

PROJECT DATA SHEET

1. TRANSACTION CODE

A = Add  
C = Change  
D = Delete

527-0212  
Amendment Number

DOCUMENT CODE

3

2. COUNTRY/ENTITY

PERU

PD-AA6-004

3. PROJECT NUMBER

527-0212

527021200440

4. BUREAU/OFFICE

LA

05

OPG OFASA - Expanded Urban FFW Program

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY

7. ESTIMATED DATE OF OBLIGATION

(Under "B." below, enter 1, 2, 3, or 4)

A. Initial FY 80

B. Quarter 3

C. Final FY 81

8. COSTS (\$000 OR EQUIVALENT \$1 = )

A. FUNDING SOURCE	FIRST FY 80			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total		200	200	25	375	400
(Grant)	( )	( 200 )	( 200 )	( 25 )	( 375 )	( )
(Loan)	( )	( )	( )	( )	( )	( )
Other U.S.						
1.						
2.						
Host Country						
Other Donor(s)						
<b>TOTALS</b>		200		25	375	400

9. SCHEDULE OF AID FUNDING (\$000)

A. APPRO. PRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) FN	320	320				200		400	
(2)									
(3)									
(4)									
<b>TOTALS</b>						200		400	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

300 329 390

11. SECONDARY PURPOSE CC

322

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code BU NUTR PVON  
B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

To assist OFASA, the social assistance entity of the Seventh Day Adventist World Service (SAWS) in Peru, to continue its PL 480 Title II feeding activities, primarily food for work, in the pueblos jovenes of Lima and other urban areas of Peru.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000  941  Local  Other (Specify)

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a \_\_\_\_\_ page PP Amendment.)

17. APPROVED BY

Signature

*Leonard Yaeger*

Leonard Yaeger

Title

Mission Director

Date Signed

MM DD YY  
05 12 80

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY

UNITED STATES GOVERNMENT

# Memorandum

TO : Mr. Leonard Yaeger  
Director

THRU : Mr. José A. Rodríguez-Acevedo, FFP/O

FROM : Mr. Robert P. Murphy  
Assistant, FFP

DATE: April 30, 1980

SUBJECT: SAWS/OFASA Urban Food for Work OPG Project # 0212 PROPOSAL

I. The below describe OPG Project for your review and approval was submitted by Seventh Day Adventist World Service (SAWS) through its Peruvian counterpart office, "Obra Filantrópica Acción Social Adventista" (OFASA), and is designed to continue and expand its ongoing feeding programs for the inhabitants of the pueblos jóvenes of Metropolitan Lima, and other urban areas.

To implement this project SAWS/OFASA is requesting OPG assistance in the amount of \$400,000.00 over a period of at least two years. This is exclusive of approximately \$20 million worth of PL 480 Title II commodities, which will be provided through the auspices of SAWS.

The project is in response to the continued economic crisis in Peru and represents a measure of emergency relief to alleviate the pressing need for supplementary food to some of the urban poor. The analysis for the project proposal is based on the in-depth evaluation of the concluding OPG project as well as detailed discussions with William Jenson and Edwin Montenegro, officers of SAWS/OFASA Peru.

## II. BACKGROUND

Food supplies and nutritional status in Peru have not improved since the signing of the original OPG with SAWS/OFASA. Economic conditions have not improved for the urban poor, and unemployment and underemployment among the inhabitants of the urban pueblo joven residents are still extremely high. Inflation and the withdrawal of food subsidies have seriously affected the purchasing power of poorest residents of these areas. For many inhabitants of the pueblos jóvenes over 80% of their disposable income must be committed to food purchases. The situation continues as such, with no improvement in sight in the immediate future. SAWS/OFASA will soon complete program activities under the original OPG agreement signed in September, 1979. In this program USAID OPG funding financed the costs incurred by the increased administrative responsibilities of OFASA, in addition to the purchase of trucks and pickups necessary for the transportation of food commodities and for use in promotion and supervision, as well as other items concerning nutritional education and pilot potable water projects.



The project began slowly, due to time required to organize communities and working groups and to some extent to the inexperience on the part of OFASA, and the need for lead-in time required for promotion and acceptance of the projects by the beneficiaries. By the end of an eight month period OFASA had surpassed the programmed goal of reaching 100,000 beneficiaries monthly and since that time has generally been able to maintain that level, with a few exceptions caused by external factors.

The major activities undertaken during the original OPG funded period were varied and dependent upon the resources and needs of the communities involved. In the majority of the communities, OFASA began with simple projects, such as street cleaning and/or garbage removal. In the concluding months of the OPG projects the activities have evolved to a more sophisticated level, including such varied activities as road construction, construction of community and child care centers, vocational education classes and irrigation and potable water projects.

