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AGENCY FOR INTERNATIONAL DEVELOPMENT

Washington, D. C. 20523

PROJECT PAPER

BANGLADESH: Technical Resources
II (388-0074)

August 23, 1988

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AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT PAPER
TECHNICAL RESOURCES II
(388-0074)

USAID/Bangladesh
August 1988

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE

A = Add
 C = Change
 D = Delete

Amendment Number

DOCUMENT CODE

3

2. COUNTRY/ENTITY

Bangladesh

3. PROJECT NUMBER

388-0074

4. BUREAU/OFFICE

ANE

04

5. PROJECT TITLE (maximum 40 characters)

Technical Resources II

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY
07 31 96

7. ESTIMATED DATE OF OBLIGATION

(Under 'B.' below, enter 1, 2, 3, or 4)

A. Initial FY 88

B. Quarter 4

C. Final FY 93

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

A. FUNDING SOURCE	FIRST FY 88			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total						
(Grant)	(4500)	()	(4500)	(19000)	()	(19000)
(Loan)	()	()	()	()	()	()
Other U.S.						
1.						
2.						
Host Country		200	200		1000	1000
Other Donor(s)						
TOTALS	4500	200	4700	19000	1000	20000

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) FN	280	720		-		16000		16000	
(2) EH	660	740		-		3000		3000	
(3)									
(4)									
TOTALS						19000		19000	

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

710 970

11. SECONDARY PURPOSE CODE

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

A. Code TNG BWW
B. Amount 3000 350

13. PROJECT PURPOSE (maximum 480 characters)

To improve the managerial and technical effectiveness of the BDG to plan and implement development programs.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY
06 91 09 94 06 96

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)

Methods of Financing and Implementation are consistent with current Mission policy. Funding up to \$100,000.00 has been included in the project budget to provide for adequate audit coverage utilizing the Non-Federal Audit Program.

George R. Jenkins
Controller
USAID/Dhaka

17. APPROVED BY

Signature

Title

Director (Acting)
USAID/Bangladesh

Date Signed

MM DD YY
08 23 88

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

MM DD YY

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- G. Country Checklist
- H. Project Checklist
- I. Statutory Checklist (standard item)

LIST OF ABBREVIATIONS/ACRONYMS

ADB	Asian Development Bank
AID	Agency for International Development
AID/W	AID Headquarters in Washington
ARDN	Agriculture, Rural Development and Nutrition
BDG	Bangladesh Government
CDSS	Country Development Strategy Statement
DA	Development Assistance
EHR	Education and Human Resources
ERD	External Resources Division, Ministry of Planning
GDP	Gross Domestic Product
GNP	Gross National Product
IBRD	International Bank for Reconstruction and Development
ICRW	International Center for Research on Women
IMF	International Monetary Fund
JICA	Japan International Cooperation Agency
LOP	Life of Project
MDB	Multilateral Development Bank
M&E	Monitoring and Evaluation
OYB	Operational Year Budget
PAAD	Program Assistance Approval Document
PIL	Project Implementation Letter
PIO/P	Project Implementation Order/Participant
PIO/T	Project Implementation Order/Technical Services
PIR	Project Implementation Report
PP	Project Paper (USA) Project Proforma (BDG)
RLDC	Relatively Least Developed country
SOW	Scope of Work
TAPP	Technical Assistance Project Proforma
TFYP	Third Five Year Plan
TOEFL	Test of English as Foreign Language
TRP-I	Technical Resources Project I
TRP-II	Technical Resources Project II

SUMMARY AND RECOMMENDATIONS

1. Project Title : Technical Resources II Project
2. Grantee : People's Republic of Bangladesh
3. Grant Amount : \$19.0 million
4. Funding Source : Development Assistance (DA)
5. Initial Obligation : FY 1988
6. Project Objectives : To improve the managerial and technical effectiveness of the BDG to plan and implement development programs.
7. Project Description : This grant will provide foreign exchange for technical assistance, studies, evaluations, training and other assistance directed through the External Resources Division (ERD) to line Ministries involved in high priority development activities. The project will also provide limited funds to USAID to meet unanticipated requests for assistance or undertake new initiatives not covered by other Mission projects, subject to ERD concurrence. Life of project is established at eight years from the day of the initial obligation.
8. BDG Contribution : The BDG will contribute an estimated 5 percent of project costs as "in kind" contribution (salaries, office space, furniture, etc). However, AA/ANE has waived the Host Country Contribution per State 173092 dated 28 May, 1988 (see attachment b) based on Bangladesh's status as a relatively least developed country.

9. BDG Request : The Bangladesh Government has requested that USAID undertake this project. (Annex C)
10. Statutory Requirements : All statutory requirements have been met.
11. Recommendation : That this project be authorized for eight-years with a LOP amount of \$19 million.
13. Project Committee : PRO :DWMuncy (Chairperson)
FYoung
RHogue
PDE :BDReese
CBrian
RLA :PRamsey
F&A :CHash
ECON:RAulakh
DD :MPurvis
CONT:GJenkins
EVAL:CChabbott

CHAPTER I INTRODUCTION

1.1 BACKGROUND

The Technical Resources II Project (TRP-II) is a follow-on umbrella project intended to assist the BDG, on a flexible, quick response basis, with support to the (BDG) in areas where the USG has predominant capability, including technical assistance (TA), training and other assistance specifically tailored to address key economic development constraints facing Bangladesh. The Mission's counterpart organization is the External Resources Division (ERD) of the Ministry of Planning. Like its predecessor, TRP-II Project Paper does not identify specific development-related interventions in advance but establishes criteria for activities USAID is willing to support under the project. Activities discussed in Section III are illustrative. In some instances, sub-activities begun under Technical Resources (388-0027) (TRP-I) continue under TRP-II.

TRP-II contains new elements. Specifically, the "Technical Assistance" component provides for a facility for parallel financing activities with other donors - both multilateral and bilateral. The distinguishing characteristic for USAID's parallel financing is that USAID funding provides solely the TA (consultancies, training and related commodities) components of larger loan programs funded by the multilateral donors. This component will constitute a substantial amount of the total authorized project.

TRP-II has six main components: first, Technical Assistance and Parallel Financing in sectors consistent with BDG USAID development interests, such as in rural development, agriculture, energy and off-farm employment with organizations such as the World Bank, International Monetary Fund (IMF) and the Asian Development Bank (ADB); second, Development Studies/Analysis which will provide the BDG and USAID with current and reliable development data; third, Academic Training and short-term training that cannot be funded by other Mission projects, in agriculture and other development-related sciences; and technical training and study tours; fourth, Women In Development (WID) activities designed to increase the participation of Women in Development including short-term training, study tours, local/third country/US-based seminars, etc; fifth, project design, Evaluation activities, and selected pre-implementation activities for projects under design; and sixth, Personnel and Commodity Assistance designed to improve the effectiveness and efficiency of ERD's management of PL-480 activities.

1.2 THE ECONOMIC SETTING

Bangladesh, with its rural agrarian economy, is among the poorest and most densely settled in the world. It has a per capita annual income of \$150 and an estimated 105 million people in an area approximating the size of Wisconsin. With a population growth rate of 2.4 percent, Bangladesh will have nearly 160 million people by the year 2000.

Agriculture accounts for 60 percent of GDP and employs 80 percent of the population. The BDG accords highest development priority to reducing population growth, food self-sufficiency, and providing off-farm employment. The project will support activities broadly related to these priority goals as well as others including private sector development and, expanding educational opportunities.

1.2.1 The Economy

Bangladesh has been classified by the United Nations as a Relatively Least-Developed Country (RLDC). During the Second Five Year Plan (FY1981-FY1985) Bangladesh achieved an average real growth rate of 3.8 percent. The government projects that during the TFYP (FY1986-FY1990) the country's average annual rate of growth of gross domestic product (GDP) will be 5.4 percent. To achieve this goal, the government plans to mobilize greater domestic and external resources and will improve economic policies. Despite these plans, actual growth rates have been lower--3.9 percent for FY '85, 4 percent for FY86 and 4.4 percent in FY '87. In light of this situation, achievement of an annual growth of 5.4 percent for the Plan period now appears doubtful. The severe floods during summer of 1987 and the internal political turmoil in late 1987 and 1988 make it likely that growth rates will fall to lower levels.

Over \$2.0 billion in economic aid is provided to Bangladesh each year by more than 35 bilateral and multilateral donors. These funds dominate a development budget averaging \$1.55 billion. With 85 percent of development investment resources coming from donors (thus only 15 percent from domestic resources) Bangladesh will continue to be donor dependent for the foreseeable future.

While the BDG cannot be expected to become entirely independent of foreign donors in the short or medium term, the BDG has undertaken a variety of structural adjustment measures aimed to improve resource mobilization, increase domestic savings, lessen the BDG operations and maintenance (O&M) burden, privatize certain industries and improve private trade and investment opportunities. USAID's overall program is designed to support the efforts of the BDG to achieve its policy goals; TRP-II is a specific mechanism to support movement toward those goals.

CHAPTER II PROJECT RATIONALE

2.1 PROBLEM IDENTIFICATION

Every donor organization working with the BDG has its own sectoral and policy interests. Most donors have relatively complex procedures and regulations for project design and approval. Bureaucratic procedures within the BDG do not foster smooth project approval or implementation. In fact, according to World Bank sources, in March 1987 the Donor pipeline was 4.7 billion and rising, attesting to the difficulty in project implementation. Moreover, the number of skilled/seasoned senior BDG managers is few, particularly within Ministries that USAID deals with regularly.

The External Resources Division (ERD) of the Ministry of Planning is tasked with coordinating all donor activities and integrating program and policy strategies of the BDG and donors. To assist ERD with its donor coordination mandate, TRP-II, will provide flexible, responsive, primarily short-term assistance to the BDG to carry out its development agenda, through a variety of interventions and activities, so long as those activities are broadly related to the USAID project portfolio. It also continues to provide a "rapid response mechanism" that can address BDG and USAID issues/concerns.

