COVER FOOD NEEDS. DCC IS PREPARED TO CONSIDER ADDITIONAL FOOD REQUIREMENTS LATER IN YEAR IF SITUATION WARRANTS AND FUNDS ARE AVAILABLE. THIS AMOUNT WOULD SUPPORT THE FOOD FOR WORK III PROJECT FOR ABOUT THREE YEARS, DURING WHICH TIME USAID/DHAKA WOULD SEEK THE ADDITIONAL FUNDING NECESSARY.

3. BESIDES MODIFYING REFERENCES TO MONETIZATION, A REVISED PID SUBMITTED BY USAID/DHAKA DEPUTY DIRECTOR WILLIAM JOSLIN IN WASHINGTON ELIMINATED ABOUT DOLS 300,000 FOR CARE. IT ALSO REDUCES PROJECTED

FIVE-YEAR VOLUMES OF TITLE II FOOD AID FROM 720,000 MT TO 600,000 MT, WHICH IS CONSIDERED A MORE RELIABLE FIGURE FOR PLANNING PURPOSES.

4. WE REMAIN CONCERNED ABOUT MAINTENANCE OF FOOD FOR WORK ROADS ALONG WITH OTHER AID-ASSISTED ROADS IN BANGLADESH, AND ASK THAT THE PROJECT PAPER EXAMINE THIS ISSUE.

5. PROJECT PAPER SHOULD ADDRESS THE MONETIZATION/FUNDING SOURCE ISSUE WITH RESPECT TO THE APPURTENANT STRUCTURES IN LIGHT OF ANY FUTURE DCC SUBCOMMITTEE ALLOCATIONS AND THE IMPLICATIONS ON CONSTRUCTION TARGETS IN THE CASE OF ANY SHORTFALLS IN FUNDING LEVELS. SHULTZ

BT

#3922

REPLY DUE: 12/16
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11



PROJECT NO. 388-0061

5C(1) - COUNTRY CHECKLIST

Listed below are statutory criteria applicable generally to FAA Funds, and criteria applicable to individual fund sources: Development Assistance and Economic Support Fund.

A. GENERAL CRITERIA FOR COUNTRY ELIGIBILITY

1. FAA Sec. 481; FY 1985 Continuing Resolution Sec. 528. Has it been determined or certified to the Congress by the President that the government of the recipient country has failed to take adequate measures or steps to prevent narcotic and psychotropic drugs or other controlled substances (as listed in the schedules in section 202 of the Comprehensive Drug Abuse and Prevention Control Act of 1971) which are cultivated, produced or processed illicitly, in whole or in part, in such country or transported through such country, from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents or from entering the United States unlawfully? No.

2. FAA Section. 620(c). If assistance is to a government, is the government liable as debtor or unconditional guarantor on any debt to a U.S citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies and (b) the debt is not denied or contested by such government? No.

3. FAA Sec.620(e)(1). If assistance is to a government, has it (including government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities? No.

4. FAA Sec. 620(a), 620(f), 620(D); FY 1985 Continuing Resolution Secs. 512 and 513. Is recipient country a Communist country? Will assistance be provided to Angola, Cambodia, Cuba, Laos, Syria, Vietnam, Libya, or South Yemen? Will assistance be provided to Afghanistan or Mozambique without a waiver? No.
No.
N/A

5. FAA Sec. 620(j). Has the country permitted, or failed to take adequate measures to prevent, the damage or destruction by mob action of U.S. property? No
6. FAA Sec. 620(l). Has the country failed to enter into an agreement with OPIC? OPIC Agreement signed ary 15, 1975.
7. FAA Sec. 620(o); Fishermen's Protective Act of 1967, as amended, Sec. 5. (a) Has the country seized, or imposed any penalty or sanction against, any U.S. fishing activities in international waters? (b) If so, has any deduction required by the Fishermen's Protective Act been made? a) No. b) N/A
8. FAA Sec. 620(q); FY 1985 Continuing Resolution Sec. 518. (a) Has the government of the recipient country been in default for more than six months on interest or principal of any AID loan to the country? (b) Has the country been in default for more than one year on interest or principal on any U.S. loan under a program for which the appropriation bill (or Continuing Resolution) appropriates funds? a) No. b) No.
9. FAA Sec. 620(s). If contemplated assistance is development loan or from Economic Support Fund, has the Administrator taken into account the amount of foreign exchange or other resources which the country has spent on military equipment? (Reference may be made to the annual "Taking into Consideration" memo: "Yes, taken into account by the Administrator at time of approval of Agency OYB." This approval by the Administrator of the Operational Year Budget can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.) N/A
10. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have they been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption? No. N/A

11. FAA Sec. 620(u). What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the AID Administrator in determining the current AID Operational Year Budget? (Reference may be made to the Taking into Consideration memo.) Not in arrears.
12. FAA Sec. 620A; FY 1985 Continuing Resolution Sec. 521. Has the country aided or abetted, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism? Has the country aided or abetted, by granting sanctuary from prosecution to, any individual or group which has committed a war crime? No.
No.
13. FAA Sec. 666. Does the country object, on the basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. who is present in such country to carry out economic development programs under the FAA? No.
14. FAA Secs. 669, 670. Has the country, after August 3, 1977, delivered or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards? Has it transferred a nuclear explosive device to a non-nuclear weapon state, or if such a state, either received or detonated a nuclear explosive device? (FAA Sec. 620E permits a special waiver of Sec. 669 for Pakistan.) No.
No.
15. ISDCA of 1981 Sec. 720. Was the country represented at the Meeting of Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Assembly of the U.N. of Sept. 25 and 28, 1981, and failed to disassociate itself from the communique issued? If so, has the President taken it into account? (Reference may be made to the Taking into Consideration memo.) No.
16. FY 1985 Continuing Resolution. If assistance is from the population functional account, does the country (or organization) include as part of its population planning programs involuntary abortions? N/A

17. FY 1985 Continuing Resolution Sec. 530.
Has the recipient country been determined by the President to have engaged in a consistent pattern of opposition to the foreign policy of the United States? No.

B. FUNDING SOURCE CRITERIA FOR COUNTRY ELIGIBILITY

1. Development Assistance Country Criteria.

FAA Sec. 116. Has the Department of State determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights? No.
If so, can it be demonstrated that contemplated assistance will directly benefit the needy? N/A

2. Economic Support Fund Country Criteria:

FAA Sec. 502B. Has it been determined that the country has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, has the country made such significant improvements in its human rights record that furnishing such assistance is in the national interest? N/A

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 b) Yes
REVIEWED FOR THIS PROJECT?

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;

(b) Is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that amount)?

(a) The FY 85 CP has this project listed both as a new project with narrative on page 35 and a budget table on page 32 with life-of-project funding of \$4,000,000 beginning in FY 85. Initial year's funding request is for \$800,000.

(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 fosters the private initiative of small, rural-based contractors in building bridges through the process of competitive bidding.
(c) N/A
(d) N/A
(e) It improves the technical efficiency of agriculture by increasing access of farms both to markets and improved agricultural inputs.
(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). The project promotes the involvement of a private voluntary agency, CARE, in the foreign assistance program by providing a grant which supports the administrative costs of CARE in monitoring the Food for Work project activities.
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 contribution will be \$2 million for local currency costs of the cooperating sponsor, and all costs for in-country transportation, storage, and handling of PL 480 commodities.
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) Yes
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

- (a) The rural poor are involved in this project as direct beneficiaries of employment and nutritional supplements as food for work. The rural poor also receive the secondary benefits of the project as the agricultural sector is improved through improved access to markets to markets and farm inputs. An improved agricultural sector results in greater employment opportunity for the rural poor.
- (b) N/A

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?

(c) This project encourages locally elected councils to participate in project development and implementation and thereby generate a sense of community self-help.

(d) Women are employed to provide permanent maintenance on the project and their status in society is improved by participation in this national development effort.

(e) N/A

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)?

Yes.

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.")

Baughladesh is "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.

This project promotes the growth of the agricultural sector through improved access to markets and modern agricultural inputs. Since agriculture is the most important economic activity in the country, this project addresses constraints to the fundamental economic activity for a majority of the population. This project promotes institutional development by legitimizing the role of locally elected councils in project selection and implementation. Local committees of elected and appointed members also participate in scheduling and reviewing projects activities. The capacity of local levels of government to manage the project are improved by a nation-wide training program of technical staff.

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

PROJECT NO. 388-0061

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? Ye
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? Ye
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? Ye
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
Agricultural commodities will be imported under P.L. 480.
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) N/A. Cooperating sponsors are normally selected on a grant basis.
- b) N/A
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 (2) Yes
- (3) Yes (3) Yes
- (4) 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(i). 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

43

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.

A. Program Rationale and Description

The Food for Work III program addresses two of the FY 86 CDSS program goals directly - expanding rural employment and increasing agricultural productivity. A brief discussion of the problems these goals address follows.

Rural Employment and Poverty: There is widespread and increasing rural unemployment and underemployment in the country. The root of this problem is found in the size, growth rate, and structure of the population. Bangladesh's population is approximately 98 million in 1985 with a density of now more than 1,700 per square mile, making it the most densely populated agrarian country in the world. The growth rate is 2.5 per cent per annum, and about 1 million new entrants are added to the labor market each year. Given the 1980 age structure of the population, with 45 per cent of the people under the age of 15, birth control programs will have negligible impact on the number of entrants to the labor market before 2000. Projections by the World Bank indicate that in the next twenty years 25 million will be added to the existing work force and this represents an 87 per cent increase in the total number of workers.

FY 80 World Bank estimates are that the unemployment equivalency rate was 23 per cent of a work force of 29 million in 1980 and 33 million in 1985. Workers often find part time employment so open unemployment is fairly low. If, however, the agricultural wage rate is used as an index of unemployment, real wages for agricultural laborers have been declining steadily. In FY 81 real wages were 87 per cent of FY 74 levels, 77 per cent of FY 70 levels, and only 64 per cent of FY 64 levels.

Poverty: A continuing gap between a rapidly growing labor force and limited job opportunities will define Bangladesh's poverty problem for years to come. Poverty is endemic in the country. The infant mortality rate is around 135 per 1000 live births. Life expectancy at birth is about 50 years. Less than a quarter of the people can read. Malnutrition is widespread and hunger is common. Widely accepted data indicate that both the number and proportion of poor people increased sharply during the decade ending in the middle-to-late 1970s. For example, the 1975-76 Nutrition Survey of Rural Bangladesh revealed that only 41 per cent of rural households met 100 per cent of the minimum daily requirement for calories in 1975-76. According to recently released data, the 1981-82 Nutrition Survey revealed a further worsening to only 24 per cent of rural households. The proportion of people falling below a nutritionally defined poverty line may be increasing. However, the evidence is mixed. Some gross indicators (e.g. GDP per capita) suggest a modest increase in average income and a halt to the worsening in the distribution of income. In any event, the number of poor people living in Bangladesh continues to rise.

There are innumerable social and economic development sectors that need assistance to address these problems. Those of importance which this program address are:

1. Improving Agricultural Productivity: Farm productivity in

Bangladesh is low in part because of a strong reliance on traditional technologies and cultural practices. Farmers lack both the knowledge of, and access to, modern technologies, inputs and institutional credit, and since most Bangladeshis are engaged in agriculture, this low level of farm productivity is one of the major contributing factors to the country's poverty.

