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NEFFD Project Review for April 1970

The School Lunch Program - CNAE

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History

The School Lunch Program in Brazil began fifteen (15) years ago under the auspices of the GOB and UNICEF. The GOB/UNICEF contribution consisted primarily of milk. At the opening of the decade of the 1960's, the United States Government began to take an active interest in Brazil's School Lunch effort, noting that Brazil itself was genuinely committed to its School Lunch Program and was buying annually from the United States 5,000 MT of non-fat dried milk (NFDM) to support its on-going program.

The first concrete action of the USG was to prepare and execute two agreements with the GOB, these agreements being Transfer Authorization N° 2602 and ProAg 512-11-990-175 of December 31, 1963. The T.A. provided 20,000 MT of NFDM to Brazil's School Lunch Program for CY's 1962 and 1963, aside from Brazil's continued guaranteed annual purchase of 5,000 MT of NFDM. These 20,000 MT of NFDM were programmed to furnish 30 grs. per day to 3,000,000 recipients for 222 days per year for two years. The total value of this agreement was US\$8,445,000. The ProAg established the implementation responsibilities.

The second major step went further in all aspects. The goals, the quantities of food, the variety of commodities, the quality of the program, the geographic coverage, and the administrative structure were all considered and then programmed for progressive improvement in all areas. A Project Agreement (Project Agreement N° - School Lunch Program - no actual number assigned - ; Project N° 512-11-990-175) was signed by USAID and CNAE (Ministry of Education) on December 31, 1963, to be effective until December 31, 1971. This ProAg is still the valid operating document for the "National Expanded School Lunch Program."

Implementation

The ProAg was very specific as to the responsibilities of the USAID and the CNAE. Those of the CNAE were to "set up and operate (the) program" by:

1. Preparing appropriate future program proposals;
2. Providing or assuring the services, funds and equipment needed for the administration and operation of the program;
3. Utilizing the USG commodities made available along with local commodities to assure a balanced daily school meal;

4. Assuming responsibility for all internal costs of
 - a. food processing,
 - b. purchase or rental of necessary equipment,
 - c. administration and day-by-day supervision,
 - d. guidance to mothers and teachers on nutrition, food preparation and personal hygiene,
 - e. training of the necessary personnel to carry out the program;
5. Purchasing local foods in order to balance the USG commodities furnished;
6. Carrying out an organized program of public information (radio, newspapers, magazines, TV, posters, pamphlets, etc.);
7. Submitting of regular reports to USAID;
8. Supporting and facilitating USAID audits, end-use checks, etc. as required by the T.A.'s and USAID regulations;
9. Maintaining complete accounting records;
10. Bearing all costs of unloading, customs fees, warehousing, and inland transportation;
11. Preventing sales and other incorrect disposition of USAID furnished commodities.

The USG as represented by USAID/FFD agreed to:

1. Call forward and release commodities;
2. Provide equipment such as jeeps, trucks, stoves and kitchen equipment as possible and required by the program on a non-recurring basis;
3. Assist CMAE in training programs for nutrition, food preparation, hygiene, etc.;
4. Provide when available, advisory services (staff) for carrying out the terms of the Prog.

The present T.A. states more or less the same thing with an important addition. The CMAE agrees to buy 50% of the commodities necessary for CY 1970 and 60% of the commodities necessary for CY 1971, e.g. 6,000 MT in CY 1970 and 8,000 MT in CY 1971. The CMAE also continues to agree to buy its annual 5,000 MT of WFDM, as it has since before the beginning of the present Prog.

The national program has grown from a level of approximately 3,000,000 students attended per day (CY's 1962 and 1963) to the present level of 5,500,000 students (on estimates) attended per day (CY's 1970 and 1971) with USAID/FFD commodity inputs. The GOB's estimates of its program's coverage (GOB plus USG inputs) are 11,013,845 children for CY 1970 and 12,604,842 children for CY 1971. The annual USAID/FFD tonnage has increased progressively from an initial 10,000 MT per year in CY 1964 (NFDM only) valued at US\$4,22,800 (CCC plus ocean freight) to 47,000 MT for CY 1970 (including wheat flour, bulgur, rolled wheat, rolled oats, cornmeal, CSM, NFDM and vegetable oil) having a CCC value of US\$12,867,425. The nine NE States received approximately 25% or 2,500 MT of this NFDM worth about \$1,058,700. These same states will receive from the present 47,000 MT a total of 11,562 MT worth (CCC value) US\$3,718,917 plus 750,000 estimated ocean freight for CY 1970.