The nutritional input of the foods distributed has been difficult to measure, considering the short time span of the individual projects. The pilot projects involving construction of potable water systems and outdoor toilets were concentrated in the construction of two potable water projects. Nutritional education classes began shortly after the signing of the OPG, and have been both useful to and well accepted by the beneficiaries.

During this same period USAID signed OPG agreement with both CARITAS and SEPAS. They were supplied with OPG funding which has enabled them to administer additional feeding programs. The Mission has recently supplied OPG funding for CARE, which will enable this PVO to begin feeding operations within the Lima Metropolitan pueblos jóvenes as well.

### III. SAWS/OFASA REQUEST

The 1980 PL 480 Title II commodities for SAWS/OFASA Feeding Program have approved by AID/W at a level to reach approximately 133,000 beneficiaries, broken down into MCH and FFW activities. Most of the recipients come from the Lima Metropolitan area pueblos jóvenes.

In response to this continued precarious nutritional status of the urban poor, SAWS/OFASA has requested these Title II commodities in order to continue to assist the present number of recipients under its ongoing Food for Work activities in the pueblo joven areas of Lima Metropolitan and other urban areas. This request over a two year period totals approximately 30 thousand metric tons with a value of approximately \$20 million.

In order to implement this project SAWS/OFASA has requested OPG financial assistance to defray costs related to administration, supervision, nutritional education and inland transportation costs. A small portion of the budget will be devoted to a part of the costs of operating a mobile medical van which will be providing basic medical assistance to a selected number of pueblos jóvenes.

#### IV. PROJECT IMPLEMENTATION AND EVALUATION

The project will be implemented by SAWS/OFASA over a 24 month period, in Lima city slums (pueblos jóvenes) and the first use of the funds will commence on or about June 1980. The project will continue in more or less the same form as the original OPG, with certain major changes which will be fully described below. Site selection of Food for Work projects, and beneficiary selection will be the same as described in the project plan for the original OPG. Quarterly financial, commodity and progress reports will be submitted on a regular basis.

The type of projects to be undertaken on a Food for Work basis will be dependent upon the capabilities and needs of the communities involved. These projects will range from, in a few cases, simple street cleaning to construction of roads, community and child care centers, and where possible income generation projects on a community level. These last will include vocational education classes operated on a split basis in where the beneficiaries will work at community development projects two days weekly and the remainder of time be spent in vocational classes or in actual income generation work.

Nutritional education is to be supplied to all beneficiaries of Title II commodities. This education will concentrate on the most nutritious use of the Title II foods, as well as locally procured foodstuffs.

Health and sanitation instruction will be an integral part of the nutritional education courses. All recipients will receive this instruction prior to the first distribution of Title II commodities.

OPG funding will be used to cover part of the operating costs of a mobile medical clinic, which on a regular basis will visit prior selected sites within various pueblos jóvenes. The medical clinic will supply all area residents with basic medical care, a referral service to local medical posts for more serious cases, and will conduct vaccination campaigns in the pueblos jóvenes as well as with the local schools. OFASA has received full cooperation and support of the Ministry of Health and will be operating within the activities planned by Lima Health Region.

A portion of the OPG funding will cover the costs incurred in Special Community Development projects. These are as yet undefined, but will range from construction projects (schools and medical posts, etc.) potable water, electrification, etc. One of the requirements of this portion of the program is that, where possible, the community involved will be required to finance at least 50% of the construction and materials costs. OFASA is also considering using a portion of these funds to establish a Rotating Fund to be used by groups of communities interested in establishing income generation projects. One such project already under consideration is the construction of warehouse pallets. OFASA, through OPG funding will finance the purchase of the original lumber and tools and would be repaid, by the community involved, over a period of time. Similar type projects will be considered for funding within this budget category. Prior to disbursement of these funds OFASA will submit project plans for USAID approval.

#### V. PROJECT BENEFICIARIES

Project beneficiaries will come from among the poorest of the almost 3 million inhabitants of Lima Metropolitan and other urban area pueblos jóvenes. In this pueblos jóvenes unemployment among adults is over 50% and in some areas as high as 80%. The majority of the employed work only intermittently as street vendors or construction workers. Many of the households are headed by women, either abandoned by their husband or living as single mothers. The appalling living conditions, without even the basic services have been well documented elsewhere. Basic health facilities in most of the pueblos jóvenes are nonexistent. Severe malnutrition, especially among children is a common factor. Inflation, coupled with withdrawal of food subsidies, and continuing unemployment has resulted in many of the inhabitants of the pueblos jóvenes using 80% or more of their disposable income for food purchase. The result is the aforementioned malnutrition, and in some areas growing evidence of near starvation.