2. Need to Develop and Upgrade the Rural Infrastructure: An inadequate rural infrastructure for transportation hinders the dissemination of new ideas, technologies and market development in the rural areas. A rural road system is necessary to modernize agriculture and improve the distribution of services. While Bangladesh has 3000 miles of paved roads and 25,000 miles of major unsurfaced roads, most villages lack year-round, all-weather access roads linking them to other road networks. The earthen road network is also often cut by rivers and canals because of the deltaic, low lying nature of the topography. The Bangladesh Government has inadequate resources to apply to a widespread construction program to build bridges and culverts over these roads. The need for substantial resources to build bridges and culverts was documented in a CARE survey during 1983-84 in which 1137 road projects were surveyed and there was a need for 5171 structures. On an average one structure was required for every 1.2 miles of roadway in order to make the road accessible to wheeled traffic and permit critical irrigation and drainage.

3. The Need to Upgrade Technical and Institutional Capability at the Sub-District (Upazila): The upgrading of rural roads and construction of bridges requires advanced technical and management capabilities. The Sub-District is the implementing authority for the project and the level of technical expertise and management needs strengthening at this level of government. Improvement in areas of project planning, scheduling and implementation are particularly evident.

The Food for Work III Project conforms in a number of areas to strategies for development outlined by the Bangladesh Government (BDG). The BDG has proposed a Five-Year Plan for 1985-89 in which the cornerstone of the strategy is to achieve a goal of visible and significant improvement in the material life of the people by providing gainful, productive employment. Given the unacceptably high unemployment equivalency rates of 23 per cent, the BDG's ultimate goal is to reduce unemployment to 9.5 per cent by the year 2000.

The focus of the government's program is development programs centered at the Upazila (Sub-District) level through a policy of administrative decentralization and scheduling of local elections. The philosophy underlining the Third Five-Year Plan is the accommodation of local level planning into a national policy with the view to harnessing local resources to the national development effort and encouraging a spirit of self-reliance. Twenty per cent of development resources from the Annual Development Plan will be made available to Sub-Districts for local programming by 1990. The aim is to increase opportunities for productive employment in the rural areas through the organization of local productive forces, local institutions and increasing accessibility of public resources to Sub-District authorities. This policy seeks to upgrade local institutions and integrate them into the development process and also increase the availability and control of resources by the people through

institutions at the Sub-District level.

The BDG has set a goal of providing each Sub-District with an access road to a larger network in order to make possible an increase in the exchange of goods and services at a regional level. Upgrading the existing road network and building bridges and culverts is the basis of this goal.

The means of achieving the objectives described above is centered on the reconstruction of the existing network of rural roads and foot-paths. To meet the objective of upgrading rural roads, AID will provide wheat to the BDG under PL 480, Title II to compensate laborers for earthwork construction. For the bridges and culverts, the balance of funds remaining from two prior emergency grants, approximately seven million dollars, plus the proceeds from an emergency Title III grant of seventeen million dollars, will be applied to the construction effort. Additional funding sources for the FY'87-'89 period will have to be identified in the near future. The goal of providing relief to the rural poor during months of high unemployment will be achieved under Food for Work by providing employment and nutritional supplements through Food for Work. The earthwork and bridge construction activities are monitored by the voluntary agency CARE, and this project provides a grant to CARE to support the administrative and staff costs used in the monitoring of FFW.

GOAL: To improve access within rural areas of Bangladesh and to provide relief to the rural poor during periods of high seasonal unemployment and food scarcity.

This goal is a general statement of the overall objective of the FFW III Program. The more concrete objective in meeting this goal is stated in the project purpose.

PURPOSE: To upgrade farm-to-market roads and a limited number of canals by completing the necessary earthwork and constructing bridges where necessary. The secondary purpose of the FFW III project is to provide employment to the rural poor during periods of high unemployment and scarce availability of food.

The upgrading of roads and construction of bridges is designed to increase access and communication in the rural areas and thereby improve the capability to market agricultural produce and purchase modern agricultural inputs and services.

OUTPUTS: This project provides a grant to support staff in monitoring and evaluating the following project outputs:

(a) Each year one thousand farm-to-market roads, representing approximately 6000 miles of roadway, are upgraded. Over the five year life of project, 5000 roads representing about 30,000 miles of road will be upgraded. The project will build from 750 up to 3,300 bridges each year.

(b) An in-service, two-day training course is presented to 1600 Sub-District officers each year. The trainees are field personnel involved in the planning and implementation of the project. The training component of FFW III is designed to improve the capability of Sub-District officials in

project design and execution so that maximum benefit can be derived from the program. The project complements the government's process of decentralization and seeks to increase the effectiveness of the process with trained personnel.

INPUTS:

(1) A Description of the Nature and Scope of Inputs to be Provided:

(a) A dollar-funded grant of \$6.9 million to CARE to meet administrative and staff costs in monitoring and evaluating the project. A portion of local currency administrative costs will also be funded under the grant.

(b) A grant of \$1.99 million to fund the costs of one AID expatriate Personal Services Contract (PSC) engineer and a staff of three local engineers involved in monitoring a portion of the bridge construction. The grant will also be used to purchase three field vehicles to be assigned to the PSC and his engineering staff. The grant will also be used to support three evaluations of the project and provide support for pilot activities.

(c) The Bangladesh Government provides support to the project in two ways:

(1) A grant to CARE of \$1.84 million to meet a portion of CARE's local administrative costs.

(2) Costs associated with in-country transportation, storage and handling of wheat. The BDG also accepts the cost of foodgrain loss in the system. The cost of non-reimbursed foodgrain in the project is borne by the BDG.

(d) Each year up to 830,000 FFW laborers receive a food supplement for themselves and their 4.2 million family members. Up to 120,000 MT of wheat is distributed as a wage for earthwork performed on rural roads. Approximately 25.7 million man-days of employment is generated annually under FFW. The direct beneficiaries of the project are poor, unemployed, rural laborers who rely on the food and employment during the lean dry months of January - May. In the following section is a summary of the amount of wheat requested for the Food for Work III Project.

Project Units and Sites: Food for Work road and bridge construction will take place throughout rural Bangladesh. The maximum number of roads and bridges expected to be implemented under the project follows:

EARTHWORKS

Year	Amount Requested Under AER	Range of Wheat for Earthwork Construction (Includes 10% Cash for Work)	Number of Roads/Canals
FY 85 to 89	120,000 MT Annually	70,000-120,000 MT	1,000 Projects or 6,000 miles of roads per year.
TOTALS:	600,000 MT	350,000-600,000 MT	5000 Projects or 30,000 miles of roads for the project period.

NUMBERS OF STRUCTURES TO BE CONSTRUCTED UNDER FFW III

Year	No. of Structures	Total Value of Structures
FY 85	Up to 851	\$7.2 million (Includes A&E costs from FY 84)
FY 86	" 2,000	9.5 million
FY 87	" 2,200	10.0 million
FY 88	" 2,400	10.8 million
FY 89	" 2,600	11.5 million
TOTALS:	" 10,051	49.0 million

Project Participants and responsibilities for project execution: Direct project beneficiaries include the functionally landless and unemployed poor during periods of food shortage. Approximately 830,000 are recipients of the food and employment under Food for Work. An additional 4.2 million family members benefit from the food. Other beneficiaries of the project include small farmers and landholders with property adjacent to the upgraded roads. The roads provide access by which agricultural produce is marketed. The road also makes it possible to introduce modern farming technologies to rural areas which were previously inaccessible. Important government services in the areas of education, health, and population control have also been found to increase in locales made accessible by FFW roads. The data from an Abt Associates study on the developmental determinants of FFW roads indicated that increased commercial activity occurred along FFW roads and evidence was found to link improved flood control to the project. Expected longer-term benefits from the project include increased agricultural production, increased employment opportunities and an overall increase in economic activity.

The beneficiaries of the project participate in project design in a number of ways. The role of the direct beneficiaries, the unemployed rural worker who derives food and employment from the project, differs from that of the secondary beneficiary, the landowning farmer in the vicinity. The direct beneficiary is usually organized into a gang of 20 and his participation in the project is in the form of a contribution of labor in road building activities. Those who participate in the building of small bridges and culverts are local contractors who rely on laborers drawn from the area. The building of bridges provides additional economic benefits to the area, particularly to those involved in the sale of building material. Local brick makers, producers of steel rods, and those selling sand receive benefits from the project in the form of increased sales for bridge construction.

The indirect beneficiaries play a more participatory role in project design and implementation. During the selection process, projects are submitted to the Sub District Council for approval by Union Chairmen, elected officials from the village level. These officials are chairmen of Union Councils, the lowest level of public administration. These councils generally represent the interests of the local farmers who own some land. The secondary benefits of the project in the form of increased access to markets, agricultural inputs, and services accrue to this local elite. A Project Implementation Committee, composed of the Union Chairmen and selected local elite, participate in the project as the primary organizers during implementation. This Committee takes responsibility for recruiting laborers, lifting wheat from the warehouse, and making wheat payments to laborers. This Committee maintains records of wheat distribution and the muster roll of workers. The Committee may be also intimately involved in implementing small culvert construction projects when contractors are not used.

The roles and responsibilities for program execution are shared between three separate organizations -- the BDG, CARE, and AID. The varied roles and responsibilities in project execution are described below:

The Bangladesh Government (BDG): The BDG has overall responsibility for project planning, design, and execution. (A) At the national level the BDG is responsible for issuing directives and instructions on project implementation and formulating general policies for the project. The BDG is also responsible at the national level for establishing allocation targets for each Sub District. Grain handling, storage and distribution is done through the BDG's foodgrain distribution system. Title to foodgrain is passed to the BDG at the ports of entry. (B) At the Sub-District level, earthwork and bridge projects are designed by the technical staff. The locally-elected councils at the Sub District approve projects and sanction the release of wheat and funds to the PIC's and contractors. The Sub District executive is responsible for advertising for contractors, awarding contracts and supervising the implementation of work of the structures program. Responsibility for maintenance of adequate technical standards in project implementation is given to Sub District officials. (C) The administrative structures of government below the Sub District are Unions and Wards. The Union Chairman, a locally-elected official, heads the Project Implementation Committee (PIC) which is responsible for organizing adequate labor gangs for earthwork construction. The PIC transports wheat

from local storage depots to the project site and distributes the grain to laborers. The PIC maintains daily records on labor participation and wheat distribution. Besides project execution, the BDG's other contribution to the project is to provide a grant to CARE to meet some of the local administrative costs in the project.

CARE: The cooperating sponsor of the project is the voluntary agency CARE. CARE's overall responsibility is to monitor the use of PL 480, Title II commodity in accordance with AID Regulation 11. CARE provides technical support to the project, monitors the progress of work, and provides regular reports to the BDG and AID on the progress of work. CARE maintains a staff of over 250, dispersed throughout the country to 6 regional offices, to monitor the FFW project.

AID: AID's role in the project is to formulate general policy guidelines on the project in cooperation with the BDG and CARE. AID takes part in the development and issuance of government directives and circulars. AID also participates in periodic reviews of the project with CARE and the BDG as project manager, monitors the use of grants in the administration of the project. AID sets evaluation schedules and coordinates outside evaluations of the project. AID prepares necessary documentation in requesting grant funding to the project and approves requests for food under PL 480, Title II. The AID staff undertakes field visits to review the progress of work and other project-related activities such as shipping and transport of wheat.

Within the last two years AID has formed an engineering staff which has the responsibility of monitoring the technical aspects of bridge construction.

Program History:

Up to FY 85 there has been eight years of FFW project history in Bangladesh. Under both phases of the project (FFW I and II) approximately 11,709 projects have been implemented and 697,500 MT of wheat has been reimbursed for earthworks. Table 1 summarizes the number of projects implemented since the inception of the program, the total number of man-days of work created and a summary of the amount of wheat distributed in the program. The first phase of the project ended in 1980 after four cycles of dry-season work and one rainy-season pilot. A follow-on project, FFW II, commenced in 1980 with a life-of-project funding of 5 years. The second phase placed greater emphasis on increased technical standards in design and implementation. To assist the BDG in improving the technical aspects of the project, an earthwork manual was printed as an aid to field implementors. AID also printed a companion manual on construction of small bridge, culverts and sluices which is being used in the training and execution of the structures project.

