

AIRGRAM

DEPARTMENT OF STATE

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For each address check one ACTION

INFO

A.I.D. Reference *3/2/69*
DATE REC'D *11/13*

TO - AID/W TOAID A-355

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FROM - USAID/Quito

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DATE SENT
9/26/69

SUBJECT - FOOD FOR FREEDOM (Child Feeding/Family Nutrition) PROP

REFERENCE - 518009104
15N-32020
PD-ANN-391

NON-CAPITAL PROJECT PAPER

Country: ECUADOR Project No. 518-69-112-091.4
Submission Date: September 12, 1969 Original: X
Project Title: FOOD FOR FREEDOM (Child Feeding/Family Nutrition)
U. S. Obligation Span: FY 1963 through FY 1975
Physical Implementation Span: FY 1963 through FY 1975
Gross life-of-project financial requirements:

U. S. dollars	\$ 20,300,000
U. S.-owned local currency	
Cooperating country cash contribution	1,930,000
Other donor	<u>4,655,000</u>
Totals:	\$ <u>26,885,000</u>

Total tons: 102,600

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DRAFTED BY: <i>APianic:gra</i>	OFFICE: <i>Priv. Agencies</i>	PHONE NO.	DATE: <i>9/12/69</i>	APPROVED BY: <i>Robert J. Minnes, Mission Director</i>
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AID AND OTHER CLEARANCES
Chavez, Cont.
Chavez, Culcon

Miles, Asst Prog Off
WLeary, Prog Off

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A. SUMMARY DESCRIPTION

The C.A.R.E. child feeding program, school feeding, maternal/child, and pre-school feeding, and "other child feeding", largely children in institutions, is a continuation of on-going C.A.R.E. programs in operation in Ecuador since 1959.

Ecuador's agricultural sector produces less than 75% of the minimum daily food requirements of the population and is especially weak in milk and grain production which are vital parts of the required dietary intakes for children. Milk production is not sufficient to provide for either the pre-school or school age child, and the cost of milk has risen by 30 centavos (approximately 1.5 U.S. cents) a liter within the last two months.

More and more evidence has become available that malnutrition in pre-school children in many cases leads to permanent physical and mental retardation, and it is precisely those food items most needed to prevent this retardation that are lacking in Ecuador.

Therefore, C.A.R.E. proposes:

1. To supply U. S. PL 480 material to pre-school children, pregnant and nursing mothers, school children, and children in institutions.
2. To supply privately donated foods to supplement this diet.
3. To encourage local contributions to these feeding programs through C.A.R.E. school gardens, contributions from local organizations, and individuals.
4. Through nutritional education, to attempt to bring into greater use the most desirable and economic of the locally produced foods.

An important part of this and all other C.A.R.E. programs, is concomitant programs in farm and vocational training, village action in providing potable water, etc.

Since many variables, economic, social and political, have a bearing on this continuing program, a five year projection must be very tentative, and it is difficult to project any realistic phase out for the program. During the past year, the cooperation from private organizations such as the Lions Club, the Rotary Club, and above all the Fundación Nacional del Niño, has led C.A.R.E. to be optimistic of the concern by Ecuadorian groups toward these problems.

C.A.R.E. hopes eventually to turn over the entire machinery and the impetus for child feeding to Ecuadorian groups, both Governmental and non-Governmental. Though C.A.R.E. has already turned over much of the mechanics and the financing to local groups, food needs through programs of this type are likely to remain high for a number of years; until they fall substantially, outside financing will probably continue to be necessary.

B. ENVIRONMENT OF PROJECT

Ecuador is a republic of almost six million people. The most recent figures show that 51 percent of the population lives on plateaus and valleys in the high Andes, 47 percent on the hot coastal plains, and two percent in the jungles of the Oriente, the eastern two-fifths of the country.

The GNP growth rate for the period 1960 through 1963 averaged 4.5% annually, not much ahead of the population increase, which at 3.4% annually is one of the highest in Latin America. The per capita income at \$259 in 1963, is one of the lowest in Latin America.

Agriculture is by far the most important sector of the economy, employing about 55% of the labor force, accounting for one-third of the GNP and providing more than 90% of the country's exports. Land distribution, though, is very unequal. The last census (1954), showed that 64% of the land was owned by only 2% of the landowners. At the other extreme, 73% of the landowners had plots of less than 5 hectares, which comprised only 7% of agricultural land. No significant changes in the structure of land ownership have occurred since the 1954 Census.

According to the Ministry of Health figures, 46% of the population is less than fifteen years old, and roughly 18% of the population is less than five years old. According to the same figures the infant mortality rate for Ecuador in 1965 was 93 per thousand, as compared to 25 per thousand in the United States.

C. STRATEGY

C.A.R.E. works in the school feeding program in cooperation with the Ministry of Education, and in the maternal/child feeding, pre-school feeding, /other child feeding programs in cooperation with the Ministry of Social Welfare. C.A.R.E. conducts other programs in Ecuador with the Ministry of Health and the Ministry of Agriculture.

