

PD-ABA-201

64135

AUDIT OF
CRS' P.L. 480 TITLE II
PROGRAM IN THE PHILIPPINES

Audit Report No. 2-492-90-01
November 6, 1989

UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT
REGIONAL INSPECTOR GENERAL/AUDIT
MANILA

UNITED STATES POSTAL ADDRESS
US/ID/RIG/A/M
APO SAN FRANCISCO 96528

INTERNATIONAL POSTAL ADDRESS
c/o AMERICAN EMBASSY
MANILA, PHILIPPINES

DATE: November 6, 1989

MÉ MORANDUM

TO: Malcolm Butler
Director, USAID/Philippines

FROM: *William C. Montoney*
William C. Montoney
Regional Inspector General, RIG/A/M

SUBJECT: Audit of CRS' P.L. 480 Title II
Program in the Philippines
Audit Report No. 2-492-90-01

The Office of the Regional Inspector General for Audit/Manila has completed the audit of CRS' P.L. 480 Title II Program in the Philippines. Five copies of the report are provided for your action.

The draft report was submitted to you for comment and your comments are attached to the report. The report contains five recommendations. Recommendations No. 2b, 4a and 4b are unresolved. Recommendations No. 1, 2a, 3 and 4c are resolved and Recommendation No. 5 is closed on issuance of the report. Please advise me within 30 days on the status of plans to address the unresolved recommendations and of actions in process to close the resolved recommendations.

I appreciate the cooperation and courtesy extended to my staff during the audit.

EXECUTIVE SUMMARY

Since 1957, Catholic Relief Services (CRS) has administered P.L. 480 Title II programs in the Philippines. These included the Targeted Maternal Child Health program and the Day-Care Service project. The purpose of the Targeted Maternal Child Health program was to promote better nutrition among infants, severely and moderately malnourished preschoolers, and pregnant and nursing mothers through nutrition education and supplementary feeding. The Day-Care Service project was a child welfare service that provided "substitute mothering" and wet feeding services for pre-school children four to six years old. From fiscal years 1984 through 1988, approximately 161,000 metric tons of commodities, worth about \$55.6 million, were provided to 4.3 million beneficiaries.

The Regional Inspector General for Audit/Manila made a performance audit to determine the extent that the program was in compliance with A.I.D. rules and regulations. The audit found that CRS had generally complied with A.I.D. rules and regulations. However, CRS needed to improve and strengthen its beneficiary targeting, distribution center storage, operational planning and recordkeeping, program publicity, and review of charges for incidental expenses for maritime commodity losses.

A.I.D. policy required P.L. 480 Title II commodities to be provided to the neediest individuals in recipient countries. Although a 1983 Regional Inspector General for Audit, Manila report, entitled Audit Report on P.L. 480 Title II Program in the Philippines, recommended that beneficiary targeting be improved, CRS had not reached its beneficiary target levels. In most areas visited during the audit, the target level was not being reached because of drop-outs, absences or the lack of beneficiaries and because commodities were being distributed to persons outside the target group. This occurred because CRS did not have an adequate system for reporting on beneficiary levels at the distribution centers. As a consequence, commodities were provided to unauthorized beneficiaries. CRS needed to develop an information system for updating beneficiary target levels at distribution centers and for adjusting P.L. 480 Title II commodity allocations. The Mission agreed that there was room for improvement.

A.I.D. policy prohibited delivery of P.L. 480 Title II commodities to recipient countries unless adequate storage facilities were available. Although adequate storage

facilities existed at major distribution points, many local distribution centers did not have adequate storage facilities for the commodities. This occurred because cooperating agencies did not comply with the requirements for storage facilities or lacked financial resources for their upgrade. As a result, some commodities were lost because of insect or rodent infestation and spoilage. CRS needed to instruct program implementors on the basic requirements for storing commodities at distribution centers and to develop a plan for upgrading storage facilities. The Mission was of the opinion that improved warehouse practices were needed but that a plan for upgrading storage facilities was not needed.

A.I.D. regulations required publicity to the extent practicable to ensure that recipients knew that the commodities were donated by the people of the United States. CRS had not provided suitable publicity during distribution; therefore, recipients were not aware of the source of the commodities. Recipients interviewed during the audit believed the commodities had been provided by CRS or the Government of the Philippines. CRS needed to design and implement a publicity program advising commodity recipients that the food provided was donated by the people of the United States. The Mission agrees that CRS and its program implementors could do a better job getting due credit for the American people for the assistance provided.

A.I.D. regulations required that P.L. 480 Title II operations plans contain program purposes, goals, and criteria for measuring program effectiveness. The regulations further suggested the use of logical frameworks in program designs and required that adequate records be maintained to measure program results. The CRS operations plan approved by the USAID lacked defined program objectives, benchmark indicators and a logical framework to effectively measure program results. Also, recordkeeping at the implementation level was incomplete. This occurred because USAID/Philippines did not thoroughly review the CRS plan and did not strictly enforce A.I.D. requirements. As a result, program impact could not be accurately measured. CRS needed to submit an operations plan with defined program objectives, benchmark indicators and a logical framework and train its program implementors at the distribution center level in recordkeeping and monitoring procedures. Also, the Mission needed to establish review procedures that would ensure compliance with A.I.D. Handbook requirements on the content of operations plans. The Mission agreed that training for the CRS program implementors was needed.

However, it believes that the new multiyear CRS operations plan met A.I.D. requirements and was renewed and approved using procedures designed to ensure compliance with A.I.D. regulations.

A.I.D. regulations allowed the deduction of expenses incidental to the handling and sale of unfit P.L. 480 Title II commodities. CRS was deducting fees of the freight forwarder from the sales proceeds of unfit commodities, based on a rate stated in its contract with a Government of the Philippines agency. The stated rate was 80 percent of the integrated delivery rate. Although a 1983 Regional Inspector General for Audit, Manila report, entitled Audit Report on P.L. 480 Title II Program in the Philippines, questioned the use of this rate, neither CRS nor the Mission had yet determined if the 80 percent factor was reasonable. Consequently, CRS has continued to deduct 80 percent of the integrated rate from the sales proceeds as expenses for storage. As a result, from October 1987 through April 1989, \$6,000 was deducted from the sales proceeds of unfit commodities. CRS needed either to determine and justify a reasonable percentage to be applied to the integrated rate for determining the incidental expenses applicable to the sale of unfit commodities, or deduct only actual costs. The Mission has obtained a justification for the rate deducted by the freight forwarder.

Office of the Inspector General

AUDIT OF
CRS' P.L. 480 TITLE II PROGRAM
IN THE PHILIPPINES

TABLE OF CONTENTS

	<u>Page</u>
PART I - INTRODUCTION	1
A. Background	1
B. Audit Objective and Scope	1
PART II - RESULTS OF AUDIT	3
A. Findings and Recommendations	4
1. Beneficiary Targeting Needed Improvement	4
2. Storage Facilities Needed To Be Improved	7
3. Program Publicity Was Needed	12
4. Improvements Were Needed in Operations Plans and Program Recordkeeping	14
5. Costs of Handling and Storing Unfit Commodities Needed To Be Justified	18
B. Compliance and Internal Controls	20
C. Other Pertinent Matters	21
PART III - EXHIBIT AND APPENDICES	
A. Exhibit	
B. Appendices	
1. Management Comments	
2. List of Recommendations	
3. Report Distribution	

AUDIT OF
CRS' P.L. 480 TITLE II PROGRAM
IN THE PHILIPPINES

PART I - INTRODUCTION

A. Background

Since 1957, Catholic Relief Services (CRS) has administered P.L. 480 Title II programs in the Philippines. CRS programs included the Targeted Maternal Child Health program (TMCHP) and the Day-Care Service project (DCSP). TMCHP's objective was to promote better nutrition among infants, severely and moderately malnourished preschoolers, and pregnant and nursing mothers through nutrition education and supplementary feeding. The program was implemented through 59 church dioceses in the Philippines. For fiscal year 1988, TMCHP was to provide eight pounds of dry supplementary food ration monthly to each of the 600,000 targeted beneficiaries. DCSP was a child welfare service that provided "substitute mothering" and wet feeding services for pre-school children four to six years old. The program was implemented by the Government of the Philippines Department of Social Welfare and Development. For fiscal year 1988, four pounds of P.L. 480 Title II commodities were allocated on a monthly basis for each of 450,000 intended beneficiaries.

The CRS program has grown modestly during the five-year period from fiscal year 1984 through 1988. In 1984, CRS had a beneficiary level of about 800,000 persons and by 1988 there were about 1 million beneficiaries. During the five-year period, about 4.3 million beneficiaries were served. About 161,000 metric tons of food, worth about \$55.6 million, was provided over the five-year period. For fiscal year 1988, the program received about 28,000 metric tons of food, worth about \$10.2 million (landed cost).

B. Audit Objective and Scope

The Regional Inspector General for Audit/Manila made a performance audit of the P.L. 480 Title II Program in the Philippines. The audit objective was to determine the extent to which the program was in compliance with A.I.D. rules and regulations.

The audit included reviews of program files and financial records maintained at USAID/Philippines and CRS offices. Interviews and discussions were held with USAID/Philippines

and CRS program officials. Visits were made to the provinces of Cebu and Romblon which had large and small beneficiary levels, respectively. Reviews of commodity and beneficiary nutritional records, discussions with Government of the Philippines and CRS field officials, and interviews with program beneficiaries were conducted during these visits. Internal control examinations included the receipt and distribution of commodities, identification and remittance of inland claims, accountability over local currency proceeds, and commodity reporting.

The audit covered a five-year period from fiscal year 1984 through 1988. Approximately 161,000 metric tons of commodities, worth \$55.6 million (landed cost), were provided to the Philippines during the period under review. About 28,000 metric tons, worth about \$10.2 million, of fiscal year 1988 commodities were reviewed during the audit. The audit did not include a review of inland claims as this was the subject of a non-federal audit, which was conducted at the same time.

Regional Inspector General for Audit, Manila report No. 2-492-89-09-N, dated June 2, 1989 and entitled Audit of Effectiveness of Catholic Relief Services Inland Claims Pursuance Procedures Under P.L. 480 Title II Feeding Programs, Philippines, found that program and performance responsibilities could not be determined because there was no written agreement between CRS and the Philippine Department of Social Welfare and Development for the implementation of the P.L. 480 Title II Feeding Program. This audit identified several internal control weaknesses.

The audit followed-up on the implementation of audit recommendations in Regional Inspector General for Audit, Manila report No. 2-492-83-08, dated July 29, 1983 and entitled Audit Report on P.L. 480 Title II Program in the Philippines. Except as noted in this report, USAID/Philippines has implemented the recommendations in that report.

The audit was performed during the period February to April 1989 and was made in accordance with generally accepted government auditing standards.

AUDIT OF
CRS' P.L. 480 TITLE II PROGRAM
IN THE PHILIPPINES

PART II - RESULTS OF AUDIT

The P.L. 480 Title II program administered by Catholic Relief Services (CRS) generally complied with A.I.D. rules and regulations. However, CRS needed to improve and strengthen its beneficiary targeting, distribution center storage, operational planning and recordkeeping, program publicity, and review of charges for incidental expenses for maritime commodity losses.

CRS had an adequate commodity call forward system, a delivery order system to direct commodities to distribution centers, and a system to identify inland claims. CRS, through the Philippine Government cooperating agencies, had adopted a beneficiary identification system for beneficiary areas. Internal controls and accounting records needed improvement but, overall, were adequate.

The audit found that the target level in some areas was not being reached and in other areas commodities were being distributed to persons outside the target group. Program objectives and benchmark indicators to measure achievement of program purposes were not defined in the operations plan, record keeping at the implementor level was incomplete, program publicity had not been adequate, and storage facilities were not adequate at the distribution centers. This report recommends that procedures to update beneficiary target levels be developed, that program objectives be better defined and that benchmark indicators for program evaluation be established. Also, storage facilities and program publicity at the distribution center level needed to be improved.

A. Findings and Recommendations

1. Beneficiary Targeting Needed Improvement

A.I.D. policy required P.L. 480 Title II commodities to be provided to the neediest individuals in recipient countries. Although a 1983 Regional Inspector General for Audit, Manila report, entitled Audit Report on P.L. 480 Title II Program in the Philippines, recommended that beneficiary targeting be improved, CRS had not reached its beneficiary target levels. In most areas visited during the audit, the target level was not being reached because of drop-outs, absences or the lack of beneficiaries and because commodities were being distributed to persons outside the target group. This occurred because CRS did not have an adequate system for reporting on beneficiary levels at the distribution centers. As a consequence, commodities were provided to unauthorized beneficiaries.

Recommendation No. 1

We recommend that USAID/Philippines requires Catholic Relief Services to develop an information system for updating beneficiary target levels at distribution centers and for adjusting P.L. 480 Title II commodity allocations based on the updated targets.

Discussion

Targeting of food assistance was a method for assuring that A.I.D. assists the neediest of the needy in order that the P.L. 480 Title II Program has the greatest impact on malnutrition. A.I.D. Regulation 11, Section 211.5 (e) required voluntary agencies to determine the eligibility of recipients to receive the commodities. Beneficiaries of CRS programs were targeted by the dioceses for the Targeted Maternal Child Health program (TMCHP) and by the Department of Social Welfare and Development for the Day-Care Service project (DCSP).

Regional Inspector General for Audit, Manila report No. 2-492-83-08, dated July 29, 1983 and entitled Audit Report on P.L. 480 Title II Program in the Philippines, pointed out that commodities were being distributed to persons outside the target group and that distributions were not being adjusted after target levels were updated. The report recommended that the targeting of beneficiaries be improved; however, the problem still exists in the CRS programs. Also, some distribution centers were not meeting their

beneficiary target levels. This occurred because CRS neither updated beneficiary target levels at distribution centers nor adjusted commodity allocations. As a result, 710 bags of P.L. 480 Title II commodities, worth about \$6,000, were provided to unauthorized beneficiaries at the locations visited during the audit.

CRS officials said that they had taken steps to solve the targeting problem. For instance, in August 1988, CRS required distribution centers to submit monthly stock and distribution reports. However, there was minimal compliance with this requirement. Distribution centers in Cebu province complied with the requirement by submitting the form without showing the actual number of beneficiaries served and reported consumption as almost constant even though beneficiary levels fluctuated. Distribution centers in Romblon province did not comply. CRS officials were hopeful that a new program implementation manual would be able to solve the targeting problem. A USAID/Philippines official agreed that CRS had taken steps to solve the targeting problem; however, he believed that the monthly submission of reports was cumbersome.

Targeted Maternal Child Health Program - At Ocana village in Carcar, Cebu, the actual number of beneficiaries served was 450 versus the target level of 750. The parish nutrition aide said drop-outs and absences occurred during the year for various reasons. However, despite these drop-outs and absences, the 1,426 bags of commodities allocated were reported to have been distributed. From the total shipments received in 1988 289 bags of non fat dry milk (NFDM) and 273 bags of corn soya milk (CSM) should have been excess to the villages needs.

At Oslob, Cebu, 831 beneficiaries of the 900 targeted were served. Despite lower actual beneficiary levels, the 1,709 bags of commodities allocated were reportedly consumed. There should have been excess commodities from 1988 deliveries totaling 66 bags of NFDM and 47 bags of CSM.

Excess commodities were calculated based on the actual beneficiaries and the ration rate per month. However, parish nutrition workers in the above areas said that there had been no excess commodities from the 1988 deliveries. They insisted that all commodities had been distributed to beneficiaries. It could not be determined whether these commodities were distributed to the intended beneficiaries because of inadequate commodity and nutritional records.

Day-Care Service Project - At Carcar, Cebu, 1,309 beneficiaries were targeted but records showed that only 1,190 beneficiaries were reached. Nutrition workers attributed this to a lack of qualified beneficiaries in the area. This problem was compounded by dropouts and absences for long periods that occurred during the year. At Cebu City, the 2,908 beneficiary target level was not consistently met during the year. The reported beneficiaries reached ranged from a low of 2,117 to a high of 2,841. For the last six months of fiscal year 1988, the target level was not reached. The city nutritionist said that she found it difficult to identify enough beneficiaries to meet the target level.

Since the distribution centers failed to reach the target levels without a corresponding decrease in commodity allocations, there should have been excess commodities at these distribution centers. At Carcar, Cebu there should have been 35 bags of excess commodities. However, nutrition workers insisted that there had been no excess commodities in their areas.

Exhibit 1 presents the status of beneficiaries and commodities for TMCHP and DCSP in Cebu and Romblon provinces.

Management Comments

USAID/Philippines believes that there is room for improvement, particularly in beneficiary level verification, and stated that CRS will develop a system to achieve these improvements.

Office of the Inspector General Comments

The USAID's agreement with the recommendation and plan for CRS to develop an appropriate beneficiary verification system is responsive to Recommendation No. 1, which is considered resolved on issuance of the report. The recommendation can be closed once the system has been developed and successfully tested.

2. Storage Facilities Needed To Be Improved

A.I.D. policy prohibited delivery of P.L. 480 Title II commodities to recipient countries unless adequate storage facilities were available. Although adequate storage facilities existed at major distribution points, many local distribution centers did not have adequate storage facilities for the commodities. This occurred because cooperating agencies did not comply with the requirements for storage facilities or lacked financial resources for their upgrade. As a result, some commodities were lost because of insect or rodent infestation and spoilage.

Recommendation No. 2

We recommend that USAID/Philippines requires Catholic Relief Services

- a. to instruct program implementors on the basic requirements for storing P.L. 480 Title II commodities at distribution centers and
- b. to develop a plan for upgrading storage facilities.

Discussion

A.I.D. Regulation 11, Section 211.7(c) required voluntary agencies to provide storage adequate for preventing the spoilage or loss of commodities. Further, voluntary agencies were required to state in their operations plans that adequate storage facilities existed at the ports, centralized locations and outlying areas. The fiscal year 1988 CRS operations plan update stated that ultimate distribution centers generally have sturdy brick or cement warehouses adequate for their quarterly allocations.

Although the forwarder, National Trucking and Forwarding Corporation had an adequate storage facility at a major distribution point (Cebu), the audit found that storage facilities were inadequate at the distribution centers. Parishes implementing TMCHP did not have adequate storage facilities. For instance, at Ocana village in Carcar, Cebu the parishes stored the commodities behind the church sacristy, which also served as storage for kerosene and paint.



