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PPC/CDIE/DI

**UNITED STATES OF AMERICA**

**AGENCY FOR INTERNATIONAL DEVELOPMENT**

Dhaka, Bangladesh

August 07, 1989

**ACTION MEMORANDUM FOR THE DIRECTOR**

THRU: Malcolm J. Purvis *[Signature]*

FROM: Jinny Sewell, OPH *[Signature]* - file

SUBJECT: Project Authorization Amendment: Family Planning and Health Services Project No. 388-0071

**Problem:** Your approval is needed to increase the authorized life-of-project funding level of subject project from \$175 million to \$176 million.

**Discussion:** It is proposed that one million dollars of the additional \$5 million deobligated from the Burma program and allocated to Bangladesh in response to the 1988 flood be used for the floodproof construction of contraceptive storerooms at upazila level. The Burma funds have apparently been allocated to the Mission as Health Account funds -- which reflects their original character in the Burma program. However, because they are also provided under the Bangladesh reconstruction proviso language of Section 515 of the 1989 Foreign Assistance Appropriations Act, they also have characteristics of Section 491 disaster money.

The Bangladesh Government requested USAID assistance in overcoming a shortage of adequate storage facilities for family planning and maternal and child health (MCH) supplies at upazila level throughout the country. This activity was begun under the ongoing predecessor Family Planning Services Project (388-0050). Funds were obligated for this purpose in mid-1986 and \$3,866,000 was reserved in May 1988. An early-1988 feasibility study, based on 1987 cost data, estimated that about 345 upazila storerooms could be built with the resources available.

In the interim, changes in the subproject plans and other factors have greatly increased the estimated average unit cost. First, in October 1988, the Ministry of Health and Family Planning and USAID agreed to increase the size of the buildings to make room for the upazila family planning office. In addition, construction costs have increased in Bangladesh

between 1987 and mid-1989. Finally, severe flooding experienced by Bangladesh in 1988 was the occasion for discarding a single standard design in favor of four prototype designs that can be adapted for protection against site-specific flood and storm risks. These changes enhance the safety and protect the quality of the contraceptives and other MCH and family planning program supplies that are a large part of USAID's investment in Bangladesh. With the addition of \$1 million from Project No. 388-0071, we now estimate that approximately 200 floodproof upazila contraceptive and health supply storerooms can be constructed.

Funds from Project No. 388-0050 will finance the T.A. contract, the staff support needed by the Ministry's Construction Management Cell and the construction, financed under a fixed amount reimbursement agreement, of about 140 storerooms. It is planned that the additional \$1 million from Project No. 388-0071 will be committed to the Bangladesh Government under the fixed amount reimbursement agreement and used almost entirely for construction costs in the period beginning late 1990, according to the current projection of the construction phasing.

The statutory checklist has been reviewed for purposes of the proposed new component and a short update of the relevant sections of that list is attached.

Authority: AA/ANE has authorized you to amend the Project Authorization to add \$1 million to life-of-project funding.

The following supporting documents are attached:

- o Cable Dhaka 04018, proposing addition of \$1 million to 388-0071
- o Cable State 206974, advising expiration of TN
- o Cable State 235636, with ad hoc redelegation of authority to Mission to increase LOP authorized funding

Recommendation: That you authorize the amendment of the Family Planning and Health Services Project by signing the attached Project Authorization Amendment No. 1.

