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FEEDER ROADS MAINTENANCE AND IMPROVEMENT PROJECT  
(388-0056)

ACTION PLAN FOR  
JULY 1, 1987 TO AUGUST 31, 1988

August 4, 1987

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## I. Summary

The Feeder Roads Maintenance and Improvement Project (FRMIP), has been under implementation since August 1981. The project purpose is to develop local institutional capability to maintain feeder roads and to increase the pace of feeder road development. As of June 30, 1987, \$14.2 million in USAID funds have been obligated for the project and \$9.1 million has been spent. Three years of road improvement and maintenance activities were completed in the three old districts of Rangpur, Faridpur and Sylhet. For the past two years, implementation has been at a virtual standstill due to difficulties in reaching agreement on a four year extension. A rapid rural field appraisal was completed in July 1987 and raised a number of design and implementation issues. This Action Plan was prepared to address these and other issues and propose specific corrective actions for the short and long term.

Three strategic issues are identified. They include: 1) A lack of consensus on the project purpose; 2) An inadequate institutional framework for implementation; 3) Absence of a strategy to address severe constraints in financing road maintenance.

Significant modifications to the current project design are necessary to address these issues, and allow further progress to be made in reaching the project purpose. The Action Plan proposes that the period from July 1, 1987 to August 31, 1988 be considered as a transition period during which the following activities would take place:

- A redesign effort would be initiated to provide a basis for implementation of a follow on "phase II" of FRMIP.
- Limited road improvement and maintenance activities would take place to complete previously started improvement and maintenance work.
- The project consultant, Wilbur Smith and Associates would be extended through August 31, 1988 to supervise road work and complete a number of special studies.
- A comprehensive feeder roads sector assessment would be carried out.

If agreement on a project redesign can not be reached, the project would end in September 1988 after termination of the transition period.

Sections II and III below discuss the project's current implementation status and the strategic issues mentioned above. Section IV outlines the specific design and implementation activities which would take place during the transition period.

## II. Current Implementation Status

The Feeder Roads Maintenance and Improvement Project started on August 20, 1981, when the first Grant Agreement was signed. A five year life of project and \$9.2 million in USAID funding was authorized. On August 31, 1986, Amendment No. 3 to the Grant Agreement extended the implementation period by four years to June 30, 1990 and obligated an additional \$5 million. Total obligations to date equals \$14.2 million out of a planned total of \$21 million. As of June 30, 1987, \$9.1 million was expended.

Physical implementation of road work and related technical assistance are constrained by the monsoon to work seasons which start in October and last until the following June. Since the original project signing, six work seasons have passed. The first season was taken up by procurement of technical assistance and meeting of conditions precedent. The following three work seasons (82/83, 83/84, and 84/85) saw significant activities during which 83 Km of feeder roads were improved to all weather, or "pucca", standard specifications, another 40 Km were partially improved, and 147 Km of paved and dirt roads received some maintenance repairs. Several training programs took place focusing on local government engineers and road building contractors. A major study of local government public finances was completed in 1984 in an effort to identify sources of financing to meet long term recurrent maintenance costs.

For the past two work seasons, from about October 1985 to the present, no significant new project activities have taken place. During this time, the project has been stalled essentially because of difficulties in designing and negotiating the four year extension. Late in the negotiations, the National Implementation Committee for Administrative Reform (NICAR), requested major changes in central and local implementation entities to make the project conform with decentralization policies. This included creation of a new project implementation office at the Ministry of Local Government (MLG) to replace the Local Government Engineering Bureau (LGEB), creation of fourteen District Road Development Committees to replace the original three old districts and initiating a pilot maintenance effort at the upazila level in three of the fourteen new districts. After the Grant Agreement Amendment was signed, the Planning Commission requested significant modifications in the Ministry of Local Government's (MLG) version of the Project Proforma which were inconsistent with the signed Grant Agreement. The emphasis was shifted to improvement rather than maintenance, rural market development was added as a new component, and the geographic area was reduced from three to one old district. After eight months of negotiations and redrafting, a revised Project Proforma was approved by key government bodies, allowing the MLG to proceed with implementation while waiting final approval by the Executive Committee of the National Economic Council (ECNEC). A copy of this revised Project

Proforma has yet to be officially transmitted to USAID. Actions to meet three Conditions Precedent to disbursement cannot take place until the final Project Proforma is operative.