2.2 RELATIONSHIP TO PROGRAM STRATEGY

The Mission's program is largely policy-oriented. The most recent Country Development Strategy Statement discusses at some length the need for the BDG to make hard policy decisions directed at improving the climate for economic development in key sectors. The TRP-II project supports research and special evaluation studies that are directly related to the program concentration of the Mission articulated in its CDSS. TRP-II will help the BDG make better use of donor assistance by improving access to reliable, current economic data and by providing consultative skills needed in policy fora.

2.3 USAID RESPONSE

USAID's experience in Bangladesh clearly indicates the need for a variety of mechanisms to assist ERD and USAID in meeting technical assistance requirements in the sectors closely related to Five Year Plan strategies. In many cases, carefully planned, long-term donor projects are the best approach. But in some cases--e.g., in helping the BDG toward its structural adjustment goals--a more flexible, responsive mechanism is required.

TRP-II will serve as a mechanism to improve BDG capability to identify, plan, implement and evaluate development initiatives, particularly in the policy sphere and in pursuit of structural adjustment. Moreover, parallel financing will foster increased donor coordination during a period marked by a proliferation of donor projects and improve impact of overall USG assistance. Funds provided for development studies, evaluations, workshops, seminars and WID activities will help remove key constraints to Bangladesh's economic development through the remainder of the TFYP and into the Fourth Five Year Plan.

2.4 SUMMARY OF THE TECHNICAL RESOURCES PROJECT

TRP-II closely follows the model established by Technical Resources Project I (TRP-I), which was authorized in 1979. Past umbrella projects--Development Services and Training, Project Studies Grant, and Project Development Grant, but these earlier activities proved to be ineffective largely due to the BDG's lack of management acumen and experience. However, as the Mission adopted a more active role under TRP-I more sub-projects were identified and successfully implemented.

The 1984 and 1985 evaluations of TRP-I recommended that the technical assistance (TA) component of the project be revitalized. They recommended that new activities be linked to the Mission's strategic interests and that USAID conduct studies on pilot activities that could lead to new AID-financed projects. The evaluations fully supported continuation of the range and types of activities funded under TRP-I as being a useful means for USAID to respond to government needs.

An August 1985 evaluation indicate TRP-I had succeeded in several areas, notably in addressing ERD and Mission concerns in key sectors such as agriculture and employment generation. The Institute of Post Graduate Studies in Agriculture (IPSA) is an example of cooperation between two donor governments--Japan and the U.S. IPSA is the most recently established of four Bangladesh institutions of higher agricultural education. Implementation results and BDG receptivity to the project have led both Japan and USAID to the conclusion this activity should be continued under TRP-II. Another TRP-I success was the workshop on "Decentralization, and Resource Mobilization" inaugurated by President Ershad in January 1985. This workshop brought together policy-makers, administrators and academicians to examine various aspects of decentralized development and recommended policies to the Bangladesh government. The project has provided the flexibility that the Mission has needed to implement

a highly complex policy-oriented program. It has provided a source of funds for training and other activities, not anticipated in other projects in the Mission's portfolio and has been responsive to BDG requests for assistance when other funding sources were not available. It has also enabled the Mission to finance technical assistance during a period when the BDG has strongly resisted use of loan funds for technical assistance.

TRP-I has faced several implementation problems. Inadequate staff resources at the disposal of ERD and the fact that ERD is not a line organization have resulted in substantial delays in approval of proposals for technical assistance, nomination of participants for training and inadequate monitoring of the technical assistance activities.

Despite these shortcomings, TRP-I has substantially met Mission expectations. It provides the rapid response needed to move policy dialogue discussions forward. Generally, it provides information on policy-related questions sought by the BDG, and helps the government make difficult politically sensitive decisions. And, the project has enabled the Mission and the BDG to carefully explore new project ideas, resulting in funding some--IPSA, Employment Enterprise Policy Study (EEPS), International Food Policy Research Institute (IFPRI) training advisor--and rejection of others.

2.5 OBJECTIVES OF THE CURRENT PROJECT

This project will continue serving USAID/Dhaka as a vehicle for responding quickly with specific interventions jointly identified by the BDG and the Mission as described in Section 1.1 above.

The goal of this project is to promote economic and social improvement of Bangladesh within the Mission's policy framework as outlined in the CDSS. The purpose of this project is to improve the managerial and technical effectiveness of the BDG to plan and implement development programs. Because most specific activities to be addressed under the six general activity categories envisioned for this umbrella project are illustrative, subprojects mentioned in Chapter III are an indicative, rather than comprehensive list.

CHAPTER III PROJECT DESCRIPTION

3.1 BACKGROUND

The six categories of subproject assistance that are planned for TRP-II are listed in Section 1.1. TRP-II funds will be used to support activities that can be completed within 36 months and/or are worth less than \$3 million. Activities exceeding these time or cost parameters should be developed as separate projects unless strong justification exists for including them in TRP-II.

In this Section, project components are described and illustrative activities are presented which could be financed by the Mission. It should be emphasized, as noted earlier, that some of the illustrative sub-activities will, in fact, be carried over from TRP-I into TRP-II because they will exceed the remaining time to the PACD of TRP-I.

3.2 TECHNICAL ASSISTANCE/PARALLEL FINANCING

The BDG and the Mission have greatly benefited over recent years because of the availability of technical assistance tailored to address constraints to development. TRP-II will continue funding technical assistance activities such as the pilot co-financing activity involving the Institute of Post Graduate Studies in Agriculture (IPSA), which USAID has co-financed with the Japanese Government. The Mission may parallel finance projects with Multilateral Development Banks, such as the World Bank, the Asian Development Bank, and other bilateral donors, by funding the technical assistance component of large policy-oriented loans. For the purposes of this Project Paper, parallel financing is defined as the provision of funds (in all cases TA grant funds) for the purpose of jointly implementing a specific activity with another donor in support of one or more mutual policy interests and directed toward policy or structural reforms within the BDG. USAID's Rural Electrification Project provides a clear example of the value of this approach, by providing overall technical assistance for a multi-donor (IBRD, IDA, Finland, US, etc.) electrification program in rural Bangladesh.

Financing technical assistance on parallel financing activities under TRP-II must meet certain conditions. They must be consistent with the Mission's current Country Development Strategy Statement interests. They must support, as appropriate, the Mission's policy dialogue discussions with the BDG. They should not serve as substitutes for regular Mission projects--thus, they should be of relatively short duration. Parallel financed activities with multilateral donors, as a rule and unless specifically waived by the Mission Director, should not exceed a total cost of \$3 million.

The Mission estimates that \$12 million of TRP-II LOP funding will be used for TA and parallel financing activities.

3.2.1 ILLUSTRATIVE TECHNICAL ASSISTANCE AND PARALLEL FINANCING ACTIVITIES

--Assistance to the Food Planning and Monitoring Unit (FPMU). The Mission plans on contracting with the International Food Policy Research Institute (IFPRI) to provide technical assistance advisory services to the Ministry of Food in connection with the PL-480 Title III Program. (Some preliminary activities began with TRP-I funding.) The Title III Program includes four major objectives: (1)

enhanced food consumption and nutrition (2) increased agricultural productivity, (3) accelerated employment generation and (4) improved food system management to increase the efficiency of foodgrain distribution and handling. Generally, IFPRI will provide technical assistance to the Food Planning and Monitoring Unit (FPMU) of the Ministry of Food; training and limited commodity support to help the BDG more effectively implement the Title III Program. IFPRI will provide two long-term resident advisors, a minimum of 36 person-months of short-term consultants plus necessary home office administrative support over an estimated three-year life of contract. The financing of the contract will be borne by both TRP-I and TRP-II. The Mission plans to initially commit funds from TRP-I, which reaches its PACD 2/89, and then, in late FY88, complete the funding of the contract from TRP-II. Funding for this activity from TRP-II is estimated at \$2.0 million.

--Training in Social Science/Agriculture. Another activity the Mission could undertake is support Bangladesh's rural social scientists. The purpose would be to strengthen local professional capability to analyze specific issues and advise the BDG on the economic, social and human aspects of agricultural development policy. The activity could concentrate on integrating social science disciplines with mainstream agriculture development policy and research. Major components of this activity would be Ph.D. degree fellowships, non-degree training, and creation of a network of rural social scientists in Bangladesh. The project would support one expatriate program leader. This is currently an on-going activity funded under TRP-I. The Mission plans on conducting similar activities under an AID contract beginning in July 1988. The Mission proposes to use some of the remaining TRP-I funds and TRP-II funds, when authorized, to support activities through 1990.

--Maize Study. As part of the Title III program's objective to improve food consumption among the country's poorest groups, USAID is exploring the possibility of introducing maize as a food staple in the diet of the rural poor. A recent study conducted on maize by Winrock International recommended that more studies be done before deciding whether to mount a full-fledged campaign to introduce maize as an alternative staple food crop in Bangladesh. The first such study would focus on ways of marketing maize and making it an acceptable staple food among Bangladeshi consumers. This study would shed light on specific issues such as storage and distribution of maize to the potential consumers, preparation and acceptance of various local food items from maize, the types and forms of maize that should be imported, and other marketing and targeting concerns. The Mission would contract for this study through locally available consultants and one U.S. maize industry consultant.

--Institute of Post Graduate Studies in Agriculture (IPSA). As noted in Section 3.2, the Mission has been funding IPSA over the past few years. The activity ends with the PACD of TRP-I, yet the Japanese will, most likely, wish to continue their support for IPSA beyond this point. A Japan International Cooperation Agency (JICA) technical team reviewed the project in January 1988 and concluded that the project is proceeding well and is a good example of donor collaboration. The Mission also believes that additional assistance to IPSA could be warranted. The project extension would continue limited TA, some academic fellowships and limited commodity support and the funding required from TRP-II may be up to \$2.5 million.

--Agriculture Sector Support Analysis. AID shares the BDG's concern about stagnation in the agriculture sector and in food production in particular. Recently the IBRD and the UNDP have been involved in two agricultural sectoral assessments. Whereas the IBRD study was geared toward the identification of policy reforms for their future lending, and the UNDP study seeks to identify "immediate remedial actions" and a "comprehensive assessment of problems...", this activity will be geared toward identifying specific donor interventions. This same effort is required in particular by USAID/Bangladesh, which must re-establish and defend its plans for a suitably targeted program of assistance to Bangladesh. Accordingly, the USAID Mission seeks to identify the most effective means of assisting the BDG in its efforts to achieve a quantum improvement in growth rates for the sector. An intense but modest effort will be undertaken early in the life of the project utilizing a combination of US and local consultants to: (1) identify appropriate long and shorter term growth opportunities in the food and agriculture sector; (2) identify the major constraints and the necessary investments and policy changes required for achieving markedly higher growth rates; and (3) set forth an appropriate strategy and tactics for accomplishing a multiple increase in productivity growth rates for the sector.