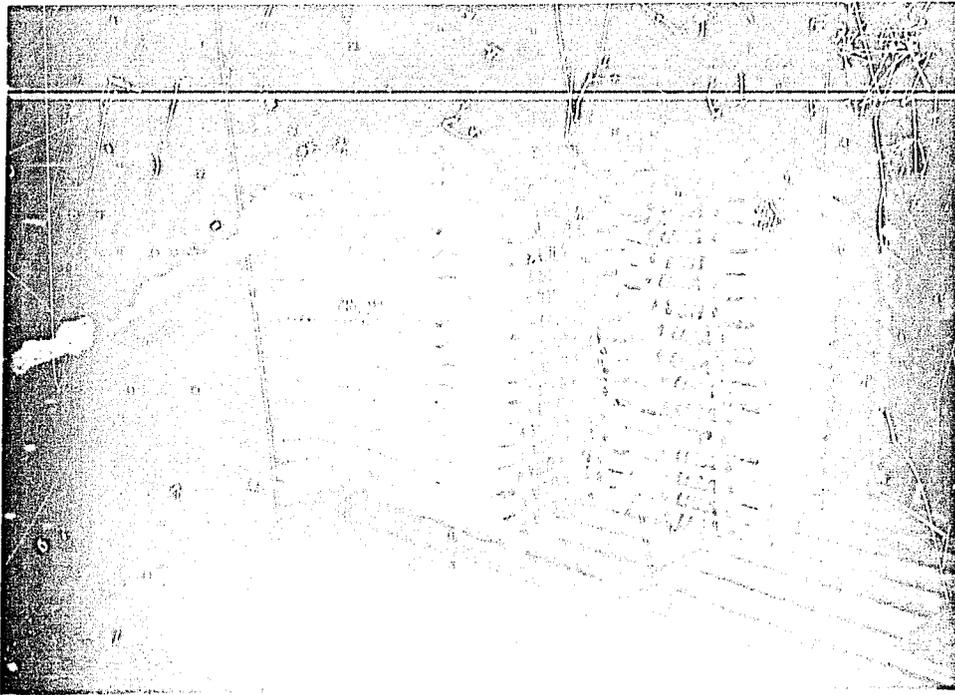
Storage at Carcar, Cebu

As a result, evidence of roaches, rodents and ants was abundant. At the time of the audit, six of the 35 bags in the storage area had rodent holes. Parish nutrition workers said the area had not been fumigated. They also said that adequate storage facilities were not necessary because the commodities were immediately distributed to recipients. The Oslob, Cebu and Odiongan, Romblon parishes utilized rooms of the church rectory as storage for P.L. 480 Title II commodities. The rooms had not been cleaned and evidence of roaches, rodents and ants was abundant.



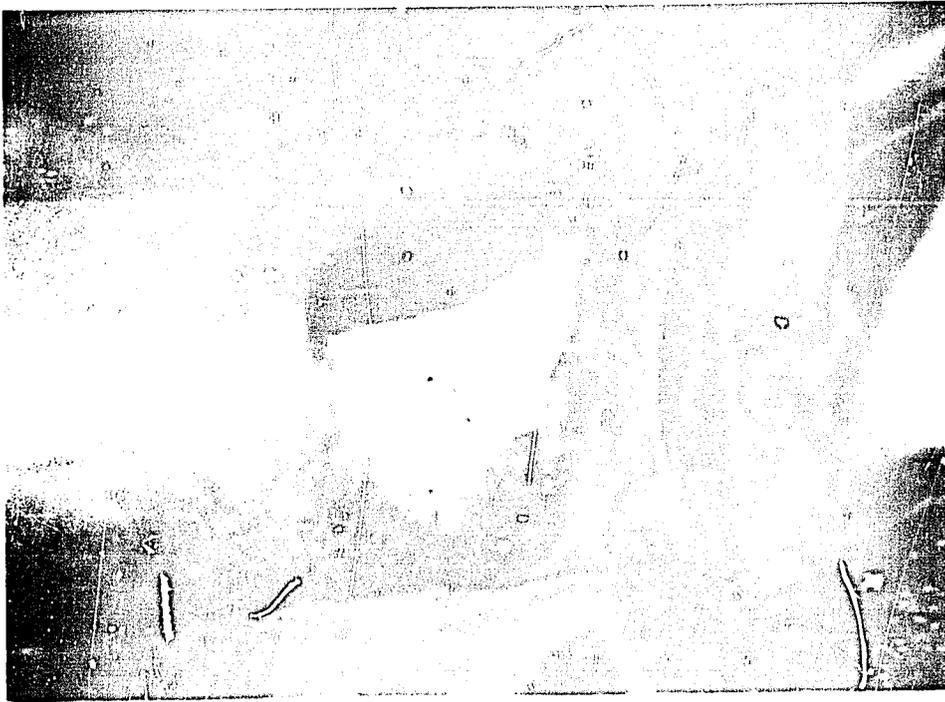
Storage at parish church in Oslob, Cebu

The Department of Social Welfare and Development's Cebu City Office leased a portion of a government warehouse to store P.L. 480 Title II commodities. The warehouse, however, was not adequate because it was dirty, P.L. 480 commodities were stored with commodities of other lessees, and the commodities were stacked beside the warehouse urinal.



Department of Social Welfare and Development
Cebu City commodities in a government warehouse

Eight of the 330 bags of corn soy blend had bore holes and appeared to be infested with weevils and roaches.



Evidence of rodents in bags

This happened because cooperating agencies did not follow requirements for storage facilities and lacked financial resources for the upgrade of storage facilities. As a result, commodities were lost due to infestation or spoilage.

Management Comments

USAID/Philippines was of the opinion that improved warehouse practices were needed and advised that CRS was instructing field implementors on the use of their new program operations manual which includes guidelines on proper storage. The USAID was also of the opinion that the magnitude of losses due to substandard storage facilities does not warrant the upgrading of storage at this time.

Office of the Inspector General Comments

The USAID agreement to improve warehouse practices is responsive to the first part of the recommendation; therefore, Recommendation 2a is resolved on issuance of the report and can be closed when the instruction of the field implementors on the revised guidelines is completed. Regarding the need for a storage upgrade plan, the USAID does not dispute that substandard storage facilities exist or that rodent infestation is a problem. Therefore, we have retained Recommendation 2b, which remains open.

3. Program Publicity Was Needed

A.I.D. regulations required publicity to the extent practicable to ensure that recipients knew that the commodities were donated by the people of the United States. CRS had not provided suitable publicity during distribution; therefore, recipients were not aware of the source of the commodities. Recipients interviewed during the audit believed the commodities had been provided by CRS or the Government of the Philippines.

Recommendation No. 3

We recommend that USAID/Philippines requires Catholic Relief Services to design and implement a publicity program advising recipients of P.L. 480 Title II commodities that the food provided was donated by the people of the United States.

Discussion

A.I.D. Regulation 11 Section 211.5(g) required that public recognition be given in the press, radio and other media that P.L. 480 Title II commodities were furnished by the people of the United States. It further required the display of banners, posters or similar media at distribution centers. The CRS operations plan stated that the role of the donor agency would be explained to the participants.

CRS did not provide adequate publicity regarding the source of the commodities. Audit visits to the various distribution centers in Cebu and Romblon provinces disclosed no banners or posters at the distribution centers and recipients were not aware that the commodities were furnished by the people of the United States. Recipients interviewed believed that the commodities came from the parish, CRS or the Government of the Philippines. CRS officials agreed that program publicity had not been emphasized and stated that guidance from USAID/Philippines would be sought. USAID officials agreed to work out a practicable solution with CRS.

Management Comments

USAID/Philippines believes that CRS and its program implementors could do a better job getting due credit for the American people for the assistance provided and advised that CRS has agreed to provide publicity concerning the role of the donor.

Office of the Inspector General Comments

The USAID position and agreement by CRS are responsive to Recommendation No. 3, which is resolved on issuance of the report. This recommendation can be closed once CRS has demonstrated an improved program for ensuring that recipients of P.L. 480 Title II Commodities are advised that the food was donated by the people of the United States.

4. Improvements Were Needed in Operations Plans and Program Recordkeeping

A.I.D. regulations required that P.L. 480 Title II operations plans contain program purposes, goals, and criteria for measuring program effectiveness. The regulations further suggested the use of logical frameworks in program designs and required that adequate records be maintained to measure program results. The CRS operations plan approved by the USAID lacked defined program objectives, benchmark indicators and a logical framework to effectively measure program results. Also, recordkeeping at the implementation level was incomplete. This occurred because USAID/Philippines did not thoroughly review the CRS plan and did not strictly enforce A.I.D. requirements. As a result, program impact could not be accurately measured.

Recommendation No. 4

We recommend that USAID/Philippines:

- a. requires Catholic Relief Services to submit a P.L. 480 Title II operations plan with defined program objectives, benchmark indicators and a logical framework;
- b. establishes review procedures that would ensure compliance with A.I.D. Handbook requirements on the content of the operations plan; and
- c. requires Catholic Relief Services to develop a training plan covering program recordkeeping and monitoring by program implementors at the distribution center level.

Discussion

A.I.D. Handbook 9 (Food for Peace), Chapter 6 (Title II Program Development) required submission of an operations plan for P.L. 480 Title II programs annually or at an agreed to multi-year interval. A.I.D. Regulation 11, Section 211.5(a) required cooperating sponsors to submit an operations plan that described program goals, purposes, and criteria for measuring program effectiveness. Exhibit D, A.I.D. Handbook 9 outlined the information that operations plans were supposed to contain. The outline required operations plans to identify the problem, planned solutions to the problem, the program category, objectives, benchmark indicators of success, program scope, financing, procedures,

and so on. The outline also suggested the use of a Logical Framework Matrix for each program category.

From fiscal years 1984 through 1988, CRS submitted to USAID/Philippines annual operations plans that described its proposed programs. CRS' operations plans partly complied with A.I.D. Handbook 9 requirements. For instance, program objectives were mentioned in the plans; however, these objectives were not measurable and benchmark indicators for measuring achievement of the program purposes were not in the plans. To illustrate, the fiscal years 1987-1990 CRS Food and Nutrition program plan indicated, in part, these objectives: prevent nutritional declines among 0-60 month old children whose weight is below 75 percent of recommended standards and attempt to elevate the nutritional status of severely and moderately malnourished children to the recommended standards in a 12-month period. This objective did not show the degree of the problem within the target population, where the problem existed or how improvement would be measured.

Benchmark indicators to measure achievement of program objectives and a logical framework were not in the plans. The fiscal year 1988 operations plan update did not enumerate the objectives of TMCHP or DCSP nor were benchmark indicators included in the plan. The fiscal year 1989 operations plan was more complete. The plan indicated four goals for TMCHP and a goal for DCSP, but objectives for both programs were still unmeasurable. For instance, the plan mentioned the following objective: Provide food and other resources required by the 59 Dioceses participating in TMCHP. An appropriate objective of TMCHP would have been as follows: To reduce the number of severely and moderately underweight preschoolers participating in the program. The corresponding benchmark indicator would be: Twenty five percent of the program targeted beneficiaries have improved their nutritional status during the year. This or similar information could have been included in the plan to effectively measure the achievement of program objectives.

CRS personnel said that each plan was an update of the previous year's plan. As a result, the absence of program objectives, clear benchmark indicators and a logical framework in the plan had been carried through the years. This happened because USAID/Philippines did not conduct a thorough review of the plans and had not strictly enforced A.I.D. requirements. The fiscal year 1989 operations plan acknowledged that program objectives had remained vague and stated that this issue should be resolved during the year.

The Mission Food for Peace Officer said that CRS' operations plans had been weak but that CRS and the USAID had agreed to improve the multi-year (fiscal years 1990-1992) operations plan. A copy of the suggested format for the operations plan had been provided to CRS by the USAID.

The absence of program objectives, benchmark indicators and a logical framework in operations plans would complicate the conduct of any impact evaluation. Also, records at distribution centers needed to measure program impact had not been maintained. A.I.D. Regulation 11, Sec. 211.10(a) required commodity, recipient and financial records to be maintained. The CRS operations plan required stock cards, commodity distribution ledgers and recipient nutritional records to be maintained at distribution centers. The nutritional records were necessary to record weight gain and nutritional category changes of beneficiaries and were needed for verifying the benchmark indicators of program success. However, visits to these locations revealed that most distribution centers did not maintain these records.

For instance, nutritional records for the day-care center in Carcar, Cebu were incomplete for its 1,190 beneficiaries. The center had recorded weights for 773 (65 percent) beneficiaries on a quarterly basis but had no records for the remaining 417 beneficiaries. In Odiongan, Romblon, the parish nutrition aide was not able to provide commodity distribution and nutritional records for about 1,600 beneficiaries because the records were far from town and not easily recoverable. The beneficiary nutritional records of the day-care center in Odiongan, Romblon did not contain weight gain or nutritional changes of individual beneficiaries. Also, the day-care center in Cebu City did not have nutritional records for its 2,908 beneficiaries. The city nutrition worker said that beneficiary nutrition records were maintained at the day-care subcenters. However, a visit to a subcenter with 49 reported beneficiaries showed that nutritional records were incomplete. Only 25 of the 49 beneficiaries were listed on the available records. Therefore, the progress of some beneficiaries could not be measured.

Overall, TMCHP in Cebu province had better commodity and nutritional records than DCSP. The CRS field representative for Cebu province said that CRS had no problem monitoring and enforcing TMCHP requirements with parishes. However, he did not have the same relationship with the Department of Social Welfare and Development for DCSP because the Department had its own program monitoring procedures. A CRS

official admitted that CRS monitoring of DCSP had been limited but that CRS was working with the Department of Social Welfare and Development to improve program monitoring.

Management Comments

USAID/Philippines advised that a comprehensive plan for the fiscal year 1990-1992 period was prepared in accordance with A.I.D. guidelines and approved. Also, it advised that this plan was submitted, reviewed and approved under an established USAID procedure for the review of P.L. 480 Title II operational plans. Accordingly, the USAID requested that parts a and b of the recommendation be closed. The USAID agreed with the intent of part c of the recommendation and noted that CRS was implementing a training program designed to upgrade the skills of the program implementors in those areas identified in the audit report.

Office of the Inspector General Comments

The USAID agreement and CRS actions are responsive to Recommendation No. 4c; therefore, this part is resolved on issuance of the report and can be closed once the training referred to is completed. Regarding Parts a and b of the recommendation, the USAID identified the new multiyear plan as evidence that an operations plan with defined program objectives, benchmark indicators and a logical framework had been developed and approved under procedures designed to ensure compliance with A.I.D. regulations. The plan referred to shows satisfactory evidence for this process for TMCHP but not for DCSP. For DCSP it states that goals and objectives will be set at a later date and does not mention the need for benchmark indicators or a logical framework. Since this was part of the plan approved under existing review procedures, we believe these procedures need to be assessed to determine their adequacy. Recommendations No. 4a and 4b remain open.

5. Costs of Handling and Storing Unfit Commodities
Needed To Be Justified

A.I.D. regulations allowed the deduction of expenses incidental to the handling and sale of unfit P.L. 480 Title II commodities. CRS was deducting fees of the freight forwarder from the sales proceeds of unfit commodities, based on a rate stated in its contract with a Government of the Philippines agency. The stated rate was 80 percent of the integrated delivery rate. Although a 1983 Regional Inspector General for Audit, Manila report, entitled Audit Report on P.L. 480 Title II Program in the Philippines, questioned the use of this rate, neither CRS nor the Mission had yet determined if the 80 percent factor was reasonable. Consequently, CRS has continued to deduct 80 percent of the integrated rate from the sales proceeds as expenses for storage. As a result, from October 1987 through April 1989, \$6,000 was deducted from the sales proceeds of unfit commodities.

Recommendation No. 5

We recommend that USAID/Philippines requires Catholic Relief Services either to determine and justify a reasonable percentage to be applied to the integrated rate for determining the incidental expenses applicable to the handling and sale of unfit commodities, or allow only actual costs.

Discussion

A.I.D. Regulation 11 allows the deduction of expenses incidental to the handling and sale of unfit P.L. 480 Title II commodities from the sales proceeds. Inland transportation, handling, delivery and storage of commodities was the responsibility of the Philippine Department of Social Welfare and Development. The contract between the Department and the freight forwarder, National Trucking and Forwarding Corporation, provided that 80 percent of the integrated delivery rate per pound be the allowed fee for storage and sale of unfit commodities.

CRS was deducting the fee from the sales proceeds of unfit commodities. A 1979 Memorandum of Understanding between USAID/Philippines and CRS was the basis for the deduction. Regional Inspector General for Audit, Manila report No. 2-492-83-08, dated July 29, 1983 and entitled Audit Report on P.L. 480 Title II Program in the Philippines, questioned this process and recommended recovery of these funds from

CRS. However, the A.I.D. General Counsel determined in 1984 that there was no basis for collecting these charges from CRS. Further, the General Counsel ruled that A.I.D. Regulation 11 authorized voluntary agencies to deduct these costs from the sales proceeds.

CRS continued to deduct 80 percent of the delivery rate for marine loss storage fees as allowed for in the freight forwarder contract. From October 1987 through April 1989, \$6,000 was deducted from the sales proceeds of unfit commodities. USAID and CRS officials, however, did not know how the 80 percent rate was determined and there was nothing in the USAID files which supported the 80 percent rate as reasonable. Therefore, an allowable rate should be determined based on cost data, or only actual costs should be allowed. If the allowable rate was less than 80 percent, CRS would have remitted additional proceeds to the USAID for those unfit commodities sold from October 1987 through April 1989.

Management Comments

USAID/Philippines has provided a copy of an August 7, 1989 letter from the freight forwarder explaining the deduction of 80 percent of the integrated delivery rate from the proceeds of sale of unfit P.L. 480 Title II commodities for expenses incidental to the handling and sale of these commodities. CRS believes this rate is justified; the USAID's concurrence is implied in its remarks.

Office of the Inspector General Comments

The justification of the rate used by the freight forwarder is responsive to the recommendation; therefore, Recommendation No. 5 is closed.

B. Compliance and Internal Controls

Compliance

A.I.D. policy required the performance and submission of internal reviews of P.L. 480 Title II programs at intervals agreed upon between USAID/Philippines and the voluntary agencies. CRS had been submitting internal reviews annually. However, it failed to submit internal reviews for fiscal years 1986 and 1987 because of the absence of an agreement between the USAID and CRS for their submission. As a result, there was no assessment of program implementation, internal controls, information systems and program management during this period. However, in January 1989 the USAID and CRS established mid-February of each year as the deadline for the submission of internal reviews. CRS submitted an acceptable fiscal year 1988 internal review as agreed.