An audit of the project was completed in December 1986. Five recommendations were made which required twenty two separate actions for closure. Of these twenty two "sub-recommendations", five have been closed. The audit recommended among other things, that USAID freeze further disbursements, except for necessary TA, until nine specific actions are completed. Of the nine, three have been completed and closed. Three to six months may be required to complete actions necessary to close the remaining open recommendations.

Over the past two years, the technical assistance contractor, Wilbur Smith and Associates (WSA), has been granted a series of short term extensions of three to five months duration in an effort to maintain their presence so that implementation could resume quickly once agreement was reached on the project extension. At the time the Grant Agreement Amendment was signed, it was intended that the WSA contract be extended to cover the remaining four years of the project. Subsequently, the government requested that a new TA contract be competed, and that WSA only be extended until a new TA team was put in place. The last WSA contract extension terminated on June 30, 1987. WSA's ongoing work will be financed by a two month extension to the existing host country contract. During that time, AID will obtain the documentation necessary to execute a direct AID contract with WSA for the one year transition period. It is estimated that about one year will be required to mobilize a new TA team in the field once a revised project design is agreed upon.

USAID has hesitated to commit itself to a TA contract extension and further project activities, because of concern over a number of unresolved strategic issues which substantially affect the possibility of attaining the project purpose. The following section summarizes these issues.

### III. Strategic Issues

#### A. Lack of consensus on project purpose

The recent rapid appraisal of FRMIP conducted by the USAID Project Development and Engineering Office, found a significant lack of consensus on the project purpose among officials responsible for implementation at the district level. The project purpose described in the grant agreement calls for "institutionalizing an effective annual routine road maintenance and improvement program for type B feeder roads...". Local officials seemed unaware of the maintenance objective and defined the project purpose solely

in terms of paving roads which connect selected rural markets known as "growth centers". This view reflects that expressed by the Planning Commission in its requested modifications of the FRMIP project proforma and its rural development strategy statements.

USAID views development of maintenance capability as an essential condition to financing road improvement, on the argument that the large investments involved in road improvement will be wasted if roads are not maintained. The Ministry of Local Government (MLG) and Local Government Engineering Bureau (LGEB) seem to basically agree on the importance of maintenance, but feel that roads must first be improved before maintenance can be started and that local governments will somehow automatically take up the maintenance work when a basic stock of improved roads is completed. They argue that improvement work is so urgently needed that we should not delay it for the sake of building maintenance capability.

Since at least early 1984, the Planning Commission has played a predominant role in shaping government policy on feeder road development, and in many ways, the MLG and LGEB views are a response to this policy. In January 1984, the Planning Commission published a document entitled "Strategy for Rural Development Projects (A Sectoral Policy Paper)" which presented what appears to be an official government strategy for rural development. This strategy describes a 10 year plan which, among other things, would result in paving 4000 miles of feeder roads and developing 1400 "growth centers". The document mentions that previous rural development efforts had not fully succeeded in part because of a lack of local participation in planning and implementation, and goes on to state that local government bodies, namely upazilas, would be responsible for planning and implementing physical infrastructure projects (see pages 40, 47 and 49). It also states that all future rural development efforts would follow the strategy outlined in the plan. For feeder roads, this means giving first priority to those connecting upazila headquarters and "growth centers" to regional highways (pages 47 and 49).

Growth Centers were selected by the Planning Commission using a national survey completed sometime in 1981. This survey collected infrastructure and economic data on 66 variables for each union in the country. Details on methodology has not been released by the Planning Commission, but it seems that rural markets in each upazila were somehow ranked according to the results of the survey. Depending on the size, population and number of unions in each upazila, the top two to five markets on the rank ordered list were designated as "growth centers". These growth centers are to receive priority government and donor funding for various infrastructure improvements such as installing tube wells, sewerage and drainage, paving market streets, installing food godowns, electrification etc..

