

64219

COST PROPOSAL

**A Project to Increase Food
Production in Afghanistan**

Submitted to:

AID Representative for
Afghanistan
c/o America Embassy,
Islamabad, Pakistan

Submitted by:

Volunteers in Technical Assistance
1815 North Lynn Street, Suite 200
P.O. Box 12438
Arlington, Virginia 22209-8438

January, 1987

11

SUMMARY OF PROPOSED VITA BUDGET
AGRICULTURAL PROJECT

	YEAR 1	YEAR 2	TOTAL	%
I. PERSONNEL	352285	368645	720930	17
II. FRINGE BENEFITS	60900	63945	124845	3
III. OCCUPANCY	6300	6615	12915	0
IV. TRAVEL/PER DIEM	97906	97906	195812	5
V. ALLOWANCES	72780	64390	137170	3
VI. PROJECT EQUIPMENT/COMMODITIES	1161000	1293000	2454000	58
VII. OTHER DIRECT COSTS	68500	67500	136000	3
VIII. TOTAL DIRECT COSTS	1819671	1962001	3781672	89
IX. OVERHEAD (TOTAL DIR COSTS- PROJECT EQUIPMENT/COMMODITIES • 32%)	224936	228464	453400	11
X. CONTINGENCY	0	0	0	0
XI. TOTAL PROGRAM COSTS (TOTAL DIR COSTS + OVERHEAD)	2044607	2190465	4235072	100

01-30-87

VITA
PROPOSED BUDGET
AGRICULTURAL PROJECT

	YEAR 1	YEAR 2	TOTAL
I. PERSONNEL			
A. OVERSEAS - VITA PERSONNEL			
a) PROJECT DIRECTOR @ 60000/yr	60000	63000	123000
b) EXEC. OFFICER @ 50000/yr	50000	52500	102500
c) CHIEF TECH ADV @ 40000/yr	40000	42000	82000
SUBTOTAL - VITA OVERSEAS	150000	157500	307500
B. OVERSEAS - LOCAL STAFF			
a) Afghan Ag Project (Staff)	123529	129705	253234
b) Planning and Monitoring Unit (Staff)	23676	24860	48536
SUBTOTAL - LOC OVERSEAS	147205	154565	301770
C. HOME OFFICE			
a) Principal (5% of time @ \$60,000/year)	3000	3150	6150
b) Desk Officer (50% of time @ \$30,000/year)	15000	15750	30750
c) Tech Backstop & Proc (20% of time @ \$20,000/year)	4000	4200	8200
d) Secretary (40% of time @ \$20,000/year)	8000	8400	16400
SUBTOTAL - HOME OFFICE	30000	31500	61500
D. CONSULTANTS			
a) Agriculturalist (14 weeks total @ \$220/day)	9240	9240	18480
b) Agro-economist/sociologist (12 weeks total @ \$220/day)	7920	7920	15840
c) Engineer (12 weeks total @ \$220/day)	7920	7920	15840
SUBTOTAL-CONSULT	25080	25080	50160
SUBTOTAL-PERSONNEL	352285	368645	720930
II. FRINGE BENEFITS			
A. OVERSEAS STAFF			
(29% of Base Salary + Post Differential)	52200	54810	107010
B. HOME OFFICE	8200	9135	17335