--PL-480 Title III Monitoring. Technical Resources Project I planned on providing assistance to ERD monitor the extensive PL-480 Title III program of the Mission. Assistance would have been provided to the office of the Deputy Secretary, ERD which has day-to-day responsibility for monitoring USAID's overall program in Bangladesh. This planned assistance never materialized, however, because of staff changes in ERD. Under TRP-II, the Mission plans to provide assistance to help monitor the diverse PL-480 Title III program more effectively.

3.3 DEVELOPMENT STUDIES/FEASIBILITY ANALYSIS

Generally, policy-makers in Bangladesh over the past two years have made progress in attempting to make the economy more efficient and competitive. Yet, the BDG's structural adjustment program will require continued attention by senior BDG officials. Difficult decisions will have to be made if the BDG is to reach its goal of annual economic expansion at 5.1 percent annually during the remaining years of the Third Five Year Plan.

Donors frequently send economic teams into Bangladesh to help the BDG identify ways to reach its economic goals and perform studies relating to proposed projects. The World Bank, for example, sends a team annually to prepare the annual Country Economic Memorandum which precedes the annual donors' meeting in Paris. In general, Bangladesh lacks the economic data that can be reliably used by the donor community to make a vigorous case for economic or policy-oriented development interventions.

This component of TRP-II could provide funds directed at gathering and analyzing policy-related information to be applied in the decision making process. This component will also fund relatively modest research proposals submitted to the Mission to study micro-economic and other issues. Current and reliable economic data will contribute to BDG decision making process and also provide the Mission with reliable data to support its own economic planning and portfolio management. The Mission will initially earmark \$2.0 million for this component of TRP-II.

The criteria for deciding the kinds of development studies, analysis and strategy formulations that will be funded from this component should be whether they support the overall economic development of Bangladesh. Prior to approval of any one sub-activity, the Mission will ensure that the activity meets at least two elements of the following criteria: (1) serves BDG and AID strategy interests, (2) promotes employment generation, (3) promotes economic efficiency, (4) promotes rational structural adjustment policies and analysis, (5) promotes development growth and policy decisions. Once the Mission determines the activity meets established criteria, required documents and contractual concerns will be the responsibility of the office coordinating the implementation of the sub-activity.

3.3.1 ILLUSTRATIVE DEVELOPMENT ACTIVITIES

--Privatization. The BDG has a long-running and active privatization program that was started in 1972, and has turned over to private hands in excess of 2,000 government-owned or parastatal organizations. While the BDG remains committed to further efforts over the rest of the Third Five Year Plan (TFYP), the limits on future privatizations are not fully known. With strong encouragement from AID Washington, USAID proposes to support continued BDG privatization efforts. USAID support may take the form of small short-term studies on labor issues; case studies; training for public and private officials involved in privatization; support for key institutions, like the Stock Exchange; or other activities of mutual interest.

--Trade and Investment. The Mission has recently completed a detailed analysis of U.S. trade and investment activities within Bangladesh. This study has uncovered data that could assist the BDG to expand its trade with western countries and provide additional information on how the BDG can improve the investment climate in-country. The Mission proposes to fund TA to delve further into trade/investment concerns, opportunities and constraints in Bangladesh and to assist the BDG develop strategies to expand these opportunities. One such activity may involve establishing a local International Executive Service Corps (IESC) office as part of a Private Enterprise Bureau project to work in trade/investment issues with the BDG and stimulate coventures with US and Bangladeshi businesses.

-- Agro-Industry and Business Study. As part of the Mission's employment sector strategy, a study on developing small scale agro- processing/business units could investigate opportunities for increasing their number in rural areas. The study could analyze the extent of current development of such enterprises, potential areas for development, the constraints faced to development, and the employment generating potential and viability of such industries.

The Mission may also fund a study on agro-industrial linkages and integrated agro- industrial development. This study will focus on identifying existing and potential backward and forward linkages between the agricultural sector and small and medium industries. It will identify sectors which have high linkage effects (e.g., sugarcane, milk, coconut, rice) and thereby high value added and employment generating potential. The study will also identify factors (e.g., incentives, technology development and dissemination, etc.) and arrangements (e.g., development of integrated agro-industrial estates) that could stimulate the growth of industries to exploit such linkages.

--Subcontracting Study. The Mission could fund a study on promoting mutually beneficial subcontracting arrangements between small and large industries. For example, the development of a subcontracting chain between heavy engineering/metal industries in city areas, light engineering/metal working industries in the smaller towns, and cottage level blacksmiths in the rural areas may be explored. Emphasis would be on links between rural and urban industry and the potential for transfer of funds, materials, and technology to rural areas in profitable subcontracting arrangements that enhance large-and- medium-scale industry profits and generate additional employment and income-earning opportunities in the rural areas.

--Labor Market Study. Each year about 1.3 million people enter the Bangladeshi labor market. The Mission could undertake a labor market study which would examine labor market problems as a factor constraining private investment (including foreign direct investment) and hampering the growth of the newly denationalized industries. Aspects to be examined include: shortage of skilled workers and managerial personnel, labor-management relations in public and private sector industries, unionization and labor discipline, legislation for protection of workers' interests and enforcement, segmentation in the labor market and labor mobility, intra-industry and inter-industry wage differentials, and wage trends including real wages in different industrial subsectors. These issues would be examined in terms of particular industries such as jute, textiles, ready-made garments, leather and leather goods, fertilizer and others.

--Export Promotion Support. An IBERD Export Promotion Credit to the BDG is currently being discussed. Like the Financial Sector Credit, the Mission has been asked to consider funding the TA component of this activity. This project would support policy-oriented reforms in the export sector. Funding required for the activity is estimated at \$1.5 million.

3.4 NON-PROJECT RELATED TRAINING

The Mission does not have a large traditional participant training project. However, it does have assorted training, integrated into the Mission's project portfolio, designed to institutionalize project-related activities after USAID ceases project funding. A total of \$3.0 million is allocated for this component. The closest activity the Mission has to a participant training project, other than the current Technical Resources I Project, is the Development and Management Training (DMT) Project, authorized in 1987, which provides, inter alia, academic and short-term training in management and administration for both the public and private sectors. This component of TRP-II is different from the DMT project in that TRP-II will focus on non-management skill related training.

TRP-II will continue to provide degree, non-degree and short-term training and seminars in U.S. and third country academic institutions when other projects in the Mission's portfolio are inappropriate funding sources. Ongoing Masters level and Ph.D. training which will not be completed under TRP-I have to be supported under TRP-II. This component will also finance short-term training and study-tours, including in-country, regional and extra-regional training. As with TRP-I, academic training will primarily be in agricultural and rural development, development economics, energy and social

sciences relevant to Bangladesh's development priorities. Other targets of opportunity for training, identified by either ERD or the Mission, will be consistent with the overall development strategy discussed previously.

U.S.-based graduate training costs continue to rise. Estimates for quality schools costs about \$30,000-\$40,000 per year, inclusive of all items (e.g., tuition, books, maintenance allowance, airfare, etc.) For all levels of institutions, USAID expects these costs to continue to rise faster than general inflation. Thus, during the life of this project, the average total cost of one Ph.D. for an estimated four years plus dissertation research in Bangladesh, is \$150,000. Dissertations will be required on a subject relevant to Bangladesh's development priorities and must be undertaken in Bangladesh. Master's degrees, on an average, are expected to cost \$60,000 for a typical two-year program. Mission records show this is sufficient to cover costs associated with extensions frequently required to finish course work or thesis work at the academic institution. Third country training for either the MA or Ph.D. level costs less than U.S.-based training. Excellent regional academic institutions are available in, for example, the Philippines, Pakistan, Thailand, Indonesia and India that may satisfy certain training needs.

The Mission will also fund English language training (ELT) up to a maximum of 16 weeks, based on determination that long-term or short-term technical training requires a higher level ELT competence than possessed by the proposed candidate. For academic training for which the minimum American Language Institute/Georgetown University (ALI/GU) score required is 240, ELT may be taken in Bangladesh, in the country of training or a combination of the two. When ELT is required for short-term or technical training, ELT will be conducted in Bangladesh. Non-academic participants must successfully pass with a minimum score of 200 ALI/GU test prior to final training approval. Before ELT is approved, the Mission authorized officer will administer the ALI/GU test and, based on those results, recommend approval or disapproval to the Mission project officer or contractor. ELT is subject to joint BDG and USAID written concurrence.

Identification and selection of long and short-term participants is a rigorous process. The Mission's current selection criteria requires that potential candidates pursue studies relevant to the development priorities of the BDG and USAID's CDSS sectoral interests. All candidates must have English Language TOEFL score of 550 or better as well as records of high academic achievement from their undergraduate or other institutions. Participants selected will meet all

Mission criteria (prior academic training, language competence, health, etc.) established for project-funded participants and agree to return to Bangladesh for a minimum of two years to work in areas relevant to their training and in support of Bangladesh's economic development priorities. Potential candidates, identified by either ERD or USAID, must be processed in accordance with the Mission's training order (e.g., obtaining necessary BDG clearances, visas, presentation of required documents) for project and non-project funded participants.

Under this component the Mission plans funding about 10 Ph.D. level participants, about 5 M.A. level participants at U.S.-based institutions and about 15 M.A. and Ph.D. level students in third country institutions. This mix reflects past Mission operating experience and will complement other projects.

--Short-term Training in Response to BDG Requests. USAID is presented with a number of training requests for BDG officials during the course of the year. Training is frequently conducted in the U.S. or in third countries such as the Philippines, Indonesia or India. Courses, such as conducted at the International Law Institute course at Georgetown University, typically cost about \$10,000 which includes tuition, materials, housing, per diem, travel and incidentals. Other courses that are held regionally cost somewhat less yet average about \$3,500 per participant, depending on the type and duration of the training program. Such training is advantageous to BDG officials and the Mission because it frequently provides opportunities to study the art of negotiation, international arbitration, private sector participation in economic development, etc.