CRS generally complied with other A.I.D. rules and regulations. However, CRS needed to improve compliance in the areas of targeting beneficiaries, providing adequate storage facilities, ensuring program publicity, and completing operational plans. Nothing came to the auditors' attention as a result of specific procedures that caused them to believe untested items were not in compliance with applicable laws and regulations.

Internal Controls

The audit found that internal controls were adequate at CRS' central office. However, at the distribution centers, internal control weaknesses were found in storage and recordkeeping for commodities and in the maintenance of financial records for beneficiary contributions.

C. Other Pertinent Matters

A.I.D. regulation 11 encouraged the collection of contributions from program beneficiaries which would be used for payment of program costs, such as transportation, handling, storage, and insect and rodent control. Beneficiaries of TMCHP and DCSP had been asked to contribute monthly amounts ranging from five to 50 cents. At most distribution centers visited, the collection and disbursement of funds had not been accounted for or receipted. Program implementation agreements between CRS and the dioceses required the submission of quarterly financial statements. However, there had been minimal compliance with the requirement. For instance, throughout 1988 only 6 of the 59 dioceses submitted quarterly financial reports for each quarter. As a result, it could not be determined whether the money collected had been spent in accordance with A.I.D. regulations. However, nutrition workers interviewed during visits to the distribution centers said that the proceeds had been used to pay for allowable costs, such as the purchase of indigenous commodities, honorarium for workers and transportation of commodities.

AUDIT OF
CRS' P.L. 480 TITLE II PROGRAM
IN THE PHILIPPINES

PART III - EXHIBIT AND APPENDICES

EXHIBIT 1

SUMMARY OF BENEFICIARY AND COMMODITY LEVELS
AT SITES VISITED

<u>Location</u>	<u>Commo- dity</u>	<u>No. of Beneficiaries</u>				<u>Quantity</u> ^{1/}			<u>Excess</u> ^{5/}
		<u>Target</u>	<u>Actual</u>	<u>Qualified</u>	<u>Difference</u> ^{2/}	<u>Allocated</u>	<u>Used</u>	<u>Required</u> ^{3/}	
A. <u>Targeted Maternal Child Health Program</u>									
Ocana, Carcar, Cebu	NFDM	750	450	450	300	721	721	432	289
	CSM					705	705	432	273
Oslob, Cebu	NFDM	900	931	831	69	864	864	798	66
	CSM					845	845	798	47
Subtotals		<u>1650</u>	<u>1281</u>	<u>1281</u>	<u>369</u>	<u>3135</u>	<u>3135</u>	<u>2460</u>	<u>675</u>
B. <u>Day-Care Service Project</u>									
Carcar, Cebu	NFDM	1309	1190	1190	119	206 ^{4/}	206 ^{4/}		
	CSM					686	686		
Subtotals		<u>1309</u>	<u>1190</u>	<u>1190</u>	<u>119</u>	<u>892</u>	<u>892</u>	<u>857</u>	<u>35</u>
Totals		<u>2959</u>	<u>2471</u>	<u>2471</u>	<u>488</u>	<u>4027</u>	<u>4027</u>	<u>3317</u>	<u>710</u>

NOTES:

1. In 50 lb. bags
2. Target minus qualified
3. Computed as follows: no. of qualified beneficiaries x monthly ration (8 lbs. for TMCHP & 4 lbs. for DCSP) - 50 lbs.
4. For three quarters only.
5. Allocated minus required.

LEGEND:

NFDM - Non-fat dry milk
CSM - Corn soya milk

23

UNITED STATES GOVERNMENT

Memorandum

TO : William C. Montoney
Regional Inspector General, RIG/A/M

DATE: OCT 2 1989

FROM : Malcolm Butler, Mission Director *MB*
USAID/Manila

SUBJECT : USAID Comments on RIG Audit - CRS' PL 480 Title II
Program in the Philippines

REF : (A) Montoney-Davis Memo dated July 21, 1989
(B) Montoney-Butler Memo dated June 26, 1989

We appreciate the cooperation and courtesy extended by you and your staff during the implementation of subject audit. We have completed our review of the draft report and have several comments to offer. Our memo incorporates many of the written comments submitted to us by CRS/Philippines (CRS/P).

We are pleased that the audit found the CRS/P program in general compliance with A.I.D. rules and regulations. Nevertheless, we are naturally concerned about some of the issues raised in the draft. We plan to collaborate with CRS to correct program deficiencies as soon as possible.

We agree with a number of the findings and recommendations contained in the draft report. Some of the deficiencies noted in your report have been corrected and we request that these recommendations be closed when the final report is issued. We also request that one recommendation be revised and another not be included in the final report.

I. Comments on Individual Recommendations:

A. Recommendation No. 1: USAID/P should require CRS to develop an information system for updating beneficiary target levels at distribution centers and for adjusting PL 480 Title II commodity allocations.

In all feeding programs, drop-outs and absentees are to be expected. The CRS/P program has a policy that allows the individual distribution centers to replace drop-outs with additional qualified recipients in accordance with established beneficiary selection criteria. However, before replacing beneficiaries, centers must first verify whether the registered child is simply absent or whether the parent has withdrawn the child from the program. Due to the distances involved, this is a time consuming process. Delays in replacing drop-outs frequently occur.

Although CRS firmly believes that none of the food was distributed to ineligible beneficiaries, labelled as unauthorized beneficiaries in the draft audit, the P/O agrees that its procedures for updating beneficiary levels in order to make corresponding adjustments in allocation levels can be improved. This will prove to be a much more complex undertaking than in most programs in view of (a) the number of Philippine outports (17) where CRS/P consignments are shipped and (b) the inherent rigidities of the commodity call forward

MB

-2-

system. Managers must determine Philippine port allocations six months in advance. Nevertheless, both CRS and USAID believe that there is some room for improvement particularly in beneficiary level verification. The initial progress report will describe the system CRS develops to achieve these improvements.

The draft audit mentions that there was minimal compliance on the submission of monthly stock and distribution reports (MSDR). For the record, 2,531 (57 percent) out of 4,418 consignees complied in 1988 and further increases are expected in 1989. Please note that Romblon submitted its MSDR in 1987 and 1988. The draft audit states that Romblon did not comply.

B. Recommendation No. 2: USAID/P should require CRS to instruct program implementors on the basic requirements for storing PL 480 Title II commodities at distribution centers and to develop a plan for upgrading storage facilities.

The draft audit describes four CRS/P distribution level storage sites. At Ocana (Carcar), food is being stored behind the church sacristry with "waste products". The storage area has not been fumigated and 6 of 35 bags had rodent holes. At Oslob (Cebu) and Odiongan (Romblon), the 2 parishes were using dirty rectory rooms to store food. Insects were evident. Finally, CRS' GOP counterpart (DSWD) in Cebu City is storing food in a leased warehouse where other agencies rent space. The facility was not clean and some commodities were found stored near a lavatory. 8 of 330 bags had rodent holes.

Although the draft audit recommends that an upgrade plan be developed, it does not state whether any Title II commodities at the four storage sites visited by the auditors were found unfit. The draft audit provides no quantitative data to demonstrate that losses have been sufficiently excessive to justify storage upgrades.

We cannot comment whether the "waste products" reportedly stored near the 35 bags of Title II food in Ocana are hazardous. The draft audit does not specify what these waste products are. If they are not contaminants, we recommend that the statement not be included in the final version of the audit.

The presence of insects is an endemic problem in the Philippines. It is unrealistic to expect that rural distribution center personnel can master this problem when typically even US Government employees living in Manila must have houses fumigated for many of these same pests on a regular basis. We believe that the draft audit does not take into account these local tropical conditions and what effect they have on the program.

25

-3-

Both CRS and USAID believe that the photos used in the draft audit to depict inadequate storage conditions at Carcar, Oslob and DSWD/Cebu City actually show that the Title II commodities are warehoused in accordance with program norms. The bags are stacked neatly on pallets as recommended.

In our opinion, improved warehouse practices are needed. Field implementors can do a better job by keeping their storage areas clean and free of debris which provides shelter for pests and other insects. We agree that dirty storage sites are unacceptable and that commodities should not be stored near bathrooms. Therefore, USAID concurs with the first part of recommendation No. 2. CRS is currently instructing field implementors on the use of their new program operations manual which includes guidelines on proper storage. More details will be provided in our first progress report.

CRS has kept storage losses low. In FY 1988, CRS reported that seventy-two of 425,295 bags allocated under their program were distribution level storage losses. In FY 1989, 256 of 1.2 million bags became unfit. As long as the Title II storage is adequate by local commercial standards per A.I.D. Regulation Eleven and losses are kept to a minimum, we believe that the PVO is generally meeting its responsibilities. We believe that this is the case here

USAID recommends that recommendation No. 2 be revised in the final version of the audit. We recommend that recommendation No. 2 focus on the improvement of basic storage practices through instruction. This is within the means of the program and its implementors. In our opinion, the magnitude of annual losses due to substandard storage facilities does not warrant the upgrading of storage at this time, but we support the draft audit's conclusion that improvements in warehouse practices are in order.

C. Recommendation No. 3: USAID/P should require CRS to design and implement a publicity program advising recipients of PL 480 commodities that the food was donated by the people of the United States.

CRS believes that program administrators and beneficiaries are aware that the Title II food is provided by the people of the United States. In their comments to USAID, CRS raised concerns on whether the wording of the questions used to elicit responses from the beneficiaries may have led to erroneous answers.

CRS and USAID concur that the American people and Government should receive due credit for the assistance provided. CRS/P has agreed to provide due publicity concerning the role of the donor. USAID believes that CRS and its program implementors can do a better job in this area. An update on this issue will be provided within our first progress report.

-4-

D. Recommendation 4: USAID/P should (a) require CRS to submit a PL 480 Title II operations plan with defined program objectives, benchmark indicators and a logical framework; (b) establish review procedures that would ensure compliance with A.I.D. Handbook requirements on the content of the operations plan; and (c) require CRS to develop a training plan covering program recordkeeping and monitoring by program implementors at the distribution center level.

In the discussion of recommendation No. 4, the draft audit states that USAID did not thoroughly review CRS operational plans. This is also stated in the executive summary of the draft audit. In recent years, CRS/P operational plans have been closely scrutinized and discussed in detail with our CRS colleagues.

There was some reluctance on the part of interim PVO leadership to submit a FY 1988 plan which contained well defined objectives and indicators. This situation was addressed with the arrival of a permanent director. Shortly thereafter, CRS and AID agreed that FY 1989 would be used as a year of transition to allow the new program leadership to assess the program and decide on an appropriate direction. This process would permit the design of a comprehensive multi-year plan for the FY1990-1992 period consistent with AID guidelines. This was accomplished. The CRS multi-year operational plan (Attachment A), consistent with AID guidelines, was designed and approved. The auditors were advised of the existence of this plan during the audit. We recommend that recommendation 4(a) be closed upon issuance of the final version of the audit.

USAID has an established procedure for the review of PVO Title II operational plans. About three months before plans are due, USAID informs the PVOs of the following in writing: (a) USAID deadline for plan submittal; (b) required program plan content per the latest A.I.D. guidelines (routinely providing the PVO with a copy of the latest AID/W guidance message on the subject); and (c) any special features the operational plans should highlight given the nature of each program in the Philippines. Following USAID review of the draft plan, we meet with senior PVO management to discuss the entire plan and those areas of the plan which should be strengthened. We also identify areas and issues, required to be addressed by A.I.D. guidelines, that may have been omitted in the first draft of the plan. This review procedure has been in place for two years now and has resulted in the submittal and approval of Attachment A. USAID also recommends that recommendation 4(b) be closed upon issuance of the final version of the audit.

USAID agrees with the intent of part (c) of recommendation 4. However, CRS/P is currently implementing a training program designed to upgrade recordkeeping, program implementation and monitoring skills of its program implementors in precisely those areas identified in the draft audit as weak. We recommend that the final report note that this work is underway. A status report will be included in the first audit progress report.

11'

E. Recommendation 5: USAID/P should establish a formal agreement with CRS ensuring performance and submission of internal reviews for PL 480 Title II programs.

When the audit was initiated in February 1989, copies of several types of Title II reports including internal reviews were requested by the auditors. Copies of the reports were made and provided to the auditors. At the time of transmittal, USAID officials advised that the CRS/P FY 1986 and FY 1987 internal review reports had not been drafted by the PVO. Report deadlines had not been established. The auditors were also advised that USAID had already taken corrective action to ensure that situation would not recur. In January 1989, about one month before the audit was initiated, USAID and CRS/P exchanged letters formally establishing February 15, 1989 as the deadline for the FY 1988 CRS/P internal review and all future CRS/P annual internal review reports.

CRS submitted its FY 1988 internal review on time. Following USAID review, CRS was requested to strengthen some areas of the report. CRS complied and the report was issued in final. A February 1989 USAID letter to CRS also provided the standard A.I.D. Handbook line format for drafting this report in the future.

Copies of these letters (Attachment B), substantiating formal agreement on internal reports had already been established, were provided to the auditors during the early stages of the audit. Nevertheless, the draft audit includes recommendation No. 5. USAID recommends that No. 5 not be included in the final report.

F. Recommendation No. 6: USAID should require CRS either to determine and justify a reasonable percentage to be applied to the integrated rate for determining the incidental expenses applicable to the sale of unfit commodities, or allow only actual costs.

After reviewing this issue, both CRS and USAID are uncertain whether there really is a problem and any basis for making a formal recommendation. All the unfit commodities handled by the freight forwarder are a result of marine damages. The USG is not affected by the deduction of 80 percent of the integrated freight rate for handling since only the net amount of the sales proceeds (that transferred by CRS to the USAID cashier) is reported by CRS to its New York headquarters. The specific marine claim filed against the ocean carrier is then reduced by CRS/NY by the net amount of proceeds deposited with the USG through USAID Manila's cashier. The payment of the 80 percent integrated rate does not adversely impact on the USG being made whole on marine losses.

-6-

CRS believes that the percentage of the integrated rate charged for clearing, handling and storing damaged commodities by the freight forwarder is justified. Attachment C is a copy of a recent letter CRS received from the forwarder (National Trucking and Forwarding Corporation) on this issue. It is not possible to quantify exactly the percentage of total contract work which is involved in the clearance, handling and storage of unfit commodities before they are taken into custody by the purchaser. Since the storage time varies for each parcel, the rate charged would vary for each disposal. The same would hold true for all the special labor intensive handling services required for these parcels. They frequently require reconstitution, weighing and other special treatments.

The possibility of charges exceeding the amounts of sales proceeds generated would exist if charges were calculated on an actual basis rather than a percentage of the integrated rate. More often than not, the disposal process, which also includes arranging special services such as fitness analyses and issuing public tenders, is quite protracted. The forwarder actually has higher costs in dealing with these unfit commodities given AID Regulation Eleven procedures that must be followed and the fact that physically these parcels of food must be afforded special treatment.

Based on the above and Attachment C, USAID recommends that recommendation No. 6 be closed upon issuance of the final report.

29

Attachment A

- I. PROGRESS REPORT
FY 1988 & PART 1989

- II. MULTI-YEAR OPERATIONAL PLAN
TITLE II FY 1990, 1991 & 1992

- III. ANNUAL ESTIMATE OF
REQUIREMENTS FY 1990, 1991 & 1992

CATHOLIC RELIEF SERVICES-USOC
PHILIPPINE PROGRAM

CRS/PHILIPPINES MULTI-YEAR OPERATING PLAN 1990 - 1992

PART I - PROGRESS REPORT FY 1988 & PART 1989

1.0 PREFACE

This report covers the progress of operation during FY 88 and a quarter of 1989. It is mentioned in CRS/Philippines 1989 Operational Plan that CRS is in the process of planning and introducing operational reforms. These adjustments and modifications were introduced and refined in 1988. CRS will continue to do so in 1989. MYOP 1990-1992 is based on the objective and strategy framework formulated and tested during the last two preceding years.

2.0 REVIEW OF ACHIEVEMENTS

CRS/Philippines continued to assist 59 Dioceses in administering the Targeted Maternal and Child Health Program (TMCHP) and the Department of Social Welfare and Development (DSWD) in operating the Day Care Service/ Food for Growth Program. These programs were implemented in almost all of the provinces in the country serving over 840,000 children and their families.

2.1 TARGETED MATERNAL AND CHILD HEALTH PROGRAM

2.1.1 Food Distribution

The TMCHP caters to the poor and malnourished pre-school children, pregnant and lactating mothers. During FY 1988, CRS enrolled 441,240 TMCHP recipients in 59 dioceses. The program served almost 20% of the malnourished pre-school population. The program distributed 9,600.14 MT of CSM and 9,603.61 MT of NFDM. Each enrollee was given 4 lbs. of CSM and 4 lbs. of NFDM per month. There are 683 designated consignees and over 9,000 distribution centers and sub-centers.

The food is considered a form of income transfer, nutritional supplement and an incentive for participation of parents in community development activities. The young children enrolled in the program are currently at risk of malnutrition. To them the food is a valuable nutritional aide. Equally significant is the opportunity given to families to participate and benefit from education, and economic and development activities organized by program implementors. Experience shows

that participation of parents in these activities is not dependent on how many of the young children in the family are enrolled. Parents participate, because of their understanding of the benefits they will derive from joining these activities.

CRS has introduced a procedure whereby only one child per family can be included in the program. This procedure will enable the program to reach more families. The procedure was announced along with the new eligibility criteria.

2.1.2 Introduction of Revised Targeting Criteria and Growth Monitoring System

A new set of targeting criteria which stresses the role of the TMCHP as a preventive, curative and rehabilitative program was introduced. The selection of program enrollees shall be done in order of priority. Priority is given to the newborn, pregnant women and malnourished children. Pregnant mothers are replaced in the roll by the newborn child, thus nursing mothers are not included.

The criteria for selection of participants was introduced to

date in 38 of the 59 Dioceses. Implementing the TMCHP by way of a Field Mission Letter and by seminars. The seminar participants were also oriented on the use of the grading system in monitoring the growth of the children. The grading system is a shift from the conventional use of graphs in plotting change in nutritional level. It involves the use of a numerical sequence to better educate parents of the growth progress of their children. TMCHP is the only nutrition program in the Philippines that presents growth changes in terms of numerical scale where 10 is best, below 6 is unsatisfactory and below 3 is critical. Positive feedback has been received from staff and parents.

Ongoing monitoring of the efficacy of the system will be continued in FY 89 (see exhibit 6).

