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THE FUTURE MANAGEMENT OF FOOD AID RESOURCES  
IN THE  
AGENCY FOR INTERNATIONAL DEVELOPMENT

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BACKGROUND

Current and prospective budget constraints assure that food aid will be an increasingly valuable development assistance option. Moreover, the desirability of making better use of food resources is clear whatever the budgetary context. Yet, the fact that FA is not programmed in the same way as DA and ESF has inhibited its effective use: different processes, constraints, and constituencies must be accommodated. Until now, most of the Agency also has shown less interest in food aid than in cash resources. Combined with general unfamiliarity, this lower priority given to FA has resulted in missed opportunities for effective food programming as an integrated development resource.

Recognizing that food aid can and must be better utilized, AID Administrator McPherson directed FVA to establish an informal Working Group on the future management of food aid resources (FMFAR). The strategy and concepts outlined below embody the Working Group's response.

SURVEY OF CURRENT FOOD AID MANAGEMENT PRACTICES

Both the need and potential for more effective food aid programming and management are clear. They have been identified in documents ranging from field evaluations to country and program-specific reports of the Inspector General.

Until recently, the Agency lacked even an up-to-date listing of "who" in the field was responsible for managing the various FA programs. As a result, Missions in all food aid countries were asked to outline how food aid responsibilities are carried out -- from program design, through negotiation, to implementation, monitoring and evaluation. A copy of the worldwide cable, and sample responses, are attached in Appendix A. Generally speaking, the field data indicates what might be expected: well-run, innovative FA programs are likely to occur where there is senior-level interest in such programs, backed with knowledgeable, experienced FA managers who have responsibility and authority commensurate with the level of resources they are handling.

In AID/Washington, "who" manages FA programs is easier to identify, but the number and level of Washington FA managers are similarly indicative of the priority accorded to this resource. Though FA now supercedes DA in magnitude, Regional Bureaus have at most a single mid-level officer assigned as FA

"liaison". The differential priority is seen in grade as well as numbers: regional coordinators in the Office of Food for Peace -- who have responsibility for region-wide FA policy and programming (including project development, technical assistance, country office backstopping and program office responsibilities) -- are at the FS-1 level, while country directors in the geographic bureaus are FEOC and draw from the ranks of the senior foreign service.

While the "who" of managing FA in AID/W still needs attention, the "how" of managing these programs is changing rapidly. FVA/FFP has reorganized along regional lines, providing more integrated food aid backstopping to the field. In addition, FVA/FFP is:

- developing regional food assistance strategies that identify emphasis countries based on size and/or program content;
- strengthening the review process for food aid programs to ensure such strategies are eventually translated into action with appropriate financial and managerial support;
- fielding technical assistance teams to assist missions in designing new food aid-supported development programs;
- upgrading the FFPO corps, by ensuring that new BS-15 officers bring broader developmental, and not just logistical, skills with them to the job and by encouraging long-term training for promising officers already in the FFPO corps;
- seeking to develop closer linkages among the increasing array of programming tools, such as Title I, II, III, Section 416 and food aid-generated local currencies; and,
- improving communications about FA programs through involvement in Regional Bureau meetings and by conducting a worldwide food aid conference in February, 1987.

The regional bureaus also are taking initial steps to strengthen food aid management. They are designating officers, generally the head of the DP office, responsible for coordinating and integrating food aid programs. Receptivity to food aid programming has increased, and FA representation has been welcomed at Regional Bureau mission directors' meetings and other conferences.

STRATEGY FOR IMPROVING FUTURE FOOD AID MANAGEMENT PRACTICES

Given this increasingly positive approach toward food assistance, now is the time to identify the specific steps necessary to institutionalize the changes currently underway, and to make the additional improvements necessary to implement the basic programming and management concepts discussed in this paper. These concepts can be grouped into four general categories:

1. allocating and programming resources;
2. identifying and designing projects (including the specialized subset of emergency programs);
3. managing field operations; and
4. managing constituent relations.

