

# Annual Budget Submission

## FY 1984

OFFICE OF FOOD FOR PEACE

BUREAU FOR FOOD FOR PEACE AND VOLUNTARY ASSISTANCE



June 1982

Agency for International Development  
Washington, D.C. 20523

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ANNUAL BUDGET SUBMISSION

PROGRAM SUPPORT BUDGET

FY 1984

OFFICE OF FOOD FOR PEACE

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OFFICE OF FOOD FOR PEACE

FY 1984 PROGRAM SUPPORT BUDGET SUBMISSION

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## FY 1984 ANNUAL BUDGET SUBMISSION

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

Country/Office EVA/FFP

DEVELOPMENT ASSISTANCE	FY 1982	FY 1983	FY 1984 REQUEST	PLANNING PERIOD		
	EST	EST		1985	1986	1987
Agriculture, Rural Development and Nutrition Grants	4,000	4,000	4,100	4,500	4,500	4,500
	4,000	4,000	4,100	4,500	4,500	4,500

## Strategy Overview

The target group of the \$1.5 billion Food for Peace program is essentially the same as A.I.D.'s--the poor majority in the developing countries. Under the concessional sales program--Title I/III of P.L. 480 (now \$795.2 million)--at least 75 percent of the food aid must be allocated to countries whose GNP is at or below the IDA poverty criterion. Although under Title I programs the food itself may not go directly to the needy, the self-help measures which are part of every agreement and the use of sales proceeds emphasize policy objectives consistent with the FAA. The overall objective of Title III, which offers special incentives for additional development efforts, is to increase the well-being of the poor, particularly in the rural sector. The Title II donation program--(about \$650 million)-- is specifically directed to needy people, usually through direct feeding programs targeted to specific groups, particularly children.

The U.S. food aid program, however, can only begin to meet the food needs of the malnourished--currently estimated from 400 to 900 million people. It is therefore necessary to improve the quality and effectiveness of food aid programs in combination with A.I.D. and other external assistance to support efforts in developing countries to meet more of the needs of the poor majority in achieving self-reliance.

To lend assistance in this direction, there are two centrally funded projects managed by the Office of Food for Peace. These are the P.L. 480 Title II Outreach Project and the Program Support and Management Project. Both are continuing projects.

The poor majority target population of Title II programs is often the most difficult, the most costly and the least accessible segment of the population to reach. In many countries they are the rural poor located far from the major population centers. Prior to the availability of P.L. 480 Title II Outreach Project Grants, which began in FY 1978, the Title II programs in many of the least developed countries were limited by scarcity of funds to pay internal administrative, logistical and material support costs. This often led to restricting Title II programs to those areas in or near commodity entry points or ports of entry.

Voluntary agencies and recipient governments frequently lack the resources to meet full support costs necessary for expanded or retargeted Title II programs. Sharp increases in energy and other costs have stretched financial resources and, in fact, have threatened the continuation of well-designed, effective ongoing programs and restricted the scope of nutritional and rural developmental programs and the ability of these programs to serve the very populations which need them most. To meet these needs and enable Title II of P.L. 480 to be more responsive to its legislative mandate, A.I.D. funds under

Project Outreach are used in support of feeding programs as a catalyst to provide essential short-term logistical or small material support for Title II programs as needed on a world-wide basis, with emphasis on the poorest countries.

The extent to which the proposed programs support the achievement of specific country development objectives is a significant factor in considering grant approval. In addition, all grant requests must contain a phase-over plan indicating how and when the responsibilities conferred under Outreach will be handled following termination of grant funding. Grants normally range from 1 year to 3 years. The joint use of the Title II commodities and development assistance funds offers an excellent opportunity to broaden Title II feeding programs to more fully achieve the humanitarian and developmental goals of Title II. Support to date has been focused on programs in Africa and Latin American countries with Outreach projects approved to date for programs in the following countries: Benin, Burundi, Djibouti, Haiti, Indonesia, Kenya, Mauritania, Nicaragua, Rwanda, Sierra Leone, Sudan, Togo, Upper Volta, and Zaire.

