

CLASSIFICATION
PROJECT EVALUATION SUMMARY (PES) – PART I

Report Symbol U-447

1. PROJECT TITLE Program Review PL480 Title II Seventh-Day Adventist World Service, Inc.			2. PROJECT NUMBER AID/SOD/PDC-G-0388	3. MISSION/AID/W OFFICE Rwanda
4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Code, Fiscal Year, Serial No. beginning with No. 1 each FY)				
<input checked="" type="checkbox"/> REGULAR EVALUATION <input type="checkbox"/> SPECIAL EVALUATION				
5. KEY PROJECT IMPLEMENTATION DATES		6. ESTIMATED PROJECT FUNDING		
A. First PRO-AG or Equivalent FY <u>80</u>	B. Final Obligation Expected FY _____	A. Total <u>897,137</u> Outreach goods	B. U.S. \$ _____	
		7. PERIOD COVERED BY EVALUATION		
		From (month/yr.) <u>4/80</u>		
		To (month/yr.) <u>4/82</u>		
		Date of Evaluation Review <u>April 13-20, 82</u>		

B. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., airgram, SPAR, PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
See p. 11 of attached report	A. Getson	

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS	10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT												
<table style="width: 100%;"> <tr> <td><input type="checkbox"/> Project Paper</td> <td><input type="checkbox"/> Implementation Plan e.g., CPI Network</td> <td><input type="checkbox"/> Other (Specify) _____</td> </tr> <tr> <td><input type="checkbox"/> Financial Plan</td> <td><input type="checkbox"/> PIO/T</td> <td>_____</td> </tr> <tr> <td><input type="checkbox"/> Logical Framework</td> <td><input type="checkbox"/> PIO/C</td> <td><input type="checkbox"/> Other (Specify) _____</td> </tr> <tr> <td><input type="checkbox"/> Project Agreement</td> <td><input type="checkbox"/> PIO/P</td> <td>_____</td> </tr> </table>	<input type="checkbox"/> Project Paper	<input type="checkbox"/> Implementation Plan e.g., CPI Network	<input type="checkbox"/> Other (Specify) _____	<input type="checkbox"/> Financial Plan	<input type="checkbox"/> PIO/T	_____	<input type="checkbox"/> Logical Framework	<input type="checkbox"/> PIO/C	<input type="checkbox"/> Other (Specify) _____	<input type="checkbox"/> Project Agreement	<input type="checkbox"/> PIO/P	_____	A. <input type="checkbox"/> Continue Project Without Change B. <input type="checkbox"/> Change Project Design and/or <input type="checkbox"/> Change Implementation Plan C. <input type="checkbox"/> Discontinue Project
<input type="checkbox"/> Project Paper	<input type="checkbox"/> Implementation Plan e.g., CPI Network	<input type="checkbox"/> Other (Specify) _____											
<input type="checkbox"/> Financial Plan	<input type="checkbox"/> PIO/T	_____											
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<input type="checkbox"/> Project Agreement	<input type="checkbox"/> PIO/P	_____											
11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Name and Title) Alan V. Getson Health Officer	12. Mission/AID/W Office Director Approval Signature _____ Typed Name _____ Date _____												

EXECUTIVE SUMMARY

Prepared by: Alan V. Getson
Date: September 30, 1982
Project: P.L. 480 Title II
Cost: 897,137 Outreach
698,200 Commodities
Project Period: Indefinite

I. What constraints did the project attempt to relieve?

Because of the high population growth rate and the limited amount of arable land available for farming Rwanda falls short of its estimated food needs in energy and protein. SAWS believes that a nutritional impact can be realized by helping to address the food needs of the primary school children in Rwanda. SAWS has chosen to begin its primary school feeding program in Gikongoro prefecture, an area of extreme poverty and low food production

II. What technology did the project promote to relieve this constraint?

PL 480 supplements the mid-day meal. It consists of rice fortified with veg-oil, non-fat dried milk, and foods, such as potatoes, onions, cabbage or other vegetables or legumes which participating children are encouraged to bring from home. To ensure proper preparation and to teach a balanced effective use of locally available foods, food utilization instructors are being trained in PL 480 food preparation and in the planting and care of school and home gardens. At regular intervals, mothers of school children will be asked to receive instructions in home health, disease prevention and child care.

