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SUBJECT: Final Report  
Contract No. 511-0000-C-00-3050

TO: Dr. Lee R. Hougen, Chief, HHR  
Project Contract Manager

Attached are 15 copies of the Final Report as required in the referenced contract.

cc: PD&I (1)  
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FINAL REPORT

In accordance with the referenced Contract, this final report covers a summary of the activities accomplished to improve the Emergency Food Program and recommendations for future action.

I. RESULTS OF SURVEYS TO DETERMINE LEVEL OF PREPAREDNESS OF COOPERATING SPONSORS

A. CRS/Caritas

In general, the two surveys conducted in September and November confirmed that this agency is capable of receiving and distributing the 8,820 MTs of food commodities for the Emergency Program. The major findings and recommended actions for improving the CRS/Caritas program are summarized below:

1. All seven regional offices have acquired adequate warehouse space and have taken measures to secure and safeguard P.L. 480 commodities. There is a need to improve storage handling procedures and CRS and Caritas have been instructed to pay special attention to this problem in supervising regional offices. Caritas should revise and reissue a manual on the proper handling and storage of Title II foods.

2. By the end of the second survey, all the Caritas regional offices were members of Departmental Emergency Food Committees and coordinating distributions to avoid duplication of effort. Both CRS and Caritas are represented on the national committee and are working with the Oficina Nacional de Ayuda Alimentaria (OFINAAL), the agency designated by the GOB to oversee food distribution activities which was established on Sept. 20.

3. The food distribution activities of the Caritas regional offices have been seriously impeded because the national office had not advanced monies or apprised regional offices of specific budget allocations to cover costs of warehousing, transportation and emergency program personnel. The regional offices were covering these costs to a limited extent by borrowing from regular program funds. CRS and Caritas were to rectify this deficiency by Dec. 8 and improve procedures for providing monies to regional offices.

4. Although all regional offices had received instructions on the distribution of emergency food programs, they were incomplete and subject to variations in interpretation. Caritas has been requested to send each regional office a Spanish version of the CRS manual, Emergency Food for Work and Humanitarian Assistance Program, dated May 30, 1983. Caritas also will revise and send to the regional offices a manual on misuse, losses and shortages of commodities in Title II Programs. To supplement this information, USAID/Bolivia is issuing special notices to instruct Cooperating Sponsors on specific guidelines such as rations which have been subject to varying interpretations. USAID/Bolivia has, also, prepared Operating Guidelines for the Emergency Program which are being reviewed by the Cooperating Sponsors and which will be distributed to all regional offices by Dec. 15.

5. With the exception of Santa Cruz and Potosí, all the remaining regional offices have personnel assigned to the Emergency Program who have received specialized training in receiving and distributing emergency food supplies. CRS and Caritas have been requested to provide on-the-job training to the personnel of Santa Cruz and Potosí. The training will be conducted by national supervisors and will require visits of at least five working days in each office.

6. All seven regional offices lack vehicles to supervise the distribution of food supplies. Since the Outreach Proposal presented to AID/Washington has not been approved to date, this deficiency could seriously affect the proper supervision of the program at the beneficiary level.

7. The Caritas La Paz regional office is not properly organized to manage the Emergency Food Program and resists coordination with other Cooperating Sponsors. This office needs to be totally re-organized.

8. Caritas and CRS need to improve their system of supervision at the national level to insure that personnel assigned to this function have the capability and authority to monitor Title II distribution, reporting deficiencies and cases of misuse and action taken to resolve problems relating to same. CRS and Caritas need to develop a capability to audit and evaluate regional offices. USAID/Bolivia, in coordination with CRS and Caritas, needs to undertake comprehensive audits of Santa Cruz and Cochabamba to document and correct deficiencies reported in the regular program.

