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FROM -

**USAID/Quito**

SUBJECT -

**FOOD FOR FREEDOM (Child Feeding) PROP**

REFERENCE -

NONCAPITAL PROJECT PAPER (PROP)

Country: **ECUADOR**

Project No. **518-69-120-091.2**

Submission date: **September 5, 1969** Original: **X**

Project Title: **FOOD FOR FREEDOM (Child Feeding)**

U.S. Obligation Span: **FY 1956 through FY 1975**

Physical Implementation Span: **FY 1956 through FY 1975**

**Gross life-of-project financial requirements:**

U.S. dollars	<b>17,903,000</b>
U.S.-owned local currency	<b>0</b>
Cooperating country cash contribution	<b>2,155,000</b>
Other donor	<b>1,500,000</b>
<b>Totals</b>	<u><b>21,563,000</b></u>

Food total tons: **82,628.**

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A. Summary description, including Tabulation of Planned Inputs

The incidence of child malnutrition and undernutrition in Ecuador is among the highest in the Western Hemisphere. Local capital and social inputs have been insufficient and there is little promise of sufficient mobilization of resources to adequately relieve the seriousness of this problem in the near future. Low inputs are reflected in perfunctory planning and implementation of programs devised by the National Government to tackle the problem of malnutrition. The Catholic Relief Services, United States Catholic Conference (USCC), proposed project under Public Law 480, Title II, would attempt to: (1) Use US-donated foodstuffs to mitigate the severity of malnutrition among pre-school children while attacking the basis of the problem through education and agricultural and community development; (2) Supply US-donated foodstuffs to schools and orphanages to complement local resources in providing meals and balanced diets for those children attending such institutions.

The project is justified for the following reasons:

1. The low level of agricultural production in Ecuador, and the recent decline of per-capita food production.
2. Disequilibrium and bottlenecks in marketing, storage, and use etc., which further limit the amount of food available.
3. Pre-school age children are most affected by the food shortage, as reflected in the high incidence of malnutrition, and high mortality rate among this group.

US-food assistance, as proposed here, would make available to the pre-school age and school-age groups foodstuffs in sufficient quantities to alleviate the severity of the problem of malnutrition and under nutrition found in these age groups, and thereby contribute to improving the quality of the country's human resources. Obviously, a healthier child develops into a more productive adult, thus enhancing the environment for accelerated economic and social growth.

At this time it is difficult to measure precisely the improvements in childhood nutrition and diet that would occur in the near future through increased production of food in the country. However, the present per-capita level of food production is so low that even if food production begins to grow-----

**food assistance**

at 5-6 percent annually, may be desirable long after the projected life of this project, if only on a regional basis rather than countrywide, because of income, production and marketing disequilibriums. Therefore, although the project's time projection (attached) shows FY 1975 to be the last and the peak year in inputs of food, a study may be made in FY 1972 to ascertain to what extent food needs can be met by local resources and a revision of this project be made upward or downward as the case may be in inputs at that time. The first two years of project life would also point out structural and operational differences and difficulties which would demand revision. Therefore, the projections contained in this document are only tentative. Revisions should not be based solely upon overall country economic viability indications, but also on the extent of the need for food by the children being served by the program as related to their ability to acquire food in any other way.

Naturally, certain goals would be established for the project. The major goal would be to create local responsibility by private sector organizations and groups for improving childhood diet and health, and by so doing contribute to institutional development in the private sector. The government would also participate in this project, so that a rapport would be established between public and private sectors, often at the important local government level, to effectively mobilize community resources and to plan the integral development of children. By the end of the projected life-span of this project, some food centers for children of pre-school age will have mobilized sufficient resources so that US assistance could be withdrawn or substantially reduced. This may very well occur in areas where Catholic Relief Services is undertaking large scale nutrition education and agricultural improvement programs through local committees. Moreover, with certain exceptions, food assistance to schools probably could be phased out by FY 1980 - again depending on food availability for rural schools. This is true of food assistance to orphanages.

A good deal of success depends upon the willingness or desire of private institutions, with sufficient government cooperation, to mobilize and allocate adequate local resources not only with regard to this project but for increasing agricultural production generally removing present bottlenecks in the economy so that food will become available to meet the needs of pre-school and school age children throughout the country. See attachment A for anticipated life-of-project financial inputs and food inputs by the US government, the cooperating community, cooperating sponsors, and by participant institutions.