W
-

C. TEMPORARY LODGING 9 people @ \$37/day for 30 days	9990	0	9990
D. HOUSEHOLD STORAGE (2,500 lbs @ \$2/mo per 100 lbs a mo - 3 families)	1800	1800	3600
E. SHIPPING HOUSEHOLD EFFECTS (2,000lbs each for 3 families)	6000	6000	12000
F. UNACCOMP. BAGS	2500	2500	5000
G. DBA INSURANCE for 3LT officers and 3 consultants (2.67% of Overseas Staff Payroll incl post differential)	4675	4875	9550
H. MEDEVAC INSURANCE a) Long-Term (3 @ \$80 a year)	240	240	480
b) Dependents of LT (7 @ \$100/yr)	700	700	1400
c) Short-Term Consultants + h/o staff (5 @ \$25/mo)	275	175	450
SUBTOTAL - ALLOWANCES	72780	64390	137170
VI. PROJECT EQUIPMENT			
A. VEHICLES			
a) Toyota Jeep Stationwagon(2)	24000		24000
b) Jeep (Short Wheelbase)(4)	28000		28000
c) Pickups (3)	36000		36000
d) Rickshaws (3)	6000		6000
e) Motorcycles (4)	4000		4000
B. OPERATION & MAINT			
a) Vehicle (\$3,000/yr)	27000	27000	54000
b) Cycles & rickshaws(\$500/yr)	3500	3500	7000
C. INSURANCE			
a) Vehicles (\$600/yr per veh)	5400	5400	10800
b) Cycles & rickshaws (\$300/yr per veh)	2100	2100	4200
D. COMMODITIES, EQUIPMENT, SUPPLIES	1000000	1250000	2250000
E. OFFICE/HOUSE FURNISHINGS (5 buildings)	25000	5000	30000
Subtotal - Equipment & Commodities	1161000	1293000	2454000

VII. OTHER DIRECT COSTS

A. TELEPHONE, TELEX, COURIER	7500	7500	15000
B. LIABILITY INSURANCE (@ \$500/yr)	500	500	1000
C. REPRODUCTION	2500	2500	5000
D. PHOTOCOPIES/GRAPHICS	2500	2500	5000
E. TRANSLATION	3000	3000	6000
F. PRINTING	1500	1500	3000
G. OFFICE SUPPLIES	4000	3000	7000
H. JANITORIAL	500	500	1000
I. LEGAL SERVICES	2000	2000	4000
J. HOUSING (3 houses @\$600/mo)	21600	21600	43200
K. OFFICES (2 @ \$600/mo)	14400	14400	28800
L. Maintenance & Utilities (5 bldgs @ \$100/mo)	6000	6000	12000
M. LANGUAGE LESSONS	1000	1000	2000
N. MISC. MED EXAM, VISAS, ETC	1500	1500	3000

SUBTOTAL - OTHER DIRECT COSTS	68500	67500	136000
IX TOTAL DIRECT COSTS	1819671	1962001	3781672
X OVERHEAD (TOTAL DIRECT COSTS - PROJ. EQUIP /COMMODITIES x 34 15%)	224936	228464	453400
XI. TOTAL PROGRAM COSTS TOTAL DIR COSTS + OVERHEAD)	2044607	2190465	4235072

Table 1. Illustrative List of Inputs, Year 1 and 2
with estimated cost *

(1)	(2)	(3)	(4)	(5)
Potential Input	Unit Cost per Item	Year 1 Totals	Year 2 Totals	Total, Year 1&2
1. oxen	\$400/head	700	1000	1700
2. tractors	\$9,000 each	21	35	56
3. threshers (lg)	\$2,000 each	60	84	144
4. " (small)	\$1,000		84	84
5. pumps (lg)	\$1,000	21	35	56
6. pumps (small)	600	21	35	56
7. seeds	\$130/ton	15 tons	15 tons	30 tons
8. Insecticides				
9. Sprayers (lg)	\$ 500 each	500	500	1000
10. Sprayers (sm)	\$ 100 each	10	15	25
11. Fertilizer		NA	NA	NA
12. Sheep		NA	NA	NA

* The project will be working with inputs in a variety of different ways. Possible mechanisms for providing inputs include:

- o direct provision, at no cost
- o direct provision for sale, at full cost
- o direct provision for sale at subsidized cost
- o indirect provision, covering only a subsidy
- o loans, to facilitate purchase
- o administrative facilitation, with no exchange of money

Because there are so many different inputs with which the project will be working, and so many different ways the project may be providing the inputs, it is not feasible at this time to give realistic detailed costs per year for potential inputs. Another major variable which is also unknown at this time includes transportation costs. Because there are so many unknowns, it appears more appropriate to give yearly magnitudes, roughly estimated as follows:

Year 1	Year 2	Total
\$900,000	\$1,000,000	\$1.9 mil

6'

