REPORT OF THE STUDY IN THE AREA OF LOCAL CURRENCY PROGRAMMING RELATED TO PL 480 TITLE III

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AID Funded Report

REPORT OF THE STUDY IN THE AREA OF LOCAL CURRENCY PROGRAMMING RELATED TO PL 480 TITLE III

The USAID Mission is in the process of developing a new multiyear PL 480 Title III agreement to be signed sometime in early FY 1987. For this purpose it would try to determine a set of specific criterias for selection of projects that are eligible to receive Title III funding and would consider how the records of expenditure as well as physical progress of the projects are to be maintained so that it meets the requirements of Title III provisions and facilitates monitoring of the project activities. This will require development of an accounting procedure to be followed in maintaining records of funds generated from sale of Title III commodities and subsequent disbursement of funds for implementation of agreed projects so that it satisfy the provision of the Act that requires stricter accountability of Title III funds. Compliance and reporting are an essential part of the PL 480 program. There is an obligation to maintain records of deposits to and disbursements from the Special Account and the need to maintain sufficiently detailed records of disbursement for not less than 3 years after completion of the full program in order to provide an audit trail. It is also emphasized that these records be kept up to date and made available for review by the USG.

The first agreement - PL 480 Title III was signed in 1978 with the BDG establishing a Food for Development Program with a view to (i) maintain incentive prices to farmers and to accelerate agricultural development, (ii) implementation of an OMS program of foodgrains (iii) building up of foodgrain reserves for food security (iv) phase out Public Food Distribution System (v) wholesaling and retailing soybean/cotton seed oil through private sector and (vi) utilization of Title III sale proceeds for agreed development projects.

The Socond multi-year Food for Development Program was signed in March 1982 (as amended from time to time) allowing BDG to purchase wheat, rice, soybean oil and cotton during the fiscal years 1982 through 1984.

The responsibilities of the BDG under this agreement were as follows :

1. Use the commodities provided and/or the proceeds generated from the sale of agricultural commodities financed under this Agreement to implement and finance the development activities specified and agreed to by both the governments.

2. Submit on or before October 1 of each year during the period of this Agreement a comprehensive report to the USG on the actitivities and progress achieved under the Food for Development Program, including a specific accounting for commodities and funds generated, their uses, the outstanding balance at the end of the most recent fiscal year, and any recommendations of the BDG for modification and improvement of the Food for Development Program or the use of funds generated and deposited into the Special Account.

3. Maintain adequate records for not less than three years after completion of the program to permit review and audit by USG.

The BDG agreed to establish a Special Account in which it would deposit the proceeds and to maintain this account subject to the following conditions :

i) The local currency will be doposited not later than six months after it is generated;

ii) Local currency deposited will be disbursed for the program set forth in the Agreement.

w/ List

Deposites to the Special Account shall be the local currency equivalent to the dollars disbursed by CCC/USDA under the Agreement (other than ocean freight differential). The BDG is required to submit quarterly reports to the American Embassy on the disbursements. The first PL 480 Title III Food for Development Program in Bangladesh was signed in 1978 which was effective from FY 1978 to FY 1981. Under this Agreement, $ 191.4 million in commodities were shipped, $ 187.2 million equivalent in taka generated and deposited into the Special Account. $ 177.2 million equivalent in taka disbursed from the Special Account for agreed projects and $ 156.6 million certified for currency use offset (CUO).

The current Title III Agreement was signed in March 1982 and has been amended ten times. Up to October 1985, $ 286.1 million equivalent in taka has been generated, of which $ 56.2 million equivalent in taka has been disbursed from the Special Account for approved projects and $ 45.6 million certified for CUO.

It may be seen that some accounting problems remained from the first Agreement and these should be resolved. Moreover, the local currency generation and project disbursements shortfall under the Second Agreement required corrective actions.

The BDG has fulfilled the terms of Title III Agreement, by calculating and announcing new procurement prices for paddy, rice and wheat ahead of the planting season, has raised the price of rationed commodities to bring them closer to the market prices, has reduced the amount of subsidy for operation of its Public Food Distribution System, OMS was operated whenever the market prices called for and the private sector has been allowed to establish cotton spinning mills with over 12,500 spindles. But it has always been difficult to obtain reports from the BDG mainly due to lack of coordination of various agencies involved. As a result there has always been a gap between what is received by the Mission from the BDG and what is required under the terms of the Agreement. After inclusion of cotton in the 1982 Title III Agreement no detailed report on the sale and generation of funds has been received. Similar is the story of Soybean oil.