C.A.R.E. presently employs four Americans, and twenty-seven full-time Ecuadorian citizens. The personnel are located in Quito, Guayaquil, and Cuenca. Various clearing agencies and transportation companies are employed as required. However, the various C.A.R.E. programs could not survive without the voluntary efforts of thousands of Ecuadorian school teachers, nurses, institutional directors, Government employees, and employees of institutions.

The Government of Ecuador is responsible for unloading, warehousing, and transportation. All parents of children that are financially capable, are responsible for providing a taken fee, produce, transportation, firewood or labor. Various private organizations provide cooking facilities, space, utensils, and medical examinations for pre-school children and mothers.

1. Maternal/Child Feeding

Sixty thousand maternal/child welfare recipients were originally planned for

FY 1970, compared with thirty-five thousand for FY 1969. The FY 1970 number, however, was reduced by AID/W to fifty-five thousand recipients. Projections for future years, made in conjunction with the Ministry of Health are as follows:

FY 1970-----	55,000
FY 1971-----	65,000
FY 1972-----	70,000
FY 1973-----	75,000
FY 1974-----	85,000
FY 1975-----	85,000

2. School Feeding

The FY 1970 AER (Annual Estimates of Requirements), indicates that 300,000 children are in the school feeding program, an increase of 100,000 over FY 1969. At the end of FY 1969, 200,000 school children were being fed. Of these, all received milk, all but 2,000 received flour and oil for making bread, and 153,359 received the full C.A.R.E. lunch. According to Ministry of Ecuador figures, C.A.R.E. is providing food for about 35% of the school population. Projected numbers of recipients for future years are as follows:

FY 1970-----	300,000
FY 1971-----	325,000
FY 1972-----	350,000
FY 1973-----	400,000
FY 1974-----	400,000
FY 1975-----	400,000

3. Other Child Feeding

The school feeding program lends an added incentive for school attendance. In 1969, 22,260 children were listed as benefiting from C.A.R.E.'s other child feeding program. It is expected that the number of children in this category will remain fairly static. The estimated number of recipients for future years are as follows:

FY 1970-----	22,500
FY 1971-----	22,500
FY 1972-----	22,500
FY 1973-----	22,500
FY 1974-----	22,500
FY 1975-----	22,500

D. COURSE OF ACTION

All of the present C.A.R.E. child feeding programs are presently in operation and in the process of gradual expansion. All material arriving at Guayaquil, and all unloading and warehousing is at the expense of the Ecuadorian Government.

The regular C.A.R.E. procedures of arrival reports, loss reports, independent surveys, physical counts, etc. are all in operation. The C.A.R.E./Guayaquil office superintends unloading, surveying, and transportation of material either to the C.A.R.E. warehouse in Guayaquil or in certain cases of school feeding directly to the railroad. Everything, except the food for the school feeding program is picked up directly from the C.A.R.E./Guayaquil warehouse by institutions on orders made out by C.A.R.E. and signed by C.A.R.E. and the recipient institution. All organizations must be approved by the Ministry of Social Welfare and must sign a contract with C.A.R.E. before they are considered for food distribution. Some food for the school for Guayaq and Mambi Provinces is picked up at the C.A.R.E./Guayaquil warehouse. Some food is transported by railroad to provincial warehouses throughout the country or to C.A.R.E. warehouses in Quito or Cuenca. Within each province, the Provincial Director of Education is personally responsible for warehousing and transportation. C.A.R.E. offices are responsible for control and supply within their area, and more than 1,500 written reports on visits to schools, institutions, etc., were made during FY 1969 and were reviewed by the Food for Freedom Officer.

The maternal/child feeding centers are to be used increasingly as education centers, providing advice on family planning, the buying and preparation of foods, and providing medical examinations.

SESSIONS

NONCAPITAL PROJECT FUNDING
(OBLIGATIONS IN \$000)

6

Table 2
Page 2 only

PROP Date:
Original:
Rev. No.:
Project No. 513-61-190-099.4

6 COUNTRY: Ecuador

Project Title: CAFE

Fiscal Years	AID-controlled Local Currency		Other Cash Contribution Cooperating Country	Other Donor Funds (\$ Equiv.)	Food for Freedom Commodities		
	U. S.- owned	Country- owned			Metric Tons (000)	CCC Value & Freight	World Market Price
Prior through FY-69 Act. FY 1969			810.0 170.0	2,000.0 400.0	38.5 5.9	6,700.0 928.0	6,500.0 900.0
Oper. FY 70			170.0	400.0	7.3	1,600.0	1,500.0
Budg. FY 71			180.0	420.0	10.0	2,100.0	2,000.0
B + 1 FY 72			190.0	435.0	11.5	2,400.0	2,300.0
B + 2 FY 73			190.0	440.0	11.6	2,500.0	2,400.0
B + 3 FY 74			190.0	470.0	11.7	2,500.0	2,400.0
All Subs. 75			<u>200.0</u>	<u>490.0</u>	<u>12.0</u>	<u>2,500.0</u>	<u>2,400.0</u>
Total Life			1,930.0	4,655.0	102.6	20,300.0	19,500.0

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ANNEX A