The integration of bridge construction into the project as an essential development, took place in 1982 when AID concluded an agreement with the BDG to provide a Title II sales program under Section 206 for 75,000 MT of wheat which provided local currencies equivalent to \$10.475 million to the project. A second monetization agreement was concluded in 1983 for 100,000 MT of wheat and local currencies equivalent to \$14.763 million were reserved for constructing bridges and culverts on FFW roads

and for agricultural research. Given the nature of Bangladesh's topography as a deltaic, riverine country, the essential element of any road improvement effort must include bridges and culverts.

In FY 83-84 under two pilot programs, approximately 250 bridges and culverts were built using a budget of \$1.3 million. In one pilot direct grants of \$64,000 were extended to 13 Sub Districts and under the second pilot CARE monitored the construction of bridges in 3 Sub Districts of Rangpur. An evaluation report of the pilots concluded that direct grants to the Sub District could be effectively managed by local technical staff at the design stage and that constant supervision was a critical factor in successful implementation. Technically-qualified supervisory staff was present at the Sub Districts selected for the pilot. The report concluded that established government procedures were adequate to contract and evaluate designs and costs and the report concluded that the completion of bridges met important development needs in the project. The report recommended that the program should continue the procedure of making direct grants to the Sub Districts, provide more technical equipment to the project supervisors, and develop multi-year schedules and priorities for the construction effort.

In FY 84 construction activities were expanded in scope and budget. Three separate construction activities were initiated to include constructing bridges with spans in excess of 40' using private consultancy services of architect and engineering firms, a continuation and expansion of direct grants to 49 Sub Districts, and the expansion of the program by CARE. Total budgetary allocations for the three components was \$6.7 million involving a total of 964 structures. There is a balance of \$7.4 million from the two monetization agreements at the end of FY 85 which will be fully utilized for construction of bridges by the end of FY 87.

In addition to the sizable USAID-supported Food for Work project in Bangladesh, the World Food Program with annual increments of 160,000 MT of wheat, and the BDG also support FFW activities. These resources are applied to the reconstruction of rural infrastructure — roads and embankments. The sum of FFW activities in Bangladesh is extensive and AID's project represents only about one-third of the total resource in FFW.

Table 1

CARE SUPPORTED PROJECTS: FY-1976 TO FY-1984

Fiscal Year	No. of CARE Projects	Total Wheat Reimbursed (MT)	Total Cft of Earth-work (Million Cft)	Total Work Years ^{3/} Created (000)
FY-76	552	42,811	1,071	48,682
FY-77	1,160	66,204	1,531	69,59
FY-78	1,020	85,991	1,888	85,818
FY-79	1,158	94,884	2,072	94.182
^{2/} FY-80	913	91,290	2,068	94.000
^{2/} FY-81	1,027	88,064	2,234	101.545
FY-82	936	65,799	1,833	83.318
FY-83	1,200	71,061	1,819	82.68
FY-84	1,152	74,096	1,819	82.70
TOTAL	9,118	680,200	16,335	742,515
-----1/-----				
RAINY				
SEASON	2,591	17,337	0	30

TOTALS				
INCLUDED-	11,709	697,537	16,335	773.255
ING				
FY1984				

1. A series of pilot FFW schemes were undertaken during the FY-1977 rainy season. These were non-earthmoving activities and CARE was thus not able to measure output. Therefore, reimbursement equalled 100% of offtakes.
2. Includes deduction of 22,025 MT as per Audit Recommendation on FY-1980 and 1981. Thus Docking Percentages etc. have been revised to reflect adjustment.
3. Assume 100 cft. moved per manday and 220 workdays per work year.

Table II

BUDGETED COSTS AGAINST 206/202 GENERATIONS

I SALES PROCEEDS SEC. 206	TK. 261,435,053	\$10,457,402
202	369,093,392	14,763,735
TOTAL	630,528,445	25,221,137
II USES		
A. 1983		
1. STRUCTURES		
a. 16 Lac (13 Uz.)	20,800,000	832,000
b. 3 Lac (5 Uz.)	428,575	17,143
2. Upazila Equip.	11,708,510	468,340
TOTAL	32,937,085	1,317,483
B. 1984		
1. STRUCTURES		
a. CARE Reg. (578)	62,108,591	2,484,344
b. 10 Lac		
i. CARE (177)	27,505,475	1,100,219
ii. Non CARE (101)	17,641,690	705,668
c. 20 Lac		
i. Structures (108)	52,088,977	2,083,559
ii. A&E Costs	7,000,000	280,000
2. TRAINING	861,902	34,476
TOTAL 84	167,206,635	6,688,266
C. AG. RESEARCH	110,728,018	4,429,121
D. FY 85		
1. STRUCTURES		
CARE (745)	133,140,000	5,325,600
2. POST MONSOON REHAB.	563,200	22,528
TOTAL '85	133,703,200	5,348,128
TOTAL OF I	630,528,445	25,221,137
LESS TOTAL OF II	(444,574,938)	(17,782,996)
BALANCE	185,953,507	7,438,139

Balances do not reflect estimated carry-in from savings in implementation or increases authorized for individual projects during the program years. For example, the budgets for CARE regular structures in FY 84 and 85 contain a 15% reserve which it is estimated to be largely unspent. This could add up to Tk 30 million (\$1.2 million) to the balances.

E. Program Analyses

i. Technical Analysis

The rural transport infrastructure as it exists in Bangladesh today is inadequate to provide sufficient access for agriculture inputs and health services, and egress for locally produced goods. To address this unmet transport need, the Project will provide a means of assisting the BDG in implementing a Title II Program to construct earth roads and embankments and a Title III Program to provide funds for the construction of bridges and culverts on FFW roads.

A. Earthworks Component

The earthworks aspect of the program will build on the experience gained in implementing the two previous Projects (Food For Work I & II). Technically, the basic approach adopted for conducting a Project of this nature is appropriate. The methodology employed capitalizes on the abundant labor resource during construction and the availability of borrow material along the alignments.

The process begins with the allocations of wheat to each Upazila (UZ) by the BDG. The allocations do not dictate the size (maximum or minimum) of each scheme, but there is an overall total number of schemes that can be submitted for that year. The scheme selection is performed by the Upazila using the projects contained in the Upazila Plan Book as a basis for their selection. This identification process draws upon the collective thinking of the Upazila officials involved in the Plan Book development. The UZ technical staff and in particular the Upazila Relief and Rehabilitation Officer (UZRPO), prepare the individual scheme Proforma that includes a calculation for the volume of earth to be moved over the entire length of road, and the corresponding amount of wheat required as wages. Thus, one technical level of expertise at the UZ level is involved in scheme preparation.

CARE receives the Proforma and does a presurvey (a basic road survey is performed to verify adherence to selection criteria, environmental effects, design criteria and quantities) with the UZ staff for each and every scheme. The result of these two actions is the final design and allocation per scheme. The UZ technical staff with the assistance of the CARE engineers have the technical ability and skills to perform all of the design work. Primarily, the roads or embankments selected are existing alignments that are being upgraded. Little to no realigning occurs because there is virtually no resource available at the UZ to procure a new right of way. Therefore, the earthwork effort is concentrated on the existing road/embankment bed. Also, it should be pointed out that the type of traffic anticipated will primarily be pedestrian, rickshaw, bullock carts and an occasional jeep type vehicle. This basic traffic type does not require that sophisticated design criteria be considered and the UZ technical staff, during design stage, is usually only concerned with such factors as: road height; crest width; and the slope of the shoulders.

The earthwork activity is truly labor intensive in that gangs of labor move earth from roadside borrow pits to the road bed. The members of the gangs divide the tasks of digging and hauling amongst themselves depending on the proximity of the borrow pit to the road bed, i.e. in those cases where the pit is located a few meters from the road, the ratio of the number of people digging to the number of people carrying is high and vice versa for those pits that are a greater distance away.

As the program exists, no compaction is being performed. The earth is simply placed on the alignments in lifts of 45-100 cm. The value of introducing some form of compaction into the construction process has been identified as a means of upgrading quality of work. During the course of this Project, another look will be taken at innovative mechanisms to achieve a certain degree of consolidation. Experiments will be tried using various compaction devices (i.e. hard tampers push-pull type rollers etc.) to consolidate the fill, thereby improving the quality of the finished product.

To preserve the road profile after the earth fill operation has been completed, shaping of the surface is performed. This involves the breaking up of the large clods in the top lift and shaping this layer with a 6% camber. This activity provides a means of shedding most of the monsoon rain water to minimize the amount of moisture that enters the new fill, thus reducing its susceptibility to failure. The introduction of an improved road bed will reduce the rate of deterioration of the fill and decrease maintenance investment requirements.

CARE and the UZ technical staff monitor the work to ensure adherence to designs as well as checking on payments to laborers. It should be remembered that this type of earthwork activity is not foreign to the labor force in rural Bangladesh, this and other similar types programs have been implemented in Bangladesh for a number of years. As was stated earlier, the design criteria are elementary and do not require any sophisticated surveying equipment to lay out or maintain the roadway profile. Benchmarks or reference points are placed along the alignment as a guidance for the labor gangs as to the height of the finished road surface. Likewise, these benchmarks assist the monitors in determining overall payments for the volume of earth moved.

The weather pattern in Bangladesh has distinct wet (monsoon) and dry seasons. The physical earthworks activity occurs during the dry season to best utilize the available resources - labor and borrow material. During the dry season agriculture is at its most inactive state throughout most of the country freeing labor for other activities. The earthworks program provides needed employment opportunities to the landless poor during a period of the year when other forms of employment are difficult to find to nonexistent. The borrow material is also readily available because there are, for the most part, no standing crops in the fields. A layer of earth (usually 25-50 cm deep) is removed from the land on either side of the alignment and placed on the road bed as fill material. The borrow activity in general avoids massive deep cuts because the material is donated by the land owners and they are willing to contribute as long as

the borrow activity doesn't take the land permanently out of productive use which would be the case of very deep borrow pits were they close to the road. Finally, because of the type of soil found throughout most of Bangladesh, the dry season is the most appropriate period to move earth. The soil is clay or silty clay which is best placed on the road bed when the moisture content is relatively low. The higher the percentage of moisture in the soil the more susceptible the soil is to swelling and becoming slippery. Under this condition the earth is difficult to handle both in the borrow and newly filled areas.

B. Bridge and Culvert Component.

The construction of bridges and culverts on Food For Work (FFW) roads utilizing Title II resources began during the 1982/83 work season. The FFW program over the years has constructed or reconstructed approximately 54,000 km of roads throughout Bangladesh. As the purpose of the FFW began to move from a relief activity to a more development oriented effort, the need to complete the road by providing bridges and culverts for the major gaps became evident. Also it was during this period that the BDG was moving forward with its decentralization effort, focussing on the Upazila as the primary local government body. The BDG recognized the requirement to upgrade the technical skill level at the Upazila and in particular, the need to place more engineering expertise there to move along their development efforts.