III. What technology did the project attempt to replace?

The project attempts to improve the nutritional intake of primary-school aged children.

IV. Why did project planners believe that intended beneficiaries would adopt the proposed technology?

Rwandans customarily participate actively in any type program that will improve the welfare of their children. In the SAWS preschool feeding program the children participate enthusiastically and contribute voluntarily whatever food they have or wood they find available.

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The project attempts to improve the nutritional intake of primary-school aged children.

IV. Why did project planners believe that intended beneficiaries would adopt the proposed technology?

Rwandans will readily participate actively in any type program that will improve the welfare of their children. In the SAWS pre-school feeding program the children participate enthusiastically and contribute voluntarily whatever food they have or food they find available.

- V. What characteristics did the intended beneficiaries exhibit that had relevance to their adopting the proposed technology?

It was known from available statistics that the Gikongoro prefecture registered inadequate nutritional levels and that the rural children walked long distances to school going without a noon meal. This situation assured the school feeding program's acceptance and successful.

- VI. What adoption rate has this project achieved in transferring the proposed technology?

The school feeding program has been accepted 100% by the participants. Growth charts and improved attendance records verify that the transferred eating habits have promoted improved nutrition levels and attendance.

- VII. Has the project set forces into motion that will induce further exploration of the constraints and improvements to the technical package proposed to overcome it?

Given that this is a program to provide supplemental food to the participants there is no technology being adopted by the residents of Gikongoro. The response to the program assures that the residents are concerned about the health and scholastic attendance and performance of their children and would, if possible, provide them with an adequate diet.

- VIII. Do private input suppliers have an incentive to examine the constraints addressed by the project and to come up with solutions?

The situation of the agricultural sector in Rwanda is not yet such that it can produce the furnished commodities. However, the support of the program shows that if agricultural production could support such a program private suppliers would find a wide market and have a successful enterprise.

- IX. What delivery systems did the project employ to transfer technology to intended beneficiaries?

The program employs FFV recipients to prepare and distribute the foods at the participating primary schools.

- X. What training techniques did the project use to develop the delivery system?

Food preparation facilities are provided by SASS for each project school. To ensure proper preparation and to teach a balanced effective use of locally available foods, food utilization instructors are being trained in PL 480 food preparation and in the planting and care of school and home gardens.

- XI. What effect did the transferred technology have on those impacted by it?

SASS evaluation reports show that the growth rates of the participating school children are far superior to those of the children of similar age attending the control schools.

PROGRAM REVIEW: P# 480, TITLE II
SEVENTH-DAY ADVENTIST WORLD SERVICE, INC.
KIGALI, RWANDA
APRIL 13-20, 1982

R. Kidd
ROBERT KIDD
ASSISTANT FOOD FOR PEACE OFFICER
REDSO/EA, NAIROBI

DISTRIBUTION:

AAO/RWANDA
RIG/A
SAWS/RWANDA (2)
AID/W/FFP-TITLE II
REDSO/EA/FFP (2)

A. **AUTHORITY:** AID Affairs Officer, Rwanda, (AAO/R) and the cooperating sponsor, Seventh-Day Adventist World Service, Inc., Rwanda (SAWS/R) may use this report to meet the requirements of AID Reg. 11, 11.5 (c). The report herein was drafted by Assistant Special Peace Officer, Nairobi, April 16-20, 1982, at the invitation of, and in conjunction with AAC/R and SAWS/R.

B. **ON-SITE OBSERVATIONS:** SAWS' operations are carried out in Kigali, Rwanda, from a leased office - warehouse (300 MT) complex, approximately ten (10) km. from downtown Kigali, on the airport road. This is a temporary location, which was leased at the start-up of operations in May 1980. Construction of a new office - warehouse in Kigali's centralized industrial park is about 50% completed; all work is about four (4) months behind schedule because of non-availability of funds under Outreach AID/SOD/PDC-G-0388, accepted Aug. 21, 1980. This report's first recommendation is that AID/W/FFP investigate the grantees' fund releasing mechanisms to determine if the transfer of grant funds cannot be processed in a more expeditious manner.