This study is mainly concerned with the collection and review of necessary information on accounting practices followed by the Ministry of Food, Bangladesh Sugar & Food Industries Corporation (BSFIC), and the Bangladesh Textile Mills Corporation (BTMC) in maintaining records on generation of funds from sale of commodities received under PL 480 Title III Agreement. It also looked into the arrangement of depositing sale proceeds into the Special Account.

The study examined the present system of monitoring the deposit of sales proceeds into the Special Account and the disbursement procedure followed by the Ministry of Finance, specially by the Finance Division. It also reviewed the present procedure of reporting expenditure against approved development projects financed out of Title III funds and the system of exhibition in the budget documents of BDG of the Title III funding and their linkage with budget allocations for individual projects.

The present accounting system and record keeping in respect of commodities received under Title III Agreement, of various concerned agencies was also examined under this study. It also examined the system of maintenance of accounts at the project level in respect of funds received out of the Sales proceeds of commodities received under Title III Agreement.

The reasons for backlog in the pipe line of foodgrain and slow utilizattion of other commodities, specially cotton, were examined under this study.

<u>FINANCE DIVISION</u>
MINISTRY OF FINANCE

Though agreement with foreign donors are negotiated and concluded by the External Resource Division of the Ministry of Finance, the resource exhibition in the BDG budget documents relating to loans/ grants received, is made by the Finance Division. It also allocated funds for various development projects in the Development budget as per provision in the Annual Development Program (ADP) of BDG. This Division also monitors the expenditure of all development projects and get them audited by the Government auditor, viz. Comptroller and Auditor General (C & A.G.).

The Finance Division is also responsible for satisfying the donors that the funds given by them have been spent on projects for which they were given and according to the procedure agreed upon with donors.

The Constitution of the People's Republic of Bangladesh provides for two separate 'accounts' for receiving funds belonging to BDG and funds received by BDG for specific purposes. These two accounts are (1) Consolidated Fund, and (2) Public Accounts of the Republic. All loans and grants received by the BDG are deposited into the Consolidated Fund.

As a normal practice the sales proceeds of the commodities received under PL 480 Title III should have been deposited into the consolidated Fund. But in this case as the Title III Agreement provided for opening a 'Special Account' for this purpose instead of keeping/merging the amount with the general revenues, an account has been opened in the Public Account part of the budget under "90-Foreign Aid Deposit Account" with to sub-heads, viz (1) Deposit Accounts for sales proceeds of US(Title III) foodgrains, and (2) Deposit Accounts for sales proceeds of US(Title III) commodities other than foodgrains.

Now it may be seen how the Finance Division is exhibithing the Title III aid in the BDG budget documents and what monitoring procedure has been established for this purpose. On the 'receipt' side of the BDG budget in 1985-86 FY an amount of taka 620 million has been shown in the "90-Foreign Aid Deposit Account" under the sub-head 'Deposit Accounts for sales proceeds of US (Title III) foodgrains'. No provision has been shown under the other sub-head 'Depoist Accounts for sales proceeds of US (Title III)/other commodities. This is not the true picture of the receipts form generation of cash from Title III commodities.

The existing procedure of adopting 'budget estimate' under this head by the Finance Division was examined. This Division adopts the estimate under this head on the basis of the amount shown by the

Ministry of Food in their budget for sales of foodgrains received under Title III Agreement. This obviously does not include the amount of fund generation from sale of cotton or soybean oil by other agencies. Therefore, it is necessary that the Finance Division obtains budget estimates direct from all the agencies who are involved in sale of Title-III commodities. The Department of Food should supply the figures of sale of foodgrains, while the Bangladesh Sugar & Food Industries Corporation and the Bangladesh Textile Mills Corporation, would furnish the estimates of funds expected from sale of soybean oil and cotton respectively, through their own Ministry/Division.