SECTION 1. ALLOCATING AND PROGRAMMING RESOURCES  
Moving food aid from an entitlement to  
a well-programmed development resource

Most AID missions and bureaus have historically viewed food aid as an "entitlement." Whether talking about a decades-old Title II child feeding program in a chronically food deficit country, or a reflexively automatic Title I program to an insolvent but friendly government, discussion of future FA resource allocation has too often been predicated on the levels and expectations of the past. Programmatically-rigorous consideration of the need, opportunity or potential for improvements in the developmental impact of the programs has been all too rare.

This "business-as-usual" treatment of food aid programs is now changing. FVA has begun to institute procedures aimed at improving the programming and allocation processes. Multiyear operational plans, for instance, not only require a well-formulated justification for beginning or continuing a program, but look to improved targetting; identifiable, measurable indicators of progress; and a definable point of program completion. Over the past several years, preparation and presentation of specific proposals to the DCC have undergone much more serious review and scrutiny before submission to the DCC, resulting in more successful developmental programs.

These changes must now be institutionalized and improved. The key to accomplishing this is earlier and more serious involvement by the missions, the regional bureaus, and PPC in FA programming and allocation strategies. Improved strategic FA planning can be expected to net the Agency better results when programs and projects are presented to FA's decision-making body, the DCC.

The above concerns have several important implications:

- (1) The profile of food aid must be raised through the Agency's programming cycles.
  - (a) Documentation: Beginning with the CDSS, food aid must be discussed as an integral component of a mission's Country Development Strategy. Summary or token treatment should be identified and rejected as inadequate.

Missions and regional bureaus should target annual Action Plans and their review as key points for food aid decision-making -- with regard both to specific program plans and proposals and to the adequacy of mission management to carry out these plans. Specificity should be the norm, not the exception.

- (b) Review: PPC, regional bureaus and FVA need to work together more closely to: assure identification of the full range of food aid issues for inclusion in review agenda; structure the discussions to ensure adequate attention to such issues; capture resulting decisions and ensure their accurate transmittal to the field; and to identify and develop specific plans for addressing any unresolved issues resulting from this process. The review process must be fully participatory among the Bureaus -- it cannot be carried out in isolation by either FVA or the regional bureaus.

Reviews of food aid as an integrated program component must be coordinated and rigorous whatever the action fora -- CDSS, Action Plan or Program Week. Agency review systems should be refined, redesigned, or strengthened to assure that these objectives are achieved.

- (2) Where food aid issues arise outside the Agency's normal programming cycle, flexibility will be required to assure their prompt and adequate consideration.

To the extent possible, food aid issues -- involving overall strategy, specific programs and management concerns -- can and should be considered as part of AID's normal programming process. This should be the norm. However, the food aid cycle and the AID program cycle are not co-terminous. Food aid issues, both strategy and management, may sometimes call for review or a separate schedule to avoid unacceptable delay or inadequately supported decision-making. FVA will seek to limit documentation and review requirements arising outside the normal AID cycle, in order to avoid imposing additional workload on already overburdened missions. For their part, missions and regional bureaus will need to show flexibility when strategy and management issues call for attention on an out-of-cycle basis.

- (3) Earlier intra-agency consultation and coordination can help to improve food aid programming and allocation.

If AID is to be successful in the DCC interagency context in which food aid is reviewed, early planning and resolution of strategic issues is critical. Such issues include the overall food aid budget and country and program-specific allocations within it; development of new policy and program initiatives; commodity-related issues including export enhancement concerns; and a variety of other matters that inevitably arise in the DCC's quest to balance the multiple -- sometimes competing -- priorities of the FA programs.

With this in mind, FVA and the regional bureaus might consider the utility of regional early planning sessions each fall. Such sessions could help identify, on a region-by-region basis:

- local currency uses/requirements/concerns;
- regional and mission policy reform priorities;
- export enhancement priorities and potentials; and
- commodities/modes to best meet regional goals.

The optimal timing and structure of such early planning sessions should be agreed between FVA and the regional bureaus, including the preparatory responsibilities of each.

