

AIRGRAM
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DEPARTMENT OF STATE

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CNAE School Lunch Program

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Country: Brazil

Project Number: 512-62-995-174.2

Submission Date: August 1969

Original: yes

Project Title: CNAE School Lunch Program

U.S. Obligation Span: CY 1963 through CY 1971

Physical Implementation Span: CY 1963 through CY 1971

Gross Life of Project Financial Requirements:

U.S. dollar - commodities including Ocean Freight \$ 60,865,000

Local Currency:

U. S. Owned (PL 480, Title I) 12,102

Other (CONTAP, USAID/GOB Trust Funds) 368,254

\$ 380,356

Cooperating Country Cash Contribution (U.S.dollars) \$ 804,333,000

(Cash, goods and services) \$ 865,578,356

Total amount of U.S. commodities donated/required for this project (in metric tons)

209,305

Enclosures: Tables I and II

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DRAFTED BY GCWarner ADiaz	OFFICE FFDO PRFC	PHONE NO. 229 420	DATE 8.26.69	APPROVED BY: Peter J. Davies, Chief Earlan Harrison, ADPR
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I. SUMMARY DESCRIPTION

The USG contribution to the development of the Brazilian CNAE school lunch program follows the directives of Section 201 of the Agricultural Trade Development and Assistance Act of 1954, as amended. This Act authorizes the donation of U.S. agricultural commodities "... to combat malnutrition, especially in children; to promote economic and community development in friendly developing areas; and for needy persons and non-profit school lunch and pre-school feeding programs outside the U. S."

This program combats problems affecting^a a large number of Brazilian children, principally primary school children, many of whom are suffering from the effects of malnutrition and low income. CNAE estimates that in 1969 there are 24.6 million children in the 7-14 age group, of which 16.7 million (67%) are registered in schools. The school lunch program reaches some 9.7 million children, or (39%) of the targeted group; the USG program assists with food ~~for~~ ^{about} 3.5 million of these. This group is of major importance to Brazil's future development; the children of today will be steering the country's development tomorrow.

Brazil and the U. S. recognize these facts and have acted accordingly; the COB by allocating resources and creating the CNAE to develop and implement national school lunch program, and the USG by supporting with resources, including technical assistance, Brazil's efforts in expanding and improving the program. Both governments, through their appropriate agencies, have been working hand in hand since 1963 to (1) combat hunger and malnutrition and improve the health of primary school children; (2) institutionalize, on a nationwide basis, a school lunch program to combat malnutrition on a continuing and permanent basis; (3) decentralize the administration and input of resources to the state and local levels, thereby increasing the local contribution, with overall federal coordination of the program; (4) expand the existing markets for Brazilian farm products, such as cornmeal, vegetable oil, NFDN, rice, beans, nuts, etc.; (5) create and improve through the various project implementation steps, the necessary program infrastructure; i.e. administration, transportation, storage, distribution, preparation and serving facilities; (6) assist related USAID programs designed to reduce the illiteracy rate and promote good child health.

The school lunch program operates in almost 4,000 cities, reaches 96,400 schools and over 9.7 million young Brazilians in the 26 Brazilian states, territories and the Federal District. 1/

In addition to providing a nutritious lunch, this project benefits Brazil in other ways --- it provides employment for more than 250,000 Brazilians, of

1/ See table I for estimated coverage of the program.

which a good number are full-time employees. It also provides a ready market for locally produced foods, preparation and serving equipment manufacturers.

In 1969, for instance, it is estimated that over 47 million dollars in locally produced foods will be consumed in schools and that the total Brazilian contribution in all goods and services will approach US\$ 124 million, or about US\$ 0.075 per child per day (U. S. average total contribution to its own ~~state~~ school lunch programs exceeds US\$ 0.50 per day).

In implementing the program, CNAE requires each state to enter into a working agreement with the federal government. Municipalities must also develop a working agreement with their respective states and/or the CNAE federal representative in their state. These agreements include commitments in terms of administrative resources, foods and logistic support to the project. 2/

II. SETTING OF ENVIRONMENT

Many factors account for the relatively small enrollment at the various levels of education in Brazil. Lack of adequate budgeting, staff, resources, distances to schools and low family income, all contribute. Physical health and nutritional levels of the student are vital factors affecting school children and performance. Undoubtedly, an educated and healthy generation is a pre-requisite for economic and social development.