--Address: Seventh-Day Adventist World Service, Inc.
Wallace Sanderson, SAWS Program Director
Kigali, Rwanda

--Country Agreement signed with:
Ministry of Planning
Republic of Rwanda
Kigali, Rwanda
23 January 1979

--Operationally responsible to:
Ministry of Social Affairs and
Ministry of Education or other Ministries
depending on types of project.

It is evident that SAWS has greatly benefitted from the administration of commodity accountability systems used by Catholic Relief Services, Rwanda. Both cooperating sponsors are to be complimented for this effective information sharing exercise.

3. **ASSESSMENT OF SAWS OPERATIONS RELATED TO USE OF PL 480 COMMODITIES AND FUNDS UNDER OUTREACH GRANT AID/SOD/PDC-G-0388.**

1. Prior Audits, Reviews, Evaluations: SAWS/R shares the services of one SAWS auditor posted in Bujumbura. This auditor made a preliminary audit of only SAWS financial records in February 1982.

Because of the newness of this operation, the auditor made no substantive check of PL 480 commodity distributions or Outreach funding.

--RIG/A: A RIG/A "pre-audit" check was conducted in March 82. This "pre-audit" check is for RIG/A administrative planning purposes and is not a formal audit. Therefore, no report of findings will be sent to the field.

--The report herein is the first comprehensive review of SAWS' activities related to PL 480/11 to-date.

4. Cooperating Sponsor's Agreements:

a. With Host Government: Concluded 23 January 1979. While this Agreement constitutes a viable and functioning working document, several key elements recommended in H.B. 9, Ch. 6, are not included. This agreement is valid for five (5) years. At some point, the cooperating sponsor should consider negotiating the following points to be included in a re-negotiated agreement: (1) Permission from the GOR for SAWS to have freedom of implementation related activity; (2) Arrangements, where feasible, for confiscation of diverted commodities; (3) Arrangements for adequate program publicity; and (4) Arrangement for a procedure to be followed in the condemnation of unfit foods.

It is emphasized that all of the above issues are being satisfactorily observed and practiced in verifiable understandings, agreements, and formalized procedures. Exclusion of these clauses does not impair or impede on proper application or implementation of AID Reg. 11. REDSO/FFP does not advocate renegotiation of the 23 January 1979 Agreement at this time. What should be negotiated, at the termination of the present agreement, are somewhat "stiffer" terms that would call upon greater program support on the part of GOR; e.g., SAWS accepts "exclusive responsibility for transport costs to Kigali." SAWS/R is also concerned that it must pay a 1% ad-valorum fee on its commodities to parastatal clearing agency MAGERWA. Attempts to have this fee waived have not been successful, and Outreach is charged.

b. With distribution centers. SAWS/R now has on file 23 "Contracts" with each of its consignees included in the SAWS operational plan and AER.

Primary Schools (1)
Agriculture (FFW)
Adult Education (FW)

c. There are no further formal contractual agreements beyond the 23 distributing centers. Two to three small contracts cover FFW projects, mostly road building in Gikongoro.

3. SAWS' Contracts, Agreements, Understanding, Covering:

a. Independent Survey: Central to understanding commodity logistics and administration is the fact that Kigali, Rwanda, is land-locked and must rely on Mombasa, Kenya, 1,750 km. away for receipt and transfer of PL 480 commodities. The services of a reliable Clearing and Forwarding agent are essential. SAWS, like CRS, designates Transintra (Antwerp) as its C & F agent. Upon notification of arrival of a SAWS PL 480/II consignment, the C & F agent schedules the services of an independent ship's surveyor, usually Toplis & Harding, Lloyd's agent, Mombasa. Obtaining a proper "survey in attendance of discharge" [AID Reg. 11 211.9 (c)] is apparently a chronic problem in Mombasa. This issue is to be addressed in the upcoming logistics workshop in Mombasa in mid-June 1992.

b. Duty-free entry: Assured by country agreement, 23 January 1979; never contested; fully operational.

c. Right of cooperating sponsor and AID to examine records of operations, inspect foods in storage, and observe food utilization operations: Although this clause is excluded in the protocol, 23 January 1979, SAWS and AID representatives do have freedom to so examine. This right has never been contested and remains fully operational.