Sometime after the January 1984 rural strategy document was published, the Planning Commission developed a new system for categorizing feeder roads. Basically, two types of roads are identified: "Type A" connect upazila headquarters to the nearest regional highway. These are given highest priority for development and were assigned to the Roads and Highways Department which is also responsible for national and regional highways. Roads and Highways Department staff have indicated unofficially that given their present budget levels, it would take 30 years to complete repair and upgrading of Type A roads. "Type B" feeder roads connect selected rural markets designated as "growth centers" to upazila headquarters or to the nearest regional highway. Between these two, the Planning Commission has given priority to roads providing growth centers with the most direct connection to a regional highway.

It now appears that the Planning Commission's basic strategy in rural infrastructure development is to develop a series of donor supported projects, eventually covering most of the country, which would provide funds to upgrade growth centers and improve priority type B feeder roads which connect those markets to the nearest regional highway. On the argument that other donors are proposing to take up feeder road efforts in the greater Rangpur and Faridpur areas, USAID has been requested to limit future FRMIP activities to Sylhet. The BDG pro forma for FRMIP is now officially called "Rural Development Project No. 3 : Infrastructure, Old Sylhet District". This proforma includes government funds to finance growth center improvements, while USAID funds are reserved for road maintenance and improvements.

There are two basic problems with the approach to feeder road development adopted by the planning commission. First, it does not deal with the problem of maintaining roads once they are built. For example, given current road improvement standards, it would cost approximately Tk120 crore or \$40 million annually to maintain the planned 4000 miles of feeder roads once these are paved.<sup>1/</sup> The strategy does not discuss how this cost would be financed nor does it discuss how local government capacity should be improved to manage the increased maintenance work load. Second, the approach to planning and implementation actually used appears to be in significant conflict with the government's decentralization policies, and the statements on local participation in the strategy document. The decentralization policy has, since the Local Government Ordinance was issued in

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1 This estimate was calculated using the FRMIP consultant estimate of Tk 183,000 as the average annual cost of maintaining 1 Km of paved type B feeder roads. See item 6e in Attachment A of the FRMIP appraisal report dated July 1987. This amount is roughly equal to half of the total annual upazila block grant budget in the government's Annual Development Plan.

1983, given responsibility for feeder road maintenance and improvement to upazilas. Using support from a number of activities such as Food For Work and Bridges and Culverts Programs, the Rural Maintenance Program, and their own block grant funds, upazilas have been actively involved in improving and maintaining type B and even type A feeder roads. The creation of new zila parishad governments at the district level may result in the transfer of some or all responsibility for type B feeder roads development to districts.

Despite existing legislation, the Planning Commission has used its control over BDG project proformas which define donor projects, to effectively retain substantial decision making power at the center rather than allowing it to devolve to local government. Unfortunately, the resulting lack of participation in decision making by local governments is greatly reducing the chances that local governments will maintain the roads once they are completed (see USAID rapid appraisal of FRMIP). As this effect becomes increasingly clear, donor support for improvement of feeder roads is likely to be greatly diminished.

To resolve the current divergence of views on approaches to feeder road development, discussions must be initiated with the MLG, LGEB, the Planning Commission, the Ministry of Finance, USAID and other interested donors, to arrive at a basic understanding and agreement on strategy. Until such agreement is substantially reached, it will be difficult or impossible for USAID to resume full funding of feeder roads efforts. Section V below proposes specific steps to initiate such discussions.