Laborers enrolled in the program will be adult heads of households, regardless of sex, who are without regular employment. The project beneficiaries (the laborer and four members of his/her family) fall within the priorities established for use of PL 480 Title II foods. The project is consistent with the Mission's strategy which assigns high priority to the poor of the urban pueblos jóvenes and emergency food relief assistance through the PL 480 Title II program.

VI. FINANCIAL PLAN AND CONTRIBUTION OF THE PARTIES

Following is an illustrative project budget which indicates the AID OPG funding requirements and the contributions from SAWS/OFASA. The amount is exclusive of the value of Title II food commodities.

Illustrative Project Budget1980

<u>A. AID GRANT CONTRIBUTION</u>	<u>Local Currency</u>
1. Salaries and personnel expenses	\$65,500.00
2. Inland transportation costs	30,500.00
3. Customs related expenses	3,500.00
4. Nutrition and Health/Medical Services	30,500.00
5. Supplies and Materials for special community development projects	27,000.00
6. Warehousing cost*	5,000.00
7. Vehicle maintenance and insurance costs	14,000.00
8. Contingency	<u>24,000.00</u>
TOTAL:	<u><u>\$200,000.00</u></u>

\*Government warehouses where Title II foodstuffs are stored, will not receive broken bags of food.

	Estimated Cost (To be Provided in Equivalent Local Currency)
<b>B. <u>SAWS/OFASA and Community Contribution</u></b>	<b><u>April 1, 1980 - March 31, 1981</u></b>
1. Salaries and other personnel expenses	\$25,000
2. Office supplies and expenses	10,000
3. Rebagging of food	2,500
4. Tools for projects (estimated)	200,000
5. Freight costs (from warehouse to communities)	<u>65,000.</u>
TOTAL:	<u>\$302,500</u>

The above budget is exclusive of the value of the manual labor of the workers participating in the various projects. The Government of Peru through the National Office of Food Support (ONAA) has agreed to provide storage facilities for Title II commodities. The value of this contribution is conservatively estimate at \$50,000.

OPG funds will be used to defray increased costs of administration, supervision and promotion of the project. These funds will allow frequent inspection to project sites by OFASA personnel to assure projects are operating according to plan and food distribution is being carried out equitably.

The funding for Special Community Development projects will be administered by OFASA and will enable them to partially finance worthwhile projects on a Food for Work basis.

Where possible, matching funding, by the communities involved will be a factor in project selection. A portion of these funds may also be used to establish a rotating loan fund for the financing of income generation projects on a community based level.

Funds for Nutritional/Health and Sanitation Education will be used to assure that all beneficiaries are instructed in the most nutritious use of Title II commodities and locally procured foodstuffs.

As recommended in the recent evaluation of the earlier OPG activities OFASA will make the instruction available prior to the distribution of the Title II commodities.

The \$30,000 for medical assistance will be used to defray a portion of the costs of operating a mobile medical van. This van will be used to supply basic medical services to preselected areas on a regular basis. Services to be offered include emergency medical treatment, referral services to the nearest medical center or hospital and a vaccination campaign to be conducted with the communities and local schools. These medical services will be available to all residents in the communities in which the van will be operating.

#### VII. SAWS/OFASA IMPLEMENTATION CAPABILITIES

SAWS/OFASA has been operating Title II feeding program in Peru for the past 15 years, and has eighteen months experience operating under OPG funding. This experience along with the knowledge gained through operating feeding programs in most of the pueblos jóvenes communities places them in a good position to successfully carry out the feeding program with OPG funding.

#### VIII. GOP INTEREST AND CONCURRENCE

The Government of Peru has assigned high priority to the feeding programs being operated by the various VolAGs. It continues to provide subsidies for the VolAGs to assist in defraying local costs of program implementation. For the past fourteen years OFASA has received such subsidies. During calendar year 1980 OFASA is to receive Title I funding in the amount of \$311,000. These funds will be used to cover cost involved in OFASA's regular feeding and health programs, and are not sufficient to cover costs incurred in this food for work feeding project. Budgetary austerity prevents the Government from underwriting these additional costs. The GOP is also providing warehouse facilities, through ONAA for the storage of Title II commodities.

#### IX. CONCLUSION AND RECOMMENDATIONS

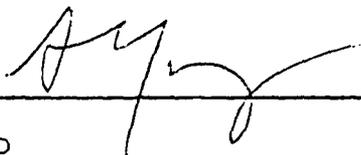
The changes in program structure in the concluding OPG project and the proposed project are the following:

1. During the proposed OPG feeding project, emphasis is to be placed on the nutritional instruction to be given to all beneficiaries. This will assure the most nutritious use of PL 480 Title II commodities, as well as locally procured foodstuffs.

Further emphasis is to be placed on the education related to health and sanitation, through the use of nutrition promoters and the use of the mobile health clinic.