## SECTION 2. IDENTIFYING AND DESIGNING PROGRAMS Capitalizing on new development opportunities

The changing perception of food aid as a valuable development resource carries with it the need to creatively identify and design "new" FA programs. A variety of skills must converge to make this happen, both in Washington and in the field. Clearly, the full range of these skills are not found in any one person; FA programs require attention from the top down and across a wide spectrum of mission staff.

In the case of Title I/III programs, country analyses must be performed, policy reforms must be identified and negotiated, and local currency uses programmed and monitored. A variety of individuals and offices within a mission will undoubtedly be involved at some time and to some extent in those four processes alone.

In most Title II programs, missions perform an essentially reactive function in response to PVO proposals. These programs often are committed to maintaining the status quo, asking for "more of the same" in direct feeding and relief. Improved FA programming calls for a more proactive mission role in identifying and helping to develop integrated Title II programs -- programs which maximize the developmental use of the nearly \$650 million Title II resource.

To ensure that better, more innovative FA programs are identified and designed, AID staff at all levels needs to be aware of the "state of the art" and the "realm of the possible" in food aid programming. Conceptually, several areas should be addressed:

- (1) New Modes: FVA is striving to develop new food assistance modes to facilitate the identification and design of broader-use FA programs. Initial examples include:
  - (a) Child Survival: Food assistance can be an integral part of a vigorous child survival program, combining targeted feeding, ORT, and immunizations.
  - (b) Title II Section 206: Economic reform programs can be enhanced through the use of a streamlined Title II Section 206 process which allows for accelerated program design and approval.

- (c) Structural Adjustment: Food assistance can play a role in structural adjustment not only at the macro reform level but also, perhaps more importantly, at the micro level through targeted Title II programs to vulnerable population groups whose real incomes, purchasing power, and food consumption are significantly declining due to the economic situation. This FA mode responds to increasing concern over the ability of certain population groups in developing countries to maintain adequate food security and nutritional levels in the face of continuing economic crisis and economic restructuring measures that may, in the short-to-medium term, have adverse effects on the real incomes of poorer segments of the population.
- (d) Food as Capital: Title II food aid now contributes to development principally by creating or improving physical and human capital, largely through activities that accompany traditional MCH, school feeding and Food for Work food distribution. An alternative approach, using food as capital, offers a potential way to multiply the development impact of food aid. This approach involves using food aid to encourage the permanent maintenance and expansion of capital. By introducing activities and conditions to assure cost recovery, or creating a capital fund with food, the impact of initial food distribution can be magnified and extended.

The above list needs to be expanded. FVA continues to seek to develop new ways food aid can be programmed for developmental purposes. Regional bureau and PPC participation in this effort is vital, with an eye toward an Agency-wide discussion on this topic in the near future. To be productive, these discussions will require sustained and high level attention to major issues such as the availability of complementary resources, the need for greater program design expertise, and ways of encouraging the risk-taking associated with new approaches to the use of food aid. Without full management attention, the Agency will only continue to do "business-as-usual" in conditions that are changing daily.

- (2) New Tools: Effective use of new food assistance modes mandates operational changes and increased technical support for missions. For example:

- (a) Monetization: FFP is currently finishing guidelines on the more liberal sales of Title II commodities for support of food transport and ancillary costs of Title II development activities. However, monetization is not the sole solution in the search for complementary resources necessary to turn FA from simple feeding to more developmental programs. The regional bureaus and PPC must join in the task of surveying the Agency's entire range of programmatic resources to identify other sources of complementary inputs.
  - (b) Simplification of Food Assistance Regulations: FFP is currently reviewing the food assistance handbook and accompanying regulations to clarify and simplify the use, managing and monitoring of food aid.
  - (c) Technical Assistance: The 1985 food assistance legislation, plus the development of recent new food aid program modes, create an increased need for technical assistance to missions, to strengthen their capacity for program identification and design. FVA is exploring the specific requirements for such assistance and the potential mechanisms by which such help can be made available, from sources both within and outside the Agency; S&T and the Regional Bureaus should also be alert to needs, inputs and useful venues.
- (3) Expanded Knowledge Base: In addition to new modes and new tools, there must be a concerted effort to widen and deepen the Agency's food assistance knowledge base. Examples include:
- (a) Mission Directors' Conferences: AA Bloch and DAA Bollinger presentations at mission directors' conferences in late 1986 have already generated inquiries from missions on expanded food assistance uses.
  - (b) Food Aid Conference: The February 1987 worldwide food aid conference brought Mission leadership, Food for Peace staff and other concerned direct-hire personnel (program officers, economists, rural development officers, etc.) up-to-date on recent food assistance developments and lay the groundwork for their strengthened involvement in using food aid resources.

