

UNITED STATES GOVERNMENT

PD-AAC-941-C1

Memorandum

Reference Center
Room 1656 NS

9p

TO : TA/IM - for distribution

DATE: January 26, 1970

FROM : TA/AGF, J. B. Cordaro

SUBJECT: Ongoing Project review

- (a) Alpine Marine Protein Industries, Inc. AID/csd-1913
- (b) Bureau of Commercial Fisheries - PASA-WOH(IE)11-68 A-3
- (c) University of California AID/csd-2274

The subject projects will be reviewed at 2:30 on February 4, 1970 in Room 3524 NS. This memorandum forwards data that should be useful in this review.

If you have any questions, prior to the review of these projects, please call J. B. Cordaro Ext. 21848.

Appendix A - Provides budget figures for project b.

Appendix B - Provides budget figures for project c.

Attachment
as stated



PRELIMINARY DRAFT

ONGOING PROJECT REVIEW
FEBRUARY 4, 1970

<u>Reference</u>	<u>Project Title</u>	<u>Project Number</u>	<u>Contract No.</u>	<u>Contractor</u>
(a)	AID Procured FPC	931-11-590-805	AID/csd-1913	Alpine Marine Protein Industries, Inc.
(b)	Inspection & Testing of AID Procured FPC	931-11-590-805	PASA WOH(IE)11-68 A-3	U.S. Dept. of Interior Bureau of Com. Fish.
(c)	Evaluation of Use of AID Procured FPC	931-11-590-845	AID/csd-2274	University of Calif. Food Sc. Dept.

Project Monitor - J. B. Cordaro, TA/AGF - Ext. 21848

Introduction:

The FPC program was built on two projects: (1) Feasibility Studies (reviewed elsewhere) and (2) Purchase of FPC (reviewed herein). This purchase was made in order to:

- provide sufficient quantities of FPC for product development and large scale acceptability trials;
- provide a quantity of high quality protein for use in pre-school feeding programs;
- implement Section 218 of the Foreign Assistance Act (1968) which encouraged the expenditure of funds for FPC and other protein concentrates.
- stimulate interest among U.S. private industry to encourage them to establish an FPC industry.

The program to allocate this FPC was reviewed on February 11, 1969. (Copies of the review should be available in the WOH/PES files). Briefly, A.I.D. planned to allocate this FPC to cooperating sponsors (Registered American Voluntary Agencies, Recipient Governments, and Intergovernmental organizations) for their use in selected overseas feeding programs. To assure that the product met contract specifications and would be effectively utilized, A.I.D.:

- Awarded a PASA to the Bureau of Commercial Fisheries to continuously inspect the plant facilities, and to sample and test FPC produced;
- Developed, with Mission and Regional Bureau assistance, Guidelines for use and evaluation of A.I.D. procured FPC.

- Requested that the cooperating sponsors submit proposals in accordance with the Guidelines.

- Awarded a contract to the University of California to evaluate the use of this FPC.

- Selected and refined proposals for use and evaluation purposes.

The failure of Alpine to deliver acceptable FPC and the necessity to terminate their contract requires that the Agency make a thorough re-appraisal of their FPC program. This review proposes to begin such a discussion.

(1) Project Goals and Justification

These three projects are grouped into one review because they each contribute to the goal of introducing fish protein concentrate (FPC) into the diets of the people of various countries. Projects (b) and (c) supplement project (a).

In project a, A.I.D. awarded a contract to obtain about 1,000 tons of FPC for use in overseas feeding programs. (The contract was partially terminated on November 26, 1969, for failure to deliver acceptable FPC. The terms and conditions of the termination settlement are still subject to discussions between Agency and contractor legal counsels. A.I.D. expects to obtain a quantity of FPC, namely that product produced prior to termination which meets all specifications and passes all tests. Although the exact quantities are not yet known, information presently available appears to indicate that at least 63 tons, but not more than 91.5 tons will be available. Therefore, the limited quantities must be allocated on a priority basis and projects b and c continued on a scale proportioned to the needs to inspect, test, and evaluate FPC).

Project b requires BCF to provide continuous inspection of Alpine's plant and production facilities and to monitor the testing of all FPC produced to assure that it meets the contract specifications.

Project c requires the University of California to provide an interdisciplinary team of experts to evaluate the use of the A.I.D. procured FPC. The experts are expected to provide guidance and assistance in the development of the programs to use and evaluate the FPC.

