

*This official file copy to Central file
Now in USDA/RSSA 1-77, etc*

PROJECT APPRAISAL REPORT (PAR)

79 711/PM 11/27/74 79

GE I

PROJECT NO. 931-11-560-063	2. PAR FOR PERIOD 12/30/71 TO 11/1/74	3. COUNTRY Worldwide	4. PAR SERIAL NO. 9310963 (3)
PROJECT TITLE LDC Nutritious Food Feasibility Grants			PD-AAC-993-D

PROJECT DURATION: Began FY 72	Ends FY 74	7. DATE LATEST PROP 8/9/71	8. DATE LATEST PIP	9. DATE PRIOR PAR Not applicable
J.S. FUNDING	a. Cumulative Obligation Thru Prior FY: \$ 240,000	b. Current FY Estimated Budget: \$ 30,000	c. Estimated Budget to completion After Current FY: \$ None	

11. KEY ACTION AGENTS (Contractor, Participating Agency or Voluntary Agency)

a. NAME	b. CONTRACT, PASA OR VOL. AG. NO.
1. General Milk Company, Inc. (Philippines)	USAID Philippines Contract AID 492-469 6/22/74
2. Brazilian Association of Food Industries	USAID Brazil Contract AID 12-708 6/72
3. Hossco-Agro-Industrial Co.	USDA-USAID Transfer Agreement No. 12-17-04-3-1079 - 6/74
4. Korea Foods Association	USDA-USAID Transfer Agreement No. 12-17-04-3-956 - 6/74

I. NEW ACTIONS PROPOSED AND REQUESTED AS A RESULT OF THIS EVALUATION

A. ACTION (X)		B. LIST OF ACTIONS	C. PROPOSED ACTION COMPLETION DATE
D. AID/W	HOST		
X		Technical backstopping and funding for this program, which was authorized through FY 74, were transferred in early FY 74 to the USDA PASA. Final allocations were obligated in FY 74. The status of the grants and appropriate follow-up reviewed in this evaluation follows:	
X		1. Philippines - Six month postponement of contract was granted 9/7/74 due to problems encountered in obtaining suitable raw material.	
X		2. Brazil - Two year extension to contract was awarded on May 29, 1974 to provide the intermediary grantee with additional time to make subgrants. (Subgrants had not been made previously due to reported difficulty in obtaining qualifying proposals.) Mission reports three proposals being prepared and expected shortly.	
X		3. Nigeria - Grant executed--no further action required at this time.	
X		4. Korea - Draft grant agreements have just been forwarded to Washington for review. Approval and Mission execution of grants is expected to follow shortly.	
X		5. Members of grants committee have been furnished a list of grants and requested to check on status--when visiting a grant country on other business.	

PLANNING REQUIRES

REVISED OR NEW: PROP PIP PRO AG PIO/T PIO/C PIO/P

E. DATE OF MISSION REVIEW

PROJECT MANAGER: TYPED NAME, SIGNED INITIALS AND DATE
Weil/A. Pound/I. Hornstein

MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS AND DATE
TA/N Martin J. Forman 11/26/74

NARRATIVE STATEMENT

This project was initiated in FY 72 for a three year period and received final funding in FY 74. In early FY 74, technical backstopping for the program, and funding for such additional grants as might be approved prior to termination of the program, were transferred to the USDA PASA. The following summarizes the status of the program and its progress in meeting its objectives.

The project had, as a target, the making of a total of fifteen to twenty grants to LDC food companies either directly or through intermediaries. Using the ratios provided in the FY 73 matrix, the final target for ultimate investments would be one-third of the grants to be made, or five to seven.

The response to the program fell considerably below what had been anticipated with a good number of the proposals not maturing until FY 74. As a result, the actual number of grants approved has been six, including one to an intermediary for making subgrants. However, despite this shortfall in the target number of grants to be made, the program may come considerably closer in meeting its overall objective of stimulating investment in commercial scale production of nutritious foods. While it is still too early to tell, it is possible that there may be four or five such investments. As noted above, this would be against a target of about five to seven.

There are no outstanding issues requiring resolution for this program which is fully funded. There will, however, be a continuing need for backstopping of the program. This will be undertaken

for the Office of Nutrition by the USDA PASA Group. The Group will be working in coordination with TA/N, through the AID Missions who have line responsibility. In addition, USDA has furnished a list of grants to the members of the Food Grants Approval Committee and requested that they check status of progress of the grants when visiting grant countries on other business.

While there are no special issues requiring resolution, it is suggested that, if investments are forthcoming, consideration might be given to undertaking an assessment of the success of the new products in reaching target groups. This assessment could provide some useful additional insights. It could be made either through a fairly simple sampling by the companies involved of the income, age, etc. of the consumers of the product, or through a similar check made by an independent group or groups. This would make it possible to verify the initial judgements made in approving the grants as to the capacity of the proposed products to meet nutritional goals. And it would improve our understanding of the use and efficacy of commercial foods as a nutrition intervention.