2.1.3. Education and Training Activities

It is the objective of the program to educate mothers on nutrition, health, family life and food production technologies through personal and group discussions. It is also the program objective to develop the skills of staff necessary for smooth program implementation.

Education sessions attended by TM mother participants continued to be held by Diocesan and center staff. These sessions focused on various topics that are important for mothers to learn and perform their roles as a key family figures. In addition to health and nutrition topics, mothers were also taught other subjects such as value formation, cooperative formation and appropriate technologies. Education sessions were done either in groups (e.g., classes, group discussions or sharing and seminar) and individually, that is, during growth monitoring and home visitation.

Education activities also focused on the strengthening of skills of staff through training and seminars. An inventory of trainings attended by Diocesan and center staff is in the process of completion. Records show that staff have attended various types of training. Some of these are business management, value orientation, management, leadership, research, community organization, program planning, agrarian reform and childhood enrichment. These seminars have developed the skills of program implementors.

2.1.4 Orientation of Staff on Program Directions and Technical Assistance in the Preparation of Diocesan Operating Plans

Seminars were conducted by CRS staff to orient Diocesan and center staff in the directions of the program. This included preparation of families for eventual food phase-out.

The thrust in the Diocesan and center levels is to establish financing mechanisms to continue program operation on a self-liquidating basis. The seminar also included an explanation of the management process and project designing in the context of the TMCHP. The discussion of the guidelines for the preparation of Diocesan operating plans became the venue for practical application of project designing theories. The seminars were attended by 313 Diocesan and center staff members from 38 Dioceses. CRS Staff also concentrated on the preparation of the manual of operation which includes all policies and procedures pertaining to TMCHP implementation. It is our plan that during FY 89 all 59 Dioceses will have been oriented in the program directions, have an approved Operating Plan, signed o

Memo of Agreement with CRS, and will have received a copy of the Manual of Operations

2.1.5 Strengthening of Center Program Management Capability

Institutionalization at the center level involves the establishment of structures that are financially distinct and that which allow family participation in program planning. At the same time, the centers are expected to continue accomplishing the program's nutritional, health and economic objectives through community-based groups. Center staff were also oriented on how these plans should be expressed in a center plan of action.

2.1.6 Identification of Center Associations for Integration of Income-Generating Activities

Some Dioceses are implementing their own Diocesan-managed project loaning operation either directly or through center associations. In the process of formulating a Diocesan operating plan, center associations were identified for project initiation or project expansion. The formal integration of food and cash assistance to make the program

impact on the lives of program participants is now gaining firmer ground

Records indicate that there are 5 Dioceses operating a loaning operation using TMCHP generated funds. It is the program's objective in FY 1989 to institutionalize such loaning operations and to promote this scheme in a number of other Dioceses

2.1.7 Computerization of Data

The Office of Information System in New York has developed a computerized food logistics monitoring system for providing information on shipments, deliveries and distribution of food from source to destination. This monitoring system which has been implemented in other country programs is being revised to suit the Philippine program. The final version will hopefully be installed and implemented during the 2nd and 3rd quarters of 1989.

The local program established a Management Information System (MIS) in August 1988. It was designed to manage and oversee the implementation of an efficient system of information sharing through computers. During the last quarter of 1988, a computer system has been

developed by the CRS/PH MIS Officer to monitor the diocesan income and expenditures of the TMCH Programs. The system includes information on the status of funds as well as the source and on how the money is spent. The system will help the Comptroller in budgeting the resources and in fund allocation, and the Internal Audit Unit in accounting of all line items.

2.1.8. Project Support

For the period in review CRS/Philippines continues to link food with cash assistance. Various income generating projects were undertaken by TMCHP mothers using the funds generated from the food assistance. Handicraft, food production and small business projects were implemented and provided additional income to the mothers. The added income helped the families to have nutritious food on the table; thus maintaining growth of the enrolled child. A most noteworthy accomplishment of this food/cash integration is the transformation of the TM mothers group from an association to a more formal credit or consumers cooperative. This has thus added another dimension to their growth and development using both food and

cash assistance.

2.1.9. Emergency Response through TMCHP Structures

For this year, three (3) typhoons (Unsang, Welfring and Yoning) and one serious flooding (in Samar) hit the Philippines. CRS response through the approval of USAID was the diversion of 3,622.5 bags of CSM and 1,614.5 cartons of NFDM valued at P848,241.16 (\$39,748.89) and P960,048.34 (\$44,994.80), respectively. The distribution of the commodities was mostly handled by the TMCHP Centers with TMCHP nutritionists doing the survey, recording and distribution. The food assistance benefitted 65,307 persons in 10 Dioceses affected by the typhoons.

2.2. DAY CARE SERVICE/FOOD FOR GROWTH PROGRAM

2.2.1. Feeding Activities/ Outreach

During FY 1988, the program enrolled 387,193 beneficiaries with a ration rate of 3 lbs. CSM and 1 lb. NFDM per month. The total quantity of food distributed was 8,452.41 Metric Tons (6,348.53 MT CSM and 2,103.88 MT NFDM). Commodities were channelled through 174 DSWD main centers and a number of

sub-centers in 12 out of the 13 regions. DSWD's contribution was local food, as well as administrative and operational staff. Day Care Service Centers enroll children 4 to 6 years of age. They are fed in the center during the day when their mothers are busy earning a living. While in the center the children attend nursery classes. In the Food for Growth Program, 0-3 year old children, pregnant and nursing mothers are enrolled. The program participants receive the food in dry form for home use.

2.2.2. Education and Center Activities

Education sessions occurred in three levels. First is the education of children on various basic concepts such as number, colors, alphabet, object association and socialization. They were also taught nursery rhymes and told simple stories with practical lessons. Second is the education of mothers through group sessions that taught them basic health, nutrition, family life and other related topics. They were also made to practically experience meal planning, budgeting, marketing, preparation and serving of low-cost meals through involvement in center feeding

activities. Third, the staff who supervise day care center activities attended training to improve their skills and expertise

2.2.3. Definition of Program Objectives

There is a need to define clearly the roles and functions of the agencies involved in the DCS/FFG. There is also a need to agree on actual program targets and strategies. It is CRS's plan to hold dialogues with DSWD during 1989 & 1990 on these program issues.

2.3 ACTION PLAN IN PREPARATION FOR MYOP

The CRS 1989 Program Plan included major areas for modification and programming. Some of those listed were initiated in 1988. Below is a summary list of activities that CRS will attend to in 1989 in order to lay the foundation for MYOP implementation

2.3.1 As discussed in (2.1.2), the new set of targeting criteria have been introduced to 38 Dioceses. It is our plan to ensure that all TMCHP centers follow the targeting criteria in completing their masterlist of participants. This will be done in conjunction with the preparation of operating plans.

2.3.2 Ensure that all Dioceses have prepared their plans of operation which include the mandated set of services of the TMCHP. These plans will show indicators for measuring accomplishments of each program component. A monitoring and reporting system has been developed. Computerization of data will be tested in early 1990.

2.3.3 The Diocesan Operating Plan will lay the groundwork for income-generating projects, credit schemes and other livelihood efforts. The task, is first, to look into the loaning operation of 5 Dioceses and ensure that this activity is formally integrated into the TMCHP process. Secondly, the introduction of the social credit concept to the Diocese who are financially and administratively ready to operate a loaning scheme. The loaning operations will be using TMCHP funds and augmented

by donor funds.

2.3.4 As stated in (2.1.5), CRS will continue to encourage TMCHP mothers to undertake income generating projects. Aside from the scheme of using the generated fund to finance these activities, CRS will continue to pilot projects that may be undertaken by the mothers. In 1988, several projects were funded that can be replicated by the TM mothers. The technology will be disseminated to them and training as well as possibly seminars will be planned to transfer the skills developed out of the funded project. These projects will therefore address the integrated problem of lack of knowledge, skills, and resources. This will ultimately lead to addressing the bigger problem of poverty. We have had some positive results with such activities as beekeeping, sericulture, doll and toy making, as well as small loans for vending of food commodities.

2.3.5 Technical assistance will be provided through CRS staff of contracted professionals based on the requirements expressed by individual Dioceses in their operating plan. This will be part of the "Enhanced TMCH Program" to be funded and initiated before 1990.

2.3.6 Computerization of all TMCH programming and monitoring. This includes: list of centers, recipient level and staff; financial reports on receipts and disbursements; logistics operation; progress of loading operation; and delivery of program components.

2.3.7 Dialogue with DSWD will continue to complete the following: agency operating agreement, transport and handling budget agreement; DCS programming and targeting. The completion of these activities will entail a series of discussions. It is encouraging to note DSWD's cooperative and positive attitude.

2.3.8 Dialogue with Dioceses will continue to take place with the following agenda: food phase-out options, program alternatives, increased local and national management of logistics and professionalization of service delivery.

2.4. LOGISTICS STATUS DESCRIPTION

2.4.1 Program Financing

The DSWD allocates a yearly budget for the inland transport and handling of the food. The inland transport budget for the next 3 years is not known since the budget is prepared on an annual basis. However for FY 1988 and 1989, DSWD received a total budgetary allocation of P52,000,000 and P61,000,000 respectively (\$2.5 Million and \$2.9 Million), or an increase of 17%.

2.4.2. DSWD's Plan to Decentralize Inland Reimbursement

During the latter part of 1988, after the DSWD reorganization, a major change of the government's national decentralization plan affected the "Processing and Payment of Inland Transport and Reimbursements" submitted by the diocese to DSWD through CRS.

The current system of reimbursements requires CRS to review and validate all reimbursements for inland transport expenses incurred by the TMCHP. The food delivered to the centers is confirmed per CRS copies

of delivery receipts to guarantee that deliveries reflected in the reimbursements are accurate. The DSWD reimbursement checks are transmitted to the TMCHP through CRS. This system equally provides CRS adequate control of inland reimbursements and in part, as advance information to CRS Auditors on TMCHP's financial accountabilities.

However, DSWD also has valid reasons for decentralizing the processing and payment of reimbursements at the regional levels because the regional offices are in a position to assess the validity and reasonableness of transport costs to be reimbursed. At present time, and pending further studies on the effects of this plan on program accountabilities, CRS requested that this decentralization policy for diocesan reimbursement be held in abeyance. DSWD has agreed to hold implementation until further discussion can take place.

2.4.3 Food Delivery Mechanisms

Major logistic improvements were noted in 1988. A quarterly inventory count is regularly conducted at the forwarder's warehouse. Deliveries were monitored and delays were brought to the attention of the

forwarder. The ending inventory balances at the pipeline were also deducted from the subsequent quarter's call forwards to reduce unallocated stocks.

Based on the 1988 lessons learned, food delivery control mechanisms are built into the 1989 plan. Starting with the 1989 allocation, all Dioceses and DSWD regional offices are unaccounted losses and claims.

2.4.4 Logistical Operations in Ports and Outerports

In 1988 due to personnel changes at the Bureau of Customs and the imposition of new guidelines, CRS encountered problems related to shipment clearance. Such matters as the imposition of 7 days port clearance waiver entailed considerable pre-planning among CRS, the international carriers and the local freight forwarder. For the most part, CRS was able to adopt procedures to solve any such problems.

2.4.5 Forwarder's Inefficiency

The causes for losses and delayed deliveries were identified. After careful analysis and study of port operations, mode of deliveries and extensive review of survey results, tighter controls were

implemented Logistical problems with the shipping lines have been reduced

One of the more serious problems besetting CRS deals with NTFC's inefficiencies. In some outer-ports, it took NTFC two to three weeks to clear the goods from the Bureau of Customs. Since NTFC does not have representatives or warehouses in all ports used by CRS, they used the containers to store the commodities. As a result, this deprives the shipping lines the use of their containers. There have been several occasions where domestic and international shipping lines bitterly complained about NTFC's delays in the stripping of containers.

NTFC's inefficiencies had not only affected the shipping lines but more so for CRS who bears all the burden of incurring increased survey and administrative costs aside from disruption of the program implementation.

These matters have been brought to their attention and to the attention of the Secretary of DSWD. Proposals to tend options to NTFC were lodged with DSWD. The matter is under study. (See section 4.0 MYOP).

2.4.6. Losses

Losses in 1988 were reduced by 36% while samples taken by the Bureau of Customs and Dept. of Health authorities were reduced by 63%. Samples taken for purposes of testing the commodities are a standard part of custom operations. However, such practices have a tendency to get out of hand unless vigilance is applied. Closer monitoring of shipments and constant reminders to forwarder and surveyors to discourage unreasonable sampling of shipments have proved adequate in cutting extravagant sampling. For 1989, we expect increased loss levels due to the reality that ocean carriage will be increasingly in breakbulk rather than containerized.

2.4.7 Port Analysis

In 1988, CRS had completed an analysis on outerport operations. An intensive study was also made to provide delivery of commodities in an effective and timely manner. It will also enable CRS to exercise its responsibility of monitoring movement of food up to the ultimate consignees. Four outerports were opened in the second quarter of 1989.

A list of outerports is included in Exhibit 7.

2.5. INLAND CLAIMS & SETTLEMENT PLANS

2.5.1 Claims Outstanding

There were 196 outstanding claims at the beginning of FY 88 valued at P7,353,216.72 (\$350,153.18). During FY 88, 64 claims were filed valued at P1,012,145.44 (\$48,197.39). Towards the end of 1988, claims settlement were still one of the top priorities. A total of 174 claims valued at P2,609,814.38 (\$124,276.88) which is 67% of the total number of outstanding claims were settled. Claims balance as of September 30, 1988 were reduced to 168 claim valued at P5,953,502.88 (\$283,500.14). For the period October 1, 1988 to December 31, 1988, there were additional 17 claims filed and 86 claims were settled valued at P284,304.40 (\$11,824.02) leaving a balance of 99 claims valued at P6,405,303.74 (\$305,014.46) at end of FY 88.

2.5.2 Claims Unresolved

Of the 99 claims unresolved at end of 1988, 56 claims are prior years' (1984-1985) claims which are difficult to settle. However, CRS continuously negotiated with the different parties liable.

All claims collected in FY 88 were regularly remitted to USAID after deducting the CRS shares or incidental expenses. The total claims remitted to the Treasurer of the USA amounted to P1,462,756.46 (\$69,655.07).

Our target for settlement or cancellation is that all claims prior to FY 88 will be settled during FY 89.

2.6. SALE OF UNFIT COMMODITIES

A total of more than P557,000.00 (\$26,523.81) were received of which P465,044.82 (\$22,144.99) were remitted to the U.S. Treasurer representing monies recovered from the sale of unfit commodities. This include proceeds from two auction sales held in June and November 1988, handled directly by CRS. This allowed larger sales proceeds remittances since we eliminated the 8% auctioneer fee.

2.7 AUDITS

2.7.1 Internal Audits Conducted

During this reporting period our Internal Audit Unit (IAU) has conducted field visits to and audits of the following TMCH

Programs:

- a. TMCH/Antipolo
- b. TMCH/Laguna
- c. TMCH/Imus
- d. TMCH/Calapan
- e. TMCH/San Fernando,
Pampanga
- f. TMCH/Zamboanga

In addition, a follow-up field visit was made to TMCHP/Jaro which had been audited by previous IAU staff earlier in the year.

IAU also conducted audits of the Day Care Service Program (DCSP) and Food for Growth Program (FFGP) of the Department of Social Welfare and Development where these were found in the dioceses and vicariate audited and mentioned above, namely:

- a. DSWD/Cavite Province Branch
- b. DSWD/Cavite City Branch
- c. DSWD/Oriental Mindoro
Branch
- d. DSWD/Pampanga Province
Branch
- e. DSWD/Angeles City Branch

Copies of field audit reports containing findings and recommendations were provided to the counterparts concerned. Their implementation of the audit recommendations is being monitored.

For the most part the audit

findings encountered problems in the storage of commodity, inappropriate expenses charged to the generated funds, under rationing due to the inclusion of un-registered beneficiaries, and occasionally food diversion or leakage. Corrective action was commonly taken immediately, although in a few instances center or programs were suspended until the corrective action was taken.

2.7.2. External Audits/Evaluations

No external audits or evaluations by USAID or any other agency were done during this period. USAID conducts periodic field visits and shares their findings with us.

2.8 ISSUES ON FOOD RATION

Each TMCH program participant received 4 lbs. of CSM and 4 lbs. NFDM per month. The mix contains calories and proteins that are adequate to provide the daily requirements of the child. CSM is cooked as porridge or added to coconut milk and vegetables to make it more delicious. Mothers were taught to utilize the NFDM in dry form as additives to sweet potato, banana, rice, cassava, etc.

The TMCHP participants were informed that NFDM will no longer be available in FY 89 and

that they will be receiving Corn Soya Blend (CSB) Bulgur Wheat (BW) There was no trenchant feedback Bulgur Wheat is considered a rice substitute. A Field Mission Letter containing the nutritive value of the two commodities as well as some recipes in preparing them was distributed

Each Day Care Service Program enrollee used to receive a total of 4 lbs. of CSM and NFDM. Beginning in the second quarter of FY 89, DCS will receive only CSB. It has been decided by DSWD program planners that this one type of commodity is adequate because the program has provision to complement this ration with local food.

The program will maintain the current level of participants. In the TMCH, this decision is justified by the fact that CRS and counterpart Dioceses are in the period of adjusting the operational strategies and localizing program planning. The DCS/FFG Program is also in the process of realignment and refinement. The decision to maintain the current level is also influenced by the following factors: availability of food; transport and handling budget; administration and

operational preparedness of all entities involved in food receipt and distribution from port of entry to center; and presence of other government agencies involved in distribution of donated food.

2.9 INTEGRATION WITH GOVERNMENTS' AND OTHER AGENCIES PROGRAM

2.9.1 USAID

The TMCH and DCS Programs are in line with USAID's Country Development Strategy Statements (DCSS) on health and nutrition. The program targets the most vulnerable population and program implementation is done by community-based groups primarily in rural areas. The government of the Philippines supports the program in terms of transport and handling budget. Administrative and operating costs are borne by program participants through enrollment fees and by DSWD and Diocesan counterparts through staff services and in-kind contributions.

2.9.2 World Food Program (WFP)

There is no duplication of beneficiaries with WFP. DCS centers are not located in areas

covered by WFP. DCS is located in all but one region and this is where WFP has its food program.

2.9.3. CARE

CARE's government counterparts are the Department of Health (DOH) and the Department of Education, Culture and Sports (DECS). Diocesan staff coordinate with DOH rural unit staff in selecting program participants. The staff meet formally during meetings of barangay and municipal nutrition committees. Coordination is done in conducting education, promotional and immunization activities.