## B. Environment of Projects

Ecuador's mid-1969 population is approximately 5,900,000 inhabitants, living in three clearly defined zones: The Litoral or coastal region, a strip fifty to one hundred miles wide containing 47 per cent of the population; the Sierra or highland region, which contains 51 per cent of the Ecuadoreans; and the Oriente or lowland area, which is a vast sparsely inhabited jungle, forming part of the upper Amazon Basin. The Galapagos Islands, in the Pacific Ocean, are inhabited by 2,500 Ecuadoreans.

From the economic point of view, the country, one of the most underdeveloped in Latin America, and economic growth (4.5 per cent annually from 1960 to 1968) is not keeping much ahead of the population increase, which is about 3.4 per cent annually. Approximately 45 per cent of the population is under fifteen years of age, with pre-school age children comprising 20 per cent of the population. In 1967, the Finance Ministry estimated that the two per cent of the population in the highest economic or income bracket had a per capita income of US\$1,167. A recent national wage law gave farm workers a daily minimum wage of US\$1.14, a substantial increase from the previous US\$.38, but most employers are ignoring the law. Moreover, farm work is highly seasonal so that this labor group contributes to the high percentage of disguised unemployment.

The economy of Ecuador is based on agriculture, which employs about 55 per cent of the labor force, accounts for one-third of GNP, and provides more than 90 per cent of the country's exports. Land distribution, though, is very unequal. The last census (1951) showed that 64 per cent of the land was held by only 2 per cent of the farmers. At the other extreme, 73 per cent of the farmers held plots of less than 5 hectares, which comprised only 7 per cent of agricultural land. No significant changes in the structure of land ownership have occurred since the 1954 census.

In spite of the fact that few disciplined nutrition studies have been made in Ecuador, it is most evident that large groups of the population do not enjoy either a qualitatively or quantitatively minimal diet. The infant mortality rate is extremely high, approximately 93 per 1,000 live births, one of the highest in Latin America. The overall mortality rate among the highest in the Western Hemisphere is 11.2 per 1,000 and life expectancy is around 52 years. Malnutrition is a contributing factor to the high mortality rate and short life span.

Infant mortality rates were reduced in the last two decades partly through general public health measures, and partly through special campaigns carried on among working and middle class mothers. The World Health Organization and especially the United Nations Children's Emergency Fund (UNICEF) have cooperated in the setting up of maternity and child-health clinics in Quito, Guayaquil, and some of the larger towns. This work was gradually extended, with the additional help of the Institute of Inter-American Affairs (Point Four), but for lack of funds and facilities almost nothing was done in the rural areas where conditions are the worst.

In the fifties the Minister of Economic Affairs informed the Congress that about 95 per cent of the population was undernourished because it could not afford more than 1,500 calories per day, instead of the normal intake of 2,000. The diet of the vast majority is extremely deficient in proteins and fats, and to a slightly lesser degree in vitamins and minerals. Small farmers sell whatever milk and eggs they produce rather than consume them, since they are luxury foods providing relatively high rates of return. Only a few vegetables are cheap and abundant enough for general consumption, the onion occupying first place, followed by cabbage. Other food-stuffs may be available in great quantities in one region, but for lack of roads or cheap transportation are left to rot instead of being widely distributed. This is the case, for instance, with bananas. Frequently valuable foodstuffs which could easily be produced are either unknown or are gradually disappearing, like quinoa, a very nutritious grain native to the Andes. Ecuadoreans know of food values. As in other parts of the world, people nearly always seem to prefer the least nutritious food, such as polished rice, bleached flour, refined sugar, etc. In some ways the Indians who cannot afford these relative luxuries are therefore better fed than the town mestizos and the whites. Their diet, however, is deficient in other ways. For thousands of Ecuadoreans, daily food consists of little more than one meal a day. This is especially true in the Sierra, where breakfast is often just a cup of hot water sweetened by raw sugar, with a little cinnamon added for spice.

A sample survey among school children in 1957 revealed that close to 40 per cent of those in the Sierra were suffering from endemic goiter and that the general state of health of 21 per cent of the total of Sierra school children had to be classed as non-satisfactory.