A chart, providing information on the products being investigated under the grants, together with current grant status, is attached.

CONTENT AND FORMAT OF TAB PROJECT APPRAISAL REPORT

- I. Page 1 PAR Face Sheet, AID 1020-25 (10-70)
- II. Matrix (revised and/or updated as necessary)
- III. Standard/Key Questions

A. Project Inputs

1. Are key inputs being supplied according to plan by:
(a) AID, (b) action agent, (c) cooperating countries,
(d) multilateral organizations, and/or (e) other
donors?

YES NO If no, explain.

2. Are assumptions regarding the supply of inputs still valid?

YES NO If no, explain.

3. Rate performance of action agent(s) against plan:

Outstanding Satisfactory Unsatisfactory

Comment on key factors determining rating.

B. Transformation of Inputs into Outputs

4. Given the answers above, i.e., progress to date in supplying inputs, changes in assumptions, etc., is the management hypothesis that the totality of the resources applied to the project will be sufficient to produce the predetermined outputs by the specified target dates still valid?

YES NO* If no, explain.

5. Is the approach or course of action originally selected, i.e., project design and/or methodology, still the most appropriate?

YES NO If no, what changes need to be made in either inputs, workplans and/or output expectations?

C. Project Outputs

6. List the output indicators, their planned targets, and the actual performance achieved for each during the period under review. 2/

- a. Was actual performance less than planned target?

YES NO If no, explain. — See footnote* below

* Response of potential grantees has not been as rapid as anticipated. And, accordingly less studies will be undertaken and execution of studies will be behind plan. Nevertheless matrix interim target of 4 to 5 investments may still be achieved or exceeded (see narrative statement for further discussion).

b. What changes, if any, are necessary in outputs,
output indicators, target dates, and assumptions?

Are they reflected in attached matrix?

YES NO *

c. Do action agent's reports provide adequate progress
data for monitoring and analysis?

YES NO If no, what action will
be taken to correct situation?

* Number of studies should be reduced from 12 to 9 and target date
from FY 73 to FY 75. Number of investments should not be changed.
Original indicators have been left in matrix to permit more
comprehensive judgment of projects ultimate achievement.

FOOD GRANTS PROGRAM (A/N STATUS - (For use Food Grants Committee Members)

Country	Company	Key Person Company	Mission	Product	Amount of Grant	Status as of 11/1/74
1	Brazilian Association of Food Industries (ABIA) Sao Paulo	Dr. Roberto Kolhman	Mrs. Marion Frazao Nutrition	ABIA is intermediary charged with making subgrants. None made to date	\$90,000	Grant was made in 1972 and recently extended for two years to June 1976 due to problems encountered in obtaining qualifying proposals. A report on current status has just been requested from the Mission.
LA	Hoscco - Agro Industrial Co. Lagos	C. O. Aka Managing Director	Dr. Russell Olson Food & Ag. Officer	Cassava meal (garri) fortified with soy	30,000	11/19. 3 proposals being prepared. Funds were made available to Mission in June 1974 and grant was executed in fall 1974 with a 6 month duration. Special question - success of grantee in also adding vitamin/mineral to product on commercially viable basis.
Philippines	General Milk Co. (Phil.) Makati, Rizal	W. T. Hiller Asst. General Manager	Dr. R. W. Engel Nutrition Advisor	Weaning food	30,000	Contract signed June 1973 for 18 month duration. Work initiated in October 1973. Six month postponement granted in September 1974 due to drying up of principal intended raw material source - coconut. Company recently exploring alternatives etc.
	Korea Foods Industry Association (Seoul Intermediary)	Pil Bong Lee Managing Director	Dennis Barrett Deputy Program Officer		90,000	includes \$2,700 for administration of subgrants
	Subgrants to Sam Yang Foods Ltd. Seoul	Joong-Yoon, Chun, President		Noodle fortified with sesame seed cake and lysine	19,100	Draft grant agreements have just been forwarded to Washington for review. Approval and Mission execution of grants is expected to follow shortly.
	Tong Yang Confectionery, Seoul	Lee Tae Sung President		Biscuit fortified with soy	29,100	
	Sam Lip Foods Seoul	Kwang Soo Sung Managing Director		Bread fortified with soy	29,100	Grant to Sam Lip is being made in conjunction with additional technical assistance being provided by USDA as part of project to develop...