While the establishment of CNAE and the allocation of resources represent a major stride forward to accomplish the project's goals and objectives and CNAE has made substantial progress in expanding and improving the nationwide school lunch program, there is still much to be done to effectively reach the targeted primary school children, in addition to reaching more children with a better diet. For example, a national agricultural policy involving substantial commitments of foods along with concomitant development in such areas as production, commodity inspection, marketing information, payment procedures, and crop forecasting, must be established so that agricultural commodities can be better utilized in social development programs. Appropriate legislation for states and municipalities to raise funds for supporting the school lunch program and to standardize program administration is required. These steps rest entirely within the COE.

III. STRATEGY

The school lunch program in Brazil is an ongoing activity now in its 16th year of operation as a federal program. The signing of a Project Agreement

2/ See table II for estimated life-of-the-project financial inputs

with USAID in late 1963 marked the beginning of a planned eight-year program of cooperation in which the planned USG assistance would increase during the first five years of development and decrease during the last three years. Afterwards, the program should be dependent on GOB inputs. We are now in the fifth year of the eight-year program and the planned peak of the USG contribution is scheduled to occur in FY 1970 with an input of 67,000 metric tons of commodities. A review of program progress and the degree of geographical and demographic penetration that CNAE has made to date leads USAID to believe that substantial additional worthwhile objectives can be obtained in this program even after the completion of the eighth year. As long as (a) requirements for and availability of U. S. inputs exist; (b) adequate GOB progress is obtained; (c) U. S. goals and objectives are being realized; and (d) the program falls within the WOH/FFD guidelines, we foresee additional use of U. S. PL 480 foods to obtain desirable development in the school lunch program. If these four criteria are met, ~~an additional limited contribution of U. S. foods and technical assistance and participant training is contemplated.~~ *for handling beyond the 8th year*

CNAE, an agency within the Ministry of Education and Culture, was custom designed to implement the Brazilian school lunch program. Its role is basically one of administration and coordination, but it does have limited access to resources: money, transportation, warehousing, etc., although most of the logistic and administrative support for the program comes from the local municipal level. Further, CNAE ~~is not to~~ use U. S. commodities as a catalyst and incentive to obtain local commitments to initiate and build the school lunch program in each community into a self-sustaining local institution, an important Title IX consideration.

The school lunch program is related to Mission objectives in education, agriculture and health. The program is related to the proposed sector loan in education, especially in the primary education area where nutrition affects attendance as well as learning ability.

The program is also related to Mission objectives in agriculture; for example, the USC/GOB agreement requires the GOB to provide adequate funds to procure cornmeal, vegetable oil and NFDI from local production. These purchases, if properly utilized, could assist the GOB in stabilizing a part of its agricultural production.

The project is related to the Mission objectives in health since ~~it~~ providing a school lunch combats the effects of malnutrition in many of the children.

IV. PLANNED TARGETS, RESULTS AND OUTPUTS

The immediate objective of the school lunch program is to establish, on a nationwide basis, a national program that combats malnutrition among school-age children. The objective includes specific roles for the local, state and federal governments. It has now been five years since the USG began assisting the GOB in the program. Although progress has not been uniform from state to state, or even region to region, many of the basic required program infrastructure and procedures have been established. A substantial job remains to be done. Tables I and II provide commodity targets thru CY 1971.

V. COURSE OF ACTION

This is a continuing project of the USG which provides catalytic and incentive resources (i.e. U. S. donated food commodities) to stimulate the building of a sound school lunch institution to combat malnutrition among school children. To achieve this, the GOB at all levels must establish:

- the necessary logistics, preparation and serving facilities;
- adequate, trained staff;
- sound nutrition education in primary schools;
- long-range state-by-state and national planning;
- government/industry coordination through permanent standing committees;

This latter step allows industry to meet the commodity and equipment requirements of the program and the government to plan the necessary budget and standards to acquire such needs.

To improve the operation of the program, CMAE will enlist the services of the Brazilian Institute of Municipal Administration (IBAM) to develop a model operating and administrative manual which the states and municipalities participating in the school lunch program will use. Resources for this manual are being provided by the Technical Cooperation Council of the Alliance for Progress (CONTAP).