The initial involvement by USAID and the MOF was to conduct three Pilot bridge and culvert construction activities to test a variety of mechanisms for managing and implementing the program. In brief the particulars of the three Pilots were:

1. Direct allocations to thirteen Upazilas for the construction of bridges and culverts utilizing the procedures established under the Rural Works Programme, Ministry of Local Government (MLG).
2. A CARE managed Pilot in three Upazilas employing a number of administrative and implementing alternatives such as: (a) contractor built vs, Project Committee built structures; (b) Upazila controlled accounts or CARE controlled; and (c) a small local contribution to no contribution.
3. An Architect and Engineer (A/E) Pilot employing local A/E firms to design bridges and supervise the construction in twenty five Upazilas. This pilot complies with the MLG requirement that for bridges with lengths in excess of forty feet, a consultant must be engaged for the design work.

An independent evaluation of the first two Pilot activities by Dan Hallett entitled "Construction of Appurtenant Structures on Food For Work Roads" dated 28 August 1983 confirmed our belief that the Upazila level of government has the capability to design small bridges and culverts, and that local contractors can build the types of structures designed.

Building on the results of these two pilots and the experience gained in the expanded program during the 83/84 season, increased involvement is planned in the coming years. CARE, since the 83/84 season, has taken on a greater role in the implementation of the structures activities is not only design and monitoring, but also in the area of the training of UZ staff.

USAID and the MOF have decided that under the future Title III Program, limited allocations (Tk. 4-5 lakh) will be made only to those Upazilas in the areas in which CARE has an on going earthworks program. This allocation will be for the construction of bridges and culverts with lengths of less than thirty feet. The technical capability of the CARE staff has been upgraded with the addition of two expatriate technical consultants, six graduate level Bangladeshi engineers (one assigned to each of the unit offices) and four graduate Bangladeshi engineers to conduct the training. Also, a number of diploma engineers have been added to each of the CARE unit offices to work on this program. This increased in-house technical capability provides CARE with the means to monitor all aspects of the program. This includes; (a) Upazila staff training; (b) presurvey assistance to the Upazila; (c) structure design review and any modifications that may be required; (d) construction monitoring during the season to assist the Upazila staff in identifying potential problems; and (e) post survey of all of the structures included in the program. The primary objective of the intensive involvement of CARE in the program is to improve the technical and administrative capabilities of the Upazila in handling a bridge and culvert construction effort. As the technical capacity of the UZ staff is upgraded, they will be better to any prepared to handle other pucca construction activities planned by the Upazila.

As was stated earlier, the ongoing program will build on the experience gained from the Pilots and the 83/84 season. It was recognized early on that though the technical capacity of the Upazila staff to design bridges and culverts exists, there is a need to strengthen their scheme preparation skills through a series of annual refresher training courses. The first cycle stressed the various aspects of design work from the initial site visit for data collection thru selection of the appropriate type of structure to final design of the bridge or culvert. The second and subsequent cycles will address these and other training needs identified during the implementation of the annual construction program (i.e. more emphasis on construction supervision, manpower utilization, planning etc.).

To minimize the need for the Upazila staff to become too involved with the minute particulars of design, the program will utilize the MLG's Design Manual for the Construction of Culverts, Small Bridges and Sluices (Design Manual) and any subsequent revisions, as the basis for structure designs. CARE has developed a series of cost effective concrete abutment designs, that have been approved by the MLG, to be field tested during the course of this Project. The designs in the Design Manual are limited in types of structures and dimensions of these structures and on going revisions of the Design Manual are focussing on diversifying the design types, materials used and format of the manual. With the increased skill level of the Upazila staff as a result of the training and the revised Design Manual as a reference, the Upazila will be better prepared to implement bridge and culvert construction activities.

The second component of the bridge and culvert construction program will be for the Relief and Rehabilitation Division through the Director General (DG) to engage local Architect and Engineering (A/E) firms for design and construction supervision. As was stated earlier, the MLG regulations require a consultant (A/E) to be employed for the design of bridges with lengths in excess of thirty feet or in areas with known difficult soil conditions. The need for such structures on rural roads is

fairly large and historically a resource scarcity has made it difficult to impossible to built these structures at the Upazila. The Title II Program will address the resource issue by providing funding at a level sufficiently large to partially meet these needs and the utilization of A/E firms for design will comply with established MLG guidelines. The program expands normal duties of the A/E firm from strictly design to also include construction supervision. The Upazila has a limited number of people to manage all of the construction activities in the Upazila and the A/E will provide extra manpower to minimize the effect of the additional workload for the Upazila staff.

The initial results of the 83/84 A/E Pilot effort indicated that local firms are capable of designing cost effective structures for a variety of situations. A great deal of guidance had to be provided to the A/E firms with regards to other management aspects of the program such as - tender package approval process, advertising procedures, and bid analysis and award recommendations. To provide continued guidance and to handle other implementation issues, USAID will employ one expatriate Civil Engineer and three Bangladeshi graduate Civil Engineers. The USAID staff will work closely with the DG's office to assist in the management of the A/E activity in particular, but also the CARE monitored component.

A number of lessons were learned from the A/E Pilot and adjustments are being made to future year's activities. Originally, the intent was to limit participation in the tenders to only those contractors enlisted (registered) in a particular Upazila. The problem encountered was that since there wasn't any appreciable amount of bridge construction activity in the Upazila, it was difficult to find experienced bridge contractors enlisted in an Upazila. Those contractors who did participate and were awarded contracts are having a hard time complying with the technical specifications. Though the designs are not that sophisticated, they are beyond the capabilities of the local contractors. To alleviate this problem, a decision has been taken to establish for each Upazila a list of prequalified contractors who will be permitted to bid on structures 30 feet or longer in length or in areas with known difficult soil conditions. This exercise will be conducted by the A/E firms in consultation with the Upazila and the DG. The local contractors, who are not prequalified for the larger bridges, will be permitted to participate in the tenders for the smaller bridges and culverts. This effort will attempt to provide the local contractors with the opportunity to gain experience in bridge and culvert construction.

A second lesson learned was the use of the rate schedule published by the District Council as a basis for tender estimates is not appropriate. The technical specifications in the A/E tender packages contain items that require higher levels of quality than the specifications prepared by the District Council. Also, it was found that certain items of work were not included in the District Council rate schedule. Aside from these factors it became evident from a review of the rate structure that the District Council does not account for access variations either in terms of distance or degree of difficulty. It is for the above that the program will experiment with the use of the established roads and Highway (R&H) or Bangladesh Water Dev. Board (BWDB) rate schedule for a particular region. Also, the A/E firm will develop confidential engineer's estimates for each structure. This estimate will be used during the bid analysis stage to

determine the reasonableness of the bids by comparing bid prices to the engineer's estimate.

Generally speaking, the program is considered technically feasible and within the capabilities of the Upazila staff, CARE and the D.G. USAID is confident that those organizations involved in the program can manage and implement the various tasks.

The responsibility for maintaining the roads constructed or upgraded by the FFW program rest with the Upazila when in reality where there is any maintenance work at all, it is performed by the respective Unions. Historically, the maintenance effort has been less than enthusiastic which has resulted in an accelerated deterioration of the constructed roads. To address this issue, CARE has been working on a preventative maintenance program funded by the Canadian International Development Agency (CIDA) and Utilizing the destitute labor force. The program will be implemented in around 1800 Unions by July 1985 and will expand to 4000 plus Unions throughout the country. The program intends to employ 60,000 women with each woman maintaining an average of one mile of road per year. It is USAID/B's opinion that the program as planned, is taking the steps necessary to address the preventative maintenance needs of the network of roads constructed and improved by FFW. CIDA's firmly committed to supporting this effort and any further involvement at this time, is viewed by USAID/B as inappropriate as it would overburden the limited capacity of the Union to perform the required maintenance.

ii. Economic Analysis

There are a number of objectives which Title II may address. Look, for example, at the following possibilities. Food for Work may be:

- (a) An income transfer mechanism with employment generating objectives.
- (b) A nutritional program designed to put uncooked food directly into the hands of poor people by using the social filter of requiring tedious work in order to gain access to the food.
- (c) A development program aimed at building useful public works such as roads by using payment-in-kind of a wage good other than money to insure that the program has deflationary rather than inflationary tendencies.
- (d) A development program aimed at undertaking public works for infrastructure construction using a non-fungible, low opportunity cost resource such as wheat. (Non-fungible means that since wheat is not a normal medium of exchange, it is much more difficult to divert it to other economic development activities, and low opportunity cost means that, by comparison with money, the uses of wheat in alternative activities are much less productive.)

Since 1981 considerable effort has been undertaken both by CARE and USAID to ensure that all four objectives as stated above are better met with primary emphasis on employment and development.

(a) Is Food for Work an efficient income transfer mechanism which truly places a wage good directly into the hands of the intended recipients at low program cost and with low diversion or misuse? On the single point of diversion or possible misuse CARE's new monitoring strategy has emphasized investigating whether the workers actually receive the wheat. This is done by an extensive series of randomly sampled site visits and interviews with laborers as the basis for wheat reimbursement, rather than relying solely on using earth moved as the basis, as in the past. To the extent that any wheat in excess of the amount declared by CARE to have been received by workers is withdrawn from government godowns for FFW purposes, such wheat is not US PL 480 Title II wheat. This new practice has had a significant effect on ensuring that the wage good is actually received by the intended recipient.

(b) As a nutritional targeting (social filter) program, FFW is the linear descendent of Test Relief, a relic of the old Bengal Famine Code. As a social filter it has always worked well, in fact too well. Requiring work to be done in order to gain access to wheat is an excellent social filter, one which began to be used in the Bengal drought of 1865. In that year and following year, gruel kitchens (langarkhanas) set up by local Zamindars proved insufficient and the government of Bengal had to begin "test relief," with the willingness to move earth as the "test" of real need. Test Relief as such was more of a colonial invention, however, with its origins in Victorian poor laws rather than in indigenous institutions. As a nutritional tool it suffers from having too fine a mesh in its filter. Many truly nutritionally deprived cannot undertake FFW (e.g. pregnant and lactating women, children below the age of 10). Because no other more appropriate social filtering device has been devised for Bangladesh, FFW

must suffice.

Since the 1981 audit and improvements in the system of wage reimbursements, real wages actually paid per worker have risen. These wheat wages provide a substantial nutritional supplement to poor households. The following table contains calculations which compare actual CARE wheat reimbursements against actual man-years of work delivered by using several key indicator ratios: wages paid (in kilograms of wheat) per 1,000 cubic feet of earth moved, wages paid per man-year of work (in Kgs. of wheat), wages paid per typical one and a half months grain wage when compared to an annual cereal grain requirement (nominally 16 ozs. per day in Bangladesh, or 164 kgs. per year).

Wages Paid: Per thousand cubic feet, per man-year, per worker getting one and a half months work, and percent of annual cereal requirement of one adult. (The wage rate of 50 seers per 1,000 cubic feet is for one worker and four dependents.

(a)	(b)	(c)	(d)	(e)	(f)
Fiscal Year	Per '000 Cu. Ft. (kg. wheat)	Per man year of work (kg. wheat)	per 1 1/2 man months worked (kg.)	Div. by 5 rations	Col.(e) as % of one adult's annual req.
1982	35.9	790	99	19.8	12%
1983	39.1	859	107	21.4	13%
1984	40.7	896	112	22.4	14%

According to all measures, real wages have risen in just two years by over 12%, and with a typical worker obtaining one and a half months of work which provides up to 12% of the cereal grain requirement for himself and - in theory - each of his four dependents, it is clear there is a real nutritional improvement as a consequence of this improved monitoring and wage delivery system.

Does this food truly reach poor people, in poor areas of Bangladesh? There is legitimate concern that the Government of Bangladesh tends to spread Food For Work projects rather evenly over the country, including into areas of high wages, relatively no unemployment, where in fact the workers on the site have to be brought in as migrants! A recent UN/FAO/WFP interim evaluation from Nov. - December, 1984, showed that in such regions workers at FFW sites had to be overpaid, either by larger than permissible grain wages or by cash supplements, particularly around Chittagong, Cox's Bazar, Sylhet Salar and Moulivibazar. CARE has intentionally located its projects away from such areas and concentrated in areas where the need for employment is higher and the nutritional impact is greater.