- 2. The issue of family planning activities being introduced by the mobile medical clinic has been satisfactorily resolved. OFASA personnel have assured this office that they will be operating with the full consent and cooperation of the Ministry of Health and that there will be no connection between the mobile clinic and the feeding operations.
- 3. The recommendations given in the recent evaluation of OFASA's feeding projects are to be implemented to fullest degree possible. Specifically, project and beneficiary selection procedure is to be more closely monitored and supervised, so as to provide a more significant developmental and nutritional impact where needed. Nutritional education is to be geared so as to allow all beneficiaries the benefit of such instruction prior to the receiving Title II commodities.
- 4. The SAWS/OFASA proposal fully meets the criteria for ORG assistance. Project beneficiaries are well within the target group. The GOP has endorsed the feeding program and SAWS/OFASA has demonstrated sufficient administrative capacity to carry out the project.

Your approval of the SAWS/OFASA ORG request is recommended.

APPROVED   
 DISAPPROVED \_\_\_\_\_

DATE 5/12/80  
 DATE \_\_\_\_\_

Clearances:  CONT: JRDavison: JRD  
 PROG: LFSmucker: LFS  
 RLA: SVWhitman: SVW

UNITED STATES GOVERNMENT

# Memorandum

AC' \_\_\_\_\_

TO : Mr. Leonard Yaeger  
Director

DATE: May 2nd, 1980

FROM : H. Robert Kramer *HRC*  
Assistant Program Officer

SUBJECT: Project Authorization for SAWS/OFASA OPG No. 527-0212

Your approval is required for an Operational Program Grant of \$400,000 from Section 103, Agriculture, Rural Development and Nutrition, appropriation to the Seventh Day Adventist World Service, Inc. (SAWS) for Project 527-0212, Expanded Urban Food for Work Program.

The purpose of this OPG is to assist SAWS, and its local counterpart, Obra Filantrópica y Asistencia Social Adventista del Perú (OFASA) to continue and expand its feeding program activities for the urban inhabitants of the Lima metropolitan and other urban pueblos jóvenes. The Grant will permit SAWS/OFASA to utilize PL 480 Title II commodities to alleviate malnutrition through Food for Work and Maternal Child feeding activities in urban slums, to increase the living standards and nutritional status of the pueblo joven poor among whom malnutrition and unemployment have been endemic, and provide project participants with basic education as to sound health and nutrition practices, uses of Title II foods, environmental sanitation, etc. OPG funds will also be used to partially defray the costs of operating a mobile health unit which will provide curative and preventive health services to pueblo joven residents.

No waivers will be required for the implementation of the project. AID/W has advised the Mission that the waiting period for Congressional Notification expired February 20, 1980.

Recommendation: That you sign the attached Project Authorization.



PROJECT AUTHORIZATION

Name of Country/  
Entity: PERU

Name of Project: SAWS/OFASA, OPG  
Expanded Urban Food  
for Work Program

Number of Project: 527-0212

1. Pursuant to Section 103 of the Foreign Assistance Act of 1961, as amended, I hereby authorize Project 527-0212, OPG Expanded Urban Food for Work Program, for the Seventh Day Adventist World Service, Inc. (SAWS) involving planned obligations of not to exceed \$400,000 in Operational Program Grant funds over a two year period from date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project.

2. The project will assist SAWS and its local counterpart OFASA continue and expand its feeding activities for the urban inhabitants of metropolitan Lima and other urban pueblos jóvenes. The Grant will permit SAWS to use Title II commodities to alleviate malnutrition through Food for Work and Maternal Child feeding activities in urban slums. In addition, the Grant will assist SAWS to provide health services in these urban slums.

3. The Project Agreement which may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

a. Source and Origin of Goods and Services

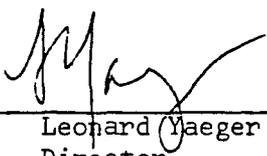
Goods and services, except for ocean shipping, financed by A.I.D. under the project shall have their source and origin in Peru or in the United States except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States.

b. Prior to the disbursement of AID Grant funds for local expenses under the OPG Agreement, the Grantee shall furnish AID, in form and substance satisfactory to AID, evidence that the Grantee has entered into contract(s) for services to provide for supervision and inspection of Title II local food distribution and overall Project implementation.

c. OPG funds provided for transportation and storage costs will be used for such costs only as they relate to foods under the expanded feeding program, and will not be used to substitute for funds provided the Grantee by the GOP or other sources for such expenses under the already approved on-going feeding program, except as otherwise approved in advance by AID.

Clearances:

PROG: LFSmucker US  
CONT: JDavison JD  
FFP: JRodriguez-Acevedo JRA  
RLA: SWhitman SW

Signature:   
Leonard Jaeger  
Director  
USAID/Peru