--Study-tours. From time-to-time the Mission has financed study-tours abroad in either third countries or in the U.S. Typically, these activities involve topics relevant to the Mission's overall sectoral interests and provide the BDG with a comparison of how different countries implement development programs. This is particularly important for the BDG because many senior civil servants - those trained under the Pakistani civil service - are nearing retirement, thus leaving a dearth of seasoned civil servants to carry on in the wake of their departure. Because BDG law forbids civil servants beyond the age of 35 to go on extended paid leave for academic training, these study-tours provide an intensive, short duration way of training BDG officials. Costs are projected on an individual basis although interpretive services and other administrative costs may need to be factored in. The Mission estimates at least 50 BDG officials will participate by attending a study-tour relevant to BDG and USAID policy interests over the life of project. Study-tours proposed for funding by TRP-11 will be reviewed for potential conflict with similar study-tours being financed by the Development Management Training Project.

3.5 WOMEN IN DEVELOPMENT(WID)

Fewer women in Muslim societies participate in economic activities outside the home than in most other societies. In 1987 the literacy rate among Bangladeshi women was about 16 percent, as compared to 26 percent for men. The percentage of girls attending secondary school has increased very marginally in the last decade because of early marriage or the need to work. The vast majority of women have very little economic maneuverability - possessing only their own physical labor to sell in the marketplace. Women who work outside the home are usually looked down upon.

Nutritional intake levels for women are lower than those of men, reflecting women's lower general economic status. Women still remain ignorant of their basic rights relating to divorce, inheritance, work and voting, among others, though there have been improvements. Women also receive little information concerning issues related to health, education, family planning and employment, particularly in rural areas where access to most services is difficult.

Traditionally, donor funding for WID activities has been small in the overall context of development assistance in Bangladesh. According to a report prepared for the Mission, only about 10 percent of donor funds target women as direct beneficiaries. In the BDG's TFYP, only 0.4 percent of the BDG development budget goes for women's programs and half of this is to the Ministry of Social Welfare and Women's Affairs.

The current CDSS calls for active participation of Bangladeshi women in USAID's program. The Mission's WID objectives are (1) expand opportunities for women to participate more fully in the economy of Bangladesh and (2) improve the physical quality of life of Bangladeshi women. To date, the Mission has funded four WID activities under various projects. The Female Scholarship Program, funded by the Population and Health Services Project, the Women's Entrepreneurship Development Project funded by the Rural Industries Project, training for women managers and trainers under the Development Management Training Project and the women's component of TRP-I.

The TRP-I women's component proved to be optimistic in what could be done. The funds earmarked for women's activities have not been utilized as anticipated. Some AID/W central funds have, however, funded activities over the past several years that have provided the Mission with new insights on the plight of women, including the preparation and publication of two books, on "Profiles of Women in Bangladesh" (1986) and

"Survey of Development Projects and Activities for Women in Bangladesh" (1986). More recently, the ANE Bureau funded TA from the International Center for Research on Women (ICRW) to draft the Mission's Women in Development Implementation Plan (1987). The plan discusses activities relating to women on a project-by-project basis. The Implementation plan is being used by Mission management to assess how the Mission is meeting its self-identified WID targets.

The Mission will initially earmark \$300,000 for the WID component of TRP-II. These funds will be used to address women-related development concerns that impact on the daily lives of Bangladeshi women. Selected interventions will include studies on how to further integrate WID activities in the Mission's portfolio, selected study-tours by women in the public and private sectors, short-term training both overseas and in-country. One aim of this component will be to increase women's participation in development activities. TA will also provide funds to identify ways to further integrate women in the marketplace, either as managers, owners and workers. Mission has already on board a full-time female staff to address WID issues within the framework of over-all Mission program portfolio.

Proposed activities funded under the WID component must meet the Mission's WID objectives. Selection and approval of activities is purposely left general in order to allow maximum flexibility for funding. In general, however, because of the relatively limited amount allocated to this component, individual training should be limited to \$10,000, group study-tours to \$50,000-\$75,000, and evaluations/assessments to \$50,000. Funding for pilot activities proposed and jointly agreed upon by the BDG and AID will be determined by the nature of the activity.

3.5.1 ILLUSTRATIVE ACTIVITIES

--WID Implementation Plan. A follow-up study to the 1987 Mission WID Implementation Plan may be required in 1990 to review progress made by the Mission to increase women's role in our existing and new projects and to revise, as necessary, the recommendations made in ICRW's study.

--Agricultural Research. The Mission's Agricultural Research project has limited WID-related interventions incorporated in its design. The WID Implementation plan (completed by ICRW in 1987) noted that women's participation in the Farming Systems Sites component is modest. Specifically, the Mission proposes to assist the Bangladesh Agricultural Research Institute (BARI) On-Farm Research Division (OFRD) to develop a plan to provide training and other support to women who seek to work in this sector as either researchers or extension agents. This will supplement any WID-related activities that OFRD undertakes with its own funding.

--Women's Economic Activities. Despite the number of donors interested in financing WID projects, there is still a lack of information available on the economic role women play in Bangladesh. There is a need to compile what is available and conduct a two-pronged study, one focussed on rural and the other on urban economic involvement of women. The purpose of the study would be to further our knowledge about women's economic activities (both compensated and non-compensated) and how the Mission might intervene to improve women's productivity and income.

--WID-related Training. The majority of funds under this component will be used for women's short-term training and for study tours in the public and private sectors. The Mission has been frequently asked to fund women to attend various types of training related to the general condition of women in Bangladesh. These seminars and study-tours generally vary in duration from a few days to one month. A realistic number of potential trainees is difficult to identify because of the wide breadth of activities anticipated under this subcomponent. However, the Mission anticipates a minimum of 30 women will attend short-term training courses and study tours.

3.6 PROJECT DESIGN/EVALUATION/SEMINARS/STUDY-TOURS/FEASIBILITY STUDIES

This component of TRPII is the broadest in terms of flexibility, application and use of funds. A total of \$1.65 million is allocated for this component. This component gives the BDG and the Mission flexible resources to test out new pilot activities or evaluate them; conduct feasibility studies on a wide variety of topics relevant to Bangladesh's development strategy; conduct a series of evaluation training seminars for governmental and contractor personnel; and, to carry out other activities jointly agreed upon by the BDG and USAID. The intent of this component is to further the economic development efforts being undertaken by the BDG with the assistance of the USG.

Selection criteria outlined in this section are purposefully broad-ranged. Activities identified must relate to the development strategy interests of both the BDG and AID. Studies or assessments financed under this section should relate to on-going or potential projects USAID may consider for long-term funding from other sources. This section may finance non-solicited research proposals on topics of mutual interest to the BDG and USAID. Research proposals, for example, will then be reviewed by a Mission committee chaired by the appropriate technical office and approved by Mission management prior to submission to ERD for funding concurrence. Likewise, the Mission will review proposals submitted by ERD to determine its technical and program-related merit for funding. Workshops and other such activities, approved under this section, should generally relate to improving program or project implementation.

3.6.1 ILLUSTRATIVE ACTIVITIES

--Decentralization. Since the current government came to power in 1982, the process of decentralization has been underway devolving governmental authority to the district and upazila levels. There has been much work in this area yet there remains much to be done in analyzing how to best proceed. USAID has funded studies by an expert over the past several years who is held in high regard by BDG officials. This activity will fund this expert, and others, to work with the BDG in furthering its decentralization efforts.

--Monitoring and Evaluation. In 1986, the Mission funded a Monitoring and Evaluation (M&E) workshop attended by BDG counterpart and other project implementation personnel. The purpose of the workshop was to train participants on the proper procedures for instituting M&E plans within the context of on-going USAID-funded projects and to reinforce the importance of M&E as a tool of management. The Mission plans to finance a series of week-long evaluation workshops over the life of TRP-II. One critical reason for having M&E workshops is to provide an opportunity for counterpart and other project implementation staff to interact with USAID staff to jointly (1) assess the progress and problems encountered in designing and implementing M&E systems for on-going projects and sectors, and (2) consider alternative solutions for problems encountered. The reason for spacing these workshops over a period of time involves BDG regulations, which require civil service staff to periodically rotate to different positions. With BDG staff and other project implementation staff turnover, this requires periodic updating and reinforcement of M&E processes and procedures. These workshops will directly impact on M&E plans that will be required for each activity planned under Sections 3.2 through 3.5 of this Chapter.

--Evaluation/Audit. Some evaluations may be requested by ERD or the Mission that are not anticipated in current project paper budgets. Some projects simply underestimated the cost of evaluations particularly projects that were designed several years ago while others underestimated the level of effort required to perform an evaluation. Thus, the Mission plans to make funds available to cover these possible contingencies that may arise. Also, funds may be required for covering the costs of Non-Federal Audit and for the evaluation of the TRP-II project.

3.7 PROJECT COMMODITIES

In order to keep the Americas Desk within ERD functioning at a level where it can truly act on Mission funding proposals or make its own proposals to USAID without undue time lags, the Mission plans to provide limited commodity support, once ERD begins overseeing PL-480 activities. Generally, the types of commodities planned are office equipment: e.g. photocopier, duplicator, typewriter. Commodity purchases will be in accordance with U.S. procurement regulations and other applicable guidance. Following procurement, as agreed upon by both ERD and USAID, remaining funds committed for purchase of commodities will be decommitted and reprogramed to other project components within TRP-II.

Once the project begins implementation, ERD and USAID will mutually prepare and agreed to, in writing, a commodities list to be funded by USAID. All purchases will be made based on need to implement this project and others in the Mission's portfolio which are under the cognizance of ERD.

CHAPTER IV PROJECT IMPLEMENTATION PLAN

4.1 USAID RESPONSIBILITIES

The USAID Program Office will be responsible for overall management and coordination of the project with ERD. A Bangladeshi personal services contractor within the Program Office will be the project manager and have the responsibility for working with ERD on a day-to-day basis on project implementation matters. This person will be funded from the Technical Assistance component of this project.