Regional and country programs were involved in the development and proposed implementation of these project concepts. With the cooperation and assistance of the Regional Bureaus and other functional offices, Guidelines were developed and sent to all Missions with Title II - PL 480 programs. Approximately 30 countries responded to these Guidelines and requested to use various quantities of FPC. (This demand outstrips supply by a factor of 10. We have apprised the Missions of our problem).

2) Evaluation of Contractor's or Participating Agencies Performance

With the obvious exception of Alpine's failure to produce acceptable products, the quality and the performance of personnel in pursuit

of the contracts goals has been quite satisfactory. Specifically, BCF personnel respond to our requests for information or reports promptly and accurately.

The interdisciplinary team provided by the University of California is well-balanced and professionally competent for the varied needs of our project. The members of the team work well together in pursuit of our overall goals and have been well received by A.I.D. Missions and host government officials.

(3) Accomplishments

The primary goal in this project was not and will not be accomplished. The program to use 1,000 tons of FPC in overseas feeding programs must be scaled down to 63 - 91.5 tons.

During the life of the Alpino contract (and continuing) BCF inspectors have been in place to oversee the sanitary production of product. (BCF is providing information and assistance to A.I.D. in the termination settlement.)

The evaluation team made two overseas trips to four countries to assist in the development of programs to use and evaluate FPC. One trip report - Brazil - is complete and has generated a great amount of interest from the Mission and host government. The report on their Oriental trip is in draft form and will be finalized once A.I.D. country priorities are established in the Orient.

(4) Recommended Course of Action

There are no recommendations suitable for us to make regarding the Alpine Contract, since it is a matter for A.I.D. General Counsel to settle.

\$5,000 will be required for U.S. inland and ocean freight to transport the FPC from Alpine's warehouse to overseas use points. (A PROP is circulating.)

Project B is required as long as A.I.D. expects to get product. The inspection staff has been reduced and inspection carried out on a weekly basis in order to maintain necessary plant surveillance. A.I.D. reimburses BCF only for services performed. Consequently, it is recommended to continue this service.

The introduction suggested that this review begin the dialogue to determine (a) whether the Agency should continue its FPC program; (b) if so, what its nature and direction should be. This paper assumes that the program should be continued and concentrates on how it should be established.

As a first step, it is recommended that project (c) - University of California contract - be expanded. A.I.D. could use the contract for both think-tank and action-oriented purposes. Essentially, the University would make personnel (and outside consultants A.I.D. required) from its various disciplines available for A.I.D. needs. These personnel

would serve as an ad-hoc advisory committee to assist A.I.D. in developing plans to overcome obstacles to the introduction of FPC. For example, they could identify specific areas of scientific and technical work; identify kinds of nutritional programs and foods that FPC can (should) fit into; and recommend implementation on a priority basis.

Concurrent with the recognition for more plans it is apparent; (1) that the utilization of FPC in various cultures throughout the world is dependent upon adapting its usage to food materials which are consumed in the various geographical areas; (2) that the introduction of a material such as FPC into even the traditional food supply is fraught with some dangers. (It is very easy to attribute any health difficulty in a population whose food supply is being supplemented with FPC to the FPC. In this case it is necessary to insure the sanitary quality of the total food supply to which the FPC is added, and additionally to guarantee that the FPC itself is of high sanitary quality). Consequently, these two points should have additional emphasis. They must be coupled with a more exhaustive study of food materials in selected areas to which FPC can be adapted in such a way as to suit the dietary preference and acceptability of the people. To do this the food supply itself must be studied from a toxicological and microbiological standpoint to insure that health difficulties are not encountered or imagined.

It is therefore proposed that the action-oriented part of the contract be enlarged to include:

- 1) Specific studies in various cultures in order to identify the food materials to which FPC can be added; develop new food concepts with assistance from local groups;
- 2) To study the acceptability of proposed food materials in specific populations in terms of preference, acceptability, and psychological factors, including the utilization of new or modified foods;
- 3) A study of the toxicological and microbiological factors in food materials which have been suggested as carriers for FPC. These studies would involve work on the site, since laboratory studies conducted away from the typical use patterns will not yield information on the methods available for safeguarding the food supply as it exists in the location;
- 4) To render technical assistance to local groups who are desirous of supplementing food supplies with FPC;
- 5) To work with various agencies on the psychology of the introduction of a new food to the population.
- 6) To coordinate the available local talent and knowledge relative to fish as food.