The project is in accord with the goals and philosophy of development established by the government. Ecuador committed itself in the Charter

of Punta del Este and later, in 1967, at the Meeting of American Heads of State, to establish as one of its primary objectives "Greater and more rapid progress in improving nutrition of the neediest groups of the population, taking advantage of all possibilities offered by national effort and international cooperation." The pre-school age group was classified as the most needy sector of the population.

Perhaps the best measure or yard-stick of pre-school malnutrition is the mortality rate. In Ecuador, the number of deaths under one year of age is 93 per 1,000 children, and in the 1-4 age group, 36 per 1,000. This compares poorly with 25 per 1,000 and 1-2 per 1,000 respectively in the United States.

The period between one and six months of age is relatively safe due to breast-feeding, however, even with the best lactation performance breast-feeding becomes inadequate after the sixth month and supplementary feeding becomes necessary. The protein-rich foods <sup>are</sup> essential thereafter are not in adequate supply and this causes the widespread problem of protein malnutrition. Naturally, the lasting scars of protein malnutrition have immense social and economic repercussions. Childhood malnutrition is perhaps the major contributing factor in the short life-span of Ecuadorians. The present high population increase has not been matched by the rate of growth of food production. As a result, childhood malnutrition will undoubtedly increase in the coming years.

Thus efforts are being made in this program to help break the vicious cycle of ill health, low productivity, poor economic status and undernutrition by giving primary attention to the nutrition of the infant and child. Since maternal nutrition during pregnancy is reflected in the condition of the infant at birth, Catholic Relief Services-USCC will tackle the problem of ensuring adequate nutrition for infants from the foetal stage by also inscribing needy mothers into the food program and while enrolled instruct them in improved nutrition and health.

The proposed food assistance project would have a definite impact on the country's development in accrued benefits, as previously noted, by alleviating the gravity of child malnutrition and undernutrition, which would meet a precondition for increased productivity of this sector or age group when arriving to adulthood. It would also complement the present dearth of government funds allocated to childhood development and probably convince other agencies of the necessity to increase investment in this age group.

Food assistance becomes an aid in accelerating national development by easing the irreparable physical and possible retardation which usually results from malnutrition. Malnourished children emerge from childhood lacking the ability to reach their full genetic intellectual potential, regardless of educational and training opportunities. This is a definite handicap to government development policies. Therefore, as previously stated, the food project would be mitigating one of the obstacles to more rapid economic development.

Food invested in childhood development could be termed social overhead capital or an investment in social overhead which would induce additional investment in directly productive activities. An "input-output" matrix could be drawn to illustrate the relationship between inputs and economic or social benefits or results to number of children enrolled in the program. Outputs or benefits achieved would be measured by class attendance, increased weight, or in lowered rates of child mortality. Perhaps over the years calculations could even be made or estimated of the effect the food inputs would have on increased national productivity during adulthood. However, this would necessitate a large socio-economic study with control groups and this is not envisioned in the proposed project. In any case, real measures or yardsticks would be difficult to devise.

In project implementation, no serious legislative or administrative problems are expected to arise. Generally speaking, the government has declared itself in accord with the desired results of this proposal, and has allocated funds to finance the program. It is doubtful that future administrations would view the project differently.

The importation and use of US-donated foodstuffs would not adversely affect Ecuador's agricultural production, nor would it cause imbalances in present marketing systems. Wheat flour, oil, rolled oats, cornmeal and milk are produced locally, but in very limited quantities, and wheat and oil are the country's two largest food imports. Because of high cost and distribution problems these commodities are often not available to the participants of this project. Rather than a detriment to increased domestic production of these commodities the US-donated foodstuffs could create a local demand and the establishment of these and other food industries, either through government action or profit incentive. On the basis of new demand, coupled with effective government agricultural policies, the industries now producing the foods mentioned above could feasibly increase production and lower prices in order to

make their products available to larger segments of the population. Nutrition education courses for mothers and children should also help effect a demand for more and new foodstuffs. These courses would be given from time to time in all pre-school centers and school programs.