Is the CARE system more efficient than, say, other FFW projects at delivering food directly into the hands of the workers? WFP, while reimbursing the BDG at the rate of 50 kg. per 1,000 cubic feet of earth moved in the Local Initiative Schemes (those most comparable to the CARE projects) in the same evaluation report still finds evidence of diversions

b2

as high as 29% and underpayments as high as 21% in February, 1984.

(c) Is FFW an efficient and cost effective way of building rural roads in Bangladesh? It is difficult to find comparative numbers to answer this question, plus one must have numbers which compare the same kinds of roads. In Bangladesh it is very difficult to build a final road in one year because of the lack of compaction equipment. Even public works built roads are often built over several seasons. Interim lower level unpaved roads are built in the first year, and only after a number of season of rain, traffic, and other natural compaction are the final layers added, compacted, brick-soled or paved.

With FFW the cost of road construction is really very low, and has gone down due to improved monitoring by CARE. The Abt Associates performed a study of CARE FFW roads built in FY 80, FY 82, and compared these roads with those proposed for FY 84. While data for the FY 84 roads is not yet available, information from the previous years' construction surveyed showed per mile wheat costs to be 824 maunds (about 31 tons) per mile in FY 80 and 596 maunds (22 tons) in FY 82. Converting these to dollar costs per mile, (and using border prices for economic costs and internal domestic prices for financial costs) the following set of costs can be derived:

Costs per mile of FFW roads, economic and financial prices:

Fiscal Year	Mds Wheat/Mile	Financial Cost/Mile	Economic Cost/Mile
FY 82	596	\$3,757	\$4,450
FY 84	317	\$2,371	\$2,002

*Assumptions: Economic border price of wheat = \$200/ton, internal price of wheat = 162 Tk/rd., exchange rate of 25.7 Tk/\$.

These costs compare very favorably with roads built by contracted public works. In many areas of Bangladesh, contracted roads (with asphalt or brick-soled surface) cost 500,000 Tk/mile, equal to \$19,500 per mile, and in Faridpur where soil conditions are difficult USAID engineers estimate roads to cost Tk. 2,000,000 /mile, or \$77,800. It is of course true that the roads are of very different standards regarding durability and the type of equipment which may traverse them. Nonetheless, even if the FFW roads need to be rebuilt a number of times they still cost well below 25% of a public works road.

Are these roads durable and of economic benefit? These are really two questions wrapped into one for a reason: economic benefits from any development project occurring in any one year are never expected to be greater than project initial cost. It is the repeated occurrence of such benefits over a time horizon, the sum of which (when properly discounted back to the present) allows us to say "benefits exceed costs". Quantitative indicators of increased economic activity attributable to the roads were sought but were not found. Instead qualitative indicators were found, and these must suffice.

The study conducted by the Abt Associates is the best source of information regarding economic consequences of the roads built by FFW to

date. Their study examined roads from three periods: 1980, 1982, and roads proposed for construction in 1984, the year of their study. The main information sought was related to the following issues: lower transport costs, increased use of farm intermediate inputs such as fertilizer, possible increases in agricultural production and marketed surplus, increased reporting of sales by businesses located along the roads, and information on durability of the roads and whether the absence of bridges had much effect on the road's longevity.

Specific findings of relevance are the following:

i) Transport costs per maund of rice moved to market are less in the areas with FFW 1980 and 1982 roads than in the proposed sites. Also transport costs per mile have gone up less in the FFW road areas than in the control group. Three fourths of all respondents in the areas with rebuilt roads reported decreases in travel time to market; only one third of those in the proposed sites did so.

ii) Fertilizer use went up much more in the sites with 1980 or 1982 roads than in the proposed 1984 sites (82% and 129% versus 57% for the control group.) In both of the finished sets of sites, a large majority of farmers attributed higher levels of fertilizer use to the road reconstruction (70% for the 1980 CARE roads and 65% for the 1982 CARE roads).

iii) Businessmen reported greater sales much more frequently in the areas served by 1980 and 1982 reconstructed roads than in the control site (63% and 74% compared to 50%). New markets (hats and bazars) were reported to have been built in the vicinity of the reconstructed roads with much greater frequency than in the sites whose roads have yet to be reconstructed.

iv) The one negative note sounded with great frequency by the respondents to the survey was that road reconstruction led to increased drainage/irrigation problems. Many respondents attributed increased flooding to the roads (44% of the 1980 site residents and 37% of the 1982 site residents). The usual response to the problem of improper drainage was for residents to cut the road, making any further sections impassable to vehicular traffic.

The seriousness of cutting of the roads for water drainage is emphasized by the following statistics: The Abt Associates found that in 53 unions of the country, only 20 had less than one gap per mile of road; 18 had 1-2 gaps/mile, and 15 had more than two gaps per mile. Of the roads built in 55 unions they found that 25 were unusable by bicycle rickshaw for more than half the length.

The researchers constructed an Impact Index of socioeconomic indicators and found that the rating of such impact Indices was very closely related with whether the road had been cut in numerous places for drainage. For those roads which were rickshawable less than halfway, 72% of the roads got low or moderate ratings. But for those roads which were rickshawable for more than halfway, only 36% got low ratings.

v) Regarding durability, the 1980 CARE FFW roads seem to have

survived even better than the 1982 roads. When rated by respondents as to the quality of the surface, 77% said that the 1980 roads were still of fair, good or excellent quality; for 1982 roads 67% said the same. The number of auto/cycle rickshaws, motorcycles, bicycles, male and female pedestrians per hour was also higher on the older roads. Sixty-nine per cent of these oldest roads had been recently maintained and this is to be expected - uncompacted earth roads built without camber or hard surface will not last more than a few years.

The critical question of quality and economic utility of a road then appears to be whether it is in fact usable for most of its length has been cut in too many places for drainage. And it is this aspect which will be directly addressed by the portion of the project funds directed toward the Appurtenant Structures program. The Abt Associates review made the following observations on the importance of bridges and culverts:

"Despite such fair to good surface conditions, fewer than one in five of the project sites ... were fully passable by rickshaw. Unbridged gaps and gaps closed with bamboo bridges prevented villagers (and our field teams) from traveling even halfway by rickshaw on 35 per cent of the (1980) roads, 61 per cent of the (1982) and 88 per cent of the (proposed 1984) roads, ... the limited accessibility of the project sites to motorized vehicles remained a major problem."

The roads are durable and will last a number of years if local residents choose to allow them to remain intact; all too often local residents choose not to leave the road intact but make deliberate cuts to allow drainage, ruining the economic utility of much of the road.

(d) Regarding the economic questions (Is the program deflationary or inflationary? Is this the best use of the non-fungible commodity wheat? What is the opportunity cost ... is there a better use of wheat?) the following can be said. First, the program is deflationary in that wheat prices (and to a certain extent rice prices through the well known substitution effect) in the areas of FFW projects are kept down by the use of wheat as a wage good rather than cash. From time to time in Bangladesh and other countries receiving Title II food there has been criticism that such programs as FFW in fact penalizes farmers by keeping prices too low. This has not happened in Bangladesh. In recent years cereal grain prices have been high, not low (higher than in neighboring India for instance) and one of the objectives of the entire Public Food Distribution System (PFDS) has been price moderation at the upper end of the scale. FFW has neither been inflationary nor has it penalized farmers by driving cereal prices down too far.

What else could be done with wheat in terms of development activities, instead of roads? The WFP also supports Food For Work activities in Bangladesh and has until recent years supported other activities in other Ministries. Examples are water control, embankment projects with the Water Development Board (80% of WFP wheat), Ministry of Fisheries, Department of Forests, and Agricultural Development Corporation, as well as road construction through the R&R Division. The recent review of the WFP program indicated that the most satisfactory program is that in conjunction with R&R Div. for roads; the Agricultural Development Corporation, Forest and Fisheries allocations are being phased out because

these agencies were "unable to prepare suitable schemes for implementation under the FFW program." The WFP reviewers were also visibly unhappy with the Water Development Board's complex wheat payment scheme, the result of which was that workers were considerably underpaid. In fairness to the WFP, they, with a much more limited budget and manpower, do not and cannot attempt to undertake as extensive a monitoring and reimbursement scheme as CARE. Nonetheless, the review found that the most satisfactory progress for the WFP FFW scheme was in conjunction with road building under the MOF rather than the alternative agencies/programs which had to be dropped. This is considerable positive evidence that CARE's use of the wheat in road building with the MOF is the best use of the wheat.

Conclusions of the Economic Analysis.

A full scale benefit/cost analysis is not possible, despite the fact that this is a continuation of an on-going project which has been continually monitored since inception. Much, if not all, of the monitoring has not been "benefit monitoring" but rather "implementation monitoring", i.e., making sure that the construction activity actually takes place, in the locations and at the levels decided upon, and that the earthworks are really done and workers really paid. To measure economic benefits is not an easy task, but also not impossible. The Abt associates study comes the closest to benefit monitoring but this group chose to ask qualitative questions and construct qualitative indicators of economic development resulting from the earthworks, rather than quantitative ones. While this is unfortunate, it is understandable. The increased cost in terms of staff, time and budget required to derive quantitative estimates of the economic values caused by the roads would be excessive. The qualitative indicators used by the Abt reviewers suffice to indicate that the earthworks and roads are of considerable economic use and exceed the cost of building the roads. The troubling issue of deliberate cuts remains, however. Roads which are immediately cut because of lack of a bridge or culvert are not useful. In terms of design work by CARE, it would be exceptionally useful to know whether the appropriate bridges and culverts could not be constructed simultaneously with the construction of the road, rather than waiting for the situation to become obvious (and serious) by having international cuts to restore proper drainage.

iii. Social Analysis

Food For Work activities in rural Bangladesh have been frequently and thoroughly evaluated since 1977. The Institute of Nutrition and Food Science of Dhaka University studied "economic and nutritional effects" in 1977 and "primary and secondary effects" in 1981. Elizabeth Marum surveyed female laborers at special women's FFW projects in 1980--81. The Bangladesh Institute of Development Studies did a series of special studies in early 1983, and Abt Associates recently completed analysis of a rigorous field survey of the impacts of earthwork construction. As a result of these studies, it is possible to predict beneficiaries, socioeconomic impacts, and political/administrative issues under the FFW III Project with considerable confidence.

The recently completed Abt study seeks clear definition of the socioeconomic impacts of Food For Work subprojects directly supported by AID and monitored by CARE (about 40% of the national total). The evaluation concludes that:

Examined several different ways, the data from this study consistently support the following developmental impacts of the FFW project: improved local communications, reduced travel times and transport costs, increased use of new farm technology, increased commercial activity, increased access to health services, increased use of family planning services, and increased primary school attendance (Abt Assoc.; p.iv).

It is probable, though less certain, that FFW earthwork projects result in "improved flood control, increased use of health services, and increased use of the road by women." Finally, the evaluators note that: "On the other hand, the FFW project appears to have exacerbated the already severe income/land distribution problem" (Abt: p.iv).

FFW construction is a mature social and administrative process. After 10 years, it can be withdrawn only at considerable risk to the subsistence base of hundreds of thousands of workers and millions of family members who benefit from annual work opportunities and the food earned. Fairly effective procedures for planning and implementing subprojects-- project identification and approval; hiring, supervising, and paying workers; transport and allocation of wheat; and subproject monitoring -- are in place, from the national level down to the Union Council.