#### **B. Inadequate Institutional Framework for Implementation**

Assuming a consensus is reached on a strategy for feeder roads development, the next issue to be dealt with is the question of a structure or framework for implementing project activities. The recent appraisal of FRMIP discusses this issue in some detail. Basically, it was found that the current system of District Road Development Committees that was proposed as an alternative to the zila parishad/LGERB implementation mode, is not viable for supporting significant road improvement or developing maintenance capability. When the new zila parishads are functioning, responsibility for feeder roads may well be transferred to them. The appraisal concluded however, that newly created districts are weaker than upazilas in terms of planning, administrative, and recurrent cost financing capacity, and about equal in terms of technical capability. Furthermore, it appears that most feeder road maintenance work currently being done is on dirt roads at the upazila level.

For these reasons, and others discussed in the appraisal report and the recent report by Management Systems International

("Institutional Assessment of Food for Work and Feeder Roads Programs in Bangladesh", May 1987), it may well be preferable to develop a two track, integrated effort to develop road maintenance and improvement capacity at both the upazila and district levels. Such a strategy may call for coordinated use of Food for Work resources, bridges and culverts programs and the nationwide Rural Maintenance Program currently implemented by CARE with CIDA financing. USAID proposes that efforts be undertaken immediately to develop alternative project implementation strategies. A key part of this effort will be to conduct a feeder roads sector assessment as recommended in the appraisal report.

### C. Recurrent Cost Constraints and Implications

A principle determinant and measure of local government road maintenance capability is the ratio of available maintenance financing to actual maintenance costs. Until recurrent costs are substantively met, and revenues for maintenance are allowed to grow in proportion to road improvements, there can never be more than limited maintenance capacity. Because unmaintained paved roads soon become less passable than dirt roads and improved roads are ten to twenty times as expensive to maintain as dirt roads, it is critical that investments in road improvement be directly linked to availability and growth of maintenance financing.<sup>2/</sup> This issue is especially critical to FRMIP which has financed 31% of the improved roads in the greater Rangpur, Faridpur and Sylhet areas.

The recent FRMIP appraisal estimated that the cost of routine annual maintenance for the current network of improved type B feeder roads in greater Rangpur and Sylhet combined is Tk 321 lacs per year. It further estimated that the amount currently available to meet this cost is Tk 32 lacs (see page 9, FRMIP Appraisal Report). Therefore, only 10% of recurrent cost financing appears to be met at this time. If all improved roads were originally built to FRMIP standards, the cost of annual maintenance would drop by half to Tk 164 lacs and the proportion of available maintenance funding would rise to 20%. In either case this percentage figure is declining gradually each year because more roads are being improved but maintenance financing is not increasing. The difference in cost according to road standards illustrates the importance of higher road improvement standards in controlling recurrent costs.

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2 Depending on the construction standards used, a paved road with no maintenance can deteriorate to a worse than dirt road condition in two to five years. Attachment A in the FRMIP rapid appraisal indicates that the average annual cost of maintaining 1 Km of road is Tk 8,000 for dirt roads, Tk 80,000 for FRMIP standard paved roads and Tk 183,000 for the average paved road.

Given this situation, it becomes difficult to justify any level of road improvement work. While reasonably effective programs are in place to finance and carry out maintenance of dirt roads (Food for Work and CIDA/CARE Rural Maintenance Program), no similar situation exists for improved feeder roads. Appropriate government policies to address this problem need to be developed and the FRMIP design must be modified to reduce the risk that project activities actually results in a worsening rather than improvement of the feeder roads network. Until there is reasonable assurance that the latter is not likely to happen, USAID should refrain from making significant investments in road improvements.

#### IV. Transition Period -- July 1, 1987 to August 30, 1988

##### A. Purpose of Transition Period

This Action Plan defines "phase I" of FRMIP as all activities from August 20, 1981 to June 30, 1987. The "transition period" started on July 1, 1987 and would continue until about August 30, 1988 when a new long term TA consultant would be mobilized in the field. "Phase II", involving a return to full implementation, would start at the end of the transition period and continue until the agreed upon project termination date.