### C. Strategy

As mentioned in the Summary Description, the project would be implemented through Caritas de Ecuador, the local counterpart agency of Catholic Relief Services - USCC. Presently, about 30 full-time paid employees and 400 volunteers including warehousemen, customsman, etc., are employed in one or another phase of the food program. The National Caritas Office includes a Director, two auditors, port dispatchers, a customs broker, a supervisor of food for development activities, a secretary, and two persons involved in program control. An agreement with Caritas, signed in 1965, allows Catholic Relief Services - USCC to retain freedom of action to carry out full supervisory responsibilities, and to take any unilateral action deemed necessary, if conditions so warrant. For this purpose, Catholic Relief Services presently maintains an office in Ecuador staffed by three American citizens, with three local employees as end-use checkers, and two secretaries. Excluding the salaries of US citizen representatives, Catholic Relief Services would contribute about US \$20,000 annually to the operation of the project. During the life of the project, as expansions are made and qualified technicians are needed, Caritas de Ecuador would employ additional personnel. The development of responsibility by the local counterpart is deemed one of the most feasible ways of establishing a strong private sector institution. This can help develop a stronger private sector group of institutions when communications are established among the various organizations, as is now taking place.

The Ecuadorian Government would cooperate with the project by providing duty-free entry for commodities and by paying port costs, and interior transportation expenses to regional warehouses. In addition, the government would lend technical and material services to the program from time to time. US \$60,000-US\$75,000 would be invested yearly by schools and local community groups to pay for transportation, processing of foods, utensils, additional foodstuffs, warehousing, personnel, well charts, etc.

Caritas de Ecuador would also organize mother and pre-school child feeding outlets through Caritas committees and clubs, church

missions, and local private groups (such as the Lion's Club). Presently some of these are cooperating with Caritas in some phase of Maternal/Child feeding and nutrition. Moreover, to evoke among the upper and middle-class Ecuadorians an awareness of the need for childhood nutritional improvement, Caritas will begin to name sponsors for many of its new feeding centers. This is seen as an effective way of complementing community resources, especially where these are extremely scarce. This would be an important approach to improving and establishing Caritas/Catholic Relief Services maternal/child feeding outlets. In summary, the possibilities for varied and increased private and public sector support for this project are very good.

### Maternal/Child Programs Using Title II Foods

#### 1) Needy Mother and Pre-School Child Feeding

In FY 1970, 35,000 needy mothers and pre-school age children would participate in the Title II Food Project, this number possibly more than doubling by FY 1973 (See Summary Description for need to revise tabulations in FY 1972). About 25,000 mothers and pre-school children will be assisted through health centers of the Public Assistance Office of the Ministry of Public Health. In March 1969, the Ministry of Public Health and Catholic Relief Services agreed to expand the feeding program to this needy group, using Ministry health centers to organize effective pre-school age nutrition programs on a countrywide basis. Health centers are usually staffed with professional medical personnel. The Ministry has agreed to financially support this expanded program. Nutrition education would be given in these centers, along with medical care.

An increase in this program is also under consideration in view of the high annual population growth, food needs, and planned mobilization of local private sector resources.

The following projection of recipients is made for the life-span of this project:

<u>FY</u>	<u>Number of recipients</u>
1970	35,000
1971	50,000
1972	55,000
1973	65,000

<u>FY</u>	<u>Number of recipients</u>
1974	72,000
1975	80,000

The pre-school feeding program would establish two major approaches to alleviating the problem of malnutrition and under-nutrition. The first approach would be the improvement of existing prepared food centers, with medical treatment wherever possible, and the establishment of additional outlets of this type. This approach would have top priority. The second way of reaching this vulnerable age group would be through controlled distribution for home consumption. This kind of distribution would occur where resources, financial and human, are extremely limited or where because of physical and geographic factors the child cannot attend a prepared food center on a daily basis. In this case, the child, (or mother) would receive the food once or twice monthly, but on condition that the child is weighed each month and the mother periodically attend a nutrition instruction class. Weight charts would be requisite for all children enrolled in this approach. If the child should not gain weight over a period of months, the people operating a center would investigate to see if the food is being consumed by the child, and, if not, the child would be dropped from the program- a warning might be given first. A child eating US-donated foods but not gaining appropriate weight in the age group indicated would be referred to medical attention.

As a way of making local resources available for better operations, recipient participation would be encouraged wherever possible on an ability-to-pay basis. A system of accountability for funds collected would be established, with all monies being reinvested into the operations of the center, either for preparing and consuming the food or for nutrition education. Food centers distributing US-donated foodstuffs for home consumption would invest collected monies in purchasing weight charts, organizing medical assistance for severe malnutrition cases, etc. When funds are not needed they would be sent to the National Office of Caritas, where allocations would be made to meet other operational expenses of the nutrition program. Accountability would be established on a monthly basis.