FFW III incorporates changes which will enhance developmental impacts of earthwork subprojects without placing undue strain on the existing administrative system. Monetization of two prior grants of Title II wheat plus the proceeds from an emergency grant of Title III will provide a funding source for bridge and culvert construction, thus increasing access by wheeled transport (mostly rickshaws) and moderating destruction by flood waters. In addition, new categories of direct beneficiaries -- owner/managers of construction firms, and the craftsmen, apprentices, and laborers they hire -- will be created. Finally, local government will take a stronger, more autonomous role in planning, selecting, implementing, and monitoring subprojects.

Beneficiaries

Direct beneficiaries can be usefully divided into five groups: (1) FFW laborers, (2) supervisors at FFW subproject sites, (3) family members, (4) owner/managers of construction firms, and (5) craftsmen, apprentices, and laborers hired by construction firms. Categories 1-3 benefit directly from FFW activities. Categories 4 and 5 benefit directly from bridge and culvert construction work.

FFW Laborers - About 98% of the workers are males (INFS, 1978; Marum, 1982). About half of the women work at special women's projects and the rest work at a small number of sites alongside men. The average male worker is 32; 95% are between the ages of 15 and 55. Perhaps 96-97% of workers older than 25 are married, and thus have primary responsibility for support of a nuclear household or a portion of extended family household; 76% of workers surveyed (in 1977) were illiterate and 84% of respondents reported that they work primarily as day laborers and 13% were recorded as "self employed in agriculture".

Of workers surveyed, 57% owned no agricultural land, and an additional 16% owned less than 0.5 acre. More than 60% of respondents at all surveyed project sites were landless or near landless (owning less than 0.5 acre). The average FFW laborer works 7.84 hours per day, and 5.42 days per week. The average daily wage (observed during 86 wage distributions in 1981) is 4.12 seers (8.45 lb) of wheat. This is sufficient for roughly seven adult daily grain rations. Combined with home-grown and gathered food, this wage is sufficient to feed a small nuclear family for two days.

If assumptions based on INFS survey data are used (4.12 seers per worker per day, 15-18% of wheat is "diverted", each laborer works 32.7 days), it can be estimated that 70,000 tons of Title II wheat are sufficient to hire 471,000 of Bangladesh' poorest workers for a total of 15.4 million work days.

Female workers are far more likely than their male counterparts to be single. Of 298 workers interviewed at earthmoving projects in 1981, 58.4% were widowed, divorced, or never married (Marum, pp. 14-15). Female workers were 81.5% Muslim and 18.5% Hindu, roughly in proportion to national figures of 84% and 14%. The figures suggest that two popular conceptions -- (1) that Muslim women are unable to work outside the household, and (2) that Hindu women are too well-to-do to accept manual work -- are overstated. 54% of the women interviewed were the major earners in their families. In an additional 6% of interviewees' households, another woman was the highest earner. Where women belonged to male-headed households, those heads were predominantly manual laborers (33%) tenant farmers (32%), and rickshaw drivers (12%) (Marum: pp.28-29). 95% of women interviewed reported that their households lacked sufficient food "frequently," "occasionally", or "seasonally" (Marum, p.32).

Earthworks Supervisors - Supervisory personnel at earthwork sites include "sardars" and "supervisors". Ostensibly, sardars boss gangs of twenty

members, and receive 2.5 seers of wheat for each 1000 cubic feet of wheat moved. Under prescribed conditions, these men should receive 4-5 seers of wheat a day for their supervisory services, in addition to 3-4 seers for their own labor. In fact, they appear to receive full pay for supervising incomplete gangs of 5-12 members.

Available data suggest that many work sites are administratively "top heavy", with redundant supervisory workers collecting full wages for bossing incomplete gangs. A disproportionate share of wheat wages may go to supervisors workers, but the amounts involved are small by Bangladeshi standards. The highest-paid supervisory probably receive daily wheat wages equivalent to several US dollars; it's unlikely that more rigorous monitoring procedures can be justified for FFW III.

In addition, supervisory personnel are likely -- by virtue of leadership roles in the Union Council, local sociopolitical "brotherhoods", or other groups -- to have significant patronage responsibilities toward ordinary laborers. It is probable that some resources initially "misdirected," are later regained by poorer residents at marriage feasts, political ceremonies, religious rituals, or through informal loans or charity. Where this is true, ordinary laborers are likely to regard the system as "fair," if not "equitable."

Household Members - The 1977 INFS survey indicates that workers eat most of their wage wheat (83%) and sell the remainder. Sixtyseven per cent of the workers sell no wheat (INFS, 1978: p.5). There is convincing evidence that family members who eat FFW wheat are in need of it. The 1977 survey recorded food intakes of the families of FFW laborers and of control families matched by landholding status. Data were collected on a 24-hour recall basis and show that, even with a ready supply of FFW wheat, the families of FFW laborers are worse off than control families. A few figures indicate consistent, substantial differences:

	<u>All FFW Worker Families</u>	<u>All Control Families</u>	<u>Landless FFW Workers Families</u>	<u>Landless Control Families</u>
Total per capita food intake (g)	594	676	547	543
Total Calories	1636	1864	1464	1574
Total Protein (g)	15.0	57.3	44.1	47.8
Proportion of caloric requirement fulfilled (%)	67.9	81.9	61.0	69.7
Proportion of total protein requirement fulfilled (%)	105.2	123.2	94.2	104.1
Proportion of total protein from animal sources (%)	2.4	4.4	1.8	1.9

Proportion of total energy from cooking fats and oils(%)	0.6	1.3	0.3	1.1
Proportion of total calories from grain and root crops	90.5	86.3	91.5	89.2

(INFS, 1978: pp. 144-145)

Even during a period when beneficiary families are eating FFW wheat, their diets are relatively poor in total calories, protein, animal protein, and the richness and variety provided by meat, fish, dairy products, and cooking fats. Clinical and anthropometric surveys would probably reflect these dietary differences in lower growth rates and higher mortality rates among children of FFW laborers.

Owner/Managers of Construction Firms - Bridges and culverts will be built by local construction firms. Each Upazila has a corps of "enlisted contractors." Most firms are small; managers are typically recent university graduates with or without an engineering degree, and sufficient family financial backing to submit bids. Equipment, materials, and workers are mobilized after a bid is won. Most firms win one or two bids per year. An annual work agenda of 1000-1500 structures will provide work to several hundred firms. In the first years, many bidding firms will be new, and some will probably cease to function after one or two jobs; nevertheless, the project will provide work opportunities and experience sufficient to establish or strengthen a few hundred firms in all regions of the country.

Craftsmen, Apprentices, and Laborers - If a firm's owner/manager is not trained in engineering, he may hire a diploma engineer (with a 2 year degree, equivalent to the American Associate degree) to supervise work at the site. In addition, a group of mistris or craftsmen are hired. Their specialities include: (1) masonry and plastering (2) formwork and carpentry and (3) roadwork. In some cases, one mistri can handle both construction of forms for cement pouring and preparation of steel reinforcing rods. Each craftsman generally has a helper/apprentice.

Construction of a 20 foot bridge requires 3-5 mistris and, under normal work patterns, 5-10 support workers. When concrete is poured, 15-20 laborers are required. Laborers earn 18-25 taka per day, roughly equivalent to the wheat earnings of FFW laborers. Craftsmen earn 35-50 taka per day

PROJECT IMPACTS

Positive impact of subprojects are enjoyed by large sectors of the rural population. Abt Associates has done a detailed comparative survey of the impact of completed FFW roads in 18 thanas. Three roads were selected in each thana:

- 1) a FFW road completed in 1980
- 2) a FFW road completed in 1982, and
- 3) a road selected for reconstruction under FFW in 1984.

Representative groups of "experts" -- farmers, local officials, teachers, health workers, and businessmen -- were interviewed along each road. Opinions and information provided by these respondents provide the basis for judging impacts of completed roads. Impacts resulting largely or wholly from road improvements can be separated from other causes -- global inflation, new agricultural technologies, improved government services, etc. -- only with considerable difficulty. Nevertheless, some conclusions can be stated with confidence.

Economic Impacts:

- While inflation has increased transport costs at all survey sites, cost information provided by interviewees provides convincing evidence that FFW road improvements have held down increases (Abt. p. 23). That is, increases have been larger along unimproved roads.
- Along improved (as opposed to unimproved) roads, opinion is far stronger that rickshaw traffic has increased, and that travel time to nearby markets has decreased (Abt: p. 23). Substantial increases in fertilizer use are reported at all sites, but higher increases are reported along improved roads (Abt: p. 24).
- Respondents at all sites report increased numbers of rice and wheat mills, other business, and markets. However, increases in commercial activity were reported far more frequently along improved roads. There is some evidence of a lag effect in introduction of commercial activity, since roads improved in 1980 seem to have substantially more commercial activity than those completed in 1982.

Social Impacts:

- Most respondents indicate that primary school attendance has increased in recent years, but this opinion is expressed more frequently along improved (97%) than unimproved (84%) roads (Abt: p. 34).
- Opinion is strong that travel time to health clinics among improved roads has decreased (77% take this position) and much weaker along unimproved roads (30%) (Abt: p. 35).
- Most respondents along improved roads (89%) are of the opinion that road improvements have led directly to increased use by women (Abt: p. 35).

Other Issues

New administrative procedures, already tested during the 1983-84 planning and construction season, will provide Upazila Councils with greater control over FFW planning and construction. Each year, Union Councils will be given a dual allocation target, part in wheat and part in taka. (The allocation formula considers total population and degree of socio-economic "distress".) Allocations will vary around an average of 8400 maunds (312 tons) of wheat and 940,000 taka (\$37,600). Union officials are free to devise an earthwork and structure construction program within allocated limits. Taka resources may be used for construction of bridges and culverts along FFW roads completed in earlier

years, or in conjunction with current earthwork projects. CARE will review subprojects, and may reject those which:

- provide inadequate economic returns.
- are likely to damage the environment.
- are inconsistent with the current Upazila Development Plan.

In 1983-84 CARE rejected only a small percentage of proposed subprojects for these reasons.

Subprojects no longer require approval by the Relief and Rehabilitation Division. Local control has been enhanced by another procedural change, government documents authorizing removal of FFW wheat from regional warehouses are now sent directly to the Upazila. They no longer require authorization from the sub-district office (one level higher in the administrative hierarchy).

Note:

Some statements on changes in landholding pattern are required. However, the data in the Abt study are difficult to interpret. The study concluded that the project further skewed income patterns by raising the value of land and increasing the income of landholders. There was no attempt at quantifying this conclusion but noted that further study was needed.

iv. Administrative Analysis

There are three principal agencies involved in the implementation of FFW III: The Govt. of Bangladesh, CARE, and USAID. The BDG is, of course, the actual implementer of the program and bears primary responsibility for its administration. CARE and USAID serve as consulting agencies in the formulation of policy and regulations governing the program. CARE is directly involved in terms of oversight and bears primary responsibility to see that the manner in which the program is administered conforms to the procedures agreed to in program documentation. USAID is the major donor and serves as a secondary monitor of CARE and the BDG.

I. For the BDG, the bureau with direct responsibility for all FFW is the Division of Relief and Rehabilitation in the Ministry of Food. The office with direct responsibility for policy for the national FFW program, that of AID/CARE, WFP, and the Government's own program, is that of the Joint Secretary and his deputy the Additional Secretary. In the last three years the staffing of this important post has been exemplary. Substantive decisions on policy matters were received and processed with dispatch. Matters that needed the attention of higher authority or required inter Ministerial review were handled forthrightly. The officers concerned were knowledgeable and perceptive about the program. Relations between USAID and the BDG and CARE and the BDG were cordial and productive. It was during this period that this office demonstrated its capacity to handle its responsibilities. However, as in all governments, the personnel which staffed this post are subject to frequent transfer. What effect this may have on the future of the program is conjectural. AID is nevertheless satisfied the office has the institutional capacity to act when required.