  
OPH:DVoran:rk  
7/27/89

Clearance:RLA:PRamsey (Draft),  
CONT:GJenkins (Draft) 8/14/89  
PDE:BFujimoto (Draft)

PRO/A/OPE:FYoung (Draft),  
A/PDE:OCarduner (Draft)

UNITED STATES OF AMERICA  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
Dhaka, Bangladesh

PROJECT AUTHORIZATION AMENDMENT NO. 1

NAME OF COUNTRY : BANGLADESH  
NAME OF PROJECT : FAMILY PLANNING AND HEALTH SERVICES  
NUMBER OF PROJECT : 388-0071

The Family Planning and Health Services Project for the People's Republic of Bangladesh and certain nongovernmental organizations in Bangladesh was authorized on July 23, 1987. To authorize additional funding pursuant to Section 104 of the Foreign Assistance Act 1961 for the purpose of improving design and construction for flood-proofing upazila contraceptive and health supply storerooms, the authorization is hereby amended by deleting "One Hundred and Seventy-Five Million United States Dollars (\$175,000,000)" and substituting "One Hundred Seventy-Six Million United States Dollars (\$176,000,000)" therefor.

The original authorization, except as amended hereby, remains in full force and effect.

*Priscilla M. Boughton*  
Priscilla M. Boughton  
Mission Director

Date: August 31, 1989

Clearance:

	<u>Date</u>
RLA/PRamsey <i>[Signature]</i>	8/6/89
OPH/DVoran <i>[Signature]</i>	8/7/89
OPH/A/VSewell <i>[Signature]</i>	8/7/89
PDE/A/OCarduner <i>[Signature]</i>	8/7/89
CONF/A/CGCombs <i>[Signature]</i>	8/14/89
PROG/PE(A)/FJYoung <i>[Signature]</i>	8/19/89
DD/MJPurvis <i>[Signature]</i>	8/21/89

Drafted:RLA/MSJamal

UPDATED STATUTORY CHECKLIST

The original statutory checklist prepared for Project 388-0071 is updated as follows to address the proposed new project element and post-1987 legislative requirements:

A. GENERAL CRITERIA FOR PROJECT

1. 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?
 

(a) and (b) Yes, financial and other plans have been revised for new flood-proof construction.
2. 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?
 

New certification by Mission Director covering proposed construction is attached to action memorandum for authorization amendment. It will be promptly forwarded to the AA/ANE for consideration.

B. FUNDING CRITERIA FOR PROJECT1. Development Assistance Project Criteria:

- a. FAA Sec. 103, 103A, 104, 105, 106 120-21; FY 1989 Appropriations Act (Development Fund for Africa). Does the project fit the criteria for the source of funds (functional account) being used?
 

Funds, which were originally deobligated from Burma program, have been allotted to the Mission as health funds, but are also provided under the special Bangladesh flood reconstruction provisos of Section 515 of the FY 89 Foreign Assistance Appropriation Act.
- b. FY 1989 Appropriations Act Sec. 536. 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.

- c. FY 1989 Appropriations Act. 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

- d. FAA Sec. 118(c). Does the assistance comply with the environmental procedures set forth in A.I.D. Regulation 16?

Yes. USAID recommended a negative determination on the environmental threshold decision by cable dated August 18, 1989. A/E Environmental Coordinator concurred by 89 State 274379.

- e. 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. No. No. No.
- f. FY 1989 Appropriations Act Sec. 515. If deob/reob authority is sought to be exercised in the provision of DA 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? Yes, TN expired June 28, 1989. (See 89 State 206974)

5C(3) - STANDARD ITEM CHECKLIST

A. PROCUREMENT

5. FAA Sec. 604(g). 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 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) No.

10. FY 1989 Appropriations Act 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? Yes.
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? Yes.

C. OTHER RESTRICTIONS

4. Will arrangements preclude use of financing:
- a. FAA Sec. 104(f); FY 1989 Appropriations Act Secs. 525, 536. (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.

UNITED STATES OF AMERICA  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
Dhaka, Bangladesh

August 30, 1989

ACTION MEMORANDUM FOR THE DIRECTOR

THRU: Malcolm Purvis, ~~DD~~

FROM: Brenda Doe, OPH **BAD**

SUBJECT: Certification Pursuant to Section 611 (e) of the Foreign Assistance Act of 1961, as amended - Project 388-0050, Family Planning Services Project and Project 388-0071, Family Planning and Health Services Project

Problem: The subject certification was not issued when the original Project Agreement for 388-0050 was signed. The current certification for Project 388-0071 covers only the MOHFP headquarters building.