- (c) Food Aid Newsletter: Following the M/SER model, FFP is exploring the publication of a newsletter to keep field personnel apprised of food aid developments.
- (d) Training: As discussed in the next section, FA subject materials should be integrated into the Agency's array of training courses.

SECTION 3: MANAGING FIELD OPERATIONS  
Ensuring that good programs follow good ideas

The differences between FA and dollar programs are most apparent when viewed from the perspective of what the management of each entails in the field. Historically, AID has viewed these differences as constraints to the developmental role and potential of food aid. Food aid, for instance, brings with it:

- the possibility of having to develop relations with new ministries or PVO counterparts that aren't normally engaged in DA/ESF programs;
- the need to understand and accommodate the DCC process and the interagency concerns and multiple programming objectives the DCC brings to bear;
- the requirement to make Bellmon determinations, assess UMRs, address questions of absorptive capacity, etc.;
- the necessity to secure staff with the ability to address issues ranging from economic analysis, program design, nutrition and emergency needs assessment to food security, storage and transport.

Clearly these are formidable issues, but they are not insuperable barriers to effective FA programming. Proper field management -- enough people, who know enough about FA programs, and are spending enough time on them -- can overcome these constraints. Bangladesh, India and Peru represent missions that have addressed the FA management question effectively and have successful FA programs to show for their efforts.

However, examples to date are too few. Although nearly 80 countries receive food aid resources, only 20 FFPOs work in field missions and in the past year the FFPO corps has suffered a 13% reduction in the overall number of its officers through retirements, cross-overs and conversions. In those missions where there are no FFPOs, substantial PL 480/Section 416 resources are, by and large, managed on an ad hoc basis, assigned to PSCs, FSNs or inadequately trained junior officers. A breakdown of field FA staffing is attached in Appendix C, along with an analysis showing the percentage of FA in mission portfolios. As is evident, FA is the predominant form of USG assistance in over a third of countries which

receive development aid and the increasing demand for effective management of food aid resources is being served by an ever decreasing number of officers trained in this area.

The action implications are several:

(1) Staffing:

- (a) More staff time must be devoted to FA both in the field missions and in the geographic bureaus.
- (b) Attention must be given to the array of management requirements associated with FA rather than treating it on an ad hoc basis. These responsibilities include:
  - o programming and design;
  - o negotiation of agreements;
  - o program implementation;
  - o evaluation of absorptive capacity issues;
  - o utilization and tracking of local currency;
  - o delivery and utilization of commodities;

In short, management of food aid means more than tracking the logistical movement of food commodities; it includes the design and monitoring of the programs (e.g., child survival, food security systems, etc.) that incorporate these commodities.

- (c) Staffing resources must come from both an improved FFPO corps and officers in other backstops (e.g., Project Development and Program) who are cross-trained in FA management.
- (d) Strategies should be developed for encouraging officers to participate in excursion cross-overs to FFP from appropriate backstops such as project development and programming. The participating officers would gain expertise and familiarity with food aid to better integrate food aid into the Agency's full range of developmental efforts. This can be especially salutary in small missions in Africa, for example, where officers need to be ambidextrous.