Since project activities envisioned deal with technical matters, individual project managers in the Mission's technical offices will have basic responsibility for managing individual activities. For example, if the Mission conducts an agricultural sector assessment, (as discussed in Chapter III Section 3.1.1), the Chief of the USAID Food and Agricultural Office, or designee, will have operational responsibility for the activity.

An office may wish, where appropriate, to combine several approved sub-activities and obtain a contractor to implement activities or undertake planned studies/ assessments within a specific sector. Alternatively, if an evaluation workshop is planned, the USAID Program Office will lead the effort and coordinate with the appropriate staff offices within the Mission and with the ERD/Americas Desk. The Mission Evaluation Officer, located in the Program Office, will ensure M&E is adequately addressed, where appropriate.

4.2. BANGLADESH GOVERNMENT RESPONSIBILITIES

The ERD will serve as the implementing host country entity for this project. As under TRP-I, ERD/Americas Desk will coordinate with the USAID Program Office on all activities funded under this project through the USAID Program Office (including those activities conducted under the streamlined clearance process noted above). As necessary, ERD will obtain required clearances from other BDG Ministries and ensure that all BDG requirements for project implementation are expeditiously met. Although the BDG has received a host country contribution waiver approved by AA/ANE (see Annex D) it is estimated the BDG will provide about 5 percent of project costs through "in kind" contribution which includes salaries of ERD staff, participant salaries while in training, office space and furniture and all local costs for visas, medical examinations, photographs, etc. No other direct costs to the BDG are anticipated.

BDG rules require that sub-activities, not the overall project, must be cleared by the appropriate line Ministries and Planning Commission at the time a sub-project is designed by USAID. In some cases, e.g., IFPRI TA contract, a TAPP (Technical Assistance Project Proforma) may be required. (In most instances, approval will be provided by a countersigned Project Implementation Letter with a detailed scope of work and budget attached.) Depending on the amount of funding or complexity of the activity, these clearances take up to several months to obtain. ERD will make every effort to have the TAPP cleared by the cognizant BDG organization as quickly as possible. This will include full consultation between the line ministry, ERD and USAID, as appropriate.

4.3 IMPLEMENTATION PROCEDURES

TRP-II implementation will be managed through the Mission's Program Office in close coordination with ERD/Americas Desk. Because of the nature of this project, it is impossible to establish a detailed implementation plan with a detailed implementation schedule. Thus, when the activity is approved by both the Mission and ERD, implementation will proceed by the completion of USAID-specific documents, including PIO/Ts, scopes of work, Project Implementation Letters, agreements with other USG Agencies, etc. The principal technical office completing these documents will then take operational control of the activity.

Sub-activity implementation will be controlled by existing Mission and BDG operational procedures. For example, any proposal submitted either by ERD or USAID technical offices must be fully cleared through the Mission review process (Technical Office, Program, Legal, Contracts and Controller) and ultimately cleared by Senior Mission Management, as well as ERD according to Mission established procedures. In the training component, the Training Section within the Program Office will take the lead in processing the Bangladeshi candidate through the BDG approval process and coordinate with the appropriate technical office and USAID Controller's Office.

The Program Office will be responsible for coordinating with the Controller's office for all documents involving sub-activity financing and overall project financial monitoring, in close coordination with the implementing USAID Technical Office. This financial monitoring will include, but not be limited to, tracking sub-activity earmarks and recommending approval for de-earmarking or decommitment of funds already committed. The Controller's Office will continue to issue quarterly pipeline reports which will track sub-activity details on earmarks for each of the modules or project components, level of funding for the component, earmarks for each component by sub-activity, accrued expenditures and uncommitted amount and pipeline for each sub-activity.

Audit requirements for each activity funded under this project will be reviewed individually and appropriate funding will be provided to assure adequate audit coverage.

4.4 ELIGIBILITY DETERMINATION OF ACTIVITIES

TRP-II has built in flexibility to fund a variety of activities which the BDG and USAID will need over the life of project. To address questions of whether to fund particular proposals the decision to use project funding will be made on a case-by-case basis for each component through the Mission's existing review and the BDG's TAPP approval process. To the extent informal feedback or rapid turnaround time is required, the ERD and USAID will facilitate informal discussion and preliminary approval of activities. Approval of a sub-activity proposal through a PIL will constitute governmental concurrence to move forward with the sub-activity implementation.

4.5 CONDITIONS PRECEDENT AND COVENANTS

Condition Precedent

Prior to any disbursement, or the issuance of any commitment document under the Project Agreement (PROAG), for any expenditure of funds, the Bangladesh Government shall furnish in form and substance satisfactory to A.I.D., except as A.I.D. may otherwise agree in writing, evidence of:

A statement of the name of the person or persons acting as BDG representatives, plus a specimen signature of each such person.

Covenant

The Bangladesh Government shall ensure that the BDG approval of technical assistance activities can be obtained in an expeditious manner so that the USAID Mission and ERD can respond quickly to requests for technical assistance.

4.6 REPORTING REQUIREMENTS

The majority of financial reports prepared under TRP-II will be for internal USAID and BDG use. Typically, reports will include quarterly financial statements prepared by the USAID Controller's office which summarize all financial detail for each project component. Financial data will be shared with ERD/Americas Desk. The USAID Training Office will prepare quarterly and annual reports on all training that occurs under the project and will disaggregate the information to include gender-related information and other data consistent with the Mission Order on Participant Training.

Reporting on technical assistance financed under this project will be included in the reports listed above as well as quarterly reports on sub-activity implementation known as "Q" Sheets for the Mission's project implementation reviews (PIR). These reports will follow the format developed by the Project Design and Engineering Office of USAID.

Reports resulting from TA, policy studies, assessments, etc. will be distributed to ERD, upon written request and/or verbal debriefing held for USAID, ERD and for interested BDG line ministries as desired. Reports may also be shared with other donors, as appropriate.

Contractors will have to abide by specific reporting requirements established in their contracts.

4.7 GRAY AMENDMENT

As a policy USAID/Dhaka supports minority and disadvantaged firms including "8A" firms and historically black colleges and universities (HBCUS) which provide quality technical assistance to Mission-financed projects. Over the past several years, this Mission has demonstrated its commitment to this Amendment by utilizing such firms in providing technical and other consulting assistance to the BDG. TRP-II will continue to provide the Mission and the BDG high quality services from firms covered under the Gray Amendment by vigorously seeking Gray Amendment firms to undertake activities to the fullest extent possible.

CHAPTER V SUMMARY OF PROJECT ANALYSIS

5.1 TECHNICAL ANALYSIS

TRP-II will continue to operate along the same lines as its predecessor project. The Mission and the BDG will make technical decisions on a case-by-case basis for each sub-activity under each component. The major difference will be in the expansion of technical assistance to specifically incorporate parallel financing with other donors. The other components, as detailed in Chapter III, will provide the flexibility necessary to address ERD's and USAID's need for discrete TA studies, and training in priority areas consistent with existing Mission strategies and BDG policy.

The ERD/Americas Desk will continue to be the BDG implementing and counterpart organization. In this capacity, ERD will coordinate requests for technical assistance or training with the USAID Program Office by either requesting or approving such assistance, subject to the proviso outlined in section 4.1 above. This project will help

ERD meet some of its needs for analysis and training, specifically in areas where the Mission can play a crucial role by providing training and limited commodities for monitoring PL-480. ERD will also facilitate processing clearances and other BDG requirements through other Ministries when they are the recipients of technical assistance or training.

5.2 SOCIAL SOUNDNESS ANALYSIS

This project will directly benefit the BDG officials and others receiving training or participating in study-tours planned under the project.

Women will benefit from the planned assistance provided under this project. Women participating in various short-term training opportunities and study-tours as well as women receiving long-term academic training will return to Bangladesh and serve as role models for other women. Some of the technical assistance planned will help integrate women more fully in direct development work and expand women's role in the marketplace.

TRP-II's impact is expected, for the most part, to be indirect rather than direct. Outputs are intended to improve planning and implementation of a wide variety of activities executed by BDG line ministries. Recipients of training will become more effective planners and administrators, capable of designing, executing and evaluating development activities with greater skill and expertise. Research activities, such as feasibility and economic studies will become important elements in development of national policies.

Training, which is a major element of TRP-II, is not subject to direct economic analysis. Indirect benefits of training, however, can be estimated in terms of the number of men and women who return from training overseas and make a greater impact on economic development based on their training. Short-term training provides participants with skills which are immediately usable in their jobs. Seminars and study-tours provide participants with comparisons of how other systems deal with specific constraints to development or social issues -- such as those relating to the plight of women in third world nations. Thus, although the economic benefits of training are not quantifiable, indirect evidence supports the hypothesis that training positively influences economic and social growth.

5.3 ECONOMIC ANALYSIS

It is impossible to perform quantitative economic analysis to determine the economic return of a project of this nature.

However, the technical assistance component performs several economic-related functions. It assists Ministries with institution building of their capacity to affect the economic development of Bangladesh. It also provides a means by which USAID can gain a better understanding of the economic policy environment in which the Mission's project portfolio operates. The technical assistance component has been designed to facilitate Bangladesh's economic development and support policy oriented project implementation of other donors.

The economic studies component seeks to answer some of the questions that constrain the country's development. It will provide information necessary for the BDC to make critical economic decisions involving development policies and, provide data and analysis in support of USAID's other policy oriented development strategies.

5.4 ENVIRONMENTAL ANALYSIS

Like its predecessor project, TRP-II will not have an impact on the environment of Bangladesh. Activities planned within the components of the project involve institution building, training within Bangladesh and overseas. Thus, project meets the criteria for a categorical exclusions as outlined under CFR 216.2(c)(i).

CHAPTER VI MONITORING AND EVALUATION PLAN

TRP-II is a multi-purpose project. Hence, requirements for monitoring and evaluation must be treated somewhat differently. The Program Office will take the lead in all sub-activity monitoring and evaluation. All sub-activities will have monitoring and evaluation plans which will be implemented by the offices responsible for the sub-activity. The Program Office will provide oversight to ensure that all sub-activities have monitoring and evaluation elements that reflect both AID/W and Mission concerns for M&E.