Activity* CIS
 Project LDC Nutritious Food
 No. Title Feasibility Grants
931-11-560-963
 Contract/PASA
 No. Name USAID Missions
 Project Manager I. Hornstein Extension 23942
 Contract/PASA
 Officer Extension

TAB - GENERAL TECHNICAL SERVICES

FY 1975 Interregional Program Budget Review
 Project and Budget Analysis Matrix

Major Country/Countries

Brazil, India, Thailand, Philippines,
Indonesia, Turkey, Pakistan, Colombia,
Korea and Peru - principle countries

Obligation: Begin FY 1972 End FY 1974
 Work Begin FY 1972 End FY 1976
 PROP Status: PROP approved thru FY 1974
New/Revised Required in FY 19 NA

Estimated Submission Date NA
 Month Year
 Evaluation Schedule 11 74
 Month Year A
 .type

(Original FY 73 matrix revised to show progress to
 date and new budget summary and additional input - No. 5)

Narrative	Objectively Verifiable Indicators	Important Assumptions and Progress to date																																																																																																																																																																						
B1 PURPOSE: Trial and demonstration of techniques to stimulate investment by the LDC private sector in processing and retail marketing of low cost nutrition foods	B2 End of Project Status: (1) A greater number of new and more nutritious food products available from retail sources than existed prior to project. (2) Momentum established with additional nutritional product exploration underway by grantee firms and other LDC firms.	B3 Assumptions for Achieving Purpose: (1) There are reputable LDC firms with desire to develop and market protein foods. (2) LDC gov't. cooperation and coordination can be obtained. (3) Effective institutional linkages with development banks, food associations, food research institutions, private international investment firms, can be established. (4) Indigenous agriculture can supply basic ingredients.																																																																																																																																																																						
C1 OUTPUTS: (1) Completed feasibility studies. (2) New or adapted product development.	C2 Output Indicators: (1) Number of studies undertaken by LDC firms. (Goal is 13 initiated by end FY' (73) (2) Number of products developed and judged, marketable, after market studies and test marketing. (Goal 4 or 5). (3) Urban, rural, and institutional market data obtained from each project.	C3 Progress to date: Six feasibility study grants approved and/or work initiated in Brazil, Nigeria, Philippines and Korea with additional final grant for Thailand expected shortly. Feasibility studies include both weaning foods and fortification of major staples.																																																																																																																																																																						
D1 INPUTS: (1) TAB pre-investment market feasibility grants of up to \$30,000 each to LDC food organizations with proviso for 1/2 reimbursement of grant during first year following the product introduction date. (2) Bureau/USAID cooperation and coordination. (3) TA/N project assistance (4) L.I.F.E. Survey on LDC firms and products. (5) Technical and funding inputs - USDA PASA.	D2 Budget Summary (in thousands of dollars) <table border="1"> <thead> <tr> <th rowspan="2">All Prior Years</th> <th colspan="2">(1)</th> <th colspan="2">(2)</th> <th colspan="2">(3)</th> <th colspan="2">(4)</th> <th colspan="2">(5)</th> <th colspan="2">(6)</th> <th colspan="2">(7)</th> <th colspan="2">(8)**</th> <th colspan="2">(9)</th> <th colspan="2">Terminal</th> </tr> <tr> <th>Personnel Dollars</th> <th>IP</th> <th>Participants Dollars</th> <th>ISI</th> <th>Commodities</th> <th>Other Costs</th> <th>Total</th> <th>Expenditures</th> <th>June 30 Pipeline</th> <th>Funding Month</th> <th>Date Year</th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>1. Thru FY 1972</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>90</td> <td></td> </tr> <tr> <td>2. Actual FY 1973</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>30</td> <td></td> </tr> <tr> <td>3. Estimate FY 1974</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>120</td> <td></td> </tr> <tr> <td>4. Proposed FY 1975</td> <td></td> </tr> <tr> <td>5. All other</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>0</td> <td></td> </tr> <tr> <td>6. Total</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>240</td> <td></td> </tr> </tbody> </table>		All Prior Years	(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)**		(9)		Terminal		Personnel Dollars	IP	Participants Dollars	ISI	Commodities	Other Costs	Total	Expenditures	June 30 Pipeline	Funding Month	Date Year									1. Thru FY 1972										90											2. Actual FY 1973										30											3. Estimate FY 1974										120											4. Proposed FY 1975																					5. All other										0											6. Total										240										
All Prior Years	(1)			(2)		(3)		(4)		(5)		(6)		(7)		(8)**		(9)		Terminal																																																																																																																																																				
	Personnel Dollars	IP	Participants Dollars	ISI	Commodities	Other Costs	Total	Expenditures	June 30 Pipeline	Funding Month	Date Year																																																																																																																																																													
1. Thru FY 1972										90																																																																																																																																																														
2. Actual FY 1973										30																																																																																																																																																														
3. Estimate FY 1974										120																																																																																																																																																														
4. Proposed FY 1975																																																																																																																																																																								
5. All other										0																																																																																																																																																														
6. Total										240																																																																																																																																																														