2.9.4. NEDA and NNC

The TMCH and DCS programs are likewise in line with the Five-year Development Plan of the government of which the National Nutrition Council's (NNC) plan is a part. The NNC plan provides for the inclusion of nutrition development programs through nutrition interventions (food assistance, health services, food production, growth monitoring), nutrition advocacy, information and education, as well as promotion of support services such as technical assistance and resource generation and

mobilization. The TMCHP is in 34 of the 123 priority nutritionally depressed municipalities and cities.

2.10. PROGRAM VALUE

During 1968, the total food delivered to the TMCHP was 19,203.75 MT valued at P344,895,021.87 (\$15,423,572.47).

Deliveries made to DCSP totalled 6,452.41 MT valued at P122,634,175.03 (\$5,849,246.43).

Information from NTFC showed that DSWD had provided a total of P30,423,423.80 (\$1,429,000.64) Transport/Handling in 1988, including payment of prior year's obligation. The dioceses collected total inland transportation reimbursements of P2,041,505.23 (\$95,890.33) from DSWD that also included 1987 unpaid bills. The uncollected amount as of 12/31/88 was P128,134.37 (\$6,018.52).

At this point, CRS and DSWD are still in the process of drafting the Memorandum of Agreement covering the operational aspect of TMCHP-DAY Care and the DSWD administrative subsidy. DSWD has provided a total administrative

198

subsidy amounting to P97,500.00
(\$4,579.61).

As cited in our 1987 Progress Report, ways should be found to reduce the cost of transport while safeguarding the commodities. In this regard CRS/PH sought AID's approval on the utilization of P1,941,884.58 (\$91,211.11) government funds Recipient Contribution under the 1984 Emergency Rice Distribution Program; AID responded favorably. Criteria shall be set for its implementation in the immediate future.

Under the scheme, the funds would be used to finance contracts between CRS and independent freight forwarding firms for inland transport of selected FY 89 third quarter allocations. The objective is to determine the cost efficiency of transport if it has to be done by an independent firm while at the same time protection our interests.

2.11 CLOSING STOCK LEVELS

The stock position as of September 30, 1988 was as follows

NFDM -- 3,454,844.44 kg.
CSM --- 4,153,113.36 kg
OATS -- 17,803.80 kg

The stock position as of December 31, 1988 or first quarter FY'89 was as follows:

NFDM --- 241,131.13 kg.
CSM --- 682,718.04 kg.
OATS -- 0
CSB --- 1,598,837.00 kg.
BULGUR- 264,700.00 kg

45-

PART II MULTI-YEAR OPERATING PLAN 1990-1992

Name of Cooperating Sponsor: CATHOLIC RELIEF SERVICES-USCC

Country : PHILIPPINES

Names and Addresses of Counterparts:

1.1 60 Catholic (Arch)Dioceses Countrywide (See Exhibit 1)

1.2 12 Regional Offices of the Department of Social Welfare and
Development Government of Philippines (See Exhibit 2)

1.3 CRS Philippines PL-480, Title II Support Staff

1. Country Representative	:	Kenneth Hackett	(50%)
2. Assistant Country Representative	:	Joseph Gerstle	(95%)
3. Manager - Logistic System Management Unit (LSMU)	:	Ma. Lucia Tampus	(100%)
4. Logistics Analyst	:	Eileen Sangalang	(100%)
5. Claims Coordinator	:	Yener Pancho	(100%)
6. Shipping Coordinator	:	Fernando Pacal	(100%)
7. Bookkeeper (Stock)	:	Pastor Classics	(100%)
8. Secretary	:	Josefina Simpelo	(100%)
9. Manager - Nutrition Management Unit (NMU)	:	Alma Romero	(100%)
10. Asst. Manager (NMU)	:	Felicidad Leano	(100%)
11. Regional Manager - Mindanao	:	Hermesaldo Catubig	(35%)
12. Regional Representative Mindanao	:	Carolina Limbaga	(85%)
13. Manager - Internal Audit Unit (IAU)	:	Allan Zurita	(80%)
14. Auditor	:	Godofredo Jurado	(85%)
15. Auditor	:	Rafael Elzequi	(85%)
16. Field Officer (Cebu)	:	Manuel Mergate	(85%)
17. Field Officer (Naga)	:	Rosario Tamsuo	(85%)
18. Field Officer (Manila)	:	Godofredo Ditan	(85%)
19. Field Officer (Palo)	:	Erlinda Natulla	(65%)

2.0 PROGRAM SUMMARY

For over thirty (30) years of operation in the Philippines, CRS has transformed from a welfare organization to a development agency. CRS operation in the Philippines was formalized by the signing of Diplomatic Note 3001 in 1956, between the Department of Foreign Affairs and the U.S. Embassy.

CRS has attained a degree of success in ameliorating the condition of poor families through its food program, as demonstrated in nutritional and social indicators available, and funded projects, as demonstrated in project records.

In recent years, CRS had to contend with a number of changes in provision of Title II food. First, a withdrawal planned--but never implemented--for 1983-87. CRS introduced self-financing mechanisms to the program. This was followed by tentative plans to increase the tonnage of food and the number of recipients, but this too was never implemented. An approved addition or enhancement of the program (Enhanced TMCHP) will include income--generating projects. Funds have been committed. The ETMCHP concept have been incorporated in this MYOP.

As of February 1989, the TMCHP is being planned based upon expected continuity at current levels of Title II commodities. CRS will continue to deal with the current counterparts--the Catholic dioceses in administering the TMCHP and the Department of Social Services and Development in administering the Day Care Service Program/Food for Growth Program. Food for emergency relief operations will be channelled through a variety of local structures.

Program level and outreach for each year of operation (1990, 1991, 1992) are as follows:

Targeted Maternal and Child Health Program -

Recipients	-	440,000	
Counterparts	-	60 dioceses	
Tonnage	-	19,219.2 MT	(57,657.6 MT 3 years)
Commodities	-	Corn Soy Blend & Bulgur Wheat	
Ration Rate	-	4 lbs. CSB & 4 lbs. BW /participant per month	

47

Day Care Service Program/Food for Growth Program

Recipients	-	400,000
Counterparts	-	12 DSWD Regional Offices
Tonnage	-	8,736 MT (26,208 MT 3 years)
Commodities	-	Corn Soy Blend
Ration Rate	-	4 lbs. CSB \participant per month

The MYOP provides for strengthening of TMCHP structures through professionalization of management, localized planning, improving skills of staff, broadening of program services, organized monitoring system and improvement of management and technical skills of staff and participating families. The TMCHP framework is shown in Exhibit 3.

With regards to the Day Care Service Program/Food for Growth Program, FY 89 will be a year of re-programming and negotiations with DSWD. Areas of discussion include possible focussing of programs in selected areas, phase-over to local non-government organizations in order to administratively and financially relieve provincial and municipal governments of budgetary commitments, exploration of possible ways to help finance feeding centers and income generating projects of families and programming of food resources to activities that will create a more significant impact in the lives of program participants. The DCSP/FFGP Framework is shown in Exhibit 4.

During emergency relief operation involving distribution of Title II food, CRS will encourage diocesan structures and DSWD local offices to assume a primary role. The strategies include training on disaster preparedness, preparation of disaster plans and coordination during the data gathering phase.

3.0 PROGRAM DESCRIPTION

The CRS Title II program has operated in the Philippines since 1956. At present there are three (3) venues through which Title II commodities are delivered: 1) through the Targeted Maternal Child Health Program (TMCHP) which provides health and nutrition services to almost half a million mothers and children in 59 dioceses, 2) through the Day Care/Supplemental Feeding Program (DCSP) which operates in conjunction with the Department of Social Welfare and Development to

provide some 400,000 children with supplemental food, and 3) through food distributions during emergencies.

3.1. TARGETED MATERNAL AND CHILD HEALTH PROGRAM

The TMCHP is the main conduit of Title II food. Its purpose is to enhance the health and nutrition of the nutritionally vulnerable population in a manner that recognizes the broader economic and social factors that underlie health and nutrition problems.

3.1.1. Problem Statement

In spite of recent progress made in some economic and political spheres, poverty in the Philippines has not significantly abated. Economic and social indicator from the National Statistics Coordinating Board (1986) and statistics from the Department of Health's Operation Timbang (1987) combine to give a picture of poverty, ill health, and poor nutrition for millions of Filipinos.

Operation Timbang, a survey of over half of all Filipino children, found 61% of these were protein-energy malnourished; almost 3% suffered from the severely debilitating third degree malnutrition. Micro-nutrient deficiencies, especially of iron, vitamin A, and iodine, are also prevalent.

Concomitant with poor nutritional status are high rates of infant and child morbidity and mortality. The infant mortality rate (IMR) was estimated in 1986 at 55 per 1000 live births. Those children who survive suffer from frequent and sometime severe gastro-intestinal infections and upper respiratory diseases, as well as from the immunizable diseases of polio, measles, tetanus, diphtheria, whooping cough, and typhoid.

Not surprisingly, health and sanitation conditions are below standard for health maintenance. It is estimated that over half the population lacks access to safe water supplies and proper waste disposal. Medical care--both curative and preventative--is likewise out of reach for a large portion of the population, due to the cost and to physical access to medical personnel and services.

These statistics indicate a widespread lack of basic needs and prevailing poverty. CRS, through the TMCHP and the diocesan structure, aims to support the community-based organization in the delivery of health and nutrition services, as well as opportunities of economic enhancement to the poor families to meet these needs.

While CRS believes that its food aided programs provide a unique mechanism for the distribution of such services, it also recognizes that the food aided program must be well managed with all components in place in order for results to be manifested. Therefore in this program period, CRS will concentrate on qualitative improvements in the program rather than quantitative growth either in terms of scope, coverage or volume of food aid.

3.1.2. Goals and Objectives

The four (4) goals of CRS for the TMCHP for the 1990-1992 period are: to institutionalized the diocesan TMCHP; to strengthen the management and technical skills of diocesan and center personnel; to establish financing mechanisms for income generation activities within the program; and to deliver preventive health and nutrition services.

GOAL # 1 Establish independent structures and organizations to strengthen the institutional capacity of the TMCHP.

Objectives and Standards:

Sixty (60) Dioceses will have formulated their individual Diocesan Operating Plan (DOP) and will implement the TMCH program according to the plan. In 1990 at least 30% of centers will have formulated their Center Plan of Action, by the end of 1991, 60%, and by the end of FY 1992, all Dioceses will have a DOP.

One thousand five hundred (1500) families in each of three (3) years (4500) total families) will be participating in "livelihood" activities as outlined within the Diocesan Operating Plan.

GOAL # 2 Upgrade the management and technical skills among program staff and participants.

Objectives and Standards:

Upgrade planning, organizational, management, and technical skills of diocesan and center level staff as well as family participants; 750 (250 per year) program staff will have been trained on technical skills, technologies and project management; 4500 families (1500 per year) will have been trained on project management appropriate technologies; 440,000 mothers will have completed a health, nutrition and value formation course.

GOAL # 3 Establish loan fund and funding mechanisms for diocesan loaning operations.

Objectives and Standards:

Establish loan fund mechanisms. sixty (60) dioceses will have implemented project loan programs. In 1990, 20 dioceses; by the end of 1991, 40; and by the end of 1992, 60.

Centers/associations/families are engaged in income generating and/or food production projects. 4500 families (1500 each year) will have implemented income generating activities and increase income by 15%.

GOAL # 4 Deliver preventive health and nutrition services.

Objectives and Standards:

Provide food assistance and other resources as stated in the Diocesan Operating Plan. Deliver 19,219.2 MT of food to 60 dioceses; 8 lbs. of food received by 440,000 program enrollees each month.

Over 440,000 mothers will have completed a full term course on health and nutrition; 440,000 children will have been weighed monthly and nutritional status determined, and 70% improve in nutritional grade; 440,000 children will have been fully immunized through collaboration with the Department of Health and non-governmental organizations.

Note: The mother of each participant enrolled will complete the course.

3.1.3. Target Population

Target population for the TMCHP is 440,000 mothers, infants, and young children (under-fives) in sixty (60) Catholic Dioceses. Selection of those enrolled in program is based on following criteria:

First, newborn children (0-1 months) and women in their third trimester of pregnancy.

Second, children under five years whose nutritional grade is six (6) and below (less than 75% of medium weight for age).

Third, children up to 12 months of age,

Fourth, children 13-24 months of age,

Fifth, children 25-36 months of age,

Sixth, children 37 to 48 months of age

Seventh, children 49 to 60 months of age

These criteria are based, first, on the preventive aspect of the program and hence include the youngest children as the priority group. Criteria are then based on a curative approach and so target the age group (6-24 months) that is most vulnerable to health and nutrition problems. A mother and child are enrolled together (and count as one enrollee) and are eligible to continue in the program for two years.

3.1.4 Framework/Intervention/Plan of Action

Framework

The TMCHP framework includes the community-based organization that delivers services to the community, family, mother, and child. The package of services is outlined in the DOP and Center plan of Action and managed by the diocesan TMCHP staff. CRS provides direction and support to the diocese.

The provision of Title II commodities is envisioned as a short term intervention. A major emphasis of all other interventions is to assist in the evolution of the TMCHP structure into a self-reliant community based program in the long term. However, within the MYOP time frame Title II commodities will be continued.

Interventions

The interventions and their time frames are presented in a general fashion because these will be based on individual DOP's that are in the process of being developed and hence will vary among the dioceses. Also, the diocesan resources, the present diocesan structure for administering the TMCHP, and the priority of a particular diocese in the overall CRS/PH plan will have a bearing on the specific nature of the interventions. However, Dioceses have been oriented on the TMCHP framework, upon which they will base their plans. Basically, this includes food assistance, growth monitoring and immunization of children, nutrition, health, education, income-generating and food production activities, staff and family education and training.

Plan of Action

- 1) Consultations between CRS and Diocese to assist diocesan staff formulate a Diocese Operational Plan (DOP) in 60 dioceses.
- 2) Consultations between CRS and diocesan staff to assess planning, organizational, and management weaknesses in 60 dioceses and to assist in implementation of DOP.
- 3) External expertise provided (or internal--diocesan expertise will be tapped) to upgrade planning, organizational, management, and technical skills of diocesan and center level staff.
- 4) Training and technical assistance provided as needed to assist diocese in organizing, implementing and monitoring center plans and center associations plans.
- 5) Loan fund is established for financing of income generating projects.
- 6) Credit schemes are organized and implemented.
- 7) Training and technical assistance are provided as needed to support diocese in preparing and implementing family or group projects.
- 8) Food delivered quarterly.
- 9) Children weighed monthly and nutritional status determined.
- 10) Health and nutrition classes conducted.
- 11) Department of Health, non-governmental organizations, and CRS collaborate to immunize all children enrolled in the program.
- 12) Monitoring and evaluation system designed and implemented.

3.1.5. Program Management

A major goal of CRS/PH in this program is to strengthen management structure of the diocese. It is expected that the structure will be changing over the next few years. Presented here is the structure to be achieved within the DOP time frame. CRS provides guidance and direction to diocesan TMCHP staff; provides expertise for DOP formulation, consultants for technical assistance and training; serves as the conduit of international funds for loan fund; monitors Title II food; analyses and consolidates diocesan reports; prepares internal and progress reports; directs review and evaluation.

Each diocese sets TMCHP framework for all centers through DOP; is primarily responsible for overall management and organization; trains at diocese and center level; provides technical assistance to centers, center associations, and families as needed; functions as source of revolving loan fund for credit operations; guides Center Plan; consolidates quarterly reports from all centers; reports quarterly to CRS; facilitates review and replanning of program.

Centers develop Center Plan; deliver services to families; manage center; monitor and record activities; report quarterly to diocese, organize associations.

Center association manage association project and project finances; monitor, record and report activities.

Families manage own projects and project finances; attend classes, receive food; participate in center activities

3.1.6. Monitoring and Evaluation

CRS has developed a reporting system that will be used in periodically monitoring activities and accomplishments. The reports will be assessed based on the objectives and activities stated in the Diocesan and center plan. It is our intention to computerize this monitoring system. The logistical and financial computer-based data processing system has been introduced and are now being refined. These will be integrated with other reports concerning delivery of program

31

interventions to allow us to have an integrated view of the program status.

The Diocesan operating plans will include a description of the evaluation process and schedule. Baseline data collection will depend upon the objectives and targets stated in the plan. CRS will conduct periodic reviews and evaluations of the program for several reasons.

- 1) To measure achievement of goals and redirect efforts as necessary.
- 2) To provide insights in implementation process and intervention and increase effectiveness of program components.
- 3) As basis for planning, modifying and improving program implementation.
- 4) As basis for phase-over /phase out of Title II .

3.1.7 Internal Audit Plans

With CRS/PH internal audit capability increased both in number of staff and functions, the way is paved for systematic reviews of logistics, financial, and operational matters in each of the diocesan counterparts. IAU will be composed of three (3) Certified Public Accountants (CPAs), three (3) Field Officers (FOs), a Secretary, and the supervisor/ manager. This staff will cover both audit and site monitoring functions.

Internal Audit Unit (IAU) plans to complete audits of the all sixty (60) dioceses implementing a DOP from 1990 through the end of 1992. IAU, through its FOs, will continuously monitor the diocesan TMCHP and follow-up on its audit recommendations. IAU will seek to identify patterns of problems and recommend to management the policy or procedural solutions to forestall or correct such problems.

3.2 DAY CARE SERVICES/FOOD FOR GROWTH PROGRAM

3.1.2 Problem Statement

A majority of the population still live below the poverty line. High unemployment or underemployment, high costs of basic goods, and poor health services continue. Most affected are children who are vulnerable to malnutrition and diseases.

One of the programs CRS has been supporting to combat these problems is the Department of Social Welfare and Development's (DSWD) Day Care

Service/Food for Growth Program. Assistance in the form of food. Day Care centers are located in twelve (12) of the thirteen (13) regions in the country. The World Food Program takes the role of providing food in the thirteenth region.

The Day Care Service Program (DCSP) targets pre-school children and pregnant and nursing mothers who are confronted with health, nutrition and economic problems. The main objective of the Day Care program is to provide substitute mothering to nursery school children aged 4-6 years while their parents are busy working as vendors, laundry women, househelpers, storekeepers, etc. The children are fed in the center daily with the CSB and local food. Parents of children take turns in preparing and serving the food.