In the BDG Development budget allocations of funds out of PL 480 Title III amount have not been shown against specific projects in 1985-86. Instead, a total sum of taka 620 million has been shown in lump sum under one particular head of account without specifying projects or their individual allocations. In earlier years this used to be shown against individual projects agreed to by donors, under the respective heads of accounts in the BDG budget. While discussing this issue it was revealed that since the list of projects to be financed during the FY out of the Title III fund, was not received from the ERD well ahead of the time of budget preparation, it was not possible for the Finance Division to reflect the individual allocations of projects in the budget under proper head of account. In absence of this list it is hardly possible to exhibit them in the budget documents.

As for the monitoring of the Title III fund expenditure against individual projects, it may be pointed out that as the budget documents do not indicate the source of financing and as the fund releasing authorities (Ministries/Divisions) do not also indicate the same at the time of release/allotment the Project officers are not aware of any specific obligation or reporting requirement under the Agreement. As a normal practice ~~they~~ they furnish an expenditure statement every month for all the projects under them without indicating individual activities of the projects. It does not say if those projects are also being financed by more than one donors.

In this connection it may be pointed out that the GAO in its report not only insisted on projec-wise expenditure but also said that "Title III funds that support other donors projects should be used for specific, identifiable, and agreed actitvities which can be monitored and evaluated by AID. This will help to ensure that expenditure are made only for approved purposes." - -- - - --

The Finance Division has not so far issued any instructions or directives to the utilizing agencies of Title III commodities and funds for furnishing reports of periodical information regarding the use of commodities or funds generated from sales of commodities, though the Agreement required quarterly reports in this behalf. The Finance Division comes to know of the amount deposited into the Special Account when the concerned agency furnishes a copy of the Chalan(money receipt from the Treasury) to them. There is no system of verifying the amount deposited on this account with the quantity/ value of the commodities sold.

As per the Finance Division's record, the total amount of cash generation out of sales proceeds of commodities received under PL 480 Title III Agreement is as shown below :

Year		Amount (Taka)	Commodity
1980-81	:	25,11,48,210.00	foodgrains
1981-82	:	67,03,39,863.00	"
1982-83	:	135,82,06,238,00	"
1983-84	:	45,87,18,999.00	"
	:	60,93,28,469.00	soybean oil
	:	12,45,42,144.00	cotton
1984-85	:	83,94,32,587.00	foodgrains
	:	19,83,55,109.00	cotton
	:	10,50,00,000.00	soybean oil
1985-86	:	3,78,07,000.00	cotton
	:	8,44,66,144.00	soybean oil
	:	15,18,65,000.00	foodgrains
	:	1,19,77,000.00	"
	:	35,72,90,000.00	"
		525,83,76,763.00 Taka	

From the above figures it is apparent that the Finance Division does not received the full and timely information of fund generation from this source.

Again as per PL 480 Title III Agreement, the deposit of sales proceeds of commodities to the Special Account shall be the local currency equivalent to the dollars disbursed by CCC/USDA under the Agreement (other than ocean freight differential). But in the Finance Division there is no record to verify the quantity sold by different agencies at different times, their value and the actual amount deposited into the Special Account against the quantity sold.

For desired improvements in the existing arrangements in the Finance Division in handling Title III aid, the following suggestions are made :

1. The Finance Division of BDG should issue detailed instructions to all concerned regarding maintenance of accounts and records of commodities received under PL 480 Title III, quantity sold, funds generated, amounts deposited in the Special Account, expenditure incurred by the implementing agencies funding their projects from this source and submission of required reports.

2. The Finance Division should obtain the list of agreed projects to be financed from Title III fund during the FY, from the External Resource Division well in advance of the time of preparation of development budget.

3. The projects which are to be financed out of Title III funds, should be shown with their allocations in a separate sheet and exhibited under each respective Grants (Major head) in the BDG Development budget (as in Annex B).

4. In each FY the Finance Division should obtain 'estimates' of cash generation (as per Annex A) from sales proceeds of foodgrains and other commodities direct from the agencies involved well ahead of the time of budget preparation. These estimates

should be shown under two sub-heads already opened for this purpose under the head "90-Foreign Aid Deposit Account.

5. A quarterly report should be obtained from the agencies receiving commodities under Title III stating the quantities received, quantities sold, funds generated and the amount deposited into the Special Account.

6. Agencies which are financing development projects from PL 480 Title III funds should furnish to the Finance Division quarterly report of cash expenditure on agreed items/activities with physical progress of works (as in Annex 'D').