6.1 MONITORING PLAN

The USAID Program Office is ultimately responsible for monitoring activities implemented under TRP-II. Since there is no contractor responsible for project monitoring, the Program Office, in consultation with the appropriate USAID Technical Office, will coordinate all sub-activities with the

ERD/Americas Desk officer who will function as the BDG project counterpart. Monitoring of sub-project activities will consist of a review by ERD and USAID technical offices of quarterly financial reports prepared by the USAID Controller's Office and other materials. These financial reports contain detailed listings of all sub-activities under implementation and the rate of fund expenditure. Technical offices implementing sub-activities will be responsible for preparing quarterly project implementation status reports summarizing progress to date and highlighting key issues for senior management decision. Principal users of data generated for monitoring the project will include ERD/Americas Desk, USAID, contractors retained to implement sub-activities outlined in Chapter III of this Project Paper and other line ministries, as appropriate.

6.2 EVALUATION PLAN

Lessons learned from prior evaluations under the Technical Resources Project have been included into the design of TRP-II. For example, USAID is aware ERD is not adequately staffed to perform implementation activities planned in TRP-I. Evaluations conducted during the course of TRP-II implementation will be used to review the impact of the technical assistance, training and other elements planned over the life of project. To the extent possible, all sub-activities evaluated will include gender disaggregated data. Within the scope of work for technical assistance planned in the project, evaluation will be built into each sub-activity in order to assess how well each activity is being implemented and the impact on Bangladesh's economic development. Major TA and parallel financed activities will be reviewed every 18 months. Such reviews will be incorporated in to sub-activity design to ensure Mission oversight functions are fulfilled.

A total of \$50,000 has been set aside for conducting evaluations during the course of project implementation. The Mission plans to conduct two internal assessments and one external evaluation that will help the Mission focus on how well the project is addressing the problems identified and ways of improving project implementation. If additional funds are required, they can be obtained from Section 3.6 of Chapter III, subject to mutual BDG/USAID concurrence.

Internal project-wide evaluations will be conducted roughly at the end of year two and year six, with one external evaluation at the end of year four. This last evaluation (to be performed by one expatriate expert and one local consultant) will be used to assess whether or not additional funds may be required and/or if the project needs to be extended to meet objectives outlined in the project, e.g., completion of academic training or long-term technical assistance sub-activities.

**PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK**

Life of Project:
From FY 1988 to FY 1996
Total U.S. Funding \$ 19,000,000
Date Prepared: June 1988

Project Title & Number: Technical Resources II (388-0074)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Program or Sector Goal: The broader objective to which this project contributes:</p> <p>To promote the social and economic development of Bangladesh in priority areas supported by AID.</p>	<p>Measures of Goal Achievement:</p> <p>Policies and programs will be directed toward increasing income and improving income distribution.</p>	<p>1. Review of policies and programs. 2. Review of World Bank Reports. 3. World Bank/UNDP Reports on Technical Assistance. 4. Review of individual subactivity evaluations.</p>	<p>Assumptions for achieving goal targets:</p> <p>There is political stability in the country.</p>
<p>Project Purpose</p> <p>To improve the managerial and technical effectiveness of the BDG to plan and implement development programs.</p>	<p>Conditions that will indicate purpose has been achieved: End of project status</p> <ol style="list-style-type: none"> BDG agencies increase their utilization of foreign donor resources and produce higher quality project proposals. ERD has improved capability to coordinate with BDG agencies and donors. Returned participants are assigned to appropriate positions to make maximum use of their training. 	<ol style="list-style-type: none"> BDG submission of project proposals to donors. Direct observation of ERD performance. USAID survey of returned participants. 	<p>Assumptions for achieving purpose</p> <ol style="list-style-type: none"> Service requirements for returned participants are enforced. BDG approval procedures for subactivities improved.
<p>Outputs:</p> <ol style="list-style-type: none"> Technical Assistance/Parallel financing Activities. Development Studies/Analysis. Key personnel in agriculture and other fields trained. WID interventions. <ol style="list-style-type: none"> Women trained. Study tours completed/Studies completed. Seminars. Project Design/Evaluation Studies/Seminars. 	<p>Magnitude of Output:</p> <ol style="list-style-type: none"> 10 10 30 20 3 5 10 	<ol style="list-style-type: none"> Consultant Reports/Project Records. Study Reports. Follow-up returned participants. 	<p>Assumptions for achieving outputs:</p> <ol style="list-style-type: none"> Consultants are able to work effectively with BDG agencies. BDG appoints qualified counterpart personnel on a timely basis and approves activities expeditiously. Suitable training programs can be identified.
<p>Inputs: <u>AID</u></p> <ol style="list-style-type: none"> Technical Assistance. Economic Studies/Analysis/Evaluation. Training. Women's Seminars/Training Commodity. <p><u>BDG</u></p> <p>Salary of counterpart staff and in-kind support.</p>	<p>Implementation Target (Type and Quantity)</p> <p><u>AID</u></p> <ol style="list-style-type: none"> 12000 3650 3000 300 50 <p><u>BDG</u></p> <p>1000</p>	<p>Project Financial Reports</p>	<p>Assumptions for providing inputs:</p> <ol style="list-style-type: none"> Availability of AID funds. BDG and AID able to agree on scope of works. BDG able to select qualified nominees.

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From: Mirza Tasaddug Hussain Beg,
Deputy Secretary.

Ministry of Planning
External Resources Division
Sher-e-Bangla Nagar
Dhaka-7

#257

D.O. No. ERD/America-1(TA)-3/88/350

Dated... August 23, 1988.

Subject:- Technical Resources-II Project.

Dear Mr. Purvis,

Consequent upon the discussions held between the officials of the USAID and the External Resources Division (ERD) of the Government of Bangladesh, we feel that implementation of the proposed Technical Resources -II Project is necessary. We, therefore, request US assistance for implementing the above project.

Sincerely yours,

(Mirza Tasaddug Hussain Beg)

Mr. Malcolm Purvis,
Acting Mission Director,
USAID Mission to Bangladesh
Jiben Bina Bhaban (4th Floor)
10, Dilkusha C/A., Dhaka.

REO

REPLY	
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UNITED STATES OF AMERICA

AGENCY FOR INTERNATIONAL DEVELOPMENT

Dhaka, Bangladesh

ANNEX D

PAGE 1 OF PAGE 2

PROJECT AUTHORIZATION

NAME OF COUNTRY : BANGLADESH
NAME OF PROJECT : TECHNICAL RESOURCES PROJECT II (TRP-II)
NUMBER OF PROJECT : 388-0074

1. Pursuant to Sections 103 and 105 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Technical Resources Project II for the People's Republic of Bangladesh (the "cooperating country") involving planned obligations not to exceed nineteen million United States Dollars (\$19,000,000) in grant funds over a six year period from the date of authorization subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to assist in financing foreign exchange and local currency costs for the project. The planned life of the project is eight years from the initial obligation.

2. The project will assist to improve the managerial and technical effectiveness of the Bangladesh Government to plan and implement development programs. The project will support activities, including technical assistance and parallel financing; economic studies and analysis; training in priority sectors for economic analysis, including postgraduate academic, short-term, and technical training, and study tours; women's development activities; and project design and evaluation/workshops.

3. The Project Agreement and any amendments, 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:

a. Source and Origin of Commodities, Nationality of Services

Except as A.I.D. may otherwise agree in writing:

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 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.

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Ocean shipping financed by A.I.D. under the project shall be financed only on flag vessels of the United States or Bangladesh.

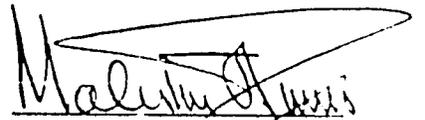
b. Conditions Precedent

Prior to any disbursement, or the issuance of any document pursuant to which disbursement would be made, under the Project Agreement, for any expenditure of funds, the Bangladesh Government shall, except as A.I.D. may otherwise agree in writing, furnish in form and substance satisfactory to A.I.D., a statement of the names of persons acting as representatives of the Bangladesh Government, together with a specimen signature for each such person.

c. Covenant

The Bangladesh Government shall process requests for approval of technical assistance activities in a timely manner.

4. Requirements of Section 110(A) of the Foreign Assistance Act were waived by the Assistant Administrator of the Asia and Near East Bureau on May 30, 1968, per 88 State 173092.


Malcolm J. Purzis
Mission Director (Acting)

Date: August 23, 1988

	<u>Date</u>
Clearances: RLA/PRamsey <u>1/12/88</u>	<u>7/13</u>
PRO/FJYoung _____	_____
F&AG/CTHash _____	_____
PDE/DReese <u>1/20/88</u>	<u>7/20</u>
CONT/GRJenkins _____	<u>7/15</u>
DD (A) /FJYoung _____	<u>8/25</u>

FINANCING METHODS

Funds made available through bilateral Project Grant Agreements/Amendments under TRPII will be utilized in the following ways: (1) AID Direct Contracts with U.S. firms selected for technical assistance, design, implementation, evaluation, and other activities where AID direct contracts are the most appropriate vehicle, and (2) host country contracts for procurement of commodity and local technical assistance necessary. Where applicable procurement will be from Code 941 countries. The chart below describes the proposed method of implementation and method of financing:

<u>Element</u>	<u>Method of financing</u>
Technical Assistance including contract expatriate and local consultants	Direct AID
Economic Studies/Analysis	AID Contract
WID Initiatives	Direct Payment by AID
Training/study-tours	PIO/P's, PIO/T's
Commodities	To be determined by the Mission in cooperation with ERD.
Project Design/Evaluation/Seminars	Direct AID Contract/Host Country Contract.

Major Project Implementation actions such as reservation of funds for subactivities will be handled through Project Implementation Letters (PILs), consistent with TRP-II's predecessor project. PILs will serve as one method of tracking financial activities under this Project.