Discussion: Section 611(e) of the Foreign Assistance Act states that no development assistance shall be furnished for any capital assistance project in excess of \$1 million until the head of the Agency has received and taken into consideration a certification by the Mission Director regarding the country's ability to maintain and utilize the project. Authority to receive and consider 611(e) Certification is delegated to the AA/ANE by DOA No. 404, dated September 1, 1986. The Family Planning Services Project (388-0050) was designed in the early 1980s for service delivery to the Bangladesh family planning program including contraceptive commodity support. At that time the project was not envisioned to include construction work which is characterized as capital assistance. Therefore, the Project Agreement was signed on 27 April, 1981 without the subject certification mentioned in the Checklist of the PP, Annex D - 5C(2).

However, in 1986, it became apparent that upazila level warehouses for family planning commodities were a necessary missing component of the total family planning logistical and distribution system. Therefore, the Project Amendment #6 was issued which included the construction of upazila level warehouses/storerrooms. It is now essential to issue the subject certification which was not issued at the time of signing the Amendment #6.

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A Section 611(e) certification was prepared for Project 388-0071. However, that certificate relates only to the maintenance and utilization of a single MOHFP headquarters building. The attached certificate will satisfy requirements for both projects.

The total amount budgeted for the construction of approximately 200 upazila family planning storerooms is \$4.866 million. In the past, maintenance of buildings constructed with USAID funds has sometimes been problematic. In this case, however, several factors exist which we believe will ensure the storerooms are appropriately used and maintained. First, the storerooms were deliberately designed to be low-maintenance with such features as natural ventilation instead of fans, simple brick construction with only essential furnishings, and simple plumbing. Second, USAID finances a total technical assistance effort to improve the family planning commodities and logistics system, a major portion of which is directed to upazila storekeepers who are responsible for managing the storerooms. It covers such topics as appropriate storage of commodities in the storerooms and how to maintain the storeroom in an appropriate condition. Third, these storerooms were deliberately constructed to be an integral part of already existing upazila health complexes which are currently being used and adequately maintained by the Government of Bangladesh.

Recommendation: As the certification is a requirement under the Foreign Assistance Act for furnishing funds for construction over \$1 million, we request your approval for its issuance. If approved, the certificate will be promptly forwarded to the AA/ANE for consideration before execution of the planned PIL for construction of the storerooms.

Approved: Parvulla M. B. Ghosh

Disapproved: \_\_\_\_\_

Date: Aug 31, 1989

Attachment: Certification

*Suk*  
OPH:MKobbad:BDoe:fr  
8/17/89

Clearance:OPH:JSewell:(draft)  
OPH:GCook:(draft)  
RLA:PRamsey:(draft)

ANNEX - A

BANGLADESH  
FAMILY PLANNING SERVICES PROJECT  
(PROJECT 388-0050 AMENDMENT #6 AND PROJECT 388-0071)

CERTIFICATION PURSUANT TO SECTION 611 (e) OF THE  
FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED

I, Priscilla M. Boughton, Mission Director, the principal officer of the Agency for International Development in Bangladesh, having taken into account, among other things, the maintenance and utilization by the Bangladesh Government and its agencies of projects previously financed by the United States, do hereby certify that in my judgment Bangladesh has the financial and human resources capability to maintain and utilize effectively the project to be financed by this grant.

This judgment is based upon considerable experience gathered and the information contained in the Action Memorandum for the Director, subject "Certification Pursuant to Section 611 (e) of the Foreign Assistance Act of 1961, as amended - Project 388-0050, Family Planning Services Project and Project 388-0071, Family Planning and Health Services Project" dated August 17, 1989 to which this certification is attached.

Priscilla M. Boughton  
Priscilla H. Boughton  
Mission Director  
Aug. 31, 1989  
Date