BUDGET NOTES

1. This cost proposal is made on a cost-reimbursement basis.
2. **Field Staff/Home Office and Local Staff Salaries.** A 5% annual salary increase is assumed for all overseas expatriate and home office personnel.
3. **Local Hire Staff.** See tables V, VI, and VII which provide the salary grades and the listing of salaries for each position for both the Afghan Agricultural Project and the Planning and Monitoring Staff.
4. **Fringe Benefits.** The VITA fringe benefit rate is calculated for home office and long-term expatriate staff at the rate of 29% of base salaries and post-differential and COLA allowances. The fringe benefits include health and life insurance, retirement plan, FICA, unemployment insurance, workmen's compensation, sick leave used, and holidays.
5. **Occupancy.** Occupancy, or home office rental expense, is allocated to all cost centers. It is 21% of home office base salaries.
6. **Overhead Rate.** The VITA provisional overhead rate is negotiated annually between AID/Washington and VITA. Based on a review of past experience and a projection for the current year, the rate used in the proposal is 34%. Overhead is charged against all direct costs except project equipment and commodities. A copy of VITA's current Indirect Cost Agreement with AID is included in the cost application.
7. **Commodities.** Tables I through IV (attached) detail in an illustrative fashion the costs, beneficiaries, and magnitude of a mix of different agricultural inputs. Estimated cost for a comprehensive mix of inputs for the first two years are \$_____. Beneficiaries over a two year period are expected to range from _____ to _____.

Table II.

Illustrative possible allocation per impact area (Year 1)

(1)	(2)	(3)
Potential Input	Allocation per impact area	# of bene- ficiaries/per impact area
1. oxen	100	
2. tractors	3	
3. threshers	8	
4. pumps	6	
5. seeds	2 tons	
6. insecticides	--	
7. sprayers	70	
8. fertilizers	--	
9. sheep	--	

* Although illustrative, this begins to suggest the workload per impact area and indicates how many field extension agents would be needed to manage the introduction of the proposed inputs.

Table III.

Estimated Beneficiaries, Year 1

(1)	(2)	(3)
Potential Inputs	Year 1	Estimated benefic.
1. oxen		
2. tractors		
3. threshers		
4. pumps		
5. seeds		
6. insecticides		
7. sprayers		
8. fertilizers		

Table IV.

(A) ITEM	(B) SOURCE	(C) Mechanisms for Provisions of Inputs	(D) Project's Potential for Subsidizing Inputs	(E) Ease of Transportation	(F) TOTAL SCORE	(G) WEIGHTED VALUE**
Priority I						
1. oxen (1)	* Pakistan (1)	direct (1)	high (1)	easy (1)	(5)	1st
2. threshers (1)	Pakistan (1)	direct & via	medium - high(1)	medium (2)	(6)	2nd
3. pumps (1)	Pakistan (1)	intermediaries(1)	medium - high(1)	medium (2)	(6)	2nd
4. fertilizers(1)	Afghanistan(2)	" "(1) indirect (2)	low (2)	difficult (3)	(10)	3rd
Priority II						
5. tractors (2)	Afghanistan & Pakistan (1)	direct & indirect (1&2)	high (1)	easy	(6)	1st
6. seeds (2)	Pakistan (1)	direct (1)	high (1)	medium (2)	(7)	2nd
7. insecticides(2)	Afghanistan & Pakistan (1)	direct & indirect (1&2)	high (1)	medium (2)	(7)	2nd
8. sprayers (2)	" "(1)	" "(1&2)	high (1)	medium (2)	(7)	2nd
Priority III						
9. sheep (2)	Pakistan (1)	direct (1)	high (1)	easy (1)	(7)	3rd

* Numbers given in parentheses are weighted, to permit a cumulative scoring system, (Columns F & G) to help establish relative priorities between and among possible project inputs. This ranking is tentative, and subject to refinement as more information is learned during project implementation.

** weighted value suggests marginal utility of project working with input

Table V.

