

**AGENCY FOR
INTERNATIONAL
DEVELOPMENT**



ANNUAL BUDGET SUBMISSION

FY 83

OFFICE OF FOOD FOR PEACE

**BUREAU FOR
PRIVATE AND DEVELOPMENT COOPERATION**

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**UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
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ANNUAL BUDGET SUBMISSION

PROGRAM SUPPORT BUDGET

FY 1983

OFFICE OF FOOD FOR PEACE

BUREAU FOR PRIVATE AND DEVELOPMENT COOPERATION

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FY 1983 ANNUAL BUDGET SUBMISSION

TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$ Thousands)

Country/Office _____

DEVELOPMENT ASSISTANCE	FY 1981 EST	FY 1982 EST	FY 1983 REQUEST			PLANNING PERIOD				
			MIN	CURR	AAPL	1984	1985	1986	1	
Agriculture, Rural Development & Nutrition										
Grants	4100	5000	4400	5000	6500	7000	7500	7500	8000	
Loans										
	4100	5000	4400	5000	6500	7000	7500	7500	8000	

Program Narrative

Background

As a part of A.I.D.'s overall development strategy, food aid remains a principal concern in the foreseeable future. The target group of the \$1.6 billion Food for Peace Program is essentially A.I.D.'s principal target group--the poor majority in the less developed countries. The Title II donation program, valued at \$822 million is specifically directed to the most needy people of LDCs primarily through Maternal Child Health, School Feeding and Food for Work programs. At least 75 percent of the Titles I and III programs (now valued at \$766 million) must be allocated to countries with a GNP below the IDA poverty criterion. While food provided under Titles I and III is not always targeted directly to the needy, the self-help measures included in every agreement and the provisions for the use of sales proceeds emphasize development and policy objectives consistent with the Foreign Assistance Act. The overall objective of Title III is to increase the well-being of the poor, particularly in rural areas.

Ancillary to this larger effort is the development assistance-financed Food for Peace support budget - an essential element in enhancing the effective use of food aid. To maximize the quality and effectiveness of food aid, it is imperative to strengthen planning and management of these programs. The availability of this funding is vital to the implementation of the new directions proposed.

These funds are allocated to two separate projects. Each was developed to fill a void to try and enhance the developmental impact of P.L. 480. These projects are the P.L. 480 Title II Outreach project, approved in 1978 and the P.L. 480 Program Support and Management project approved in its present form in 1980.

The Food for Peace Program Support and Management Project makes it possible to provide technical assistance and other resources to improve program impact, to carry out program evaluations which directly lead to improved program planning and implementation, and to sponsor seminars and workshops. These

resources help provide the flexibility to meet the mandate for a more aggressive role on the part of A.I.D. in developing the staff know-how, systems, and policies necessary to enhance the developmental effectiveness of P.L. 480.

Through the Title II Outreach Project, PVOs are provided the resources to enable them to concentrate on those most in need who are often outside the reach of traditional market mechanisms and existing programs of assistance. Unlike Title I programs, Title II food resources are specifically intended to reach poor and malnourished segments of the population. By so doing, these programs not only enhance humanitarian and equity goals, but also demonstrate a higher impact in terms of human-capital development. However, achieving these objectives--particularly in the most underdeveloped countries--is often hindered by the absence of a distribution system capable of accessing vulnerable groups outside the major urban areas. The Outreach Project has already proven its effectiveness in helping to overcome these constraints. Broadening the program scope of Title II Outreach to encompass provision of tools and materials permits voluntary agencies to make a more concerted developmental impact at the grass roots level.

Project Description Detail

The Food for Peace Program Support budget finances two types of projects: (1) analytical, training and evaluation requirements related to all three Titles of P.L. 480; and (2) a Title II Outreach Project, designed to help cooperating sponsors meet logistical support costs of establishing or expanding programs to reach the poorest segments of the population in the least developed countries. Both projects are further described below.

The first, the Program Support and Management Project, reflects A.I.D.'s increased efforts to enhance the development impact of P.L. 480. This project funds a variety of instruments to improve the management, to increase the effectiveness, and to solve problems of the food programs. Two of the most successful instruments have been:

(1) Local and regional food storage seminars aimed at training host country participants directly responsible for the handling and storage of P.L. 480 food. Subjects covered in these seminars

include proper food handling practices (care, sanitation, warehousing, management, etc.), pest control (types of pest and damage caused), and use of pesticides and fumigants, with special attention being given to local or regional conditions and programs.

(2) Regional workshops conducted for personnel involved in the planning and implementation of P.L. 480 programs or related activities. The workshops include, among other subjects, discussions of how to achieve fuller integration of food aid with other development resources, P.L. 480 legislation and its implications, management requirements, project design and implementation, monitoring, reporting and evaluation and the use of food aid in support of host country development strategies.