During CY 1971 the USG input will be 33,000 MT worth (CCC value) US\$9,034,578. The nine NE States will receive 24.6% of this or 8,118 MT valued at (CCC value) US\$3,018,677 plus 530,000 estimated ocean freight.

This decrease from 47,000 MT to 33,000 MT follows the established plan for a gradual USG reduction and a simultaneous GOB increment in commodities furnished to the CNAE. The total input should either remain constant or rise according to GOB desires and capabilities.

The CNAE administrative body has grown from a few persons to a full fledged, effective and dedicated staff functioning at the national regional, state, state-regional (sector) and municipal (local) level. The state-regional or sector offices and the municipal or local offices are the actual executive organs; i.e. they are the two offices which deal at the level of 1) initial programming of amounts of commodities required by the schools, 2) the final physical delivery of these commodities, 3) the training of teachers and school cooks to prepare correctly the commodities, 4) the keeping of stock records, 5) the carrying out of end-use checks, 6) the evaluation of the program at its functioning level - the school itself.

The state offices back-stop sector and local offices, guide them and submit the yearly state commodity requests to CNAE/Rio.

The regional offices back-stop and guide the state, sector and local offices. The representatives of these regional offices are federal employees.

The federal office signs working agreements with each state governor. Such agreements give nearly full responsibility to the states for carrying out the program in terms of administrative, commodity and logistical support. The federal office continues to give incentive to the states for complying with their agreements. The federal office also evaluates all other offices' activities, programs and performance. In addition

the CNAE Federal Office is responsible for diplomatic level and foreign government dealings, sometimes by itself and other times in conjunction with the Ministry of Foreign Affairs.

The total CNAE Program furnishes employment for more than 250,000 Brazilians operating in nearly 4,000 cities reaching 96,400 schools in 22 states, 3 territories and the Federal District.

The USAID/FFDO deals with the CNAE Program at all of these levels. USAID maintains one general coordinator and one regional advisor located in Rio and two regional advisors stationed in Recife. Their responsibilities are general guidance and help with logistics and planning problems. They do not attempt to deal with internal CNAE administrative needs or problems.

Problems

Some pressing problems face the CNAE. The gravest, the question of CNAE commodity purchases, needs an immediate solution. CNAE has not fulfilled its obligation to buy NFDM or cornmeal; the NE programs have lost one third (1/3) of the cornmeal, oil and NFDM from their second call forward as a result. This is due to a budgetary problem and not an unwillingness to buy on the part of the CNAE.

Another problem is the capacity of the present CNAE staff to handle the CY 1970 and 1971 programs. Given the levels of their staff, the FFDO feels that the CNAE has reached and possibly surpassed its capacity to absorb greater quantities of food without qualitatively improving and increasing its staff. As is generally the case, the NE region suffers from this lack of administrative expertise even more than the central and southern states. The present commodity level is the largest in the history of the School Feeding Program.

In fact, the greatest USG commodity input during the obligation span of the aforementioned ProAg will be this year, CY 1970, with an input of 47,000 MT, of which 11,562 MT will be delivered to the Northeastern States.

Another serious difficulty which has plagued some NE States in the CNAE Program in the past years is correct care of the commodities. Some large losses and many other small local level losses have occurred mostly as a result of poor warehousing, planning and logistics. It is the USAID's hope that little or no losses will occur in CY's 1970 and 1971 due to our stepped up claims actions, warehouse management orientation, insect control programs and better planning.

Future Plans

The present USAID/CNAE project agreement will terminate as of December 31, 1971, the cut-off date of the present T.A., N° 0880. The CNAE has informed FFDO/Rio that it feels that it will require approximately five more years of commodity and technical assistance. A growth rate is

anticipated from an estimated 11,014,000 children (combined USG and GOB resources) in CY 1970 to 12,605,000 in CY 1971 to 14,800,000 in CY 1972. This is an average growth rate of approximately 14% per year.

Due to Southern Brazil's relative program sophistication and the greater support that it presently gives to the CNAE, future plans will most likely include phasing out of USG commodities inputs to the South while the GOB increases its inputs to this area. We anticipate a greater concentration simultaneously of commodity and other inputs (training facilities, personnel, etc.) in the Northeastern and Northern areas of Brazil.

The important aspect to consider, when appraising this program, is whether or not the USAID and the CNAE have achieved their main goal; to establish an effective nationally, state and locally supported school feeding program. If the USG stopped all of its inputs, would the program continue? FFD feels that the answer is yes. Much damage and delays would occur but the School Lunch Program would continue to function in Brazil. We consider the USG support of the CNAE as a success. Jointly we have created a viable institution.

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