Suggested Compensation Scale, Afghan Agricultural Project **

<u>POSITION</u>	<u>GRADE/RANK</u>	<u>RUPEES PER MONTH</u>
1). Senior Manager/Technician I	1	6000
2). Senior Manager/Technician II	2	5500
3). Senior Manager/Technician III	3	5000

4). Middle Manager/Technician I	4	4500
5). Middle Manager/Technician II	5	4000
6). Middle Manager/Technician III	6	3500

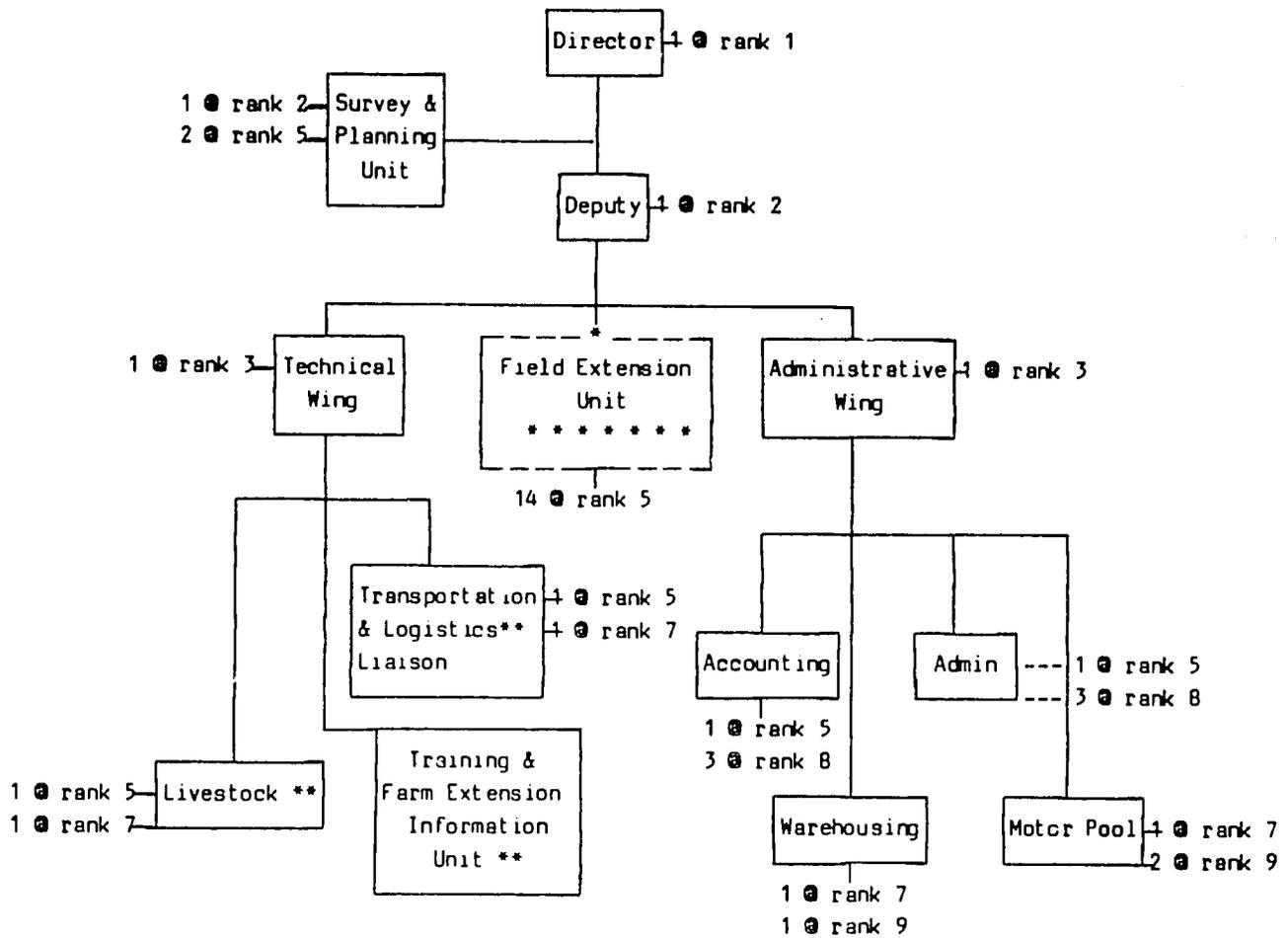
7). Junior Manager/Technician I	7	3000
8). Junior Manager/Technician II	8	2500
9). Junior Manager/Technician III	9	2000

10). Unskilled Labor	10	1500

Note: A person may either be graded as a manager or a technician depending on the job.