This proposal for expansion should not be considered a finished idea. More needs to be done to better define the scope, countries and regional participation, etc. It is suggested that TA/ACF - with approval from this review committee - better develop a scope of work, target it to several countries, and sell the idea to the Bureaus. If interest is shown, the contract should be expanded and funded accordingly. (Note the funds required are merely illustrative and have little validity until a scope of work is established.)

This approach is chosen because of the: (1) competence of the group involved;

(2) on-going work and momentum and possibility for immediate action;

(3) possibility they can help provide guidance in the direction of an overall A.I.D. FPC program.

(4) possibility to rescue a program that has potential to help A.I.D. deal with hunger and malnutrition.

Special Note:

The BCF pilot FPC plant is expected to be producing product by late 1970 or early 1971. Undetermined quantities will be made available to A.I.D. for use at their discretion.

Project Title Inspection, Sampling and Testing FPC

Initial Funding Date FY 69

Project Number 931-11-590-805-73-3107052

Ending Funding Date FY 70

Participating Agency USDI

PASA No. WOH(1E) 11-68 (A-3)

Project Monitor _____

Budget Categories	Actual 1/ Accruals FY 1969 (1)	Actual 2/ Obligations FY 1970 (2)	Accrual Expenditures 12/31/69 (3)	Estimated Accrual 12/31/69 6/30/70 (4)	Total 3/ FY 1970 (5)	FY 1970 4/ Net FY 1970 Requirements (6)	FY 1971 Estimate (7)
Personnel (U.S.)	12,802	26,647	12,580	12,000	24,580	(2 - 5) 2,067	25,000
Salaries & Differential							
Personnel Benefits 5/							
Personnel Services Cost 6/							
Other Travel Cost 7/	1,446	1,175	262	250	512	633	1,000
Rent, Communications and Utilities	303	400	256	250	506	-106	500
Supplies and Materials	500	1,205	558	500	1,058	147	1,000
Equipment		300					200
Other Services (contractual arrangements)	28,049		321	300	621	-621	15,000
Overhead	4,310	2,973	1,398	1,330	2,728	245	4,270
Total	47,410	32,700	15,375	14,630	30,005	2,395	46,970

1/ - Accrual expenditures for FY 1969 obtained from P.A.. The difference between actual obligation and the accrued expenditures, can be deobligated.

2/ - Amount obligated by PASA.

3/ - Revised estimate for FY 1970.

4/ - Amount FY 1970 to be deobligated.

5/ - Includes travel to and from post, R & R, Home Leave, and allowances

6/ - Foreign nationals, if direct-hire under PASA.

7/ - Includes inspection travel, TDY to attend conferences, workshops, etc.

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GENERAL TECHNICAL SERVICES (On-going)
PROJECT SUMMARY

GTS-7
1p

Major Types of Activity: Externally Determined Program Emphasis

Project Title: Evaluation of Use of AID Procured FPC

Contractor: University of California (Davis) Food Science Department

Contract Number: AID/csd-2274

Contract Liaison Officer: Dr. Eli V. Crisan
Title: Assistant Professor

Project Number: 931-11-590-845
Present:

Project Duration: Started June 1969 Termination Date _____

Comments: Requires extension without funds so we can get going.

		(000's dol.)	Obl.	Expend.	Unliq.
Budget:	a) Funds obligated through FY 69	:	24	0	24
	b) Funded for FY 70	:	20	34	10
	c) Funds requested for FY 71	:	0	-	-
	d) Estimated Fund Requirement FY 72:	:	0	-	-

TA/AGF Project Monitor: Mr. J. B. Cordaro

University of California provides an interdisciplinary team of experts to evaluate the use of the A.I.D. procured FPC. The experts are expected to provide guidance and assistance in the development of the programs to use and evaluate the FPC.

Regional and country programs were involved in the development and proposed implementation of these project concepts. With the cooperation and assistance of the Regional Bureaus and other functional offices, Guidelines were developed and sent to all Missions with Title II - PL 480 programs. Approximately 30 countries responded to these Guidelines and requested to use various quantities of FPC. This demand outstrips supply by a factor of 8. We have apprised the Missions of our problem, evaluated new submissions and suggested that programs be evaluated in Chile, Brazil, Nigeria, Thailand, El Salvador, Indonesia, Tunisia, Sierra Leone, Mauritius, Haiti, Turkey, Philippines, and several other countries where FPC will be made available for familiarization purposes. *(Bolivia, Central Africa Republic, Congo, Israel, Korea, Laos, Lebanon, Paraguay, Rwanda and Taiwan.)

TA/AGF/JBCordaro:7/15/70