d. Authority to make control decisions involving program operations: SAWS has complete authority to make such control decisions. Responsibility to make projects effective requires close consultation with appropriate host government ministries. Projects are cleared through the GOR in such a manner as to permit implementation and to retain commodity accountability and control in compliance with AID Reg. 11.

e. Confiscation by police of foods displayed in black market and return to SAWS. Specific language, 'Confiscation by police is excluded from the current agreement. However, an appropriate fall-back clause is included which, in broader terms, states, "GOR agrees to take appropriate precautions to avoid and prevent abuses, frauds, and embezzlements of goods given without charge."

f. Payment of food distribution costs. In that all expenses from the port of entry to the delivery at the beneficiary level are the responsibility of SAWS, by agreement, recipient pay a charge of five (5) francs per kilo.

D. AID POLICY AND PROGRAM GUIDELINES AND THEIR IMPLEMENTATION

1. Eligibility of Recipients:

a. Primary School Feeding: By far the greatest concentration of stores and largest portion of commodities are directed

toward the SAWS Primary School Feeding project. For FY 82, this involved 21 schools with 12,000 recipients, roughly in the six (6) to 15 age bracket. school years one (1) through eight(8). Coverage is limited by: administrative constraints, both SAWS and GOR; logistics of distribution; and availability of PL 480 foods. Therefore, how has SAWS targeted this particular project to 21 centers, 12,000 students? Original negotiations with GOR recognized the unequivocal inability to consider 100% coverage of the national school system. The Ministry of Education (MOE) identified one particularly impoverished, production deficit area and one in which the population was in chronic economic and nutritional distress - Mikono. SAWS accepted this GOR assessment and proceeded to negotiate with prefecture officials to define coverage within that particular prefecture because even at a single prefecture level, coverage could not be 100%. Yet the GOR and SAWS saw the necessity for even distributions to a totality of an identified target population. Thus, specific most needy "Communes" within the prefecture were targeted to fit administrative, transport and commodity constraints. Expansion, if possible, from 12,000 in FY 82 to 15,000 in FY 83 will take place in a controlled manner from the same geographical base.

b. Adult Education (FFW): One center. Teachers are selected/designated to work "overtime" to instruct adult literacy classes. Upon presentation of a completed time schedule, the teacher receives a prearranged food for work ration, which may supplement a standard salary or constitute an entire salary. The teacher's "eligibility" depends on his/her qualifications and willingness to participate in the program.

c. Resettlement (FFW): GOR provides land and an initial "grub stake" for some 743 families in an attempt to care for persons dislocated by "eminence domaine" measures enforced in mining and road building sectors. In conjunction with an officially appointed committee, SAWS provides a FFW ration to these dislocated families who are attempting to relocate in these designated centers.

2. Computation of Food Requirements:

a. AER ration level. Ration levels are effectively out of the hands of the field; they are imposed by AID policy and transmitted to individual posts in operational cables. Posts may negotiate rations on an individual as-needed basis. SAWS/R accepts assigned AER levels and would argue strongly if decreases from current FY 82 levels were imposed.

b. Implementation of AER calculations. Upon arrival of the accepted AER recipient and commodity levels (i.e., recipients x individual monthly ration x 12 months = annual requirement), individual schools are assigned a daily ration of commodities

based on the actual number of students times pre-calculated daily ration, which is a factor of the AER monthly ration. This assigned daily ration is an integral part of the schools' contractual agreement for which the headmaster is responsible. Monthly reports, also a contractual responsibility, confirm that schools are distributing the assigned ration to the students, all within AER agreed levels.

3. Physical Facilities and Equipment:

a. Port: The Port of Mombasa is fully adequate to receive, provide adequate warehousing, and forward to SAWS/Rwanda the present PL 480 imports of approximately 1200 MT per year. Mombasa Port operations, for PL 480/II purposes, are the monitoring responsibility of CRS/Kenya and REDSO/EA.