7. Since the BDG is entitled to receive loan forgiveness on fulfillment of the conditions that (1) local currency deposited equal to dollars disbursed by the CCC/USDA, (2) disbursements are made to eligible purposes, and (3) recepients meet reporting requirements, it is necessary that the Finance Division assign one officer (not below the rank of a Section Officer) exclusively for monitoring the job relating to PL 480 agreement.

External Resource Division

The External Resource Division (ERD) of the BDG is responsible for external resource moblization and negotiations with foreign donors on behalf of the Government. The representative of the ERD signs contract/agreements on behalf of the BDG. As per requirements of individual agreements, necessary reports, information, certificates, etc. are furnished to the donors by the ERD, if necessary, after obtaining them from concerned agencies of the BDG.

In the ERD, under the Joint Secretary, a Deputy Secretary looks after the USAID desk, along with his many other responsibilities. A research Officer assist him in his job relating to all agreements with USAID. This Research Officer has also to look after the work relating to other agreements with other foreign donors. In view of such work-load, it is very difficult either for the Deputy Secretary or for the Research Officer to devote much time exclusively for the work relating to PL 480 Title III agreement. This requires extensive coordination with various agencies of the BDG.

The ERD is the contact point for all foreign donors. It is most important that this Division of BDG is properly staffed to discharge its function. Continuous monitoring of various projcts implemented with external funds and furnishing required reports can only be done with adequate personnel to handle them. Another problem in the ERD is that in the process of the BDG's general policy of transfer and posting of its officers at regular intervals, no officer of the ERD can stick to one desk for a long period. It becomes difficult for the new comer to pick up the job quickly and to know about all requirements of various agreements with foreign donors. This is one one of the causes of BDG's failure to meet timely reporting obligations. On the other hand the ERD has not established the practice of meeting with concerned agencies at fixed intervals to sort out problems relating to the implementation of projects, if any.

The following suggestions are made for improvement of working in the ERD :

1. Adequate man-power should be made available to the ERD considering the work-load of each desk.
2. As far as possible, officers of the ERD should not be transfered frequently.
3. The ERD should hold at least a quarterly meeting with officers of the concerned agencies of BDG and the representatives of the USAID to discuss issues relating to the implementation of the Title III program, generation of funds, operation of the Special Account, reporting of expenditure, etc.

Ministry of Food

The Ministry of Food of the BDG gets the biggest share of commodities received under PL 480 Title III Agreement. Imports of wheat and rice under this Agreement are handled by the Directorate of Procurement as advised by the Ministry of Food and in consultation with the BDG Embassy in Washington D.C.

Once the commodities are received by the Department of Food the stocks are commingled with their general stock. However, as required by the Agreement the report of "Shipping and Arrival" for each shipment, is furnished to the ERD by the Department of Food in the prescribed format through the Ministry of Food. But no separate records are maintained for Title III imports for audit trail. As and when information is required they have to find out from their general files and records of imports for that year.

So far as the information relating to fund generations from sales proceeds of Title III commodities are concerned, the Department of Food furnish figures to the Ministry of Food on the amount generated from OMS and sale of wheat to the millers as and when takes place. The Department of Food deposits these amounts directly into the Special Account. No regular system has been established for periodical submission of reports to the Ministry of Food about the receipts of Title III commodities, sales, and generation of fund, etc. This is important for the purpose of continuous monitoring of the program.

In this connection it may be pointed out that during the last three years local good crop production, higher external food assistance, emergency commercial purchases have tended to keep market prices below Open Market Sales trigger prices and for that reasons OMS off-takes have declined slowing the generation of local currency. On the other hand this has resulted in the accumulation of commodities in the pipe line. Unless some measures are taken to lower the OMS trigger price to allow release of stocks it is likely that the Department of Food will suffer financial losses due to the deterioration of foodgrains for storage for long period. This will also slow down generation of local currency fund needed for approved development projects.

Opening up OMS sales to flower mills and to the rural atta crushers could not improve the situation of growing stocks in the pipe line. This needs opening up other channels also. For example sale of foodgrains to the poorer rural consummers through MR, in a restrictive manner, may be one of such outlets. To make this outlet more effective to reach the poorer section of the community it is suggested to restrict the issue of foodgrains to 'A' category people. They need cheap foodgrains and cannot afford market price. This outlet will also be effective in reducing accumulation in the pipe line.