B. Servicio Nacional de Desarrollo de Comunidades

In general, the two surveys confirmed that the SNDC regional offices were not sufficiently prepared to receive and distribute the 10,000 MTs of Emergency Title II commodities. The SNDC national office had not provided adequate instructions, training of personnel, resources and supervision to insure that the seven departmental offices had reached an adequate level of preparedness to manage the Emergency program. The deficiencies noted below were communicated to the Director of SNDC on Oct. 10 and Dec. 2 with a warning that, if they were not corrected, USAID/Bolivia would consider transferring food supplies to another Cooperating Sponsor.

1. In the majority of the regional offices, the personnel assigned to the emergency program were not capable of administering the food program. Because the personnel were selected by the national office without consulting regional offices, conflicts between regular and emergency staffs is prevalent in all departmental offices.

2. In La Paz and Sucre, SNDC did not acquire on a timely basis adequate warehouse space which delayed deliveries and increased freight and unloading costs paid by USAID. Deliveries were further delayed because SNDC emergency personnel participated in general strikes and were unavailable to receive deliveries.

3. The SNDC national office failed to provide proper leadership in carrying out the program. The delay in furnishing adequate instructions, receipt and distribution forms, regional budgets and monies has seriously impeded the implementation of the program. The national office has, also, failed to provide adequate and continuous supervision of the program.

4. The regional offices do not have adequate office facilities to account for Title II foods. SNDC needs to immediately purchase scales to account for transportation losses and calculating machines to report receipt and distribution figures.

5. The regional offices lack vehicles to supervise the program. SNDC needs to purchase new vehicles and repair used vehicles with funds provided by USAID from the sell of Title II rice.

6. Although the regional offices were members of the departmental emergency food committees, SNDC at the national level has been negligent in coordinating its program with other cooperating sponsors and OFINAAL.

7. Of the seven regional offices surveyed, only two, Tarija and Potosí, were minimally prepared to manage the program.

8. Despite the deficiencies noted above, the majority of the regional offices have organized local food-for-work projects to distribute the 10,000 MTS of food.

In conclusion, SNDC needs to immediately take steps to improve program performance, especially in terms of providing necessary resources and backstopping services and assuring that the emergency program is fully integrated into the departmental offices.

In addition, SNDC has to guard against pressures emanating from campesino constituencies and politicians to assure that the food reaches the intended draught and flood victims in an equitable manner.

#### C. F H I

In general, the surveys confirmed that FHI had taken adequate measures to receive and distribute the 10,000 MTs of food commodities consigned to this Cooperating Sponsor. To date, they have hired and trained emergency program staff and assigned 11 volunteers to their regional offices in Tarija, La Paz, Sucre, Oruro, Potosí and Cochabamba.

Given the delay in the shipment of the Emergency food commodities for FHI, USAID has arranged loans from SAWS, Caritas and SNDC of approximately 3,500 MTs. FHI has, also, identified sufficient humanitarian and food-for-work projects to distribute this quantity by the middle of February 1984.

#### II. TRANSPORTATION AND PORT CONGESTION PROBLEMS

The serious transportation and port congestion problems reported in previous progress reports have been substantially alleviated. The following chart shows the status of Emergency shipments as of November 28.

SPONSOR	GROSS MTs	PORT	DISPATCHED	BALANCE IN PORT
CRS	7,549	Matarani	4,458	3,091
CRS	<u>1,379</u>	Arica	515	864
Sub-totals	8,928		<u>4,973</u>	<u>3,955</u>
SNDC	8,583	Matarani	4,280	4,303
	<u>398</u>	Arica	398	-
Sub-totals	8,981		<u>4,678</u>	<u>4,303</u>
TOTALS	<u>17,909</u> =====		<u>9,651</u> =====	<u>8,258</u> =====

The balance of 8,258 MTs for SNDC and CRS presently in port should be dispatched within three weeks. As a result the pending shipment of 11,647 Gross MTs of food supplies of SNDC (1,137 Gross Mts) and FHI (10,510 Gross MTs) destined for Matarani should not represent a transportation problem. This assumes that the railroad companies of Peru (ENAFER) and Bolivia (ENFE) transport at least 2,500 MTs of commodities per week. A summary of shipments pending arrival at Matarani is given below:

SPONSOR	VESSEL	COMMODITY	GROSS MTS	PORT	E.T.A.
FHI	Sta. Rosa	NFDM	1,5427	Matarani	12/25/83
FHI	Brinton	Flour	962	"	1/15/84
FHI	Sta. Rita	"	2,449	"	1/30/84
FHI	Cayambi	Lentils	2,536	"	1/10/84
FHI	Ashley	Rice	2,536	"	2/5/84
FHI	Passat	Veg Oil	500	"	12/28/83
SNDC	Passat	NFDM	<u>1,137</u>	"	12/28/83
TOTAL			<u>11,647</u> =====		

### III. TITLE II RICE

At present 12,712 Gross MTs of Title II Rice have arrived at the port of Arica and a contract has been signed with Metropolitana to transport the cargo by rail to the designated points of entry in Bolivia. The balance of 2,300 metric tons will arrive at Arica on or about January 25, 1984. A USDA expert has certified that the rice meets Grade 5 specification contrary to initial reports from ENA that the rice was sub-standard. A major remaining problem

concerning this commodity is to negotiate an increase in the sales price to consumers to assure that the funds generated will cover the costs incurred by the Cooperating Sponsors in implementing the Emergency Program. At present, ENA is selling the rice at \$b. 6,500 per 100 lbs. The rice should be sold at at least \$b 11,000 per 100 lbs in order to reflect market prices. In addition, Robert Gersony, Disaster Assessment Consultant, reports that most of the rice is not reaching the poorer sectors of Bolivia, especially the campesinos. However, the rural poor are buying rice on the market at \$b. 28,000 per quintal.

I concur with Robert Gersony's recommendation that USAID should assign a U.S. Citizen Management Consultant to work full time with ENA to assure that the rice reaches the poorer segments of the population, especially in the rural areas. The need to have additional personnel to supervise the sales of rice is urgent, given the deficiencies reported in ENA's program.

#### IV. FUTURE PROGRAMMING OF TITLE II EMERGENCY FOOD SUPPLIES.

USAID/Bolivia has approved requests for an additional 20,500 MTs of Title II Commodities, given the continuous effect of the draught. In order to improve logistics and accelerate distribution to needy families, USAID/Bolivia should take the following actions:

1. Limit the number of products to two commodities, preferably vegetable oil and rice, instead of the five requested by the Cooperating Sponsors. Delays in distribution have been caused because Cooperating Sponsors are withholding distribution until they receive all five products in their warehouses. By handling only two products, efficiency in distribution would be enhanced considerably.

2. A centralized system needs to be established to program food commodities to the three ports which serve Bolivia, namely Matarani, Arica and Antofagasta. At present, the majority of the Title II food supplies have been shipped to Matarani. Since this port also receives Title II supplies for USAID/Perú, serious congestion problems have resulted.

Shipments for northern Bolivia departments should be split between Arica and Matarani. Shipments to Southern cities should be shipped to Antofagasta. This system should also take into account World Food Program and other donor country shipments.

3. Food shipments from the United States should be staggered so that quantities of approximately 3,000 metric tons for the Emergency Program arrive on a monthly basis. This quantity coupled with regular program shipments of another 3,000 MTs would reduce logistic problems and further avoid port congestion problems.

4. As has been discussed with Robert Gersony, USAID/Bolivia needs to assign more staff to the Emergency Food Program. At a minimum two U.S. Citizens are needed in La Paz to manage logistics and supervise the program. At least five field supervisors, both U.S. and nationals, should be assigned to the interior. It is advisable to have one person assigned to monitor food shipments at the three ports. This person could be financed by both the USAID/Bolivia and USAID/Perú Missions.

5. I also concur with Robert Gersony's recommendation that the Emergency Food Program and Agricultural Recovery Program should be integrated, and USAID should decentralize program management at the Departmental level. This would allow us to be more responsive to the needs of the communities through micro assessments. The concept of using Title II rice sales reflows to provide cash remunerated jobs to unemployed rural poor is excellent and would complement our humanitarian food aid.