b. Storage: SAWS operates out of only one 300 MT capacity warehouse in Kigali. Stocks are currently at a very high level in this warehouse, an estimated 80% capacity. SAWS must now decide if it will cancel its second quarter Call-Forward (CF), or postpone it and combine it with the third quarter CF. The present warehouse does have limited capacity, but it is well constructed, ventilated, and comparatively well stocked. A SAWS owned/operated 600 MT warehouse is now under construction and is 80% complete. Construction should be expedited to assure stockage of at least one complete Call-Forward, i.e., 300 MT, 25% of 1200 MT. SAWS/R is constructing this facility with its own construction engineer; no outside contractor is employed. SAWS/R should be provided a copy of Nairobi 6058, 19 March 80, which outlines construction oversight responsibilities of REDSO/EA. SAWS/R reports that thanks to a MCE national policy, all primary schools are required to have a standard "workshop," which included four (4) storage rooms. Storage of PL 480/II foods in these rooms has been gladly accepted. These rooms provide fully adequate storage facilities.

c. Kitchens: Primary school kitchens and eating facilities are, not surprisingly, of rural self-help standards, where students are required to bring their daily share of water and wood for cooking the lunch.

D. DOCUMENTS AND INFORMATION SYSTEMS, AND COMMODITY ACCOUNTABILITY:

1. AAO/R compliance with AID/W planning cycles related to PL 480/II requirements. For FY 82 planning purposes, AAO/R prepared a CDSS which was required to show a five-year projection of PL 480/II requirements. For SAWS, the AAO accepted modest incremental increases throughout the five-year planning period. SAWS, in implementing its Outreach Grant, anticipates 10-15% expansion in recipient and commodity levels for this period. AID/W/TTP is urged to accept this modest controlled expansion. No major programmatic changes or innovations are anticipated. Individual Annual Budget Submissions should continue to reflect this modest expansion.

2. AAO/R has indicated Mission endorsement of SAWS projects in both the Rwanda CDSS and the FY 82 and 83 ABS. AAC/R will continue to support the volag projects as currently designed and implemented. SAWS' Operational Plans and actual performance affirm appropriate use of PL 480/II commodities

3. SAWS' preparation of AER. SAWS/R has been advised to stand-by for receipt of FY 83 guidelines which will indicate recipient and commodity levels, in all probability a repeat of FY 82. If SAWS does not receive its already projected 20% increase (12,000 to 15,000) in School Feeding, REDSO would endorse its appeal for reconsideration.

4. Basis for submitting Call Forwards. SAWS/R was advised to consider its AER, when approved, as a firm commitment to accept and deliver the year's projected requirements. Deviations from this basic commitment indicate that inadequate preparations have been made in the preparation of the annual program. The best assurance of continued, stable distributions is to show a record of accepting annual AER shipping levels in their entirety; and the best way to show this is by calling forward one-fourth of the AER every 90 days. The present over-stock position, combined with the delay in not calling forward the second quarter FY 82 AER scheduled commodities, indicates a basic flaw in the commodity flow. Subsequent to the draft, SAWS/R reports appropriate action is being taken to reduce excessive stocks.

5. Required shipping documentation. The Washington, DC office of SAWS will forward to SAWS/Kigali:

- Copies of B/L,
- SAWS Commercial Invoice,
- Health Certificates, and
- Copies of Transitra's Connaissent Direct Aller or Through B/L - Mombasa/Kigali.

SAWS/R reports that from time to time these documents are received too late, jeopardizing proper commodity accountability.

6. Documentation and procedures required for securing port clearance of shipments. Upon delivery of original B/L's to C&F agent, this agent is responsible for getting the consignment cleared, including payment of port charges.

7. Survey Reports and Filing Claims for ocean loss. The C&F Agent is responsible for notifying and arranging survey. Upon discharge of an entire consignment, SAWS/R mails to its Washington office a receipt of cargo, the survey report, plus any other significant documentation available (e.g. port out-turn report) which identify the precise quantity of cargo off-loaded and the condition of the containers counting out empty, damaged containers or short or over-loaded commodities. Filing for ocean loss is the responsibility of the home office. USDA may make direct contact with the Consigner in the event that follow-up is required.

8. Control of Port Losses and Claims. In that survey reports at Mombasa usually clear the cargo from the ship to the C&F agent, there is no consideration for port loss. Kenya port authority will not accept a claim for port losses. At issue is what to do with damaged, unfit, or leaking containers at Mombasa Port. C&F agent will recondition at port prior to forwarding. In case of unfit cargo (e.g., bilge soaked bags of cereals), there should be provision to turn over unfit cargo to some volag/USG representative at the port for disposal prior to shipment to Kigali. It is recommended that this issue be discussed at the logistics seminar.