In the Ministry of Food also, there is no ready record available of the commodities received under Title III. As and when any reports/figures is required by the ERD for submission to the donor, they obtain the same from the Department of Food and prepare the report for the purpose. It indicates that there is no regular monitoring of this aid by the Ministry of Food. One of the reasons for this situation is shortage of adequate personnel to deal with the program. There is only one Section Officer in the Ministry who does the job along with many other responsibilities entrusted to him.

The following suggestions are made for the desired improvements in the working in the Ministry in this behalf :

1. The Department of Food should maintain separate records and accounts for all imports under PL 480 Title III Agreement, its sale proceeds and account of deposit into the Special Account to facilitate audit trail as required under the Agreement.

2. Besides the 'Shipping and Arrival Report' the Food Department should furnish a quarterly report to the Ministry of Food, ERD and to the Finance Division in the prescribed from (Annex C).

3. The report on Usual Marketing, Export Limitation Utilization and Publicity should be sent to Food Ministry by the Food Department, well in advance for timely reporting to the USAID through the ERD.

4. The Ministry of Food should take necessary steps to maintain up to date records of commodities received under the Agreement, its utilization and generation of funds, amount deposited into the Special Account, quantity in the pipe line, etc.

5. An officer (not below the rank of a Section Officer) should be entrusted with the job of maintaining all records and accounts and other related job in connection with the PL 480 Title III Agreement in the Ministry of Food.

Bangladesh Textile Mills Corporation

Cotton was included in the commodity mix in the Second Agreement because of its potential impact on rural development. The rural based handloom industries which employ over one million workers, most of whom are women, would be relieved from the chronic shortage of yarn.

In the Agreement there was a stipulation that the BDG would do away with the limitation of 12,500 spindles for new spinning mills to help development of the private sector. This limitation seemed to be a strong barrier to the private investment in this industry. It was also decided that the BDG would allocate them cotton imported under Government program on a proportional basis.

The BDG has withdrawn the restriction and the private sector has been allowed to set up new cotton spinning mills with over 12,500 spindles, making the investment in this sector more attractive and viable. Further, the BDG has also disinvested a number of cotton mills, so long managed by the public sector. This has given 50% of the country's spinning capacity to the private sector.

Inspite of all these steps, the BTMC is likely to remain the major user of U.S. cotton. One of the main problems of the BTMC is the high price of U.S. cotton in comparison with the price of same quality cotton in the world market. The BTMC is even unable to use the full quantity imported under Title III Agreement due to its high price. The Corporation is selling their product at discount price to clear up their stock pile.

From 1982 to 1985 over 116,000 bales of cotton have been imported under Title III Agreement. The BTMC has not been able to use the stock imported in 1985 as yet, due to sharp fall in the price of yarn in the local market. They had to use inferior quality cotton to cope with the market demand for cheaper priced yarn, even the quality was not good. The BTMC has not opened any L.C. for import of Title III cotton in 1986 as yet. With the high cost of U.S. cotton, it has been difficult for the BTMC to produce and sell their products even at cost price.

The reasons for the present market behaviour are mainly due to availability of cheaper cotton of comparable quality from other international sources and availability of smuggled cotton yarn from neighbouring countries at lower prices. These problems should be addressed immediately by the BDG and corrective measures taken early. The BDG should take stern measures to prevent intrusion of smuggled cotton yarn in the local market. The BDG may also consider allowing some subsidy to the handloom industries using the BTMC yarn.

So far as the maintenance of accounts of the imports by the BTMC under Title III Agreement is concerned it may be pointed out that they do not keep any separate account for the same. As and when any information is called for in this behalf, they furnish the same from their different files and records maintained for imports during that year.

Same is the story about generation of funds from the sales proceeds of Title III imports and their deposit into the Special Account. There is also some confusion in the minds of the people handling this in the BTMC about the rate at which funds to be deposited into the Special Account. At one stage they approached the ERD to indicate how to calculate the amount for depositing into the Special Account. The ERD in their letter No ERD/Am-II/PL 480 III/6/83/213 dated 24th August 1984 directed the BTMC to deposit the amount at the rate of 'last purchase price', though there is clear provision in the Agreement for depositing the amount of sale proceeds at the rate of dollars disbursements by the CCC/USDA, in local currency equivalent.