In accordance with USAID's obligation schedule directed, in part, to meet the needs of TRP-II the following obligation schedule is planned:

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ANNEX F

ILLUSTRATIVE OBLIGATION SCHEDULE (\$000)

<u>Account/Element</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>	<u>FY 92</u>	<u>FY 93</u>	<u>TOTAL</u>
<u>ARDN Account</u>							
1. Technical Assistance/Parallel Financing	2,450	2,750		1,600	2,500	2,700	12,000
2. Economic Studies/Analysis	700	600	500	200	-	-	2,000
3. Women in Dev. Intervention	150	150	-	-	-	-	300
4. Project Design/Evaluation etc.	550	500	-	300	200	-	1,550
5. Commodities	50	-	-	-	-	-	50
6. Audit	100	-	-	-	-	-	100
<u>EHR Account</u>							
7. Academic Training	500	-	500	900	800	300	3,000
TOTAL	4,500	4,000	1,000	3,000	3,500	3,000	19,000

1/ Assumes the availability of \$2.5 million thru deobligation from TRP I.

Listed below are statutory criteria applicable to: (A) FAA funds generally; (B)(1) Development Assistance funds only; or (B)(2) the Economic Support Fund only.

A. GENERAL CRITERIA FOR COUNTRY ELIGIBILITY

1. FY 1988 Continuing Resolution Sec. 526.

Has the President certified to the Congress that the government of the recipient country is failing to take adequate measures to prevent narcotic drugs or other controlled substances 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 Sec. 481(h). (This provision applies to assistance of any kind provided by grant, sale, loan, lease, credit, guaranty, or insurance, except assistance from the Child Survival Fund or relating to international narcotics control, disaster and refugee relief, or the provision of food or medicine.) If the recipient is a "major illicit drug producing country" (defined as a country producing during a fiscal year at least five metric tons of opium or 500 metric tons of coca or marijuana) or a "major drug-transit country" (defined as a country that is a significant direct source of illicit drugs significantly affecting the United States, through which such drugs are transported, or through which significant sums of drug-related profits are laundered with the knowledge or complicity of the government), has the President in the March 1 International Narcotics Control Strategy Report (INSCP) determined and certified to the Congress (without

N/A

Congressional enactment, within 30 days of continuous session, of a resolution disapproving such a certification), or has the President determined and certified to the Congress on any other date (with enactment by Congress of a resolution approving such certification), that (a) during the previous year the country has cooperated fully with the United States or taken adequate steps on its own to prevent illicit drugs produced or processed in or transported through such country from being transported into the United States, and to prevent and punish drug profit laundering in the country, or that (b) the vital national interests of the United States require the provision of such assistance?

3. Drug Act Sec. 2013. (This section applies to the same categories of assistance subject to the restrictions in FAA Sec. 481(h), above.) If recipient country is a "major illicit drug producing country" or "major drug-transit country" (as defined for the purpose of FAA Sec 481(h)), has the President submitted a report to Congress listing such country as one (a) which, as a matter of government policy, encourages or facilitates the production or distribution of illicit drugs; (b) in which any senior official of the government engages in, encourages, or facilitates the production or distribution of illegal drugs; (c) in which any member of a U.S. Government agency has suffered or been threatened with violence inflicted by or with the complicity of any government officer; or (d) which fails to provide reasonable cooperation to lawful activities of U.S. drug enforcement agents, unless the President has provided the required certification to Congress pertaining to U.S. national interests and the drug control and criminal prosecution efforts of that country?

N/A

4. FAA Sec. 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
5. FAA Sec. 620(e)(1). If assistance is to a government, has it (including any 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
6. FAA Secs. 620(a), 620(f), 620D; FY 1988 Continuing Resolution Sec. 512. Is recipient country a Communist country? If so, has the President determined that assistance to the country is vital to the security of the United States, that the recipient country is not controlled by the international Communist conspiracy, and that such assistance will further promote the independence of the recipient country from international communism? Will assistance be provided directly to Angola, Cambodia, Cuba, Iraq, Libya, Vietnam, South Yemen, Iran or Syria? Will assistance be provided to Afghanistan without a certification? NO
7. FAA Sec. 620(i). Has the country permitted, or failed to take adequate measures to prevent, damage or destruction by mob action of U.S. property? NO
8. FAA Sec. 620(l). Has the country failed to enter into an investment guaranty agreement with OPIC? NO

9. 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 vessel because of fishing activities in international waters? (b) If so, has any deduction required by the Fishermen's Protective Act been made? NO
10. FAA Sec. 620(q); FY 1988 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 loan to the country under the FAA? (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 FY 1988 Continuing Resolution appropriates funds? NO
11. FAA Sec. 620(s). If contemplated assistance is development loan or to come from Economic Support Fund, has the Administrator taken into account the percentage of the country's budget and amount of the country's foreign exchange or other resources 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
12. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have relations been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption? NO

13. 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 A.I.D. Administrator in determining the current A.I.D. Operational Year Budget? (Reference may be made to the Taking into Consideration memo.) Current
14. FAA Sec. 620A. Has the President determined that the recipient country grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism or otherwise supports international terrorism? NO
15. FY 1988 Continuing Resolution Sec. 576. Has the country been placed on the list provided for in Section 6(j) of the Export Administration Act of 1979 (currently Libya, Iran, South Yemen, Syria, Cuba, or North Korea)? NO
16. ISDCA of 1985 Sec. 552(b). Has the Secretary of State determined that the country is a high terrorist threat country after the Secretary of Transportation has determined, pursuant to section 1115(e)(2) of the Federal Aviation Act of 1958, that an airport in the country does not maintain and administer effective security measures? NO
17. FAA Sec. 666(b). 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
18. FAA Secs. 669, 670. Has the country, after August 3, 1977, delivered to any other country or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards, and without special certification by the President? 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

19. FAA Sec. 670. If the country is a non-nuclear weapon state, has it, on or after August 8, 1985, exported (or attempted to export) illegally from the United States any material, equipment, or technology which would contribute significantly to the ability of a country to manufacture a nuclear explosive device? NO
20. 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. on Sept. 25 and 28, 1981, and did it fail 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.) Bangladesh was represented at the Non-aligned countries meeting which took place during the 36th session of the UNGA, Sept., 1981. According to the President "Report to Congress on the Non-Aligned Countries Regarding the Communique of Sept. 28, 1981, Submitted in Accordance with Section 72 (b) of PL 97-113," Bangladesh was among the countries which entered written reservations on the communique subsequent to its issuance.
21. FY 1988 Continuing Resolution Sec. 528. (NO) 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?
22. FY 1988 Continuing Resolution Sec. 513. NO Has the duly elected Head of Government of the country been deposed by military coup or decree? If assistance has been terminated, has the President notified Congress that a democratically elected government has taken office prior to the resumption of assistance?
23. FY 1988 Continuing Resolution Sec. 543. Bangladesh does not have a refugee situation which involves any international refugee assistance organization, the United States or other governments in facilitating lasting solutions to refugee situations, including resettlement without respect to race, sex, religion, or national origin? Does the recipient country fully cooperate with the international refugee assistance organizations, the United States, and other governments in facilitating lasting solutions to refugee situations, including resettlement without respect to race, sex, religion, or national origin?

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? If so, can it be demonstrated that contemplated assistance will directly benefit the needy?

FY 1988 Continuing Resolution Sec. 538. Has the President certified that use of DA funds by this country would violate any of the prohibitions against use of funds to pay for the performance of abortions as a method of family planning to motivate or coerce any person to practice abortions, to pay for the performance of involuntary sterilization as a method of family planning, to coerce or provide any financial incentive to a person to undergo sterilizations, to pay for any biomedical research which relates, in whole or in part, to method of, or the performance of, abortions or involuntary sterilization as a means of family planning?

No. On March 1, 1988 AID Administrator Woods suspended reimbursement to the BDG for compensation payments related to voluntary sterilization (client, referral agent & physician providers) & review whether any payments were incentives. Although no finding was made that such payments are incentives, the Administrator decided it is in the best interests not to resume payment of these costs but rather to concentrate our assistance on other

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 President found that the country made such significant improvement in its human rights record that furnishing such assistance is in the U.S. national interest?

FY 1988 Continuing Resolution Sec. 549. Has this country met its drug eradication targets or otherwise taken significant steps to halt illicit drug production or trafficking?

N/A high priority and uncontroversial aspects of the program.

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; 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? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT?

- a) Yes
- b) Yes, the check-list is attached hereto.

A. GENERAL CRITERIA FOR PROJECT

1. FY 1988 Continuing Resolution Sec. 523; FAA Sec. 634A. If money is sought to obligated for an activity not previously justified to Congress, or for an amount in excess of amount previously justified to Congress, has Congress been properly notified?
2. FAA Sec. 611(a)(1). Prior to an obligation in excess of \$500,000, 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?
3. FAA Sec. 611(a)(2). If legislative action is required within recipient country, what is the basis for a reasonable expectation that such action will be completed in time to permit orderly accomplishment of the purpose of the assistance?

Congressional Notification has been submitted.

- a) Yes
- b) Yes, see illustrative obligation schedule in Annex I.

Not required.

4. FAA Sec. 611(b); FY 1988 Continuing Resolution Sec. 501. If project is for water or water-related land resource construction, have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See A.I.D. Handbook 3 for guidelines.) N/A
5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and total U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability to maintain and utilize the project effectively? Not capital project.
6. FAA Sec. 208. 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 on whether projects will encourage efforts of the country to:
(a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, 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) Training in the private sector will be provided under the project.
c) N/A
d) N/A
e) Training to be provided under the project is intended to improve technical efficiency.
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 offers opportunities for U.S. private sector to provide technical services to the EIA agencies under the project.
9. FAA Secs. 612(b), 636(b). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars. The host country will contribute salaries and facilities for an estimated total value of \$1.0 million during project implementation.