The Food for Growth Program distributes food in dry form and targets the young children (1-3 years). Mothers are grouped monthly and are taught proper health, nutrition and family life values.

The DSWD's Self-Employment Assistance Program (SEAP) has extended financial help to some of the families who are willing to initiate and maintain their own livelihood projects.

The DCSP/FFG Program was in the same position as the TMCHP in the mid-80s. The proposed food phaseout led to a period of dormant programming. The change in administration also inevitably resulted in shifts in program thrusts and supervision. Currently however, CRS and DSWD both perceive the need to analyze, define, and clearly direct DCS activities in order that the food aid will have a significant impact on the lives of beneficiaries.

The shift from Day Care / Food for Growth centers to Supervised Neighborhood Feeding Center is one of the new thrusts of DSWD. Since the mechanics of this program depends on the results of discussions with DSWD, for purposes of planning, the program described here is still operative for Day Care Service and Food for Growth. An amendment will be submitted later as is deemed appropriate.

While the DCSP/FFG Program is an effective channel for food distribution to needy children, it can also be a venue for delivery of other services. In the years ahead, it is CRS's plan to discuss and agree with DSWD more meaningful and significant programming. Specifically, efforts will be directed towards improved geographic targeting, establishment of self-financing mechanisms, definition of standards and strategies, and evaluation of program accomplishments on a periodic basis. Another area for consideration is the possible passing over of the program to non-government groups to relieve national and municipal government of budgetary and administrative commitments. Program thrusts would be defined on the family, center, provincial and regional levels.

3.2.2. Goals and Objectives

The goals and objectives set for 1990-92 depend on the results of CRS planning with DSWD which is scheduled for late CY1989 and early 1990.

The program will provide food commodities to 400,000 children to supplement the daily diets of children attending Day Care Service and children enrolled in the Food for Growth Program. These programs will also establish systems to finance feeding centers and family group livelihood projects.

Objectives:

1. Increase food consumption of 400,000 children having nursery education in Day Care Centers and those enrolled in the Food for Growth Program.
2. Pre-test and expand programming strategy including focusing of assistance to selected four (4) areas and phase over to non-government agencies.
3. Integrate financing mechanisms for family of center/group activities.
4. Install a monitoring system and measure significant improvement in nutritional status of enrolled children.

3.2.3. Program Management

Day Care Center activities are administered by Center workers under the guidance of Municipal Nutritionists. In some cases, they are directly supervised by the Provincial Nutritionists. There are also City Nutritionists who take care of the programs in urban areas. Provincial and city staff report directly to the DSWD Regional Director. At the national level, the Bureau of Child and Youth Welfare and the Bureau of Family and Community Welfare, Planning Officer and the Undersecretary for Administration participate in program planning and monitoring.

3.2.4. Audit Plans

Audit of DCSP/FFG will be done concurrently with those of the diocesan TMCHP.

3.3. EMERGENCIES

3.3.1. Problem Statement

The geographic location of the Philippines makes it prone to calamities that cause untold suffering and death for tens of thousand of victims. An average of twenty typhoons cross the Philippines annually. Apart from these, fires, earthquakes, drought, and volcanic eruptions constantly threaten lives and property.

When calamities strike, people remain helpless for a time - their livelihood disturbed, access to food becomes a problem, houses are damaged, crops flooded, sicknesses occur and the need for help arises.

3.3.2 Approaches

CRS/PH has a tradition of responding to people afflicted by the trauma of disasters. It will continue to do so during this planning period. For the most part, CRS' response, as it relates to food aid, will be ad-hoc. While the full scope of CRS/PH role in emergencies and disaster response spans activities wider than the provision of PL 480, into the area of disaster preparedness, CRS will continue to request USAID's assistance in the form of PL 480 as needs arise.

4.0. LOGISTIC PLANS

In 1989, CRS held an unallocated balance of P1.9 Million (\$90,476.19) as proceeds from 1984 DSWD Emergency Rice Program. This fund was not utilized by DSWD for the intended income generating project. To demonstrate to DSWD that transport costs and losses can be reduced and inland freight requirements can be met by more cost effective and responsive forwarders, CRS proposed to USAID and DSWD to use this fund in an innovative proposal. DSWD agreed in principle to this proposal while USAID approval was given under AID Regulation Eleven Section 211.5(i).

Under the proposed arrangement, CRS is authorized to use funds to finance contracts between CRS and independent freight forwarder for inland transport of selected FY 89, 2nd and 3rd quarter allocations.

Contracts with separate forwarding firms will be signed for the regional ports. Instead of turning over the commodities in selected ports to NTFC, (the present freight forwarder), the newly contracted forwarders will clear the commodities at the customs and deliver same to the designated consignees.

For the services, CRS will pay out of the P1.9 (\$90,476.19) funds the contracted firms on a job basis. A contract is also designed to effect provisions for claims against the forwarder, if the need to do so arises.

The plan to use other forwarders will also reduce survey costs, GOP inland handling costs, documentation process and clearance of out-ports shipments, excessive sampling of shipments by the Bureau of Customs at the outports and guaranteed immediate delivery.

Ports of Legaspi, La Union, Calapan, Masbate and Davao, have been selected to initially test this plan. CRS is currently mapping out further ports for the fuller implementation of this plan. A report of lessons learned as well as the advantages will be furnished to USAID and DSWD in early FY 90 and it will serve as basis for future planning.

5.0. BUDGET PLAN

5.1. CRS Component

For this Plan of Operations, CRS will continue to provide general financial support of which an amount of P12.6 Million (\$600,000) is directly or indirectly related to the management of the Title II program. CRS carries out a range of activities in the Philippines which are not in any way related to the Title II program. While general overhead support covers all of the activities which CRS undertakes, one can see from the staff assignments that a significant portion of the staff complement are directly involved in the management of the PL 480 Title II program.

We have not included any of the costs associated with the management of the PL 480 Title II program which are borne by our headquarters in the United States.

The cost of the Logistic Staff, a Unit within CRS/PH which includes six staff at the present time (1989), are covered from that portion of the sale of empty containers which reverts to CRS/PH. For the year 1989, that figure is estimated at P1,302,840 (\$62,040). CRS has also secured private funding for a project which will enhance the TMCH program in a number of Dioceses. Funding is available for a three year period starting in mid-1989 and should run in the range of P6.5 Million (\$300,000).

5.2 Diocesan Component

CRS/P has begun a process whereby yearly Diocesan Operating Plan (DOP) are submitted which specifically announce each diocesan goals, and to ultimately establish reliable indicators and benchmarks. Within such plans a budget is provided on the use of the contributions of program participants and any other funding from the dioceses. Under Exhibit 5, using the same assumption of fixed AER, the estimated participant contribution of P24,995,754 (\$1,190,274) is allocated among the projected expenditures items such as Salaries and Fringes, Facilities Administration, Materials and Project Support based on a realistic expenditures level sampled from DOP.

As DOP will be a part of yearly process, the burden of quantifying contributions linked to the total service component of the Diocese is somewhat eased. While CRS/PH is attempting to develop a viable, accurate and simple mechanism of regular monitoring of expenditures, the magnitude of the program poses some difficulties. However our plan to have a computer-based system will help solve the difficulties. The system will be operational by 1990.

5.3. The Philippine Government's Counterpart Contribution

DSWD appropriates a budget for the transport and handling of CRS commodities. It is estimated that the amount is valued over P36.5 Million per annum, (\$4.8 Million) for a 3-year period. Likewise, DSWD along with the respective municipalities cover the cost of maintaining the supervising staff within the Day Care & Food For Growth programs.

Ancillary programs for immunization are borne by the Department of Health.

5.4. Participant's Contributions

Participant contributions are solicited voluntarily in all TMCHP and most DSWD centers and does not in any way exclude eligible needy.

The level of contribution varies throughout the country and between programs. In the TMCHP, the level ranges from P3.00 (\$0.15) to P6.00 (\$0.29), with a mode of roughly P5.00 (\$0.25) per person per month. In the DSWD programs, the level is usually less than P2.00 (\$0.10) a month.

CRS/PH no longer receives any portion of the participant contributions. Prior to July 1988, CRS/PH accepted P.35 (\$0.02) per participant per month in the TMCHP. That practice has been discontinued and by approximately September 1989, all recipient contribution balances held by CRS will be expended. No portion of the recipient contributions donated by DCS/FFG Program enrollees is sent to CRS.

An illustrative indication of expenses for 1990 to 1992 is shown in Exhibit 5.

On a six monthly basis CRS will provide a report to USAID on the funds generated within the TMCHP and their disposition.

5.5. Sale of Empty Containers

There is a readily available market for empty bags in most parts of the country. CRS encourages the consignees to sell these containers at the highest possible price. CRS further requires that P2.00 (\$0.10) from the sale of those bags revert to CRS/PH.

This will be used to cover direct food program administration. Any balance over the P2.00 (\$0.10) will be added to local TMCHP funds.

CRS does not collect any portion of the funds generated by DCS/FFG from the sale of empty containers. The centers use the funds for program operating and administrative expenses.

A report on these funds will also be provided to USAID on a 6 monthly basis.

6.0. AGENCY AGREEMENTS

The program operates in the Philippines on the basis of two agreements.

1. Diplomatic Note 3001 negotiated by the United States government and Republic of the Philippines and signed on October 18, 1956.
2. CRS has separate agreement with the Republic of the Philippines' Department of Foreign Affairs dated January 15, 1957 and January 23, 1957. This agreement details the implementation of Diplomatic Note 3001.

These agreements provide:

1. Tax and duty-free entry of Title II food and other relief supplies.
2. Payment by the Philippine Government for inland transportation costs for movement of supplies from the end of ship's tackle to end users.
3. Police protection for the commodities as a guarantee against theft, pilferage, neglect, mishandling or illicit use.

4. Permission to identify the supplies through normal communications media as donations from the American people.
5. Permission to import all necessary program material and equipment under the same conditions as the supplies.
6. Admission of non-Filipino personnel for the administration of the program.

During CY 1989, CRS will open negotiations with DSWD on the signing of a new umbrella operating agreement. This agreement will spell out the roles and responsibilities of DSWD and CRS relative to the support which they provide to the overall transportation of the program as well as provide a basis for the future negotiations of multi-year plans of operations for the Title II support to their feeding programs. It is our hope that such an agreement can be concluded before CY 1990.

7.0. FOOD DISTRIBUTION NOT DISINCENTIVE TO DOMESTIC FOOD PRODUCTION

For several reasons the CRS PL 480 Title II commodity imports represent an insignificant impact on domestic food production. First, the amount of food distributed through CRS represents less than 0.002 percent of Philippine cereals (rice and corn) production using 1987 figures. Second, some types of commodities (e.g., corn and milk) are less commonly used foods; as a result, substitution of locally grown or purchased foods for the Title II commodities is less likely. Third, the percentage of recipients, in relation to the population as a whole (or even to those who qualify for the programs) is small.

In addition, certain characteristics of the CRS programs that use the Title foods minimize disincentives. Careful targeting to low-income families minimizes displacement; again, these families are less likely to substitute Title II commodities for locally grown or purchased foods. In TMCHP, the major conduit of Title II commodities, food is only one part of package that includes health, education, economic and food production activities. These activities may actually have a positive impact, both through a direct increase of local food production and by an increased demand for food.

8.0. PUBLICITY

It is standard procedure in the CRS programs that utilize Title II commodities to inform counterparts, who in turn inform the recipients, of the source of the commodities. In addition to information through the counterpart, recipients, who have a very high literacy rate, may become aware of the source of the food from the package labeling. Finally, the now commonly recognized hand clasp symbol on commodity packages serves as a further reminder of the commodity source. In fact, the US handclasp has become so common a logo that it is used decoratively on passenger transport conveyances.

9.0 FOOD PROGRAM POSSIBILITIES

During the three year time frame of the MYOP additional programs that use Title II commodities will be considered. The implementation of the additional programs rests on a number of factors including how well these programs will effectively compliment overall development goals. The potential for food for work projects is strong, particularly in conjunction with the eventual phase-out of commodities from the increasingly self-sufficient TMCHP.

A second, though more remote possibility, is food stamp and food swap programs. Some preliminary work on food stamps in the Philippines in the 1970s by other agencies could be used as a basis for a CRS program. There is the possibility that CRS will explore these possibilities on a limited basis within the next three years. Food swaps are another potential area of study. CRS/PH developed but never implemented such a program in the early eighties. It will be explored during the programming period.

6/1

TITLE II, PL 480 COMMODITIES
ANNUAL ESTIMATE OF REQUIREMENTS - FY 1991

UMH Approved 11/16, 0412 2003
Expiration Date 07/31/86

Philippines
1. COOPERATING SPONSOR
Catholic Relief Services-USA

RECIPIENT CATEGORIES	3a NUMBER FEED- INGS DAYS PER MO.	4 NUMBER OF RECI- PIENTS	5 NUMBER MONTHS OPERATING	3a NUMBER DISTR- BUTED PER YEAR	PROPOSED DISTRIBUTION														
					CORN SOY BLEND			BULGUR WHEAT											
					NUMBER RECIPIENTS	RATE KGS	(000) KILOGRAMS	NUMBER RECIPIENTS	RATE KGS	(000) KILOGRAMS	NUMBER RECIPIENTS	RATE KGS	(000) KILOGRAMS	NUMBER RECIPIENTS	RATE KGS	(000) KILOGRAMS			
Child Health-Mother	30	110	12	12	110,000	1.82	2,402.4	110,000	1.82	2,402.4									
Child Health-Child	30	330	12	12	330,000	1.82	7,207.2	330,000	1.82	7,207.2									
Child Feeding	25																		
If Feeding	30																		
If Feeding	25																		
Other	20																		
Other	30																		
Other Dependents	30																		
OL CS - DSWD		400	12	12	400,000	1.82	8,736.0												
RECIPIENTS.		840			840,000			440,000											
REQUIREMENTS Y 19 91							18,345.6			9,609.6									
ADJUSTED REQUIREMENTS FOR SHIPMENT (METRIC TONS)																			
Availability on Hand September 30, 19																			
Availability Received October 1 through February 28, 19																			
From Prior Year Approval																			
From Current Year Approval																			
Availability on Hand February 28, 19																			
Availability Due or Rec'd for Current FY Program After Feb., 19																			
Line 11 minus Line 12																			
Adjusted Distribution March 1 through September 30, 19																			
Availability on Hand, September 30, 19																			
Operating Reserve 5%							917.28			453.48									
Adjusted Total Requirements FY 19 91							19,262.88			10,061.08									
CLEARANCES					SIGNATURE					TITLE					DATE				
Approved by (Field Representative)					KEN HACKETT <i>[Signature]</i>					COUNTRY REPRESENTATIVE					APR 5, 1991				
Approved and Recommended by US AID or Embassy:																			
Cooperating Sponsor Approval																			
AID Washington Approval																			

1304

TITLE II, PL 480 COMMODITIES
ANNUAL ESTIMATE OF REQUIREMENTS - FY 19 92

OMB Approval No. 0412-0003
Expiration Date 07/31/86

Philippines
COOPERATING SPONSOR
Catholic Relief Services-USCC

RECIPIENT CATEGORIES	NUMBER FEEDINGS PER MO.	NUMBER OF RECS (000)	NUMBER MONTHS OPERATING	NUMBER DISTRIBUTED PER YEAR	PROPOSED DISTRIBUTION										
					CGIAR SOY BLEND			BULGUR WHEAT			NUMBER RECIPIENTS	RATE KGS	(000) KILOGRAMS		
					NUMBER RECIPIENTS	RATE KGS	(000) KILOGRAMS	NUMBER RECIPIENTS	RATE KGS	(000) KILOGRAMS					
Old Health-Mother	30	110	12	12	110,000	1.82	2,402.4	110,000	1.82	2,402.4					
Old Health-Child	30	330	12	12	330,000	1.82	7,207.2	330,000	1.82	7,207.2					
Child Feeding	25														
Feeding	30														
Feeding	25														
Ang	20														
A-Mothers	30														
In-Dependents	30														
11. IS - DSWD		400	12	12	400,000	1.82	8,736.0								
RECIPIENTS.		840			840,000			440,000							
REQUIREMENTS 1992							18,345.6			9,609.6					
ADJUSTED REQUIREMENTS FOR SHIPMENT (METRIC TONS)															
by on Hand September 30, 19															
by Received October 1 through February 28, 19															
from Prior Year Approval															
from Current Year Approval															
by on Hand February 28, 19															
by Due or Rec'd for Current FY Program After Feb., 19															
Line 11 Plus Line 12															
Total Distribution March 1 through September 30, 19															
Inventory, September 30, 19															
Operating Reserve 58					917.28			453.48							
Total Requirements FY 19 92					19,262.88			10,063.08							
CLEARANCES				SIGNATURE				TITLE				DATE			
Requested by (Field Representative)				KEN HACKETT <i>[Signature]</i>				COUNTRY REPRESENTATIVE				MAY 5, 1989			
Requested and Recommended by US AID or Embassy:															
Requesting Sponsor Approval:															
D Washington Approval:															

PART III ANNUAL ESTIMATE OF REQUIREMENTS (AER)

COMPUTATION OF FOOD REQUIREMENT
FY 1990 TO 1992

PROGRAM RECIPIENT LEVEL -----	RATION/MO. IN KILOS -----	IN METRIC TONS	
		CORN SOYA BLEND -----	BULGUR WHEAT -----
TMCHP - 440,000	1.82 CSB 1.82 BW	9,609.60	9,609.60
DCSP - 400,000	1.82 CSB	8,736.00	
TOTAL		18,345.60	9,609.60 .
ADD: 5% RESERVE		917.28	480.48
TOTAL 1990 REQUIREMENT		19,262.88	10,089.48
TOTAL 1991 REQUIREMENT		19,262.88	10,089.48
TOTAL 1992 REQUIREMENT		19,262.88	10,089.48
GRAND TOTAL - 1990-1992		57,782.64 MT	30,268.44 M
		=====	=====

NOTE: DSWD has long expressed the view that there is an imbalance in the recipient levels and ration rates between the Day Care/PH and TMCHP programs. Heretofore, CRS/PH has resisted changes on the basis of the differences in programmed features of both programs and the level of monitoring and control that would be necessary for CRS to justify parity. Further, 1989 brought with it much controversy over the change of commodity mix. This may have to be reviewed in the programming period.