- (e) As geographic bureaus are being encouraged and accept the need to create slots for FFPOs in their missions to increase their effectiveness in food aid management, we must be prepared to fill these positions with experienced officers. It would seem appropriate to train several new IDIs in food aid in order to meet this anticipated need.
- (f) In missions where FA is the primary resource available to the mission, staffing assignments should directly reflect earlier, successful FA experience. Appendix C is useful in identifying such missions.

(2) Training:

- (a) Existing Agency training efforts such as the New Entry Course, the Project Design Course, the Development Studies Program, and the Project Implementation course should be surveyed for possible inclusion of FA modules to increase the overall Agency awareness of FA issues, potential and management concerns.
- (b) Specific technical training courses should be developed for officers who will have direct responsibility for a portion of the FA portfolio. This training could be provided in the field on a regional basis and include not only FSO participants but also the PSCs and FSNs associated with the FA program.
- (c) As part of the February 1987 Food Aid Conference, FVA conducted interviews with the participants to determine what further training would be most appropriate for them and their staffs in each mission. The majority felt that they needed a similar conference in a variety of fora to disseminate this information to others that come in contact with food aid including FSNs, Host Country Counterparts and more of our Foreign Service Officers.

(3) Performance:

- (a) Along with the increased attention to food aid discussed in Section 1 of this report through the CDSS process, Action Plans, and Program Weeks, equal attention should be provided to monitoring and evaluating the FA programs that result from this process.

- (b) The Agency needs to explore ways to insure that success or lack of success in programming and managing food aid resources is assessed as part of a mission's overall performance.
  
- (c) FA must receive attention in the Agency's vulnerability assessments, mission reviews, and internal audits. Special review teams can be developed to conduct mission FA management assessments to increase missions' awareness of FA and the importance of well-managed FA implementation. At a minimum, teams that carry out overall mission assessments should make sure that food aid programming and management is, as appropriate, a well-identified part of their scope of work.

SECTION 4: MANAGING CONSTITUENT RELATIONS:  
Many interests, one resource

Food aid programs bring with them a varied and vocal constituency, unique within foreign affairs. Supporters (and potential critics) run a gamut from the American farmer, through the wide range of agribusiness, to the maritime industry and related labor unions, and on to the PVOs and host country counterparts who handle the food at its destination.

Because their motivations run from pure philanthropy to bottom-line profits, no single message nor line of communication is effective in reaching them all. Messages must be carefully crafted to balance the overlapping, yet sometimes competing, interests. Different modes must be employed, and travel to Kansas City may be more important than to New York City. The difficulty of managing FA's diverse constituency, however, should not prevent AID from taking up the challenge.

Considerably more can be done to realize the benefits that accrue from good constituent relations. XA, FVA and LEG must work together to develop a proactive, well-defined strategy to better manage FA's constituent relations. This strategy should identify legislative and public relations opportunities to bring a positive foreign aid message to usually hostile or disinterested domestic audiences.

Such an effort takes on added importance in light of current activities to expand and motivate an overall constituency for foreign assistance. FA provides a "foot in the door" to audiences otherwise not predisposed to a pro-foreign aid message -- audiences who can be supportive and influential once properly motivated.

As a first step, offices which regularly come into contact with FA issues (LEG, XA, FVA primarily) should structure themselves as necessary to develop and manage good FA constituency relations:

- Operationally, this may mean designating senior-level contacts or 'resident experts' on FA issues, getting them trained, and keeping them current on FA trends.
- Conceptually, it means integrating FA into AID's domestic outreach just as we are asking the missions to do in their country programming.

Given the importance of constituency issues to the Agency today, FVA, XA and LEG should be tasked with developing a constituent relations strategy for review by the Deputy Administrator and for subsequent Agency-wide implementation. FVA, given its knowledge of the various constituency interests, should be tasked with coordinating this assignment, relying on the specific expertise of XA and LEG in their relevant areas.