** Note: This suggested compensation scale is directly adapted from the suggested interim compensation scale for Health Sector Employees (of the Alliance Health Committee). The Health Committee's scale, in turn, is directly adapted from the Education Committee's scale of compensation, which is currently in effect. Further, according to their draft Charter, the Agricultural Council has gone on record as favoring comparability between and among staff of Alliance projects.

Draft Organizational Chart, Afghan Agricultural Project



* Field-based positions (i.e. 90% of time spent in field)

** largely field based positions. (i.e. more than 50% of time spent in field.)

12

Table VII.

SUGGESTED STAFFING COMPLEMENT

POSITION	# of Positions	Rank/Grade	Monthly Salary*	Yearly Salary*	Ramadan Bonus*	Inside Allowance ²	Total Individual Cost	Total Project Cost
1. Director	1	1	6,000 Rps	72,000	6,000	Nil	78,000	78,000
2. Deputy	1	2	5,500	66,000	5,500	Nil	71,500	71,500
3. Survey & Planning Chief	1	3	5,000	60,000	5,000	25%	80,000	80,000
4. Survey/Planners	2	5	4,000	48,000	4,000	25%	64,000	128,000
5. Field Extension Agents	14	5	4,000	48,000	4,000	50%	64,000	728,000
6. Technical Director	1	3	5,000	60,000	5,000	25%	80,000	80,000
7. Director of Admin.	1	3	5,000	60,000	5,000	Nil	80,000	80,000
8. Director of Livestock	1	5	4,000	48,000	4,000	25%	64,000	64,000
9. Livestock Agents	1	7	3,000	36,000	3,000	25%	48,000	48,000
10. Logistics Director	1	5	4,000	48,000	4,000	25%	64,000	64,000
11. Logistics Agents	4	7	3,000	36,000	3,000	25%	48,000	192,000
12. Director of Training	1	5	4,000	48,000	4,000	25%	64,000	64,000
13. Training Staff	1	8	2,500	30,000	2,500	25%	32,500	32,500
14. Chief Accountant	1	5	4,000	48,000	4,000	Nil	52,000	52,000
15. Junior Accountants	2	8	2,500	30,000	2,500	Nil	32,500	65,000
16. Senior Admin. Officer	1	5	4,000	48,000	4,000	Nil	52,000	52,000
17. Clerk/typists	3	8	2,500	30,000	2,500	Nil	32,500	97,500
18. Procurement/Liaison	1	7	3,000	36,000	3,000	Nil	39,000	39,000
19. Ass't Warehouse & Procurement	1	9	2,000	24,000	2,000	Nil	26,000	26,000
20. Head Driver	1	7	3,000	36,000	3,000	Nil	39,000	39,000
21. Drivers	2	9	2,000	24,000	2,000	Nil	26,000	52,000
TOTALS	42						Rps 1,189,000 USD 69,941	Rps 2,132,500 USD 125,441

*NOTE: Salaries are illustrative, and calculated according to the suggested compensation scale currently in effect for the Education project, and proposed for the Alliance Health Committee. Fringe benefits (Ramadan bonuses) are illustrative and would actually be calculated in whatever fashion is determined to be appropriate for the Alliance Committees, following USAID guidance. The same thing is true for the "Inside Allowance", which is proposed, but not definitive until ratified by the Alliance, Project Steering Committee, USAID, etc.

Table VIII.