myopIII.wk1

myop1.WK1

EXHIBIT 1

TARGETED MATERNAL AND CHILD HEALTH PROGRAM
NUMBER OF CENTERS, SUB-CENTERS AND RECIPIENT LEVEL PER DIOCESE

DIOCESE -----	NUMBER OF CENTERS -----	NUMBER OF SUB-CENTERS -----	RECIPIENT LEVEL -----
1. Nueva Segovia	33	336	8,000
2. San Fernando, La Union	21	196	6,000
3. Laoag	22	177	12,000
4. Bangued	18	169	6,000
5. Mt. Province	12	55	5,300
6. Alaminos	19	110	7,000
7. Urdaneta	19	157	7,000
8. Lingayen-Dagupan	18	76	12,000
9. Bayombong	11	93	3,500
10. Cabanatuan	6	40	3,000
11. San Jose	7	56	2,500
12. San, Fernando, Pampanga	45	235	15,000
13. Balanga	11	68	6,000
14. Iba	11	135	10,000
15. Malolos	8	51	2,500
16. Manila	81	-	8,100
17. Infanta	2	20	2,500
18. Antipolo	5	41	4,000
19. San Pablo	32	256	15,000
20. Lipa	6	18	6,000
21. Calapan	10	155	8,000
22. Boac	11	160	5,533
23. Romblon	15	84	3,000
24. Imus	4	22	8,918
25. Lucena	22	223	11,000
26. Gumaca	16	185	8,000
27. Nueva Caceres	45	384	15,000
28. Daet	14	85	5,000
29. Legaspi	32	242	10,000
30. Masbate	5	38	5,000
31. Sorsogon	22	88	4,000
32. Virac	17	268	8,000
33. Bacolod	59	1,318	34,800
34. San Carlos	16	32	6,200
35. Capiz	20	60	6,000
36. Jaro	46	85	11,000
37. Cebu	47	123	18,000
38. Dumaguete	32	88	5,800
39. Tagbilaran	32	88	4,500
40. Talibon	20	22	4,500
41. Palo	22	238	11,000

64

42. Maasin	25	326	12,000
43. Borongan	6	18	4,000
44. Calbayog	6	18	3,300
45. Zamboanga	9	113	15,650
46. Dipolog	18	303	10,500
47. Isabel	5	60	3,078
48. Ipil	3	18	4,000
48. Jolo	3	13	1,448
50. Ozamis	14	133	10,500
51. Cagayan de Oro	21	42	10,500
52. Surigao	13	194	10,000
53. Malaybalay	8	16	3,000
54. Iligan	19	55	4,000
55. Mati	7	101	5,000
56. Davao	20	228	8,000
57. Digos	8	49	4,841
58. Tagum	19	38	10,000
59. Cotabato	4	59	5,000
60. Marbel	3	58	3,000
	-----	-----	-----
	1,107	8,142	465,367

EXHIBIT 2

myop2.wk1

DAY CARE SERVICES/FOOD FOR GROWTH PROGRAM
RECIPIENT LEVEL PER REGION, PROVINCE AND CITY

REGION	TOTAL RECIPIENTS	PROVINCE	RECIPIENT LEVEL	CITY	RECIPIENT LEVEL
I	30,444	Ilocos Sur	3,609	Laoag	1,547
		Ilocos Norte	2,847		
		La Union	2,867		
		Abra	3,207		
		Mt. Province	1,764	Baguio	2,147
		Benguet	2,427		
		Pangasinan	8,604		
II	35,408	Nueva Vizcaya	7,873		
		Cagayan	12,837		
		Kalinga-Apayao	3,894		
		Isabela	5,249		
		Ifugao	5,455		
III	51,509	Nueva Ecija	7,464	Cabanatuan	3,850
				San Jose	3,426
				Palayan	2,789
		Pampanga	6,884	Angeles	3,152
		Zambales	4,894	Olongapo	2,841
		Bataan	4,505		
		Tarlac	6,398		
		Bulacan	5,205		
NCR	29,319			Quezon	5,342
				Manila	19,219
				Caloocan	2,523
				Pasay	2,235
IV	56,310	Rizal	6,384		
		Laguna	7,292	San Pablo	3,069
		Batangas	3,562	Batangas	1,182
		Imus	7,391	Cavite	1,239
		Quezon	8,630	Lucena	807
		Aurora	542		
		Romblon	3,146		
		Mindoro Occidental	2,522		
		Mindoro Oriental	2,836		
		Marinduque	2,074		
		Palawan	3,301	Puerto Princesa	1,123

11

REGION	TOTAL RECIPIENTS	PROVINCE	RECIPIENT LEVEL	CITY	RECIPIENT LEVEL
V	51,175	Camarines Norte	8,486		
		Camarines Sur	7,022	Naga	4,301
				Iriga	1,266
		Albay	6,608	Legaspi	4,220
		Sorsogon	6,820		
		Catanduanes	4,567		
		Masbate	6,785		
VI	50,126	Capiz	5,652	Roxas	2,338
		Aklan	5,128		
		Antique	3,918		
		Iloilo	11,724	Iloilo	3,035
		Negros Occidental	8,358	Bacolod	2,223
				Bago	1,658
				Cadiz	1,385
				La Carlota	1,808
				San Carlos	678
				Silay	1,209
VII	39,775	Negos Oriental	3,952	Bais	542
				Canlaon	407
				Dumaguete	622
		Cebu	15,678	Cebu	2,808
				Lapu-lapu	969
				Mandaue	1,085
				Toledo	1,242
				Danao	521
		Bohol	11,386	Tagbilaran	463
VIII	24,292	Leyte	1,064	Tacloban	3,092
				Ormoc	3,734
		Southern Leyte	4,141		
		Western Samar	6,822	Calbayog	1,732
		Eastern Samar	3,607		
IX	3,535	Misamis Occidental	1,507	Ozamiz	820
				Oroquieta	700
				Tangub	508
X	6,497	Camiguin Province	500	Cagayan de Oro	4,000
				Gingoog	655
		Agusan del Norte	200	Butuan	532
		Agusan del Sur	600		
XI	21,610	Davao del Norte	3,862	Davao	5,670
		Davao Oriental	3,746		
		Davao del Sur	6,340	General Santos	1,882
	400,000 VVVVVVV				

TARGETED MATERNAL AND CHILD HEALTH PROGRAM FRAMEWORK (FY 1990-1992)

GOALS	OBJECTIVES	1990	1991	1992
Establishment of independent structures and organizations to strengthen the institutional capacity of diocesan TMCHP	*TMCHP based on the diocesan operating plans.	60 dioceses	60 dioceses	50 dioceses
	*Centers formulates and implements center plan of action.	30% of centers 300 centers	60% of centers 600 centers	100% of centers 1100 centers
Upgrade management and technical skills and install proper values among program staff and participants.	*Train diocesan and center level staff in management, technical skills and technologies.	250 staff	250 staff	250 staff
	*Train families in project management and technologies.	1,500 families	1,500 families	1,500 families
	*Educate mothers on proper values, health and nutrition.	440,000 mothers	440,000 mothers	440,000 mothers
Establish loan fund and funding mechanisms.	*Dioceses implement loaning operations	20 dioceses	20 dioceses	20 dioceses
	*Increase income of families by 15% by extending loans and providing technical assistance in the implementation of their income-generating activities.	1,500 families	1,500 families	1,500 families
Deliver preventive health and nutrition services.	*Provide 8 pounds of food to each program participant every month.	19,219.2 MT CSB & 9% for 440,000 children	19,219.2 MT CSB & 9% for 440,000 children	19,219.2 MT CSB & 9% for 440,000 children
	*Mothers complete a course on health and nutrition.	440,000 mothers per annum	440,000 mothers per annum	440,000 mothers per annum
	*At least 70% of growth monitored children improved in their nutritional grades.	308,000 children	308,000 children	308,000 children
	*Children receive complete immunization.	440,000 children	440,000 children	440,000 children

ayop4.wk1

EXHIBIT 4

DAY CARE SERVICE/FOOD FOR GROWTH PROGRAM FRAMEWORK (FY 1990-1992)

GOALS	OBJECTIVES	TARGETS		
		1990	1991	1992
Supplement the daily diets of children.	Provide 4 lbs. of food every month to each child enrolled in the program.	8,736 MT	8,736 MT	8,736 MT
	Increase food consumption by children having nursery education in Day Care Center and children enrolled in Food For Growth Program.	400,000 children	400,000 children	400,000 children
	Improve the nutritional status of 70% of enrolled children.	Assumption: Monitoring system relative to nutritional level measurement established and target acceptable to DSWD.		
Establish systems regulations to finance feeding centers and family or group livelihood activities.	Pre-test and expand programming strategy.	Assumption: DSWD and CRS agree to programming strategy.		
	Pre-test phase over to non-government agencies.	Assumption: Phase-over concept defined and NGO identified.		
	Focus outreach to selected areas.	Assumption: Criteria established and areas selected.		
	Integrate financing mechanisms for feeding centers and family or group livelihood activities.	Assumption: Financing mechanism concept agreed and funds available.		

14

EXHIBIT 5

NYOP - 1990-1992

	1990				1991				1992			
	CRS	DSWD	Diocese	AID/WASH.	CRS	DSWD	Diocese	AID/WASH.	CRS	DSWD	Diocese	AID/WASH.
CRS/Manila (Fund 105)	4,018,014				4,419,822				4,861,802			
	182,637				200,901				220,991			
Enhanced TXCHP (Private Sources)	5,335,000				4,070,000							
	242,500				185,000							
DSWD -Admin. Subsidy		130,000				130,000				130,000		
		5,910				5,910				5,910		
Fee (container) (F507)	1,364,916				1,364,916				1,364,316			
	62,040				62,040				62,040			
Transport/Handling (Contractor) (1)		31,318,220				31,318,220				31,318,220		
		1,423,555				1,423,555				1,423,555		
(H C H P Salaries & Fringes			15,624,000				15,624,000				15,624,000	
			710,180				710,180				710,180	
Transport (Reimbursed by DSWD) (1)		5,118,435				5,118,435				5,118,435		
		232,656				232,656				232,656		
Facilities (Capital cost not included)			1,562,400				1,562,400				1,562,400	
			71,018				71,018				71,018	
Administration			3,124,800				3,124,800				3,124,300	
			142,035				142,035				142,035	
Materials			1,874,890				1,874,880				1,874,880	
			85,222				85,222				85,222	
Project Support (3)			4,000,000				4,000,000				4,000,000	
			181,818				181,818				181,818	

	1990				1991				1992			
	CRS	DSWD	Diocese	AID/WASH.	CRS	DSWD	Diocese	AID/WASH.	CRS	DSWD	Diocese	AID/WASH.
Day Care												
Food Supplement (4)		9,600,000 436,363				9,600,000 436,363				9,600,000 436,363		
Food Including Ocean Freight				318,459,768 14,475,444				318,459,768 14,475,444				318,459,768 14,475,444
Total in Peso	10,717,930	46,166,655	26,186,080	318,459,768	9,854,738	46,166,655	26,186,080	318,459,768	6,226,718	46,166,655	26,186,080	318,459,768
Total in Dollar	487,177	2,098,484	1,190,274	14,475,444	447,941	2,098,484	1,190,274	14,475,444	283,031	2,098,484	1,190,274	14,475,444

Footnotes:

- 1) Transport & Handling:
 (NTFC) Based on 31,484.60 MT @ P.4512/pound
 (Diocese) Based on 31,484.60 MT equivalent to 682,458 bags @ P1.50/bag (using DSWD budget rate)
- 2) CRS Contribution:
 (F105) Operating Fund - an increase of 10% inflationary rate yearly is provided starting at 1989 level of \$166,034.00
 (F507) Empty Containers Fee - based on 682,458 bags at P2.00/bag
- 3) Project Support represents 50% diocese counterpart contribution in the THCHP development projects while CRS shares on the other 50%.
- 4) DSWD Local Food Supplement P2.00/mo. for 400,000 recipients.
- 5) Salaries, Facilities, Administration & Materials are based on realistic level of expenditures against anticipated participant contribution per Diocese operation

EXHIBIT 6

THE GRADING SYSTEM

It is expected that as a child advances in age, he grows. Thus, the weight of the child must be measured in relation to his age.

Years ago, experts devised the growth charts to present growth function. But while mothers understand growth function, they often find it difficult to understand if presented in graphic form. People with little or no formal education understands numbers better than curves. They can memorize and recall a sequence of numbers. They could readily understand actual and expected growth increase. Presenting the child's nutritional status in number is far more effective. With this in mind, the Grading System was developed. A mother can tell the growth rate of her child with the use of numbers and without the need of graphic chart. Further, the Grading System allows growth monitoring to continue and be effectively conducted even when growth charts are not available. The program staff can simply tabulate the figures in an improvised growth record.

The CRS-assisted TMCH Program now uses the Grading System in growth monitoring.

In using the Grading System, 10 (ten) is the highest or best and 1 (one) is the lowest or worst. The terms mildly (third degree), moderately (second degree) and severely (third degree) malnourished are seldom used, because there is barely any change from one nutritional level to another (third degree to second degree or second degree to first degree) in short periods of time. Instead, the growth function is presented in numbers. Thus, it is clearer to see the improvement from grade 4 to grade 5 or worsening from grade 4 to grade 3.

At the time of enrolment and every month thereafter, each child is weighed and his nutritional grade is determined using the Table for Nutritional Status of Filipino Children by Weight-for-Age (0-83 months) in kilograms (see Attachment 1). The child is issued a Child's Growth Record (see Attachment 2). This card is in the custody of his mother. During the weighing session, she presents the card to the staff who, upon weighing of the child and determination of grade, enters data in this form. The nutritional grade is encircled to highlight the figure. The form also shows the immunizations received by the child.

FOR USE OF CRS-ASSISTED
TARGETED MATERNAL AND CHILD HEALTH PROGRAM

NUTRITIONAL STATUS OF FILIPINO CHILDREN BY WEIGHT-FOR-AGE (0-83 MONTHS) IN KILOGRAMS*

Age as of last Birthdate	NUTRITIONAL STATUS/GRADE										
	Severely Underweight (3rd Degree)			Moderately Underweight (2nd Degree)			Mildly Underweight (1st Degree)			Normal	Overweight
	NG 1	2	3	4	5	6	7	8	9	10	OW
0	1.7	1.9	2.0	2.2	2.4	2.6	2.7	2.9	3.1	3.7	3.8
1	2.1	2.3	2.5	2.7	2.9	3.2	3.4	3.6	3.8	4.6	4.7
2	2.2	2.8	3.0	3.2	3.5	3.6	4.0	4.2	4.5	5.5	5.6
3	2.9	3.1	3.4	3.7	4.0	4.5	4.6	4.8	5.1	6.3	6.4
4	3.2	3.5	3.8	4.1	4.4	4.7	5.0	5.4	5.7	6.9	7.0
5	3.4	3.8	4.1	4.5	4.8	5.2	5.5	5.9	6.2	7.6	7.7
6	3.7	4.1	4.4	4.8	5.2	5.6	5.9	6.3	6.7	8.1	8.2
7	4.0	4.3	4.7	5.1	5.5	5.9	6.3	6.7	7.1	8.7	8.8
8	4.2	4.6	5.0	5.5	5.9	6.3	6.7	7.1	7.6	9.2	9.3
9	4.6	4.9	5.3	5.8	6.2	6.7	7.1	7.6	8.0	9.8	9.9
10	4.6	5.1	5.5	6.0	6.4	6.9	7.4	7.8	8.3	10.1	10.2
11	4.8	5.3	5.8	6.2	6.7	7.2	7.7	8.2	8.6	10.6	10.7
12	5.0	5.4	5.9	6.4	6.9	7.4	7.9	8.4	8.9	10.9	11.0
13	5.1	5.6	6.1	6.6	7.1	7.6	8.1	8.6	9.1	11.1	11.2
14	5.2	5.7	6.2	6.7	7.2	7.7	8.2	8.8	9.3	11.3	11.4
15	5.3	5.8	6.4	6.9	7.4	8.0	8.5	9.0	9.5	11.7	11.8
16	5.4	5.9	6.5	7.0	7.6	8.1	8.6	9.2	9.7	11.9	12.0
17	5.5	6.1	6.6	7.2	7.7	8.2	8.8	9.4	9.9	12.1	12.2
18	5.6	6.2	6.7	7.3	7.8	8.4	9.0	9.5	10.1	12.3	12.4
19	5.7	6.2	6.8	7.3	7.9	8.5	9.0	9.6	10.2	12.4	12.5
20	5.8	6.3	6.9	7.5	8.1	8.6	9.2	9.8	10.4	12.7	12.8
21	5.9	6.4	7.0	7.6	8.2	8.8	9.4	9.9	10.5	12.9	13.0
22	6.0	6.5	7.1	7.7	8.2	8.9	9.5	10.1	10.7	13.1	13.2
23	6.0	6.6	7.2	7.8	8.4	9.0	9.6	10.2	10.8	13.2	13.3
24	6.1	6.7	7.3	7.9	8.5	9.2	9.8	10.4	11.0	13.4	13.5
25	6.2	6.8	7.4	8.1	8.7	9.3	9.9	10.5	11.2	13.6	13.7
26	6.3	6.9	7.5	8.1	8.8	9.4	10.0	10.6	11.2	13.8	13.9
27	6.3	6.9	7.6	8.2	8.8	9.4	10.1	10.7	11.3	13.9	14.0
28	6.4	7.0	7.7	8.3	9.0	9.6	10.2	10.9	11.5	14.1	14.2
29	6.5	7.1	7.7	8.4	9.0	9.7	10.3	11.0	11.6	14.2	14.3
30	6.6	7.2	7.9	8.5	9.2	9.8	10.5	11.1	11.8	14.4	14.5
31	6.6	7.3	7.9	8.6	9.2	9.9	10.6	11.2	11.9	14.5	14.6
32	6.7	7.3	8.0	8.6	9.3	10.0	10.6	11.3	12.0	14.6	14.7
33	6.8	7.4	8.1	8.8	9.4	10.1	10.8	11.5	12.2	14.9	15.0
34	6.8	7.5	8.2	8.8	9.5	10.2	10.9	11.5	12.2	15.0	15.1
35	6.9	7.6	8.3	9.0	9.7	10.4	11.0	11.8	12.4	15.2	15.3
36	7.0	7.6	8.3	9.0	9.7	10.4	11.1	11.8	12.5	15.3	15.4