### CONCLUSION

Several themes run through the informal group's discussion of the FMFAR issues, themes which now need to be translated into action. They include:

- (1) Recognition: FA must be recognized as a valuable resource throughout the Agency -- a resource that fulfills multiple objectives: humanitarian, foreign policy, export enhancement, as well as developmental. Recognition will come not from lip service to the notion of effectively programming food assistance, but from the inclusion of FA in discussion and documentation of Agency and mission strategies. To turn this theme into action, FVA, PPC and the regional bureaus will have to work together to develop specific guidance and procedures to better integrate FA into the Agency's existing program documentation and review processes.
- (2) Training: One factor inhibiting effective use and recognition of the value of FA is the lack of knowledge about FA programs throughout the Agency. FVA and M/PM must work together to develop relevant training modules for the increasingly wide variety of people who will be coming into contact with FA programs -- from Mission Directors, to program officers, to FFPOs, PSCs and FSNs.
- (3) Communication: Hand in hand with training on FA programming is the need for improved communication to update the field and regional bureaus about new FA opportunities, requirements and programs. Communications needs are not solely internal; XA and LEG must be drawn into the process of improving our external communication strategy and processes as well.
- (4) Structure: In recognition that the Agency's resource base is shifting more heavily toward food aid, the Agency must also realize that it may be necessary, in some instances, to make organizational adjustments to more effectively address FA issues. Different resources bring with them different ways of doing business. FVA/FFP has begun the process by reorganizing along regional lines to better backstop missions with the panoply of FA resources now available. There is still, however, an organizational asymmetry with respect to the management of food aid resources. Each new FFP region carries with it the

responsibility for a large number of countries (44 in Africa, 23 in Asia/Near East and 23 in Latin America/Caribbean). Each of these regional portfolios well exceeds \$300 million, with the regional coordinator in the Office of Food for Peace bearing direct responsibility for policy decisions, inter-agency negotiation, country negotiation, budget allocations, project identification and design, technical assistance, food assistance implementation, and follow-up. Management of AID's food assistance resource should be upgraded commensurately so as to attract AID's best and brightest senior managers. Adjustments may be required both in Washington and in the field. The Counselor has agreed to lead an effort to address this issue working with the concerned bureaus.

For too long, the Agency has failed to capitalize on the opportunities before us to utilize food aid in all its modes to full advantage as an instrument for development programming. The time is now right - and the tools at hand - for a major step forward toward the more creative, integrated and effective use of the nearly \$2 billion food aid resource.

APPENDICES

- A. FOOD AID MANAGEMENT: CURRENT FIELD PRACTICES
  - Outgoing Survey Cable
  - Sample Responses
  - Regional Themes
  
- B. FFP REORGANIZATION
  
- C. FA RESOURCES AS A PERCENTAGE OF MISSION PORTFOLIO
  - Overseas FFPO staffing

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22 ORIGIN AID-00

24	ORIGIN OFFICE	FVA-01						
25	INFO	AAAF-02	AFEA-03	AFSA-03	AFFW-04	AFCW-03	AAIA-01	LAEM-02
26		LACE-03	LASA-03	ANMS-01	FFP-09	ES-01	AAID-01	ANME-03
27		RFIO-01	LACA-03	AFMG-03	ANEA-02	ANEG-02	ANAF-01	ANSA-02
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30	INFO	LOG-00	EUR-00	AF-00	EB-00	IO-19	NFA-07	ARA-00
31		EAP-00	/034 R					

32  
33 DRAFTED BY: AID/A-AA/FVA:WGBOLLINGER:DDT/LLC  
34 APPROVED BY: AID/A-AA/FVA:WGROLLINGER  
35 FVA/C/FFP:THREESE LAC/EMS:TSTEPHAN (DRAFT)  
36 ANE/LAC:JJORDAN (DRAFT) AFR/MGT:ROLSON (DRAFT)  
37 ES:GJOE SA/FVA:LFORMAN (INFO)

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38 O 130010Z SEP 86 ZEX  
39 FM SECSTATE WASHDC  
40 TO AID WORLDWIDE IMMEDIATE