The basic purpose of the proposed transition period is to permit limited but essential activities to continue where feasible, while a revised project design and implementation strategy for phase II of FRMIP is developed and put in place. This limited activity will help prevent a potential disruption in continuity of BDG counterpart funding which may result if no funds are expended for an extended period of time. During this period, studies and other actions required to close audit recommendations can be completed, as well as a project evaluation and sector assessment. Project implementation during the transition period could begin as soon as a formal agreement is reached on the activities to be included (see below). Assuming that agreement on project design changes is reached in the next three to six months, the transition period would last until a new TA team is mobilized in the field, marking the beginning of phase II of FRMIP. If no agreement is reached, the transition period, and the project, would end in August 1988, with termination of the one year TA contract proposed below. A process for designing phase II is discussed in the next section. This is followed by specific proposals for implementation activities during the transition period.

## B. Design of Phase II Activities

### 1. Implementation Objectives for Phase II

The major objective of FRMIP during phase II would be to demonstrate the feasibility of making significant progress in institutionalizing effective road maintenance and improvement practices at the local government level. Achievement of this objective would open the door to substantially increased donor commitments to feeder road development in Bangladesh. Given the importance of a functional road network to rural development, and relief efforts, it is essential that progress be made as quickly as possible. The experience of FRMIP over the past six years leaves one less than optimistic about the possibility of achieving this goal in the short time period left. Even if the project is extended by one year to the USAID ten year implementation time limit (August 20, 1991), only three work seasons would be available to reach this implementation goal (88/89, 89/90, and 90/91). If there are delays in reaching agreement on a revised strategy, and delays in procuring a new TA consultant, the project could easily lose impact during the critical first few months of the 88/89 work season when road schemes are planned, designed and contracted out. In this case, only two work seasons would be left, and it would become more difficult to justify a project extension for the last season. It is essential therefore that a concerted effort be made over the next three months to open discussions with all concerned parties and reach substantial agreement on, and commitment to a new strategy.

### 2. Design Process and Schedule

Designing phase II activities will involve the following steps:

- a. Reaching agreement with all involved parties on addressing the strategic issues outlined above;
- b. Designing new implementation strategies for achieving the project purpose;
- c. Revising project documents as necessary to permit implementation of new strategies, including the USAID project paper, the BDG project proforma and the Grant Agreement;
- d. Drafting a new TA scope of work and procurement of a new consulting team.

The first step will be started via discussions of this Action Plan and the FRMIP Appraisal Report with the Ministry of Local Government, the Planning Commission, the External Resources Division, and the Ministry of Finance (on recurrent cost issues). Other donors involved in feeder road activities would be briefed

through the Local Consultive Group to share relevant experiences and encourage appropriate coordination. During this time, a scope of work for the sector assessment would be agreed upon and tendered. USAID would propose that a working committee be established involving representatives from the MLG, Planning Commission, Ministry of Finance and USAID to collaboratively develop and approve a concept paper for phase II of FRMIP. Approval by all parties of the concept paper would set the stage for design of detailed implementation strategies. September 30, 1987 is proposed as the target date for approval.

Step "b", designing new implementation activities will require information from several studies. These include the feeder roads sector assessment discussed in section "G" below; a recurrent cost analysis, and road equipment utilization study which would both be completed by WSA under items 2 and 3 of the scope of work proposed in section "D" below; and an analysis of decentralization policies which will be conducted separately by USAID. The target date for completion of all studies is February 1988. Sufficient information should be available earlier to permit initial drafting of new implementation strategies and a scope of work for technical assistance. This would take the form of a USAID project paper supplement which would include information necessary for revision of the MLG project proforma, and a request for proposals (RFP) for a TA contract.

Step "c", revision of project approval documents and the Grant Agreement would be kept to the minimum necessary to permit implementation of revised phase II strategies. Continued use of the working committee established for step "a" would help reduce approval times and reduce the chances of major changes late in the design period.

A key question for step "d", TA procurement, relates to how far the project may proceed in making commitments to prospective consultants without requiring changes in existing USAID and BDG project documentation. This could presumably only be determined once a clear picture of a revised strategy emerges. Assuming that the need for formal approval of project documents and possibly a revised Grant Agreement does not hinder initial procurement steps, notice of a TA contract would be published in December 1987 to accelerate the procurement process, and a complete RFP made available by March 1988. Signing of a contract could take place by June if necessary project amendments have been fully approved. Barring unforeseen procurement difficulties, this should permit mobilization of new TA staff by late August or early September 1988.