PLANNING & MONITORING STAFF

POSITION	# of Positions	Rank/Grade	Monthly Salary*	Yearly Salary*	Ramadan Bonus*	Inside Allowance*	Total Individual Cost	Total Project Cost
1. Planner/Monitors	4	4	4,500 Rps	54,000	4,500	25%	72,000	288,000
2. Clerk/Secretaries	3	7	3,000	36,000	3,000	Nil	39,000	117,000
3. Drivers	3	7	2,500	30,000	2,500	---	32,500	97,500
								402,500
								\$ 23,676

(A) ITEM	(B) SOURCE	(C) Mechanisms for Provisions of Inputs	(D) Project's Potential for Subsidizing Inputs	(E) Ease of Transportation	(F) TOTAL SCORE	(G) WEIGHTED VALUE**
Priority I						
1. oxen (1)	* Pakistan (1)	direct (1)	high (1)	easy (1)	(5)	1st
2. threshers (1)	Pakistan (1)	direct & via (1)	medium - high (1)	medium (2)	(6)	2nd
3. pumps (1)	Pakistan (1)	intermediaries (1)	medium - high (1)	medium (2)	(6)	2nd
4. fertilizers (1)	Afghanistan (2)	" " (1) indirect (2)	low (2)	difficult (3)	(10)	3rd
Priority II						
5. tractors (2)	Afghanistan & Pakistan (1)	direct & indirect (1&2)	high (1)	easy	(6)	1st
6. seeds (2)	Pakistan (1)	direct (1)	high (1)	medium (2)	(7)	2nd
7. insecticides (2)	Afghanistan & Pakistan (1)	direct & indirect (1&2)	high (1)	medium (2)	(7)	2nd
8. sprayers (2)	" " (1)	" " (1&2)	high (1)	medium (2)	(7)	2nd
Priority III						
9. sheep (2)	Pakistan (1)	direct (1)	high (1)	easy (1)	(7)	3rd

* Numbers given in parentheses are weighted, to permit a cumulative scoring system, (Columns F & G) to help establish relative priorities between and among possible project inputs. This ranking is tentative, and subject to refinement as more information is learned during project implementation

** weighted value suggests marginal utility of project working with input

return

13,5



VOLUNTEERS IN TECHNICAL ASSISTANCE

January 29, 1987

Mr. Lawrence Crandall
AID Representative for
Afghanistan
c/o American Embassy
Islamabad, Pakistan

Dear Larry:

Enclosed is a draft budget drawn up for the Fifth draft of VITA's proposed project design. This budget assumes that the \$400,000 set aside in the existing grant for commodities will be folded into the new agreement. We propose that the contracting mechanism utilized for subsequent work be a cooperative agreement. This would also be consistent with arrangements for the other technical assistance teams working on Afghanistan health and education sectors.

The new revised total under the new budget comes to \$4,235,072. This is composed as follows:

Year 1	2,044,607
Year 2	<u>2,190,465</u>
Total	4,235,072

The budget provided is, of course, illustrative, as there are a number of areas for which we do not yet have sufficient information to estimate accurately. For example, only when we commence the project will we begin to determine from surveys conducted in Afghanistan the quantitative needs of the various commodities. The transportation costs to get the commodities into Afghanistan can only be determined when the quantities and appropriate methods of transport are known.

We have included an illustrative list of commodities in the budget notes to show what can be bought for the funds requested. The list will in all probability be changed greatly when the survey results are in and relationships with reliable commanders and others are established. We have not budgeted for transport costs on the assumption that American Manufacturers Export Group will take on much of the transport, and traders and other groups sending goods into Afghanistan will provide the rest. If this assumption is incorrect and we have to provide or pay for transport into certain parts of the country, we will have to request additional funds of USAID.

Another area where experience will provide more precise information on costs is the operation of the Afghan Agriculture Project organization and the Planning, Monitoring, and Coordinating Unit. Only when the AAP staff has been named and the organization has commenced work will it be clear how well the representatives can work together and thus how much work can be entrusted to it and how much will be undertaken via Track II arrangements.

16



Mr. Lawrence Crandall
January 29, 1987
Page Two

VITA proposes the budget in question, therefore, with the understanding that it will have to be revised after the project is underway and more information is available on commodities needed, transport arrangements, operation of the Afghan Agricultural Project, etc. VITA plans to work in close collaboration with USAID during the entire project, particularly during the early months.

Please let me know if any additional information is needed.

Sincerely,

Lawrence E. Williams
Deputy Director

LEW:mlp

Enclosures

cc: J. Malick, AID/W
P. Matheson, AID/W