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. FY 1988 Continuing Resolution Sec. 521. 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
12. FY 1988 Continuing Resolution Sec. 553. Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807," which allows reduced tariffs on articles assembled abroad from U.S.-made components) be used directly to procure feasibility studies, prefeasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel? No
13. FAA Sec. 119(g)(4)-(6). Will the assistance (a) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity; (b) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other wildlife habitats; (c) support efforts to identify and survey ecosystems in recipient countries worthy of protection; or (d) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas? No

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14. FAA 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 (either dollars or local currency generated therefrom)? N/A
15. FY 1988 Continuing Resolution. If assistance is to be made to a United States PVO (other than a cooperative development organization), does it obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government? N/A
16. FY Continuing Resolution Sec. 541. If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of A.I.D., and is the PVO registered with A.I.D.? N/A
17. FY 1988 Continuing Resolution Sec. 514. If funds are being obligated under an appropriation account to which they were not appropriated, has prior approval of the Appropriations Committees of Congress been obtained? N/A
18. FY Continuing Resolution Sec. 515. If deob/reob authority is sought to be exercised in the provision of assistance, are the funds being obligated for the same general purpose, and for countries within the same general region as originally obligated, and have the Appropriations Committees of both Houses of Congress been properly notified? It has been planned to reobligate the unspent funds from the ongoing Technical Resources (388-0027) project for the same general purpose. Congressional Notification will be sent before deobligation and reobligation in FY 1989.
19. State Authorization Sec. 139 (as interpreted by conference report). Has confirmation of the date of signing of the project agreement, including the amount involved, been cabled to State L/T and A.I.D. LEG within 60 days of the agreement's entry into force with respect to the United States, and has the full text of the agreement been pouched to those same offices? (See Handbook 3, Appendix 6G for agreements covered by this provision). Project Agreement is expected to be signed in July after the project authorization is signed. AIB/W including LEG will be notified of the signing within 60 days.

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

a. FY 1988 Continuing Resolution Sec. 552 (as interpreted by conference report). If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training), are such activities (a) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct competition in that third country with exports of a similar commodity grown or produced in the United States, and can the activities reasonably be expected to cause substantial injury to U.S. exporters of a similar agricultural commodity; or (b) in support of research that is intended primarily to benefit U.S. producers?

N/A

b. FAA Secs. 102(b), 111, 113, 281(a). Describe 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, dispersing investment from cities to small towns and rural areas, and

a) N/A

- insuring wide participation of the poor in the benefits of development on a sustained basis, using appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward a better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries.
- b) N/A
- c) Improves the skills of project planners and managers.
- d) Encourages women's training and seminars.
- e) Sponsors training and study tours in countries in the region.
- c. FAA Secs. 103, 103A, 104, 105, 106, 120-21. Does the project fit the criteria for the source of funds (functional account) being used? Yes, section 103 and 105.
- d. FAA Sec. 107. Is emphasis placed on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)? N/A
- e. FAA Secs. 110, 124(d). Will the recipient country provide at least 25 percent 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)? No. The 25% requirement will be waived because Bangladesh is an RLDC. Bangladesh will contribute about 5%.
- f. FAA Sec. 128(b). If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority? Yes.

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

The project is intended to enhance the capabilities of the BDC agencies in project design and implementation in the BDC's priority sectors. Efforts will be made to utilize to the extent possible local experts and institutions.

h. FY 1988 Continuing Resolution Sec. 538. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions?

No

Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations?

No

Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning?

No

i. FY 1988 Continuing Resolution. Is the assistance being made available to any organization or program which has been determined to support or participate in the management of a program of coercive abortion or involuntary sterilization?

No

If assistance is from the population functional account, are any of the funds to be made available to voluntary family planning projects which do not offer, either directly or through referral to or information about access to, a broad range of family planning methods and services?

N/A

- j. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? Yes
- k. FY 1988 Continuing Resolution. What portion of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, colleges and universities having a student body in which more than 20 percent of the students are Hispanic Americans, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)? Gray Amendment firms will be used to the fullest extent possible. It is difficult to determine what percentage of funds will be used for Gray Amendment firms, but the goal is more than 10%.
- l. FAA Sec. 118(c). Does the assistance comply with the environmental procedures set forth in A.I.D. Regulation 16? Does the assistance place a high priority on conservation and sustainable management of tropical forests? Specifically, does the assistance, to the fullest extent feasible: (a) stress the importance of conserving and sustainably managing forest resources; (b) support activities which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (c) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (d) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (e) help conserve forests which have not yet been degraded by helping to increase production on lands already cleared Yes.
No
N/A

or degraded; (f) conserve forested watersheds and rehabilitate those which have been deforested; (g) support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing; (h) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (i) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (j) seek to increase the awareness of U.S. government agencies and other donors of the immediate and long-term value of tropical forests; and (k) utilize the resources and abilities of all relevant U.S. government agencies?

- m. FAA Sec. 118(c)(13). If the assistance will support a program or project significantly affecting tropical forests (including projects involving the planting of exotic plant species), will the program or project (a) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land, and (b) take full account of the environmental impacts of the proposed activities on biological diversity?

N/A

- n. FAA Sec. 118(c)(14). Will assistance be used for (a) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems; or (b) actions which will significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas? No
- o. FAA Sec. 118(c)(15). Will assistance be used for (a) activities which would result in the conversion of forest lands to the rearing of livestock; (b) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undegraded forest lands; (c) the colonization of forest lands; or (d) the construction of dams or other water control structures which flood relatively undegraded forest lands, unless with respect to each such activity an environmental assessment indicates that the activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development? No
- p. FY 1988 Continuing Resolution If assistance will come from the Sub-Saharan Africa DA account, is it (a) to be used to help the poor majority in Sub-Saharan Africa through a process of long-term development and economic growth that is equitable, participatory, environmentally sustainable, and self-reliant; (b) being provided in N/A

accordance with the policies contained in section 102 of the FAA; (c) being provided, when consistent with the objectives of such assistance, through African, United States and other PVOs that have demonstrated effectiveness in the promotion of local grassroots activities on behalf of long-term development in Sub-Saharan Africa; (d) being used to help overcome shorter-term constraints to long-term development, to promote reform of sectoral economic policies, to support the critical sector priorities of agricultural production and natural resources, health, voluntary family planning services, education, and income generating opportunities, to bring about appropriate sectoral restructuring of the Sub-Saharan African economies, to support reform in public administration and finances and to establish a favorable environment for individual enterprise and self-sustaining development, and to take into account, in assisted policy reforms, the need to protect vulnerable groups; (e) being used to increase agricultural production in ways that protect and restore the natural resource base, especially food production, to maintain and improve basic transportation and communication networks, to maintain and restore the natural resource base in ways that increase agricultural production, to improve health conditions with special emphasis on meeting the health needs of mothers and children, including the establishment of self-sustaining primary health care systems that give priority to preventive care, to provide increased access to voluntary family planning services, to improve basic literacy and mathematics especially to those outside the formal educational system and to improve primary education, and to develop income-generating opportunities for the unemployed and underemployed in urban and rural areas?

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 percent of the enterprise's annual production during the life of the loan, or has the requirement to enter into such an agreement been waived by the President because of a national security interest? N/A

- c. FY 1988 Continuing Resolution. If for a loan to a private sector institution from funds made available to carry out the provisions of FAA Sections 103 through 106, will loan be provided, to the maximum extent practicable, at or near the prevailing interest rate paid on Treasury obligations of similar maturity at the time of obligating such funds? N/A

- d. FAA Sec. 122(b). Does the activity give reasonable promise of assisting long-range plans and programs designed to develop economic resources and increase productive capacities? N/A

3. Economic Support Fund Project Criteria

- a. FAA Sec. 531(a). Will this assistance promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of Part I of the FAA? N/A

- b. FAA Sec. 531(e). Will this assistance be used for military or paramilitary purposes? N/A

- c. 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

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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 or 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(a). Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? Yes
2. FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him? Yes
3. FAA Sec. 604(d). If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? Yes
4. FAA Sec. 604(e); ISDCA of 1980 Sec. 705(a). If non-U.S. procurement of agricultural commodity or product thereof is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.) N/A
5. FAA Sec. 604(q). Will construction or engineering services be procured from firms of advanced developing countries which are otherwise eligible under Code 941 and which have attained a competitive capability in international markets in one of these areas? (Exception for those No

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countries which receive direct economic assistance under the FAA and permit United States firms to compete for construction or engineering services financed from assistance programs of these countries.)

6. FAA Sec. 603. Is the shipping excluded from compliance with the requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 percent 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 such vessels are available at fair and reasonable rates? No

7. FAA Sec. 621(a). If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? Will the facilities and resources of other Federal agencies be utilized, when they are particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs? Yes

8. International Air Transportation 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 1988 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 will be incorporated in the AID direct contracts.

10. FY 1988 Continuing Resolution Sec. 524. If assistance is for consulting service through procurement contract pursuant to 5 U.S.C. 3109, are contract expenditures a matter of public record and available for public inspection (unless otherwise provided by law or Executive order)? Yes

B. CONSTRUCTION

1. FAA Sec. 601(d). If capital (e.g., construction) project, will U.S. engineering and professional services be used? N/A
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), or does assistance have the express approval of Congress? N/A

C. OTHER RESTRICTIONS

1. FAA Sec. 122(b). If development loan repayable in dollars, is interest rate at least 2 percent per annum during a grace period which is not to exceed ten years, and at least 3 percent 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 1987 Continuing Resolution Secs. 525, 538. (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; or (4) to lobby for abortion?
 - 1) Yes
 - 2) Yes
 - 3) Yes
 - 4) Yes
 - b. FAA Sec. 483. To make reimbursements, in the form of cash payments, to persons whose illicit drug crops are eradicated? Yes
 - c. FAA Sec. 620(q). To compensate owners for expropriated or nationalized property, except to compensate foreign nationals in accordance with a land reform program certified by the President? Yes
 - d. FAA Sec. 660. To provide training, advice, or any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? Yes
 - e. FAA Sec. 662. For CIA activities? Yes
 - f. 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

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- g. FY 1988 Continuing Resolution Sec. 503. To pay pensions, annuities, retirement pay, or adjusted service compensation for prior or current military personnel? Yes
- h. FY 1988 Continuing Resolution Sec. 505. To pay U.N. assessments, arrearages or dues? Yes
- i. FY 1988 Continuing Resolution Sec. 506. To carry out provisions of FAA section 209(d) (transfer of FAA funds to multilateral organizations for lending)? Yes
- j. FY 1988 Continuing Resolution Sec. 510. To finance the export of nuclear equipment, fuel, or technology? Yes
- k. FY 1988 Continuing Resolution Sec. 511. 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? Yes
- l. FY 1988 Continuing Resolution Sec. 516; State Authorization Sec. 109. To be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress, to influence in any way the outcome of a political election in the United States, or for any publicity or propaganda purposes not authorized by Congress? Yes

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