In addition to these training workshops, (3) technical advisory services are provided during the course of a program year to solve problems, eliminate bottlenecks, and enhance program implementation. Limited funds available to date have been well utilized in contracting for food monitors in countries where we have had surges of food inputs and been short-handed (e.g., African refugee situations) and in providing technical assistance to Missions in preparing for emergency food programs. Due to inadequate funding, however, we have been unable to meet many requests from USAID's for assistance in analyzing sectoral food issues, or designing Title III programs.

From time to time, there are (4) "one time" studies which require special expertise. For example, Food for Peace has utilized the assistance of experts to review the country allocation criteria of the Title I/III program, as well as the National Academy of Sciences to analyze and make recommendations about the suitability of the food commodities currently used in the Title II programs. Possible additional studies requiring contract help on the issue of disincentives to domestic production, design of a system for monitoring other food donor policies and practices, and assistance in establishing Title II programming priorities.

Lastly, (5) periodic evaluations of Food for Peace programs are required. In-depth reviews and evaluations of P.L. 480 programs are needed to identify problem areas, facilitate future planning, improve management and increase the development impact of the complex, many-faceted Food for Peace program. A more vigorous A.I.D. role in the evaluation of Title I/III programs is required.

The second project in the Food for Peace Program Support budget is the worldwide Title II Outreach Project, which offers a flexible and effective way to better reach the neediest among Title II target populations. The primary purpose of the Outreach Project is to provide logistical and other related support to help P.L. 480 programs comply with the Congressional mandate that food aid should benefit the poorest population groups including those in less accessible regions of developing countries. Specifically, the project funds are used to provide small warehousing and vehicles and other non-food items such as scales for MCH clinics and tools for Food-for-Work. It can also provide educational materials and short-term training to ease integration of food aid with other related programs, and to help prepare the host country staff for a phase-over of responsibilities.

The grants under this project have been awarded only where no other suitable source of funding was available from A.I.D., the cooperating sponsor or the country itself. Since the approval of the Title II Outreach Project in 1978, almost twenty specific support grants have been awarded to voluntary agencies for support of Title II programs worldwide. There are Outreach programs in Mauritania, Upper Volta, Kenya, Rwanda, Togo, Burundi, Sierra Leone, Sudan, Benin, Zaire, Djibouti, Indonesia, Haiti and Nicaragua. An analysis of progress to date has shown that the voluntary agencies have increased or retargeted recipient levels in existing programs and reached new beneficiaries through the establishment or improvement of food distribution systems in previously underserved areas with poverty population groups. Provisions of Outreach funding has the greatest developmental impact when supplemented by other OPG or matching grant funding.

Program Ranking

Of the \$4.4 million requested at the minimum level, \$3.7 would be used to provide continuing support for Title II Outreach Project support grants to private voluntary agencies. Because the funding requirements of each individual Outreach grant vary widely depending on the size and scope of the related Title II program as well as the specific elements of the projected Outreach grant, it is not possible to precisely detail the funding level for each projected Outreach grant in FY 1983. However, experience to date has shown that approximately \$300-\$350,000

per country per year represents a funding level that meets essential Outreach grant needs for planning purposes. Therefore, at the minimum level, \$3.7 million would provide Outreach grant support for a combination of approximately ten to twelve new or ongoing Title II programs.

At the minimum level, under the Program Support and Management project, \$700,000 would be used to fund several different activities including P.L. 480 evaluations, support, training and other technical assistance and analytic activities. Based on funding required for evaluations already undertaken, it is projected that approximately five comprehensive P.L. 480 program evaluations (at an average cost of \$80,000 per evaluation) would be carried out at the minimum level. Illustratively, three Title II and two Title III in-depth evaluations would be planned at this level.

Approximately \$170,000 would be used for seminars and workshops. One food storage and handling seminar would be carried out. These field seminars have been effective in helping to reduce commodity losses and in improving program administration in P.L. 480 programs. Participants include Food for Peace Officers and project managers from USAID Missions, voluntary agency cooperating sponsor staff, PVO counterpart staff and host government officials involved in all aspects of food handling, transport and storage. These seminars have been particularly useful in that the technical information imparted has not only benefitted P.L. 480 program administration but has also been of significant benefit to the managers and staff of host government organizations responsible for the handling and storage of in-country food stocks. One regional field workshop or training seminar would also be carried out at which problems, solutions, new ideas as well as current P.L. 480 legislation and policy would be discussed with field personnel.

Approximately \$130,000 would also be available at the minimum level for limited technical assistance and/or analytical studies. Recent activities of this nature have included a comprehensive cost and nutritional benefit analysis and evaluation of Title II commodities by the National Academy of Sciences, a study and recommendations regarding the Title I budget allocation process, and technical assistance to a USAID/host government project in Latin America on operational problems associated with a Title II weaning food project.

The current level funding request represents an increment of \$600,000 and would permit a modest expansion of effort in each of the two P.L. 480 projects. Three additional program evaluations would be planned at the current level with the Program Support and Management project funding increase of \$250,000. The Outreach project funding at the current level would permit support for one additional major Outreach project with \$350,000 added. Total funding of both projects at the current level of \$5 million would be equivalent to planned commitments in FY 1982.