The office with operational responsibility in the central Government for the national FFW program, both earthworks and structures, is that of the Director General. The responsibility this office carries in relation to its staff is very large. In FY 84 alone the CARE program authorized some 1,200 earthwork projects and 964 bridges and culverts. In addition to those structures monitored by CARE, and those built solely by the Upazila staffs, there were some 108 structures referred to consulting contractors, or Architect and Engineering firms. The D.G.'s office must monitor the activities of these firms and assure they carry out their responsibilities effectively. In addition to the AID/CARE program, WFP allocates some 136,000 MTs for FFW, the BDG 59,000 MTs of its own resources and bi-lateral donors some 46,000 MTs. For FY 85 an additional 60,000 MTs were allocated in response to the need for creation of supplemental employment in the wake of devastating floods in the prior growing season. In FY 85 WFP and other bi-lateral donors will also fund a structures program in the non-CARE areas. In sum, this office has operational responsibility for approximately 420,000 MTs of FFW plus a current average of 1,000 structures a year. It is expected the number of structures will rise in the out years.

Among its operational responsibilities the DG's office makes allocations of wheat and funds to the Upazilas for all earthworks and structures programs. For the former this entails allocating on the basis of certain criteria which considers population, distress factors, and prior performance. For the latter, it entails reviewing all CARE approvals for

structures in its area and providing technical review of the proposals made to the A&E firms by the Upazilas for all larger units. Following allocation, the office monitors the progress of all activity during the year. This requires the maintenance of records on project progress, reviewing CARE's and other donor's reports on their field visits, operating bank accounts, and dispatching funds to the field for approved structures. Yet this large responsibility is undertaken by only a few professionals, namely the Director General himself, the Director (FFW), two Deputy Directors, one for CARE and one for WFP, and two engineers. Experience in the past year has demonstrated that an expansion of the D.G.'s staff is clearly warranted and USAID will be making such recommendations to the BDG. To address the most pressing technical support requirements, USAID is recommending the BDG establish a technical cell consisting of four experienced bridge design engineers plus one senior engineer whose main responsibility would be to keep up with the overall program of the A&E firms. To date, however, the office as presently constituted has, for the most part, handled this variety of tasks adequately for the AID/CARE program. This has been possible in large measure because CARE has undertaken much of the work that should theoretically devolve on the D.G.'s staff such as drawing up the allocation lists, writing the circulars, and acting in other ways as a secretariat. Where CARE is unable to provide such services, as in the maintenance of financial flow records of the 202/20 deposits and adequate files on the A&E firms, the office has performed less well.

Implementation of the individual projects is the responsibility of the Upazila, the administrative unit which has become the focal point of the BDG's rural development thrust. Shortly after assuming authority, the present Martial Law government concluded that in the interest of efficiency there was a need to reduce the layers of public administration between the rural population and the central government. The existing over centralization of decision making in the capital city was an invitation to corruption, fostered delays in implementation, and impeded participation of the rural population in the development process. To address this problem the BDG instituted a reorganization of public administration which eliminated two levels of bureaucracy and concentrated most of their authority in a third, the Upazila. This unit, which covers an average of 125 square miles with a population of approximately 200,000 people, has been given greater autonomy and resources to undertake a number of development activities in which the central government will no longer be involved plus components of projects the center will retain. The resource base includes a complement of technical and administrative staff and block grants of funds whose only restriction is that they be disbursed within certain prescribed percentages for designated sectors, e.g., education, health, etc. FFW is now entirely an Upazila responsibility but regulations governing its implementation are issued from Dhaka.

Any attempt to analyze the Upazila as an agent of development runs the risk of being premature. As an institution it is less than two years old. Its staffing pattern is incomplete and that staff that is in place in many cases have been transferred from other posts under the old system where their experience has not been exactly that required by the new. Yet the experience in the last two program years has provided a foundation on which to judge the capacity of this institution to manage FFW III.

The governing body of the Upazila is the Upazila Parishad (Committee). The Chairman is to be an elected official through universal adult franchise. Other members will include the chairman of the Union Councils, the elected officers of the lowest unit of rural administration, who will have voting rights, and twelve officials post to the Upazila by the central government representing the various ministries - education, health & family planning, etc. The latter will not have voting rights. The chief executive officer is the Upazila Nirbahi officer who is appointed by the central government. Ranked beneath the technical officers are a number of support staff of clerks and assistants. At the time of this writing the post of Chairman of the U.P. is vacant. While elections were originally scheduled for the spring of 1984, they were postponed due to political pressures of the major opposition parties. Elections now appear only possible once the major political questions between the government and the opposition are resolved. This does not appear imminent. For the present this leaves the U.N.O. as the de-facto director of the Upazila.

Ranked beneath the Upazila is the Union. This is entirely village level administration with no direct links to the central government, e.g., no officers paid or appointed by the center, except through the Upazila. Its administration is through a Union Parishad (Council) whose Chairman is a prominent local citizen elected by universal franchise.

Experience has shown that the organization of the Upazila and its sub units, the Union, is well able to manage the earthworks component of FFW. At the point of implementation each Union Council chairman is responsible for proposing a road within his Union for construction in the following work season. If his proposal is accepted, he must form a Project Implementation Committee who is responsible for hiring the laborers, withdrawing wheat from the Local Storage Depot (LSD) and paying the laborers for work completed. A PIC secretary keeps a separate file on each project with a copy of the approved project proforma, an abbreviated muster roll, a record of pit measurements, project completion report, and the quantity of wheat received and paid out, and site visits by Upazila, CARE, or other (USAID, BDG, etc.) officers. While responsible for overall project implementation, the PIC is limited by not having at its disposal technically qualified personnel to undertake volume measurements or other technical questions that might arise. This may result in over or under estimation of resources required to complete the project, over or under payment to the workers, or less effective techniques employed in construction such as failure to ensure adequate compaction, or surfacing. More importantly, because of a lack of experience in project administration and inadequate oversight by the Upazila, these PIC's use wheat lifted from the LSDs in the name of FFW for other purposes. While such diversions are to the account of the BDG because of the reimbursement system discussed in project implementation, reducing such diversions as an indicator of institutional development is a major goal of CARE.

At the Upazila level, the UNO through his support team, the Project Implementation Officer and the Chief Engineers and his staff, is responsible for reviewing project submissions by the Unions for technical viability and visiting the sites periodically to assure that implementation is being done according to plan and in conformity with the Design Manual. CARE also visits a randomly selected 20% of all projects three times during the construction season. One problem, however, lies in the staffing as

it actually exists as opposed to that proposed. A second is the absence of support systems primarily in transportation. The former stretches the capacity of the Upazila in terms of personnel available for supervision and the latter their ability to travel to the work sites. The result has been a lack of effective supervision from the Upazila staff which has allowed the Union PIC's to overreport work accomplished and wages paid. These problems are being addressed by training programs for Upazila technical staff and Union Council chairmen which stresses the necessity for supervision and careful use of the resources at hand. Experience should raise performance standards of Upazila staff now in place and vacancies in staffing patterns should be filled as the institution matures. Both CARE and USAID will continue to press the BDG to provide more motorized transportation for its technical staff and explore means of assisting the government in its financing.

For structures, i.e., bridges and culverts, the process is essentially the same. However, here the PIC's have less direct involvement because their lack of technical manpower inhibits them from providing oversight to contractors during actual construction. For structures even more than for earthworks, supervision at critical points determines in large measure the quality of the finished project. Experience during the FY 83-84 construction season has demonstrated that this supervision has not been forthcoming at all times. Three factors which contribute to this problem are: a). The volume of work demanded of the engineering staff who are responsible for all construction undertaken in the Upazila; schools, public buildings, staff quarters, etc. b). An absence of transportation. Project sites are often fifteen or twenty miles from Upazila headquarters with no direct access by public transport and no govt. transport available. c). A lack of career incentives as the FFW and structures are handled by the MOF while the technical staff is predominantly that of the Ministry of Local Government and Rural Development. (MLGRD) A recent newspaper editorial commenting on the shortfalls of the Upazila system bemoaned "...the age old and traditional system of working within the hierarchical system of one's own Department and the loyalty growing out of this practice that has proven intractable." While this phenomenon has inhibited site supervision it has also proved an impediment to using the Chief Engineer and his staff at the Zila, or District, level as a technical resource.

There are two administrative reforms currently planned to overcome this problem. One, more immediate which will be implemented during the FY 85 work season, is an interdepartmental sharing of responsibility in which circulars governing the FFW program will be issued jointly by both the MLGRD and the DORR. However, they will continue to originate in the DORR. Discussions are also taking place on transferring the salary disbursement points and the source of annual personnel evaluations from the Ministries in Dhaka to the Upazila. This would, it is believed, change the career orientation of the staff from Dhaka to the Upazila.

Despite these problems, the implementation of both earthworks and structures has proven existing government agencies can adequately handle the responsibilities needed to achieve program goals. Although the rate of reimbursement of wheat to the HDG for work done and wages paid was somewhat disappointing in gross terms in FY 84, some 74,000 MTs., yet given the delays of project commencement of up to two to three months because of political factors and unprecedented rains and flooding at the end of the

program year total production, this was not entirely unexpected. More importantly, however, was that reimbursement levels were higher than that of previous years for the same quantum of work showing that wage levels, i.e., those wages actually received by the workers as compared with those prescribed, have risen. This is an important indicator of institutional development. It shows the governmental institutions involved are becoming more effective in handling the resources at their disposal.

The structures program has been more successful than anticipated given there has been only one full year of operation. Those structures built under CARE monitoring were ninety per cent completed on schedule despite the problems in the field mentioned above and the relatively new requirements of building a number of small units in remote locations. Those small to medium structures built outside the area served by CARE were less successful. Only some eleven percent were completed on schedule. This indicates to USAID that in this early stage in the evolution of the Upazila some outside scrutiny is required to ensure the program meets its schedules. Larger structures built under the A&E firms have not progressed as originally planned. For one, the compressed schedule given to the A&E's in December of 1983 proved unworkable. It is evident that if construction of major units are to be completed within the fiscal year they are funded, then contracting with the consulting A&E's must take place in the summer preceding the construction season - Dec. to June. Secondly, the staffing of the Director General's office has proven inadequate to its responsibilities and must be expanded. Lastly, a more rigorous prequalification of A&E firms will be undertaken to ensure only qualified firms willing to live up to the contractual agreements will be selected. As a compliment to its own monitoring responsibilities, USAID is planning to add one more local hire engineer to its staff of two to ensure more comprehensive monitoring coverage.

Financing of the program has proven complex but viable. The USAID grant to CARE is through a Federal Reserve Letter of Credit which has proven acceptable over the eight year history of the project. However, this last year has demonstrated the need for CARE and USAID to keep more careful track of grant utilization. Whereas it was initially thought that CARE had exhausted its total of \$3.06 million under FFW II, it was subsequently found that in fact they had some \$450,000 remaining. The problem was identified as a time lag between CARE Dhaka submission of their expense reports and the time CARE headquarters drew down on the LC for these expenses. There were also expenses made by USAID directly which were not channeled through the LC and an overlap of program years between FFW I and FFW II which added to the confusion. This year CARE is instituting a new accounting system which will provide a more timely feedback to both CARE Dhaka and USAID on running balances. This is not viewed as a substantive problem.