9. Control of Transport to Central Warehouse. Kigali C&F agent issues individual truck waybill upon loading. Cargo is made as secure as possible. None is in sealed containers. Upon receipt at Kigali, after passing through Rwandan customs, the cargo is discharged at the SAWS' warehouse with the driver and warehouseman in attendance. Cargo with any losses, damaged or leaking containers, is noted on the SAWS' and driver's copy of the waybill. SAWS documents its receipts according to B/L consignments. Upon final tally of a complete B/L, which may take several truck loads, SAWS will issue its claim for any inland losses.

10. Control of warehouse inventory and losses. SAWS has established a warehouse ledger book, with receipts and distributions, showing a running commodity total. Warehouse stock record cards are maintained. SAWS/R was advised to reconcile its running totals with frequent (quarterly) physical inventories, and to note in the warehouse ledger accordingly. Stocking is fair, and a physical count could be taken. However, with a bit more care in stacking, admittedly difficult with polypropylene bags, a hands-on count should be no problem.

11. Control of inventory and requirements for projects. Verification that SAR levels are being serviced as programmed depends on the timely receipt of monthly inventory status from the 11 schools. SAWS/R reports that the frequency and accuracy of these reports is good. Followup is also provided by frequent on-site checks by the SAWS field monitor or his assistant.

12. Basis for and frequency of warehouse dispatch orders to distribution points. Generally, trucks contracted from outreach funds are dispatched as needed. Deliveries are verified by end-use checks and inventory status reports. Attempts are made to provide outreach centers with a minimum commitment for three (3) months of operations, but this is not always possible.

13. Control of inland trucking transport from Kigali to primary schools (usually about 10 km away). A certified waybill is prepared for each consignment. At the destination, receipt of the commodities is acknowledged in the driver's, consignee's and SAWS' Kigali copy. The condition and losses are noted. In the event of loss the contractor is not paid for transport; all claims for loss are filed against the owner.

14. Control of warehouse loss at project distribution point. To date, only one instance of loss has been reported. This was discovered at a routine change-over of burgomaster responsibilities and is still being investigated. At this point in the distribution system, filing a claim becomes an exercise in futility. A management decision would have to be made to close down a particular feeding program if diversions justify. There are no such known diversions at this time.

15. Method of disposal of damaged/unfit commodities. Procedures for certification and disposal of unfit commodities are proceeding in accordance with AID Reg. 11, 211.9. Sale is offered at highest obtainable price for animal food; net proceeds, if any, are deposited to Embassy 20 FT 401.

16. Claims for inland loss. SAWS has filed five inland claims to-date, of which three have been adequately settled. A sixth claim, now in process, is for receipt of empty vegoil tins. SAWS/R considers that the oil loss must be due to theft since the magnitude, 231 cartons, exceeds expected loss through leakage. SAWS/R has established adequate claims' procedures, see E. 9, above, depositing the oil agents' checks, less the authorized deduction of \$100 to CCC Account 20 FT 401 (211.9 (e)).

17. Control of distribution from regional warehouse to primary schools. Not applicable; see D. 2 (e), Implementation of AER Calculations.

18. Methods of distribution and control documents at project sites. In addition to D. 2 (e), Implementation of AER calculations, see comments, E. 11, 12, 3, and 14.

19. Frequency and form of end-use checks and inspections, including reports and actions taken. With one end-use checker, plus an assistant, plus frequent staff visits, SAWS does have the capability to monitor the now reconstituted operation - i.e., distribution of food to all recipients, and (KCR) annual report level of 25% of total recipients, to be done at random on an as needed basis. Inventories are checked against records. Participants are verified, and meal preparation observed. No contractors are involved in food preparation. See Recommendation No. 3, and comment No. 4, pointing out differences between planned and actual recipients, and stock levels.

20. Control and utilization of funds from subscription and container fees. SAWS/R does not require participant financial contributions on any of its projects. However, this must be a long term consideration if SAWS is to make a self-sustaining program. Container funds are received through the sales of empty bags to the national grain market. The proceeds are deposited

to an account established under Outreach and are used to cover program costs. SAWS/R has been advised to obliterate markings [211.5 (h)].