The proposed level of funding has an additional increment of \$1.5 million, \$1.0 million for P.L. 480 Title II Outreach and \$500,000 for the Program Support and Management Project. Funding at this level would strengthen and enhance the benefit to be derived from these projects in support of P.L. 480 programs and would provide the resources necessary to carry out special activities identified by the Administrator as being crucial to furthering the development impact of P.L. 480.

Areas which would be targeted for particular emphasis and attention through special studies and/or evaluation efforts would include: a) a comprehensive investigation of the question of Title I/III programs as a disincentive to increased local production; b) country allocation criteria for Title II programs, i.e., the middle-income country issue; c) Title II programming priorities. Current priorities reflect recommendations of a major study carried out a decade ago. It is necessary to thoroughly review this complex issue affecting scores of country programs, local governments, USAIDs, the voluntary agencies as well as the recipients of Title II food in light of present development and budgetary realities and constraints.

Funding at the proposed level would also permit Food for Peace to begin to provide necessary technical assistance and advice in the programming and planning of P.L. 480 to help achieve a more fully integrated development assistance portfolio at the USAID level. Special research could be undertaken to investigate alternative ways of implementing the Congressional mandate as it applies to food aid resources and programs, especially in combination with other forms of development assistance. In addition, the scope of evaluative efforts could be broadened to perform selected longitudinal studies and analyses.

Funding at the proposed level would also provide greater support of the Outreach project and would allow approximately three additional Title II country programs to receive Outreach support. Proposed level funding would also make available increased support for the "enrichment" phase of Outreach, aimed at increasing the developmental impact of these voluntary agency programs by supporting specific PVO Title II project costs as well as more usual Outreach logistic and operational costs. Funding at this level, to be most effective, would require additional support from one person to assist in programming, implementation, monitoring and evaluation of all activities undertaken through use of program support funds.

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
 FY 1981 to FY 1983
 (\$ thousands)

PDC/FFP

Country/Office _____

<u>APPROPRIATION ACCOUNT</u>	<u>FY 1981</u>	<u>FY 1982</u>	<u>FISCAL YEAR 1983</u>		
			<u>MINIMUM</u>	<u>CURRENT</u>	<u>AAPL</u>
Agriculture, Rural Development and Nutrition	<u>4,100</u>	<u>5,000</u>	<u>4,400</u>	<u>5,000</u>	<u>6,500</u>
904-0006 (G) (Title II Outreach)	<u>3,500</u>	<u>4,200</u>	<u>3,700</u>	<u>4,050</u>	<u>5,050</u>
938-0700 (g) (PL 480 Program Support and Management)	<u>600</u>	<u>800</u>	<u>700</u>	<u>950</u>	<u>1,450</u>

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TABLE IV PROJECT BUDGET DATA

Project	OBLIG DATE	LIFE OF PROJECT COST	CM PIPELINE AS OF 9/30/80	FY 1981		FY 1982		FY OBLIGATIONS					ITEM #				
				OBL	EXP	OBL	EXP	1983 APPL	1984	1985	1986	1987		FUTURE YEARS			
Project 1 Title II Outreach	78 83	9400 18,000	1029	3500	3246	4200	3800	5050									
Project 2 Pl 480 Program Support and Management	80 C	1324 C	115	600	366	800	600	1450	3000	3000	4000	4000	C				

Country/Office
PDC/FPF

ESTIMATED U.S. DOLLAR COST (1000)

TABLE V. FY 1983 PROPOSED PROGRAM RANKING

RANK	DECISION PACKAGE/PROGRAM ACTIVITY	DECISION PACKAGE DESCRIPTION	PROPOSED/NEW	COAN/SHANT	APPROP. ACCT.	Country/Office PDC/FEP		PROGRAM FUNDING (\$000)		WORKFORCE (Number of Workmonths)			
						INCR	CUM	INCR	CUM	USDI	CUM	FROI	CUM
1.	938-0700-PL 480 Program Support and Management	Decision Package Minimum New and Continuing Projects	0	G	F&N	700	700						
2.	904-0006-Title II Outreach Basic Workforce Total Minimum Package and Related Workforce	Decision Package Current	0	G	F&N	3,700	4,400	4,400		1*	1		
3.	938-0700-PL 480 Program Support and Management	Decision Package Proposed	0		F&N	250	4,650						
4.	904-0006 Title II Outreach Basic Workforce Total Current Package and Related Workforce	Decision Package Proposed	0		F&N	350	5,000	500		*	1*	see footnote.	
5.	904-0006 Title II Outreach	Decision Package Proposed	0	G	F&N	1,000	6,000						
6.	938-0700 PL 480 Program Support & Management Basic Workforce Total Proposed Package and Related Workforce	Decision Package Proposed	0	G	F&N	500	6,500	1,500		1	2		

*Footnote:

This overview related solely to the PL 480 Program Support Budget.