Some time age the BTMC also approached the Finance Division to allow them to deposit cash into the Special Account at the rate quoted in the international price bulletin for the same quality cotton They also requested that the price difference between the US price and the international price be met by the BDG as per the provision of the Agreement. No decision in this behalf has yet been given by the BDG.

There is also no established system of submission of periodical reports by the BTMC in respect of cotton received under Title III Agreement and its sale-price deposit into the Special Account. Clear instructions should be issued by the BDG for this purpose and the BTMC should furnish quarterly reports as per proforma given in Annex 'C'.

Bangladesh Sugar & Food Industries Corpn.

The BSFIC first received 25,000 MT CDSO in 1981 under the First program. This quantity was sold by 1983. Under the Second program they further received 77,000 MT of CDSO, out of which they sold over 62,000 MT.

There has been some shift toward privatization of processing capacity of vegoil, but the BSFIC has also upgraded its own refining capacity upto 20,000 MT from 15,000 MT. The private refiners have been put into a difficult position due to large scale imports of refined palm oil from Malaysia. Though the palm oil is inferior in quality, it has great demand in the poorer section of the community for its cheaper price. However, the BSFIC has sought to hold the market through quality control, product integrity and a fixed level price. Till now there has been no marketing problem for the BSFIC with their soybean oil. In 1986 the BSFIC need to purchase 20,000 MT CDSO to run their up-graded facilities at full capacity. At present the main source of CDSO for BSFIC is Title III imports from the U.S.A.

In respect of the position of cash generation from the sales proceeds of commodities received under Title III Agreement and deposit of funds into the Special Account, it may be pointed out that the BSFIC is deducting amounts on the following counts from the sale proceeds and depositing the net amount :

1. Import Permit Fee
2. Custom Duty
3. Development Surcharge
4. Marine Insurance
5. Post-landing charges
6. River dues and landing charges
7. Clearing and forwarding charges
8. Terminal Insurance
9. Transportation Charge
10. Terminal rent
11. Terminal loss
12. Transit loss
13. Other variable costs, including repair and maintenance.
14. Fixed costs, including depreciation, administration overhead, financial charges, etc.

In veiw of the above facts it is apparent that the BSFIC is depositing much lesser amount (about 30%) into the Special Account than the taka equivalent of dollar disbursements by CCC/USDA in this respect. This fact has not been looked into seriously by the concerned agency of the BDG and the issue has not been resolved. This shows lack of proper monitoring and co-ordination in the program implementation. This short deposit by the BSFIC into the Special Account is causing shortage of fund for financing development projects. This should be sorted out immediately. The BSFIC may be allowed to pay 70% of the FOB value of the Title III commodity, net of their other expenditure, into the Special Account and the BDG should make up the difference.

So far as the maintenace of accounts and reporting are concerned, the BSFIC is not different from other agencies of the BDG. No separate set of accounts are maintained for the commodity imported under PL 480 Title III Agreement. There is no separate set of account for deposit into the Special Account by the BSFIC for this purpose. When any information is asked for in this behalf, they furnish the same from different files and records. This is likely to make audit trail difficult. There is also no system of reporting in respect of Title III program at regular interval. It is therefore, suggested that the BSFIC should be asked to furnish quarterly statement in the prescribed form (Annex C), without which no proper monitoring is possible.

Accounts at
Project level

Discussions with some of the Project Directors and other concerned officer who are involved in project implementation with PL 480 Title III funds, revealed that they are kept in the dark about the source of financing, at least at this level. They are ignorant about the requirement of keeping separate accounts and obligation of expenditure and physical progress of the projects under the Title III Agreement. No instruction or directive was given to them for this purpose either by the concerned Ministry or the agency under whom they work. This mainly causes monitoring difficult at their head office. Unless some clear directives are given from H.O., the men working in the field level, where the actual expenditure is incurred, would not know of their responsibility about reporting and keeping accounts.

To meet the requirements and obligations of the Agreement it is very important that the project officers are told about the source of financing of their projects and also the specific requirement of reporting. The BDG should issue detailed instructions in this respect to all concerned.

CONCLUSIONS

Since the PL 480 Title III Agreement not only provides commodity aid to Bangladesh but also its successful utilazation provides funds for implementation of development projects and at the same time gives relief in the shape of 'loan forgiveness', the BDG should take more effective steps to see that all the obligations on its part are fulfilled properly and timely.