21. Actions taken to avoid sale or trade of commodities by beneficiaries. Such sale or trade is prohibited by terms of contract. Because commodities are consumed by the participants on the spot, such diversion of PL 480/II is not a major problem.

22. End-use reports provided by beneficiaries. The key operational report is the monthly stock status filed by the distribution center to SAWS/Kigali.

23. Basis for preparing Commodity Status, Recipient Status, and Loss reports required by AID/W/F and AAO.

--Commodity Status Report (CSR): Three reports are prepared together and sent to the AAO/R, who forwards them to AID/W. The information mentioned on the CSR is provided by: Warehouse inventory receiving reports, dispatch reports and monthly inventory status from centers and end-use checks.

--Recipient Status Report (RSR): Prepared from monthly inventory status from centers; end-use checks.

--Loss Report (LR): Prepared from survey reports, short landed certificates, port out-turn reports (if available, usually not), truckers' waybills, claims documentation and non-claim certificates.

24. Actions taken to ensure that over-all distribution levels are within approved AER levels: Key to accurate participant/commodity reporting lies in the prompt receipt of the monthly report from the schools. Since this is a stable target population that can be controlled on a school-by-school basis once the target schools are identified, control is relatively effective. Distributions can be held at approved AER levels (as verified by centers' monthly reports) and expanded upon authorization of increased AER levels.

25. Identification of use of Title II commodities with foods provided by other cooperating agencies.

Avoidance of duplication of beneficiaries with other agencies' programs. Duplication is avoided by virtue of the differences in the target population and the scheduled commodity for distribution. Primary schools and food-for-work. CRS covers secondary boarding schools, pre-school (MCH) and selected welfare projects. WFP has large scale food-for-work projects. SAWS has specific food-for-work projects which are entirely separate from WFP projects.

F. OUTREACH GRANT: AID/SOD/PDC-G-0388

1. Amendment No. 6, dated March 1982, as received in Kigali, authorized second year funding of \$281,470, bringing grant's total to \$533,313 for first two years. Two more years remain with funding of \$169,794 for the first year and \$194,030 for the second for a life-of-project total of \$897,137. SAWS/R is concerned because no additional funds have been deposited to its local account to-date; its present account is down to \$400. Warehouse construction is stopped, and local distributions are being delivered on credit.

2. SAWS/R has been advised to take up the following issues with its Washington office: (a) Determine if Amendment 6 has been received; (b) Request copies of Amendments 1-6; (c) Determine if annual dates were changed to coincide with SAWS quarterly reporting cycle. A brief quarterly narrative should accompany the quarterly Commodity Recipient, Loss Status Reports, and financial statement. [Duplicate copies of Commodity, Recipient and Loss Reports should be sent separately to AAO/R to satisfy requirements of H.B. 9 (c).] In September 1982, SAWS/R should plan on completing an annual summary of Outreach for a comprehensive review of the first and second years' activities. Given these reports, sufficient information should be available for release of third-year funding.

3. SAWS/R report, "Expenditure and Progress Report for SAWS-Rwanda Outreach Grant," reporting period FY 81, 25 November 1981, as received in REDSO/FFP December 11, 1981. The report covers the start-up of distributions to programmed categories, consistent with the stated purpose, to initiate a PL 480 Title II program in Rwanda consisting of school feeding, food for work, and general relief. In regard to scheduled expansion, the actual recipient level is now at 23,000 or the AER level for FY 82. SAWS/R is committed to a programmed expansion to 29,700 for FY 83. AID/W/FFP/IR is urged to consider this programmed expansion in its FY 83 guidelines. (Subsequent to drafting this report, STATE 122239 announced 26,700 as FY 83 guideline levels.)

4. SAWS/R is currently faced with heavy stocks with the arrival of first quarter 82 call-forward. Its one 300 MT warehouse is at capacity. SAWS/R explains this stock build-up by reporting that recipients have not been able to take away full rations, food-for-work programs deferred for three to five months and finally vacations. SAWS/R has delayed its second quarter call-forward with a possibility of combining the second and third quarters. SAWS/R is urged to assess its annual requirements and to call forward commodities on as even a schedule as possible with the intent to order forward its full 82 commitment. A key factor in authorizing an increased future AER and in continuing Outreach funding is the over-all draw-down of the current AER.