## 2) School Feeding

The school feeding program is designed to charge a token fee to all students who are able to pay. Generally speaking, this charge is less than US \$ 0.02 per meal per child. In addition, the Ministry of Education has agreed to contribute US \$0.01 for each child. The accrued funds are used to purchase other complementary foods, fuel for cooking, to pay salaries of food handlers and or to purchase dining room equipment and utensils. Daily records are kept by the school directors or persons in charge of the school program. Records are audited by the Ministry of Education and by CRS/Caritas.

A new school feeding program is not planned. The FY 1970 school feeding program will operate in the following manner:

	<u>No. of Schools</u>	<u>Total enrollment</u>	<u>Approx No. of participants</u>
<u>Public</u>			
Primary	1,029	150,000	149,860
Secondary	58	6,000	5,396
<u>Private</u>			
Primary	280	45,000	41,779
Secondary	<u>27</u>	<u>3,500</u>	<u>2,865</u>
<b>Total</b>	<b>1,394</b>	<b>204,500</b>	<b>200,000</b>
Fortified Breakfast (milk mixed with Rolled Oats to form a gruel and bread)			120,000
Complete Lunches			<u>80,000</u>
<b>Total</b>			<b>200,000</b>

Overlapping and duplication of distribution on the part of the two Voluntary Agencies are controlled by the Ministry of Education. Through their Provincial Directors, it is decided which schools will be attended by CARE and which will be serviced by CRS/Caritas. Every Provincial Director of Education keeps a record of each school in his area which receives PL 490 Title II commodities.

Each school forwards to the Provincial Director of Education, who in turn informs Caritas, as to the number of children who attend the school, the number of food recipients, the quantity of food the school utilizes daily, and warehouse inventories.

The present school population is estimated to be well over 1,200,000.

There are numerous requests to increase the number of recipients, but considerations of effective control and administration make it necessary to maintain the program at the 200,000 recipient level for the life of the project.

### 3) Other Child Feeding

- a. Summer Camps. - 4,500 rations are programmed for this group in FY 1970. In the Sierra region summer camps are open from July until September. In the Coastal area, they are open from February to April. The municipalities and other private organizations contribute the necessary financing for their operation. The Food for Peace Program will provide supplementary rations. The six-year plan is as follows:

<u>FY</u>	<u>No. of Recipients</u>
1970	4,500
1971	5,500
1972	6,000
1973	6,200
1974	6,500
1975	7,000

- b. Children in Institution. - 3,000 rations for 1970 are provided for children living in orphanages, homes for abandoned children, etc. The children's institutions are non-penal by the function they fulfill, they are non-educational because their principal objective is not instruction, and they are non-profit as they are operated for charitable purposes. Most receive a partial subsidy from the government of Ecuador and most of the centers charge no entrance or maintenance fees. Need is certified by an application completed by the center and by periodic control visits to the institutions. The projected number of recipients is as follows:

<u>FY</u>	<u>No. of Recipients</u>
1970	3,000
1971	4,500
1972	5,000
1973	5,500
1974	6,000
1975	6,000

- c. Day Nurseries and Child Care Centers, - 2,500 rations are programmed for FY 1970. The projections for subsequent years as follows:

<u>FY</u>	<u>No. of Recipients</u>
1970	2,500
1971	3,000
1972	3,000
1973	3,000
1974	4,000
1975	4,000

In all other child Feeding Programs, except those in institutions, children would be encouraged to participate financially, with accountability of records made monthly. In all cases, the amount of such participation will be decided or set by Catholic Relief Services and the local USAID mission.

Nutrition education would be emphasized when feasible and when resources are available. Such educational activities would not only show how to prepare US-donated foodstuffs, but would indicate what local foods are and could be available, their value, and how to best utilize them to prevent malnutrition. In addition, identification and treatment of first and second degree malnutrition would be shown. Education would be organized through those groups or persons operating maternal/child nutrition centers. This would be undertaken chiefly through dissemination of information and posters, by insisting that each food outlet or center organize at least three nutrition courses yearly for participants in the food program, and by organizing courses through radiophonic schools.