It may be suggested that the BDG should issue detailed instructions to all concerned about their responsibilities relating to keeping of accounts, records of commodities received, generation of funds from sales proceeds of Title III commodities, amount deposited into the Special Account, submission of expenditure reports of projects financed from this source, etc. Besides these, all efforts should be made to ensure that 'Shipment and Arrival' statements and also the 'Comprehensive Report' on the the activities and progress are furnished to the USG timely. A regular quarterly meeting should be held by the ERD with concerned officers of the BDG and the representatives of the USAID to review the activities of the program and also to resolve problems, if any, relating to implementation.

LIST OF BDG OFFICERS CONTACTED DURING THIS STUDY

External Resource Division

1. Mr. M.Akhtar Ali, Joint Secretary
2. Mr. M.Nazimuddin, Deputy Secretary
3. Mr. Md.Shahidullah, Research Officer

Finance Division

1. Mr. B.R.Zulkarnian, Deputy Secretary
2. Mr.M.Maududur Rahman, Budget Officer
3. Mr. M.Mohiuddin, Budget Officer
4. Mr. M.K.Paul, Budget Officer

Ministry of Food

1. Mr. Lutfar Rahman Bhuiyan, Deputy Secretary
2. Mr. G.K.M.Nurul Amin, Section Officer

Food Department

1. Mr.Mansur Ali Khan, Chief Finance Officer
2. Mr. Badal Bhattacharjee, Asstt. Chief Finance Officer

B.S.F.I.C.

1. Mr. Mohammad Hossain, Controller of Finance & Accounts

B.A.D.C.

1. Mr.M.A. Wadood, Controller of Accounts
2. Mr.N.H.Majumdar, Financial Adviser
3. Mr. M.A.Kalam, Chief Engineer, Irrigation
4. Mr. Anwar Hossain, Project Director

ANNEX 'A'

ESTIMATES : 90. FOREIGN AID DEPOSIT ACCOUNTS

SUB.ACCOUNT	ACTUAL 1983-84	ACTUAL 84-85	REVISED ESTIMATE 1984-85	BUDGET ESTIMATE 1985-86	PROPOSED ESTIMATE RIVISED 1985-86	PROPOSED ESTIMATE BUDGET 1986-87	REASONS FOR INCRIASE/DECREASE
1	2	3	4	5	6	7	8
Deposit Accounts for sale proceeds pf US(Title III) foodgrains.							
Deposit Account for sale proceeds of US(Title III) Commodities other than foodgrains.							

SIGNATURE OF THE
ESTIMATING OFFICER.

ANNEX 'B'

LIST OF PROJECTS FINANCED BY

PL 480 TITLE III FUND

UNDER MAJOR HEAD ....

1986 - 87

SL. NO.	NAME OF THE PROJECT	TOTAL PROVISION UNDER THIS HEAD	TOTAL TAKA PROVISION	AMOUNT TO BE FINANCED FROM TITLE III FUND	R E M A R K S
1	2	3	4	5	6

ANNEX 'C'

PL 480 TITLE III COMMODITIES

QUARTERLY REPORT FOR THE PERIOD

ENDING ON . . . . .

NAME OF THE AGENCY ....

COMMODITY	OPENING BALANCE		RECEIPT DURING QUARTER		SOLD/ISSUED DURING QT.		AMOUNT DIPOSIT-ED INTO SPL. ACT.	DATE & CHALAN NO.	REASONS FOR NOT DEPOSITING FULL VALUE(where applicable)
	QUANTITY	VALUE TK.	QUANTITY	VALUE TK.	QUANTITY	VALUE TK.			
1	2	3	4	5	6	7	8	9	10

ANNEX 'D'

NCY . . . . . .

QUARTERLY EXPENDITURE REPORT
OF PROJECTS FINANCED FROM
PL 480 TITLE III FUND

QUARTER ENDING ON . . . . . .

	NAME OF SCHEMES	APPROVED COST	BUDGET ALLOCATION DURING F.Y.	EXPENDITURE INCURRED DURING THE QUARTER	TOTAL EXPENDITURE IN F. Y.	MAJOR ITEMS OF EXPENDITURE	PERCENTAGE (%) OF PHYSICAL WORKS
	2	3	4	5	6	7	8

SIGNATURE OF
PROJECT DIRECTOR