17

Age as of last Birthdate	NUTRITIONAL STATUS/GRADE										
	Severely Underweight (3rd Degree)			Moderately Underweight (2nd Degree)			Mildly Underweight (1st Degree)			Normal	Overweight
	NG 1	2	3	4	5	6	7	8	9	10	OW
37	7.0	7.7	8.4	9.1	9.8	10.5	11.2	11.9	12.6	15.4	15.5
38	7.1	7.8	8.5	9.2	9.9	10.6	11.4	12.1	12.8	15.6	15.7
39	7.2	7.9	8.6	9.3	10.0	10.7	11.4	12.2	12.9	15.7	15.8
40	7.2	7.9	8.6	9.4	10.1	10.8	11.5	12.2	13.0	15.8	15.9
41	7.3	8.0	8.7	9.4	10.2	10.9	11.6	12.3	13.0	16.0	16.1
42	7.4	8.1	8.8	9.6	10.3	11.0	11.8	12.5	13.1	16.2	16.3
43	7.4	8.1	8.9	9.6	10.4	11.1	11.8	12.6	13.3	16.3	16.4
44	7.5	8.2	8.9	9.7	10.4	11.2	11.9	12.7	13.4	16.4	16.5
45	7.5	8.2	9.0	9.8	10.5	11.2	12.0	12.8	13.5	16.5	16.6
46	7.6	8.3	9.1	9.8	10.6	11.3	12.1	12.8	13.6	16.6	16.7
47	7.6	8.4	9.1	9.9	10.6	11.4	12.2	12.9	13.7	16.7	16.8
48	7.7	8.5	9.2	10.0	10.7	11.6	12.3	13.1	13.9	16.9	17.0
49	7.8	8.5	9.3	10.1	10.9	11.6	12.4	13.2	14.0	17.1	17.2
50	7.8	8.6	9.4	10.1	10.9	11.7	12.5	13.3	14.0	17.2	17.3
51	7.8	8.6	9.4	10.2	11.0	11.8	12.6	13.3	14.1	17.3	17.4
52	7.9	8.7	9.5	10.3	11.1	11.8	12.6	13.4	14.2	17.4	17.5
53	8.0	8.8	9.6	10.4	11.2	12.0	12.8	13.6	14.4	17.6	17.7
54	8.1	8.8	9.7	10.5	11.5	12.1	12.9	13.7	14.5	17.7	17.8
55	8.1	8.9	9.7	10.5	11.3	12.2	13.0	13.8	14.6	17.8	17.9
56	8.2	9.0	9.8	10.6	11.4	12.3	13.0	13.8	14.7	17.9	18.0
57	8.2	9.0	9.8	10.7	11.5	12.5	13.1	13.9	14.8	18.0	18.1
58	8.3	9.1	10.0	10.8	11.6	12.4	13.3	14.1	14.9	18.3	18.4
59	8.4	9.2	10.1	10.9	11.8	12.6	13.4	14.3	15.1	18.5	18.6
60	8.4	9.3	10.1	11.0	11.8	12.7	13.5	14.4	15.2	18.6	18.7
61	8.6	9.4	10.3	11.1	12.0	12.8	13.7	14.5	15.4	18.8	18.9
62	8.6	9.5	10.3	11.2	12.0	12.9	13.8	14.6	15.5	18.9	19.0
63	8.7	9.6	10.4	11.3	12.2	13.1	13.9	14.8	15.7	19.1	19.2
64	8.8	9.6	10.5	11.4	12.2	13.1	14.0	14.9	15.8	19.3	19.4
65	8.8	9.7	10.6	11.4	12.3	13.2	14.1	15.0	15.8	19.4	19.5
66	8.9	9.8	10.7	11.6	12.5	13.4	14.2	15.1	16.0	19.6	19.7
67	9.0	9.9	10.8	11.7	12.6	13.5	14.4	15.3	16.2	19.6	19.9
68	9.1	10.0	10.9	11.8	12.7	13.6	14.5	15.4	16.3	19.9	20.0
69	9.2	10.1	11.0	11.9	12.8	13.7	14.6	15.5	16.5	20.1	20.2
70	9.2	10.2	11.1	12.0	13.0	13.9	14.8	15.7	16.6	20.4	20.5
71	9.3	10.2	11.2	12.1	13.0	14.0	14.9	15.8	16.7	20.5	20.6
72	9.4	10.3	11.3	12.2	13.2	14.1	15.0	16.0	16.9	20.7	20.6
73	9.5	10.4	11.4	12.3	13.3	14.2	15.1	16.1	17.0	20.8	20.9
74	9.5	10.4	11.4	12.3	13.3	14.2	15.2	16.1	17.1	20.9	21.0
75	9.6	10.5	11.5	12.4	13.4	14.3	15.3	16.2	17.2	21.0	21.1
76	9.6	10.6	11.5	12.5	13.5	14.4	15.4	16.3	17.3	21.1	21.2
77	9.7	10.6	11.6	12.5	13.5	14.5	15.4	16.4	17.4	21.2	21.3
78	9.7	10.7	11.6	12.6	13.6	14.6	15.5	16.5	17.5	21.3	21.4
79	9.8	10.8	11.7	12.7	13.7	14.7	15.6	16.6	17.6	21.6	21.7
80	9.9	10.9	11.9	12.9	13.9	14.9	15.8	16.8	17.8	21.7	21.8
81	10.0	11.0	12.0	13.0	14.0	15.0	15.9	16.9	17.9	21.9	22.0
82	10.1	11.1	12.1	13.1	14.1	15.1	16.1	17.1	18.1	23.1	23.2
83	10.2	11.2	12.2	13.2	14.2	15.2	16.2	17.2	18.2	24.3	24.4

CHILD'S GROWTH RECORD (front and back)
CHILD IMMUNIZATION RECORD (back)

FRONT:

DIOCESE OF _____						
TARGETED MATERNAL AND CHILD HEALTH PROGRAM						
CHILD'S GROWTH RECORD						
No. _____						
Center			Sub-center			
Name of Child			Mother			
Birthday						
	MONTH	AGE IN MOS.	WT IN KGS.	GAIN (+)/LOSS (-)	NUT. GRADE	REMARKS/NEXT WEIGHING
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						

BACK

	MONTH	AGE IN MOS.	WT. IN KGS./GAIN (+)/LOSS (-)	NUT. GRADE	REMARKS/NEXT WEIGHING
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					

CHILD'S IMMUNIZATION RECORD			
TYPE/DATE & INITIAL OF DOCTOR/MIDWIFE		TYPE/DATE & INITIAL OF DOCTOR/MIDWIFE	
DPT 1	Booster 1	Polio 1	Booster 1
2	2	2	2
3	3	3	3

28

Annex 1

CHILD'S GROWTH RECORD AND CHILD'S IMMUNIZATION RECORD

DESCRIPTION

The Child's Growth Record shows the condition and progress of the child's growth in terms of nutritional grade. The Child's Immunization Record shows the immunizations administered to the child. (Exhibit A).

PROCEDURE/GUIDELINES

Child's Growth Record

1. At the time of enrollment, each child is given a Child's Growth Record. The card is in the custody of his mother. During the weighing sessions, she presents the card to the staff in-charge of weighing the children.
2. Upon weighing of the child and determination of nutritional grade, the staff enters data in this form as well as in the Children's Nutritional Grade Record (Annex 3, Exhibit G). Data must always tally.
3. The card is a helpful tool in educating mothers of the health status of their children. The card must be shown to the mother and changes in nutritional grade must be interpreted.
4. Policies must be instituted in order to instill discipline and professionalism in the implementation of the program.

Some recommended policies are:

- a. Lost card may be replaced only up to 3 instances. If card is lost the third time, child will be terminated. Loss of card is a sign of irresponsibility and disregard for program policies.
- b. Untidy and torn card will be replaced only up to 3 times. Improper care of the card is a sign of the mother's disinterest in the growth monitoring activity and disconcern for the welfare of her child.
- c. No card, no weighing; No weighing, no ration. There is no point in weighing the child if there is no card in which to record the data. Further, there is no point in giving ration if improvement in child's weight is not measured and child's parents are not following requirements.

Child's Immunization Record

1. Information in this record should be based on the Immunization Record of the child issued by the Rural Health Unit or a private physician.
Mothers must always be asked whether immunization was administered to the child. It is not enough to get her verbal positive response but staff should verify and check the child's immunization card before recording the data in the Children's Immunization Record.
2. The data should also be entered in the Immunization Record (Annex 3, Exhibit H).
3. The consolidated data will indicate whether there is a need for the center staff to coordinate with the local rural health unit staff for mass immunization of children enrolled in the TMCHP.

81-

MYOP7.DOC

EXHIBIT 7

PORTS

Mindanao: Cagayan D'Oro
Davao
Ozamis
Surigao
Zamboanga

Visayas: Cebu
Dumaguete
Iloilo
Pulupandan
Roxas
Tacloban
Tagbilaran

Luzon/
Bicol: Calapan
La Union
Legaspi
Manila
Masbate

92

FFP 89-052
January 20, 1989

Mr. Kenneth Hackett
Country Representative
Catholic Relief Services
CBCP Building, Intramuros
Manila

Dear Ken:

Subject: CY88 CRS Internal Review

This is to confirm our discussion of January 19, 1989, in which you agreed to provide subject report by mid-February 1989. I have found the mechanism to be an effective tool to review and strengthen current operations.

Let's establish mid-February as the date in which to submit the internal review every year. It will allow you to identify achievements and weaknesses you may want to highlight in your Operational Program Plan and Annual Progress Reports due in April of each year. Please confirm you have no objections to a mid-February submission every year. Thanks in advance for your cooperation in this matter.

Sincerely,



Alan L. Davis
Division Chief
Food for Peace

cc: ORCabrega



CRS

1-504
RECEIVED

APPENDIX 1
Page 61 of 65

Philippine Program
CBCP Bldg. 470 Gen. Luna St.
Intramuros, Metro Manila
Cable: CATHWELL MANILA
Telex: 40689 CRSP PM
Mail: P.O. Box 1379 Manila
Tel. 47-55-91 to 94

JAN 23 3 24 PM '89

USAID/

20 January 1989

To : ALAN L. DAVIS, USAID
From : KEN HACKETT, CRS
Subject : CRS 88 INTERNAL REVIEW
Reference : FFPRR-052 1/20/89

DEV	ACT	INF
DD		✓
FE		
PLA		
PSA		
TDI		
ED		
PER		
CSO		
LCS		
CRD		
CSO		
TRV		
CRS		
J		
ED		
SAD		
TSU		
FPV	✓	✓
SIA		
S/II		
DUE DATE		
1-1-89		

=====

We will do our very best to have our internal review of the Title II program for CY 88 sent to you on or before Feb. 15, 1989.

KH:dhd
crdd9006.mem

ACTION TAKEN	
NAN <input checked="" type="checkbox"/>	Other <input type="checkbox"/>
Type <u>1</u>	No. <u>170</u>
Dated <u>1/23/89</u>	Initials <u>KH</u>

24

FFP 89-085
February 3, 1989

Mr. Ken Hackett
Country Representative
Catholic Relief Services
CBCP Building, Intramuros
Manila

Dear Ken,

Subject: PVO Internal Review Format
Ref: Davis-Hackett Letter No. FFP89-052
dated January 20, 1989

The referenced letter confirmed your agreement to provide the CY88 CRS Internal Review by mid-February 1989. I came across the attached Handbook 9 suggested format for internal reviews and am attaching a copy for your information.

I believe it maybe too late to incorporate this format for use in your CY88 Internal Review, but request that you use it for your CY89 Internal Review due mid-February 1990.

Thank you for your cooperation in this matter.

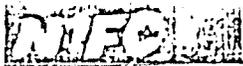
Sincerely,

(s)

Alan L. Davis
Food for Peace Officer

Attachment: a/s

81



TRANSPORT CONTRACTORS

NATIONAL TRUCKING & FORWARDING CORP.

AUG 07 1989

31 July 1989
AAR-218-89

MR. JOSEPH C. WAMBACH
Assistant Director
CARE PHILIPPINES
ECJ Building
Real & Arzobispo Sts.
Intramuros, Manila

Subject: 80% Charge for Unfit
Commodities Handled

Dear Mr. Wambach:

This is with reference to your request for the justification of the 80% charge for unfit commodities ex vessels handled by us.

For your information, in the mid-seventies, we did not have in our contract with the various government agencies involved in the distribution of foreign-donated food commodities a rate provision for the handling and storage of unfit commodities ex foreign vessels being disposed of by the voluntary agencies such as CARE and CRS. Seeing the need and after discussing the matter with the said voluntary agencies, USAID and DSWD for one, it was agreed that a rate should be established inasmuch as the forwarder then (TRANSCON) could not bill using the full integrated rate, its service being devoid of the overland trucking portion. TRANSCON proposed and it was accepted that 80% of the integrated contract rate be used for billing purposes.

The justification for the application of the 80% charge of the integrated rate for unfit commodities handled are:

1. Under our contract with the government agencies, namely, the Department of Social Welfare & Development, Department of Education, Culture and Sports and the Department of Health, we are obligated to receive shipments whether they be in good or bad order condition performing the various activities which compose the integrated

Philippine representative of
PANALPINA WORLD TRANSPORT LTD.

HEAD OFFICE: Lubiran Street, Bacod, Sta. Mesa, Manila • Tel Nos 804-701 to 07 • 624-312 • 403-729. NORTH LUZON: San Angelo Subv., McArthur Highway Angeles City • Tel No 5907

FORWARDING OFFICE: Ground Floor, APMC Building, Amoroso Cor. Gamboa Streets, Legaspi Village, Makati, Metro Manila • Tel Nos 817-0635 • 817-0646 to 48 • Telex No 63374 ITT 40261

c/b

Mr. Joseph C. Wambach
31 July 1989
Page - 2 -

form of service such as, but not limited to brokerage services which includes documentation and clearing of shipments thru the Bureau of Customs, cargo inspection providing lighterage and/or trucking services from foreign vessel and/or arrastre to storage facilities, unloading of lighters/trucks, handling in and out of storage, reconstitution of bad order bags and weighing, periodic treatment, etc. In handling bad order commodities, it is a known fact that we as the forwarder usually incur higher expenditure for reasons that we have to contain further deterioration and/or losses in the course of handling the same.

2. As soon as the bad order commodities are transferred to our custody, extraordinary care is observed to preclude further losses and/or damages to the cargo as discussed above. It is at this point where more people are required to handle a given volume and work output is relative low, etc., necessarily because of the condition of the shipment, hence an added cost on our part.
3. During which time that the damaged/unfit commodities are in process for disposal, additional handling is normally incurred in view of the requirement to segregate bad order commodities from the good ones in order to prevent contamination.
4. Unfit commodities are normally kept in storage longer because of the process it has to go thru prior to actual disposal. It begins with the analysis of the commodities, then reconstitution, inspection by Customs authorities and the buyer, bidding, award, processing thru Customs for the payment of duties due the government and finally the withdrawal of the commodities which to our dismay, normally takes weeks depending upon the volume and the capacity of the awardee to withdraw.
5. In addition, much to our objection, what really happens is that we are made to account for the commodities' deterioration, loss in weight, etc., despite a contract provision that the forwarder/contractor should not be held liable for further spillages and deterioration of commodities damaged prior to our receipt of the same. This being the case, our involvement in the handling of damaged/unfit commodities brings us to a bigger exposure to liability.

87.

Mr. Joseph C. Wambach

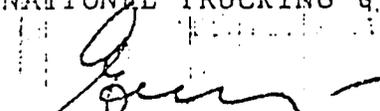
31 July 1989

Page - 3 -

After summing up all the aforementioned activities for which we are mandated to render under our contract with the various government agencies mentioned above and considering our exposure to higher expenditures as well as liabilities, the application of the 80% charge for the handling/storage of unfit commodities which are relatively more delicate and sensitive to handle is most justified.

Very truly yours,

NATIONAL TRUCKING & FORWARDING CORP.



ANTONIO A. RUIZ
Manager, SMT Operations

AAR:lay

TAH
AGL



List of Recommendations

	Page
<u>Recommendation No. 1</u>	4
We recommend that USAID/Philippines requires Catholic Relief Services to develop an information system for updating beneficiary target levels at distribution centers and for adjusting P.L. 480 Title II commodity allocations based on the updated targets.	
<u>Recommendation No. 2</u>	7
We recommend that USAID/Philippines requires Catholic Relief Services	
a. to instruct program implementors on the basic requirements for storing P.L. 480 Title II commodities at distribution centers and	
b. to develop a plan for upgrading storage facilities.	
<u>Recommendation No. 3</u>	12
We recommend that USAID/Philippines requires Catholic Relief Services to design and implement a publicity program advising recipients of P.L. 480 Title II commodities that the food provided was donated by the people of the United States.	
<u>Recommendation No. 4</u>	14
We recommend that USAID/Philippines:	
a. requires Catholic Relief Services to submit a P.L. 480 Title II operations plan with defined program objectives, benchmark indicators and a logical framework;	
b. establishes review procedures that would ensure compliance with A.I.D. Handbook requirements on the content of the operations plan; and	

84

	Page
c. requires Catholic Relief Services to develop a training plan covering program recordkeeping and monitoring by program implementors at the distribution center level.	

<u>Recommendation No. 5</u>	18
-----------------------------	----

We recommend that USAID/Philippines requires Catholic Relief Services either to determine and justify a reasonable percentage to be applied to the integrated rate for determining the incidental expenses applicable to the handling and sale of unfit commodities, or allow only actual costs.

<u>Report Distribution</u>	<u>No. of Copies</u>
Mission Director, USAID/Philippines	5
Assistant Administrator, Bureau for Asia and Near East (AA/ANE)	1
Philippines Desk (ANE/P)	1
Audit Liaison Office (ANE/DP)	1
Office of Food for Peace (FVA/FFP)	2
Bureau for External Affairs (AA/XA)	1
Office of Press Relations (XA/PR)	1
Office of Legislative Affairs (LEG)	1
Office of the General Counsel (GC)	1
Assistant to the Administrator for Management (AA/M)	2
Assistant to the Administrator for Personnel and Financial Management (AA/PFM)	2
Office of Financial Management (PFM/FM)	2
Financial Policy Division (PFM/FM/FP)	2
PPC/CDIE	3
US Ambassador to the Philippines	1
Office of the Inspector General	
IG	1
IG/A	1
IG/PPO	2
IG/LC	1
IG/RM	12
IG/I	1
IG/PSA	1
Regional Inspectors General	
RIG/A/Cairo	1
RIG/A/Dakar	1
RIG/A/Nairobi	1
RIG/A/Singapore	1
RIG/A/Tegucigalpa	1
RIG/A/Washington	1
RIG/I/Singapore	1