5. SAWS/R has repaid to CRS/R all the commodities that were borrowed during its start-up operations.

6. A major commodity purchase in FY 83 will be a ten-ton truck. The procurement waiver is already in place. SAWS/R is interested in a four-wheel drive Isuzu; would appreciate REDSO/Procurement advice.

7. REDSO/FFP and Procurement should review disposition amortization and depreciation of the property purchased/constructed under Outreach, find and interpret Standard Provisions for SAWS/R. ("Standard Provisions" refers to Attachment B, affixed to all Outreach Grants. These provisions, an integral part of the Grant, set forth extensive regulations defining responsibilities of the two parties.)

8. REDSO/FFP, with clearance of Procurement and Legal, should provide SAWS/R with the REDSO analysis of engineering oversight responsibilities regarding SAWS construction of its 600 MT warehouse. See cable, NAIROBI 6058, 19 March 1980.

G. RECOMMENDATIONS:

1. By copy of this report, requests AID/W/FFP/II contact grantee, SAWS, Washington, D.C., to determine if transfer of grant funds (Outreach: AID/SOD/PDC-G-0388) can be more expeditiously processed for deposit to the grantee's account in Kigali, Rwanda. Funds have not yet been deposited since they were authorized on 16 March 1982. (Action already taken: See KIGALI 1222.)

2. AAO/R and SAWS/R prepared a five-year PL 480 Title II projection which scheduled modest increases particularly in Primary School teaching. PL 480 Guidelines, now being prepared by AID/W do not reflect this scheduled increase, AAO/R with REDSO/FFP endorsement should seek the projected increase.

3. SAWS/R now has a large inventory of commodities with the second quarter call-forward delayed. SAWS/R should closely examine its recipient needs and commodity distributions to assure acceptance of its full FY 82 AER and regular placement of its call-forwards. (See Comments, E. 4.)

4. While present warehouse is limited (300 MT), stockage appears to be reasonably well-handled; but with a little more effort, stacking could be improved to permit an accurate physical count. SAWS/R should take a recent physical inventory to assure the accuracy of the stock record cards.

5. AAO/R or REDSO/FA, etc should provide SAWS/R with a copy of NAIROBI 6058, 19 March 1980.

6. SAWS/R and its principal office in Washington, D.C., may wish to review its current host country agreement of 23 January 1979,

7. AAO/Rwanda and REDSO/FFP should continue to provide periodic follow-up to assure that AID is meeting its responsibilities to monitor PL 480 cooperating sponsors' programs in accordance with guidelines, Handbook 9, and requirements, AID Reg. 11. Key elements are:

- a. Consideration of the volag programs in the over-all mission development strategy (CDSS,ABS).
- b. Approval of the annual or amended operational plan and AER.
- c. Cabled approval of quarterly call-forwards with comments on the host country's ability to receive and store PL 480 commodities and justification that they are not a disincentive to production.
- d. Appropriate follow-up on inland reports of loss, damage, or misuse (i.e., "claims).
- e. Appropriate over-sight of disposition of unfit commodities.
- f. Forward one copy of SAWS' quarterly Commodity, Recipient, Loss Status reports to AID/W/FFP/II, Washington, D.C.

8. REDSO/FFP should examine closer the quality and type of independent surveys being conducted at Mombasa. They should look at reconditioning and disposition of unfit foods at the port to determine the procedure for their disposal so as to assure that unfit commodities are not being transported to Kisumu (at a cost of about \$300 per MT). Also REDSO/FFP should examine the requirements of AID REG. 11, 211.9 (e). ["The cooperating sponsor shall, in the case of land-locked countries, arrange for an independent survey at the point of entry into the country, and to make a report as set forth in 211.9 (c) (1)."] This survey has not been applied, and REDSO/FFP would recommend that the requirement be waived.

9. SAWS/R should review carefully budget requirements by line-item and total of Outreach 0388 to assess future requirements based on first year's experience. No major changes in the scope of activities, purposes or goals are envisioned. It is very possible that certain line-items, e.g. construction and/or POL will require adjustments, perhaps necessitating a minor increase because of inflated costs.