**D. Planned Targets, Results, and Outputs**

At present it would be extremely difficult to ascertain approximately at what future date Ecuador would be able to supply all of its food needs. Obviously, because of disequilibrium in production and supply, it is highly possible that food assistance will be needed for the next few decades in some areas of Ecuador. This will depend on the government's policy towards rural and agricultural development.

The US-food assistance project proposed herein for improving maternal/child nutrition would affect a mobilization of local resources that could create a basis for further private sector social and economic development, or interest in participating in such development. In this regard, it would be virtually impossible to measure the results of this project without an appropriate evaluation study of each participating group. Of course, yard-sticks could be the number of projects undertaken, funds allocated, etc. For some participating groups, US-food would be a catalyst for organizing development activities. Some private sector groups, through a private-public mix of investment resources, perhaps could take over the school-lunch program and orphanage feeding by FY 1980. This should be the tentative target date for termination of US-food assistance to schools and orphanages.

With regard to pre-school child/mother feeding, the need for US-food assistance might be required long after the life of this project, as has been discussed above. However, there are certain regions or areas where food assistance could perhaps be reduced or terminated by FY 1980. Outputs or results in this program would be difficult to measure, except through a lowered child mortality rate. The project should be a contributing factor in attempting to reduce the child mortality rate from 93 per 1,000 children to 60-70 per 1,000 in the under one year of age group, and from 36 per 1,000 children to 20 per 1,000 in the 1-4 age group by 1975. It should also increase the present life-span of Ecuadorians from 52 to about 58 years. Increased productive capacity, among young adults, if it could be measured, would be an output.

**E. Course of Action**

Much of what can be described as course of action on project implementation was discussed in the section on Strategy. As pointed out in that section, planned financial resources and personnel would be sufficient to feasibly carry out the project and produce expected outputs, where the latter were projected. Also, reference may be made to the attached tabular breakdown of financial inputs and food inputs for the estimated life of the project.

All US-donated foodstuffs for this project would arrive at the port of Guayaquil and be allocated to specific warehouses on the basis of each phase and category of the food project. There are presently thirty warehouses in the country. Additional warehouses would be provided as demands require shorter logistical systems. Warehouses would continue receiving only a 2-3 month supply of foodstuffs. These warehouses would then allocate food to maternal/child feeding or nutrition centers.

When the food is received in the warehouse, a certificate of delivery would be signed noting the food type, amount received, packing list number, and any damages or losses incurred in interior shipment. All this would be checked against survey and vessel outturn reports received from the port of entry.

Previously approved distribution centers would draw supplies, usually for a one month quota, from the warehouse, which would maintain records of distribution and signed receipts. Monthly warehouse distribution forms, copies receipts, food center inventory forms, and warehouse physical inventory forms would be submitted to Catholic Relief Services. Before a center could receive a new supply of US-donated foodstuffs, it would be necessary to declare the amount it still had in storage. This would then be calculated against the number of eligible recipients in the center and the monthly ration.

Each center would be instructed to distribute the food according to its approved plan, with each recipient having

a ration or meal card, or other control device. Centers generally would conduct an annual census of the needy pre-school and school children and expectant and nursing mothers in their area and would inscribe them in either a prepared food program or a food-for-home consumption program. This would depend on the area, need, personnel and facilities available. Names, ages, and other personal data would be kept by distribution centers and by the Caritas Office. Centers would be encouraged to use scales to weigh on a monthly basis the recipient pre-school children and to plot their weights on a simple weight chart devised locally by Catholic Relief Services. Moreover, recipients would be encouraged to participate financially according to ability to do so, with funds being invested in the food program. A system of accountability would be set up early in the project.

Catholic Relief Services and Caritas end-use checkers would make periodic visits to see that distributions are made properly. Instructions would be sent to each center periodically informing operating personnel of regulations, rations, and changes in the food program.

In order to receive US-donated foodstuffs, the person in charge of a center would need to sign a contract which would bind him to abide by the established regulations. An agreement with Caritas, signed in 1965, assures Catholic Relief Services -USCC and US government representatives that they would be permitted to investigate and review foods in storage, make end-use audits, and to examine control records of accountability. The project would be periodically audited by Catholic Relief Services' regional director for Latin America.