CNAE continues to hold frequent and periodic meetings to coordinate action, discuss program progress, problems, opportunities, etc. and to train the field staff. For example, the Ninth Annual National Meeting was held July 22-31, 1969 and attended by all CNAE representatives from the 26 states, territories and the Federal District. To finance it, CNAE provided R\$ 170,000 from its own resources and CONTAP provided R\$ 30,000.

A total of 20 participants will be sent to the U. S. for a 6-week training program in 1969 and 1970. U. S. input will be about US\$ ~~25,000~~ 45,000.

From time to time USAID provides special technical/financial assistance to CNAE to establish and improve mutually agreed upon target development areas. Recent examples of this type of assistance include the 1968 American School Food Service Association (ASFSA) team that visited the CNAE program and established a Brazilian school lunch association; a five-man "Fish Protein Concentrate" team, coordinated by WOH/Food from the Sea, visited Brazil in mid-August 1969 and advised CNAE on a program to fortify such CNAE processed foods as macaroni, doughnuts and tortillas. In the near future, USAID will coordinate with the National Food Commission (CNA), CNAE and the Brazilian Association of Food Industries (ABIA) an industry/government conference designed to bring together the basic organizations, with their key personnel, who are engaged in (1) the more important aspects of mass feeding programs; and (2) the production and distribution of foods. If the discussions are as fruitful and productive as anticipated, a permanent institution will be formed to bring these entities together on a regular working basis to provide the coordination required to solve the many operational problems that arise as food flows from producers to processors to government agencies and then on to needy children and/or recipient groups.

~~ELIX~~ BELTON

ANNEX I
PROGRESS OF ESTIMATED COVERAGE OF THE SCHOOL LUNCH PROGRAM

End

	<u>CY 1969</u>	<u>CY 1970</u>	<u>CY 1971</u>	<u>CY 1972</u>
1. Number of school age children	24,670,175	27,158,210	29,654,422	32,255,377
2. Number of children registered at school	16,673,049	18,329,681	20,408,943	22,712,956
3. Number of children to be served with USG and GOB resources	9,700,304	11,013,845	12,604,342	14,749,373
4. Number of existing primary schools	153,716	169,712	186,122	207,291
5. Number of primary schools participating in the program	96,375	109,780	123,911	147,369
6. Total estimate of commodities required (in metric tons) - *** -	19,089	60,750	55,700	70,000
7. GOB Federal commodity contribution (CEAE Budget only) in NCr\$	3,861,078	5,704,398	7,401,858	9,151,253

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	<u>CY 1970</u>	<u>CY 1971</u>
1. Number of children USG has agreed to assist	5,520,000	5,520,000
2. USAID estimated input of USG commodities (CY 1970 and CY 1971 are already approved USG contributions) in metric tons - - - - -	47,000	33,000
3. Value of all GOB food commodity contribution (in US\$ millions)	54.5	60.0
4. Total estimated GOB input (in US\$ millions) including administration, transportation, logistics, as well as national and locally purchased foods, and donated	140.5	151.7

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*** Does not include enormous quantity of foods contributed by State and Municipal Government, or from other sources, estimated at over 100,000 metric tons per year. It includes, USG and GOB Federal contributions only.

TABLE II
LIFE OF THE PROJECT FINANCIAL INPUTS

CALENDAR YEARS	AID CONTROLLED LOCAL CURRENCY (*)		OTHER CASH CONTRIBUTION COOPERATING COUNTRY (in US\$ 000s)	FOOD FOR FREEDOM COMMODITIES	
	U. S. Owned	Country Owned ^{1/}		Metric Tons	CCC and Ocean Freight (in US\$ 000s)
Prior thru CY '68	\$ 12,102	\$ 136,961	\$ 387,633,	110,553	29,168,
CY '69	-	\$ 59,129	124,500,	18,752	4,870,
CY '70	-	\$ 78,637	140,500,	47,000	15,761,
CY '71	-	\$ 93,527	151,700,	33,000	11,066,

(*) - Local Currency converted to US \$ at prevailing rates.

^{1/} - Includes CONTAP and USAID/GOB Trust Funds.