### **C. Transition Period Road Maintenance and Improvement Activities**

A number of factors argue against pursuing new road improvement or significant road maintenance activities for the coming 87/88 work season which falls during the transition period. First, the three strategic issues outlined above will take some time to resolve. Disbursing significant sums of money without properly addressing the strategic issues will diminish the project's ability to achieve its purpose. Continuing lack of progress in developing maintenance capability at the local level will, even in the short term, reduce willingness of donors to fund feeder roads activities.

Second, the disbursement freeze recommended by the audit and the fact that three conditions precedent to disbursement have not yet been met, make it impossible to provide reasonable 87/88 work season funding commitments to local implementing units. With the introduction of Members of Parliament into key decision making roles in the project, funding allocation decisions are likely to become increasingly politicized. In this situation, it would be unwise to make tentative commitments which may later have to be delayed or changed.

Finally, it is impossible at this late date to recruit additional expatriate resident engineers in time to provide on site technical assistance and supervision for significant road maintenance and improvement activities in 87/88.

For these reasons, it is proposed that road improvement and maintenance be limited to the following activities during the transition period:

1. Limited improvement work would be continued on road segments which were partially improved in previous work seasons. This work will be limited to minimum surface improvements and drainage structures needed to ensure year round access on the complete road segments. No bituminous paving work would be included. The project consultant will prepare a recommended work plan detailing specific improvement work which should be undertaken given TA staff constraints and relevant audit recommendations concerning feasibility studies.

2. Maintenance would be carried out on all road segments previously improved by the project. Although some of these roads were completed up to four years ago, none are under a routine annual maintenance program. At minimum these roads should serve as demonstration sites for the effects of routine annual maintenance work. This would include maintenance or repair of bridges and culverts.

3. Maintenance work on roads previously maintained by the FRMIP would also be eligible. The amount of such work will be limited by current TA staff constraints. Despite the fact that the FRMIP is trying to develop the concept of routine annual maintenance, project records show that no road has received more than one year of routine maintenance work during the last five years. Focusing on these roads would again help serve as a demonstration effect.

4. A pilot feeder road maintenance and improvement program would be designed and implemented in one to three upazilas in old Sylhet district to test strategies for improving feeder road maintenance capability at the upazila level. The consultant will be responsible for design and implementation of this effort.

5. Funding could be made available to help support multi-donor funded road surfacing trials aimed at finding more cost effective road improvement techniques. Such a proposal is currently being developed by the Swedish, Norwegian and Swiss bilateral aid programs (SIDA, NORAD and the SDC).

#### **D. Transition Period TA Scope of Work**

A one year technical Assistance contract is proposed to complete the following tasks during the transition period:

##### **1. Road Improvement and Maintenance Works**

a. In coordination with the MLG project manager and responsible district officials, prepare a detailed plan for all road improvement and maintenance work for the 87/88 work season according to the guidelines outlined above. This plan will be submitted to USAID and the MLG for approval prior to committing funds for road work.

b. Provide on-site TA, and on-the-job training to local government personnel involved in planning, designing and carrying out the road improvement and maintenance work described above.

c. Design and, following USAID and MLG approval, implement a pilot maintenance and improvement program for feeder roads in one to three selected upazilas.

d. Provide the necessary technical certification required for USAID reimbursement of road maintenance and improvement work.

## 2. Road Maintenance Equipment:

a. Assist the three districts who now control FRMIP funded road equipment to develop their equipment maintenance capability by ensuring that a basic spare parts inventory control system is in place and by providing basic training in routine maintenance and diagnosis of equipment failure. This effort will focus on, but not be limited to, equipment procured under FRMIP.

b. Procure necessary spare parts for road rollers, trucks and other equipment previously procured by the project and deliver to districts responsible for maintenance.

c. Complete an assessment of the current state and use of all road related equipment now controlled by local government units in the project area, with special focus on FRMIP financed equipment. This study will include a detailed description and analysis of current management practices for use and repair of road equipment. The consultant will develop and implement strategies to improve utilization and reduce down time for this equipment during work seasons.

d. Assess road maintenance equipment needs for future equipment procurement; prepare specifications and act as procurement services agent for importing those items of equipment agreed to by USAID and the BDG.