Port facilities are considered adequate. Duty-free entry does not present a problem and the port charges will be reimbursed by the Government of Ecuador. Port surveys are done and at least one representative from the CRS/Caritas office in Guayaquil is present at most food unloadings. Damaged bags are repacked or resewn before being sent to regional warehouses to minimize interior transportation losses. Storage facilities within the country are more than

adequate for the programmed tonnage estimated through FY 1975. Precautions are taken to keep all storage facilities dry, cool, ventilated, and free of rodents. Maintenance, repairs and alterations are made as required. Most warehousing conditions are comparable to the average commercial facilities in each area.

Inland transportation would be handled generally by truck or train. In the mountainous areas, food supplies would be transported by mule. Supplies often reach the eastern lowlands (1) by airplane, when available, and (2) by motor launch.

Many pre-school child feeding centers, schools, and other child feeding program centers prepare bread from US-donated wheat flour, baked either in their own ovens or by bakers paid separately. Where commercial facilities process US-food products, contracts are entered into stipulating the number of loaves of a specific weight to be baked with a given amount of flour and oil. A number of centers also process cornmeal and bulgur into bread, cakes and cookies in the same manner.

All foods that would be programmed are now used and usually are well accepted. Wheat flour would be used in prepared food centers. In schools and orphanages, it would be distributed primarily in the form of bread. Foods that would generally be imported for the program are: rolled oats, cornmeal, milk, wheatflour, soybean oil, and bulgur wheat. CSM and other commodities may be programmed from time to time.

Throughout the life of the project, the courses now given throughout the country on the preparation of all US-donated foodstuffs would be continued. It is also planned to disseminate more recipes and nutritional material to food centers and attempt to have the radiophonic schools assist in the organization of a nutritional program which would contain a section on the use of US-donated foodstuffs.

Food requirements would be calculated on the basis of providing a nutritional balance to dietary deficiencies among

eligible recipients. These requirements would be subject to change in each fiscal year projected (See the attached Annual Estimates of Requirements).

Distribution centers would be instructed to inform recipients of the origin of the food. Circulars and distribution forms would carry a notation in some manner that the food is a gift from the people of the United States to the people of Ecuador as they now do.

Containers are marked. However, a verbal statement of origin would often be given the recipients because of the high illiteracy rate in Ecuador. Signs and posters will be placed in warehouses.

#### SESSIONS

INPUT TABULATION OF PROJECT LIFE

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Fiscal Years	AID-controlled <u>Local Currency</u>		Other Cash	Other	<u>Food for Freedom Commodities</u>		
	US - owned	country owned	Contribution Cooperating Country (1)	Labor Funds (\$ equiv.)(2)	Metric Tons	CCC Value & Freight(4)	World Market Price (4)
Prior through Act. FY.68 (estimated)	-0-		800,000	300,000	27,000	5,000,000	4,950,000
Oper. FY.69 (3)	-0-		150,000	130,000	4,557	1,186,000	1,129,000
Budg. FY.70	-0-		185,000	150,000	7,430	1,692,000	1,618,000
B + 1 FY.71	-0-		200,000	175,000	8,396	1,912,000	1,828,000
B + 2 FY.72	-0-		200,000	180,000	8,564	1,950,000	1,865,000
B + 3 FY.73	-0-		200,000	185,000	8,820	2,009,000	1,921,000
FY.74	-0-		210,000	190,000	8,842	2,059,000	1,969,000
FY.75	-0-		210,000	190,000	9,019	2,100,000	2,008,000
<b>TOTAL LIFE</b>	<b>-0-</b>		<b>2,155,000</b>	<b>1,500,000</b>	<b>82,628</b>	<b>17,908,000</b>	<b>17,328,000</b>

- (1) Includes estimated indirect cash contributions by the Ministries of Education & Public Health for purchasing complementary, foods, utensils, etc., providing warehouse space, services, and preparation of food.
- (2) Includes funds, materials, volunteer and paid services, etc. from Catholic Relief Services, Caritas, and local groups and organizations.
- (3) Because of the CUS Caritas reorganization, port strike, etc., perhaps less than half of the programmed supply for FY.69 will be received.
- (4) Ocean freight is estimated at about 15 per cent of the value of foods programmed, and world market price at 10 per cent.

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USAID/Quito