Financing the structures component has to date been through the monetization two emergency grants of wheat in CY 82 and 83 totalling 175,000 MTs. The proceeds from these funds, some 26 million dollars equivalent of local currency, have been placed in the accounts of six private banks in Bangladesh. These accounts are under the control of the Director General of the MOF who withdraws funds from them to dispatch to the Upazilas once the structure program for that construction period has been approved. This deposit in private banks is outside normal government procedures for

financing development projects and was only agreed to at USAID's urging as it was felt at the time that the private sector could use strengthening of its lending capacity. Other uses for these funds as agreed to by the BDG and USAID such as for programs in agricultural research are financed through these accounts.

For the one full year this method has been in operation it has proved successful. Providing all the funds to the Upazila for approved projects prior to the beginning of the work season has encouraged planning and mobilization of resources at the Upazila level. The alternative means used to finance other Government development activities of providing a percentage at the beginning of the fiscal year and the balance during the year has proved unreliable. Necessity for mid-year budget corrections often results in fewer funds received than originally planned or delays in receiving any funds. This unreliability discourages planning and promotes skepticism of central government funded projects by the Upazila and by local contractors. The success of the FFW structure program has generated a review of traditional project funding of the BDG to determine if this model could furnish greater reliability in allocations and planning.

Out year financing beginning FY 86 will become increasingly dependent on Title III proceeds. In FY 85, AID/W approved a supplemental Title III grant of seventeen million dollars to respond to the BDG's and the World Bank's appeal for assistance in wake of the year's unprecedented floods. The BDG has agreed to follow essentially the same procedures in using the proceeds of this grant as they have in the prior Title II grants. Although the private bank accounts will no longer be used, they will be discontinued when the 202/206 grant revenues are exhausted at some point in FY 86, a separate account will be established within the government's budget which will receive the proceeds of the Title III grant. These funds will continue to be programmed through the POF rather than the MLGRD who normally finances public works in the Upazilas. Given the success of the program with the DORR and the lack of infrastructure in terms of staff at MLGRD, the BDG did not see any reason to change ministerial responsibility for the structures component.

A projected program of structures is presented in Program Rationale and Description. Note that the financial requirements to fund a gradually expanding program will exhaust the balance of the 202/206 funds plus the Title III emergency grant conservatively in FY 87 or, if shortfalls and savings accrue at a higher rate than anticipated, in FY 88. At that point other funding sources will have to be identified but USAID is confident they will be found.

II. CARE The other major entity involved in the program is CARE. Their role is one of assisting in project design, oversight of implementation, and arbiter of what has been accomplished during the work year. Their role in both earthworks and structures is similar; they approve the projects proposed, visit the sites during implementation, measure what has been accomplished in terms of earth moved and wages paid to the laborers, and evaluate the quality of the completed structures. (See Project Implementation.)

CARE has formal agreements with AID and the Govt. of Bangladesh governing their role in FFW. Their expenses are met by grants from both.

In addition to the basic grant agreement with AID, they annually prepare and submit an Annual Estimate of Requirements which governs the annual grant of wheat to the program. Their structure oversight is governed by a multi year agreement with AID, the grant this paper covers, and their agreement with the BDG. Funds for the structures program are a product of PL 480 local proceed generations, originally Title II, but to phase over to Title III beginning FY 86, and are allotted each year through negotiations with the BDG, actual holder of title to the funds, and USAID.

To carry out their responsibilities as given in other sections of this paper, they have eleven expatriates and 243 local hire charged directly against this grant. There are six regional field offices located throughout Bangladesh plus a headquarters in Dhaka. Each field office is comprised of an Office Director, a Chief Engineer, and eight field teams of two assistant engineers plus clerical support staff and drivers. The Dhaka Hqs. serves a country Director, FFV Coordinator, a FFV consultant, plus 10 national office staff. In addition, to monitor the increasingly complex structures component, CARE has established a technical cell which monitors the technical performance of the regional offices. (See Technical Analysis) CARE world headquarters is in New York which controls personnel, dollar financing, purchases of material and equipment, and approves program agreements made by the country offices.

CARE initiated the FFV program in 1975 in response to a pressing need to provide employment and resources to lower economic groups in rural Bangladesh. They have remained its cooperating sponsor to date and will continue through at least the time period covered by this agreement barring any unforeseen developments. The infrastructure they have established in country to handle the program is effective and has demonstrated its ability to provide the oversight that is needed. However, there is concern that the existing staffing pattern is stretched too thin at varying crucial times in the year. The dry season of the year, roughly October through May, is the only period that extensive field review is possible. During the rainy season many roads and work sites are under water. Yet during this season each sub-office must visit every earthwork project proposed, review the structures proposed for the following year, assist certain Upazilas in designing projects, follow up on structures carried over from the last season, and participating in any training, studies or evaluations that may be required at the time. At the end of the work season each office is required to visit 20% of all earthwork projects and measure the actual work completed by volume of earth, interview the laborers on wage payments, and visit each structures project in their area and prepare end use closure reports all within a limited period of time of several weeks in the May-June period. USAID is concerned that while this coverage has been adequate for current approval levels of 120,000 MTs, it may be necessary to accept proposals for projects in excess of this. In the recent past actual distributions to laborers have been less than 80,000 MTs and it may be shown that the only means of effectively bridging the gap between the shortfall in work proposed and work done will be to raise the number of accepted pro-formas. This would place an additional field burden on CARE which they may have trouble in meeting. To address this problem beginning FY 86 CARE plans to expand its field engineering staff by an additional 30 asst. engineers. USAID feels this expansion is warranted.

Although the structures component is to expand no adjustment in field

monitoring personnel is thought necessary at this time. The training being undertaken by CARE, the BDG, and other agencies involved in similar projects plus the experience gained through time should provide the technical transfer necessary for the Upazila staff to perform the design work and provide the oversight necessary for an expanded program. The size of the structures will be limited to those below a 40' span as current regulations require an A&E consultant for anything larger. This will limit the technical expertise required and allow CARE's field responsibilities to become less involved in assisting actual project development and focus more on monitoring and problem solving. Recent experience has shown that while allocations may increase the actual numbers of structures may rise less precipitously as the Upazilas appear to prefer to concentrate on the larger structures up to 40' rather than a greater number of smaller units. This will also tend to limit an expansion of oversight requirements. In the event, however, that CARE's capacity is exceeded, USAID is prepared to limit the program to a certain level per year or to request additional funds to allow CARE to expand their field staff.

v. Environmental Analysis

The process of road building or improvement does have an impact on the environment in the area of influence of the road. The effort put forth in this program will be to minimize any negative environmental effects.

As was stated earlier, the work performed, under the Food For Work Program, is primarily on existing alignments and amounts to upgrading footpaths to tertiary roads suitable for light vehicle traffic. The CARE field staff will consider the effect the activity (each scheme) will have on the environment. The analysis will be on the forms - Government of the People's Republic of Bangladesh Proforma Summary I & II Food For Work Programme, developed by CARE (See attachment). The primary focus is to determine effects the work will have on land use and water drainage patterns. One criticism leveled against embankment programs is they disrupt existing drainage patterns causing flooding on one side of the fill with a reduced water flow to the other side. The implementation of the above mentioned forms will avoid obvious problem areas because CARE will consider embankment heights during the pre-survey stage of the work to eliminate problems caused by excessive fills.

In general, USAID/B feels that the concerns about the impact on the environment will be addressed by CARE during their pre-survey work.

ENVIRONMENTAL CHECKLIST FOR NEW FFW PROJECTS

A. LAND USE

1. Describe how this project will change the land use patterns in the area affected by the earthwork structure. In the discription mention the (a) type (b) quantity and (c) quality of land thus affected.

2. Will the project prevent any land from being used for agricultural production or for any other purpose? Describe how this will occur mentioning the type, quantity, and quality of the land thus affected.

3. What will be the long-term consequences of above mentioned changes in land-use patterns.

4. Describe how the project is planned and designed to minimize any negative land use effects.

WATER USE

5. How does this project affect the water resources in the area?

6. In the case of irrigation and drainage canals describe (a) what is known about the water resources to be tapped, (b) the extent/size of the water source, and (c) the way it is replenished.

7. Will the diversion of water (by embankment, road, irrigation canal or drainage canal in any way degrade the quality of the land area which is currently benefitting from the water. Describe.

8. In the case of roads, embankments, irrigation canals or drainage canals describe how the current water drainage patterns in the project area are expected to be changed.

9. In the case of a tank, is the primary purpose (a) fish production, (b) domestic use (e.g. washing clothes, bathing, drinking etc.) or (c) other. Describe the primary purpose.

C. OTHER EFFECTS

10. Describe how this earthwork construction will change in any way the agricultural, economic, social, or commercial practices in the area.

Environmental Certification by CARE Unit Administrator

Based on the above analysis I, the undersigned CARE Unit Administrator, certify that this project will have no significant adverse environmental impact.

SIGNATURE

DATE

84

Project Design Summary
Logical Framework

Food for Work III

<u>Goals</u>	<u>Indicators</u>	<u>Means of Verification</u>	<u>Assumptions for Achieving Goal Targets</u>
To provide wider access by rural communities to the agents of development such as markets and public services.	1. Increasing numbers of people have access to an increasing array of manufactured and/or processed goods.	Evaluation by external contractor two to three times during project period.	Economic Development of Bangladesh will yield opportunities for higher income from marketing of ag. produce and increasing availability of services in health, education, and communications.
To provide employment and food supplements to the rural poor during annual cycles of high unemployment and food scarcity.	2. Increasing percentages of farm produce is sold in markets. 3. Tonnage of wheat actually distributed to laborers in relation to work accomplished.	CARE monitoring and post surveys.	
<u>Purpose</u>	<u>End of Project Status</u>	<u>Means of Verification</u>	<u>Assumptions for Achieving Purposes</u>
Develop the capability of sub District government units to plan and implement a continuing program of public works in labor intensive roads and bridges and culverts.	Reasonable, realizable annual plans for road rehabilitation are being prepared in 314 Upazilas.	By FY 90 CARE monitoring will show a. 90% of schemes planned are implemented. b. 90% of resources expended are found to have been spent on approved activities.	Public administration at the Upazila and Union levels are allowed the operational independence originally planned and supported with the quality and number of personnel required.
Villages in 314 Upazilas will have round the year reliable vehicular access to district towns and markets.	At least 20 million man days of gainful work are being created in road rehabilitation work.	CARE monitoring will determine actual number of man days of work created and miles of road constructed. An external evaluation will determine number of villages reached.	

<u>Outputs</u>	<u>Magnitude of Outputs</u>					<u>Means of Verification</u>	<u>Assumptions for Achieving Outputs</u>
	Year 1	Year 2	Year 3	Year 4	Year 5		
Roads Rehabilitated	1,000	1,000	1,000	1,000	1,000	CARE post surveys and monitoring during the year.	There are no natural or man made disasters to interrupt program implementation .
Miles of road rehabilitated.	5,000 to 6,000 each year.						
Bridges constructed							
Over 40'	100	100	100	100	100		
Under 40' (at least)	743	1,000	1,250	1,500	1,750		
Upazila and Union Officials Trained	1,600	1,600	1,600	1,600	1,600		

Inputs

AID					
A. PL480 Wheat (MTs.000)	120	120	120	120	120
B. Appropriated Funds - US\$ (000's)					
1. CARE	1,045	1,168	1,538	1,604	1,607
2. PSC & 3 FSN's	405	318	386	406	476
EDG (In Taka converted to US\$ 000's)					
1. Grant to CARE	368	368	368	368	368
2 Program Support (Inland Trans. Storage & Admin)	5,172	5,172	5,172	5,172	5,172

Assumptions for Providing Inputs.

AID continues to have funds allocated for support of PL 480. The BDG continues to find this program worth the investment.