The purpose of the Program Support and Management Project is to provide a limited amount of Development Assistance funding which can be used to help improve the effectiveness and impact of the \$1.5 billion P.L. 480 program. Food aid is a difficult resource to administer and requires a degree of specialized knowledge not always readily available. The Office of Food for Peace has used a variety of instruments through this project to improve the management, increase the effectiveness, and to solve operational problems of the food programs. One of the most successful has been sponsoring local and regional food storage seminars aimed at training host country, voluntary agency, World Food Program and A.I.D. participants in improved food handling and storage practices overseas. The seminars promote a reduction of food waste at all stages of storage and delivery in developing countries.

This project also provides funding for regional workshops conducted for personnel directly responsible for the programming and administration of P.L. 480 resources in the field. The workshops have focused on such matters as how to achieve fuller integration of food aid with other development resources, P.L. 480 legislation and its implications, project design, monitoring, reporting and evaluation and the use of food aid in support of host country development strategies.

In addition to these training workshops and seminars, technical advisory services are often needed during the course of a program year to solve problems, eliminate bottlenecks and enhance program design and management. Currently, an assessment of an innovative CRS oilseeds processing project associated with Title II Maternal/Child Health programs in four African countries is being considered. The current Commodity

Analysis Study being undertaken by the National Academy of Sciences was jointly funded by A.I.D. through funds in this project along with funds provided by USDA.

#### Significant Changes Over the Past Year

Major developments over the past year that have a direct impact on the utilization of this program support budget are:

1. The increased emphasis on integration of P.L. 480 Title II programs with other development assistance activities reflected in the Draft Guidance to the field on Title II programs;
2. The removal of the evaluation component previously funded under the Program Support and Management Project effective FY 83 (evaluations will be separately funded by FVA); and
3. The scheduled evaluation of the Title II Outreach project to be undertaken before the end of FY 82 which will help determine the specific future directions this project will take.

#### Program Ranking Narrative

The levels used in the program ranking in Table V begin with a continuation of program support at levels close to those currently required for all activities exclusive of evaluations. With judicious planning and careful management, funding at \$350,000 for Program Support and Management and \$3,450,000 for Title II Outreach would allow the support for approximately 12 grants; and it would allow continuation of other support activities and technical assistance at the minimum levels required to support and improve the design and implementation of all Titles of P.L. 480.

Even at the FY 84 requested AAPL funding levels for both projects, the Office of Food for Peace is not requesting substantial increases. These amounts of additional funding would be sufficient to cover one additional Outreach grant and further investigation into creative means of integrating food aid and other development assistance. Funding at this level (\$4,100,000) would still require extremely careful programming, implementation and management under the current staffing restrictions. The ability to effectively manage these projects at existing staff levels has been given careful consideration during this ABS exercise and has had a direct bearing on the levels proposed.

FY 1984 ANNUAL BUDGET SUBMISSION

PROJECT		ESTIMATED U.S. DOLLAR COST (\$000)												FUTURE YEAR		
		OBLIGATION DATE		LIFE OF PROJECT COST AUTH PLAN	CUM PIPELINE AS OF 9/30/81	FY 1982		FY 1983		FY 1984		FY OBLIGATIONS				
		INITIAL	FINAL			ORI.	EXP.	ORI.	EXP.	1984 ADPT.	FUNDED TO MO/YR	1985	1986		1987	
NUMBER	TITLE	GD	INITIAL	FINAL	AUTH PLAN		ORI.	EXP.	ORI.	EXP.	1984 ADPT.	FUNDED TO MO/YR	1985	1986	1987	FUTURE YEAR
904-0006	PL 480 Title II Outreach	G	78	C	1900 C		3,500		3,700		3,700	C	4,000	4,000	4,000	C
938-0700	PL 480 Program Support and management	G	80	C	132 C		500	450	300	400	400	C	500	500	500	C

Country/Office

EVA/EEP

TABLE IV PROJECT BUDGET DATA

TABLE V - FY 1984 PROPOSED PROGRAM RANKING

RANK	PROGRAM ACTIVITY		ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	Country/Office	
	DESCRIPTION	PROGRAM FUNDING (\$000)					
		INCR				CUM	
1.	938-0700 P.L. 480 Program Support and Management	0	G	F&N	350	350	
2.	904-0006 Title II Outreach	0	G	F&N	3,450	3,800	
3.	938-0700 P.L. 480 Program Support and Management	0	G	F&N	50	3,850	
4.	904-0006 Title II Outreach	0	G	F&N	250	4,100	