## 3. Special studies and assessments:

a. Conduct an economic feasibility study on roads previously improved during FRMIP as required by the project audit, and complete previously started work relating to road classification surveys and development of road selection methodologies.

b. Recurrent Cost Analysis. Using actual cost figures from FRMIP and other sources, conduct a study to determine the validity of the conclusions reached by the USAID rapid appraisal on the state of recurrent cost financing for road maintenance in the three old project districts. This will include a historical assessment of all resources allocated to feeder road maintenance, a projection of likely future allocations based on current revenue sources, and estimates of annual maintenance costs assuming a variety of maintenance practices. This study will include a cost benefit analysis to recommend the most cost effective allocation of funds between maintenance and improvement assuming current, and a range of improved, maintenance practices. This

study will also provide basic planning and budgeting figures for road maintenance work which can be used by any local government unit in planning long term recurrent cost budgets for road maintenance.

c. Provide full field, technical and administrative support as needed, for short term consulting team responsible for carrying out project evaluation and feeder roads sector assessment.

#### 4. Training

a. Prepare a training plan for implementation during the transition period. This training will be limited in scope and content to the minimum necessary to support road improvement and maintenance work carried out during the transition period. Participation will be limited to upazila and district officials, appointed and elected, from the 12 new districts who have been involved in FRMIP activities to date. Training will include the following subject areas: a) planning and design for a stage or phased approach to road improvement; b) maintenance of dirt and paved roads; c) maintenance of road equipment; d) planning and budgeting for recurrent costs of road maintenance.

b. Implement training activities agreed to by USAID and the BDG.

c. Conduct an evaluation of all training carried out during the transition period and submit an evaluation report to USAID and the MLG.

#### 5. Other tasks

a. Assist as requested by USAID and the BDG, in re-designing FRMIP to address the strategic issues outlined in section II. above, and other implementation issues.

b. Assist in mobilization efforts for long term FRMIP phase II consulting team. This will include serving as procurement agent for new project vehicles and identification of new field office space for TA staff.

c. Complete other tasks required under the project as requested by USAID and the BDG.

#### **E. Transition Period TA Contracting**

In order to expeditiously complete a new TA contract with WSA for the transition period, and follow the new TA contracting policy agreed to between USAID and the BDG, USAID will negotiate a direct AID contract with WSA. This contract would be a cost plus fixed fee plus award fee contract, with award fee payments tied to satisfactory performance of objectively identifiable performance indicators. This USAID direct contract would take effect on September 1, 1987. Consultant costs during the period between July 1 and August 31, 1987 would be covered under an amendment to the existing host country contract between WSA and the MLG.

#### **F. Equipment and Spare Parts Procurement**

Spare parts for previously procured equipment will be procured directly by the consultant. Future equipment procurement may be initiated after completion of the equipment studies by the consultant (items 2c and 2d in section C above), and after agreement is reached between USAID and the BDG on resolving the strategic issues discussed in section II above. Future equipment would be procured using USAID direct contracts with the suppliers.

#### **G. Project Evaluation and Sector Assessment**

A major evaluation of the FRMIP project will be conducted in the fall of 1987. This effort will be part of an overall feeder roads sector assessment which will evaluate the USAID/Title III Bridges and Culverts program and assess the impact of other donor activities on maintenance and improvement of feeder roads (including Food For Work and the CIDA/CARE Rural Maintenance Program). The assessment will analyze technical, financial and institutional factors affecting acceptance and adoption of improved road improvement standards and road maintenance practices, and recommend policies and strategies to improve local government capacity in planning, budgeting and implementing road maintenance and improvement.

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