41 UNCLAS STATE 288226

42 AIDAC MISSION DIRECTORS AND AID REPS.,

43 E.O. 12356: N/A

44 TAGS:

45 SUBJECT: SURVEY OF FOOD AID MANAGEMENT

46 ABIDJAN AND NAIROBI FOR REDSO, HOME FOR FODAG

47  
1. IN VIEW OF ADMINISTRATOR MCPHERSON'S INTEREST IN IMPROVING THE MANAGEMENT OF FOOD AID RESOURCES (PL 480 AND SECTION 416), THE FVA BUREAU IN COORDINATION WITH THE REGIONAL BUREAUS WOULD LIKE TO DESIGN A PROGRAM TO HELP USAID MISSIONS EXPAND AND UPGRADE THEIR CAPACITY TO PROGRAM FOOD AID. THE FIRST STEP IN THIS EFFORT IS TO SURVEY HOW EACH MISSION CURRENTLY MANAGES FOOD AID. MISSIONS WITHOUT FOOD AID PROGRAMS OBVIOUSLY NEED NOT RESPOND.

2. IN VIEW OF THE ANTICIPATED CUTBACKS IN AID DOLLAR FUNDING FROM BOTH THE EA AND ESF ACCOUNTS, THE PROJECTED CONSTANT VOLUME OF FOOD AID RESOURCES TAKES ON INCREASED IMPORTANCE. THIS ALONG WITH THE GROWING AVAILABILITY OF

01 FOOD AID UNDER THE SECTION 416 PROGRAM, PRESENTS AID  
02 WITH THE CHALLENGE OF DEVISING INNOVATIVE PROGRAMS TO  
03 GAIN GREATER DEVELOPMENTAL IMPACT FROM FOOD AID, WHICH  
04 ALL TOO OFTEN IN THE PAST HAS BEEN TREATED AS A  
05 COMPLEMENTARY RATHER THAN A PRINCIPAL RESOURCE. AN  
06  
07 INFORMAL SENIOR LEVEL WORKING GROUP HAS BEEN ORGANIZED  
08 TO DEVELOP RECOMMENDATIONS FOR THE ADMINISTRATOR AIMED  
09 AT IMPROVING THE DEVELOPMENTAL IMPACT OF FOOD AID. AS A  
10 BASE FOR THIS PLANNING, WE NEED TO KNOW MORE ABOUT THE  
11 "WHO AND HOW" OF FOOD AID MANAGEMENT IN EACH MISSION.

12  
13 3. PLEASE PROVIDE A BRIEF REPEAT BRIEF NARRATIVE  
14 EXPLAINING HOW EACH FOOD AID SPIGOT (TITLE I, II, III,  
15 416) IS MANAGED WITHIN YOUR MISSION. BE SURE TO NAME  
16 WHO IS RESPONSIBLE FOR EACH STAGE OF THE PROGRAM'S  
17 DESIGN, NEGOTIATION, IMPLEMENTATION, COMPLIANCE AND  
18 EVALUATION PHASES. FOR INSTANCE, QUESTIONS TO BE  
19 ADDRESSED SHOULD INCLUDE:

20  
21 A. WHO STARTS THE PROCESS BY DOING ANALYTICAL AND  
22 DESIGN WORK FOR TITLE I/III PROGRAMS? TITLE II?  
23 SECTION 416?

24  
25 P. WHO NEGOTIATES TITLE I/III AGREEMENTS?

26  
27 C. WHO DECIDES HOW LOCAL CURRENCIES GENERATED FROM FOOD  
28 AID PROGRAMS WILL BE PROGRAMMED? WHO ADMINISTERS THE LC  
29 PROGRAM?

30  
31 D. WHO MONITORS COMPLIANCE WITH NEGOTIATED AGREEMENTS?

32  
33 E. WHO REVIEWS PVO PROPOSALS FOR TITLE II PROGRAMS?

34  
35 F. WHO ADMINISTERS CASH PROGRAMS TO SUPPORT TITLE II  
36 PROGRAMS?

37  
38 G. OUTREACH AND ENHANCEMENT?

39  
40 E. WHO HANDLES LOGISTICS RELATED TO FOOD AID MOVEMENT  
41 (I.E., PORT CLEARANCE, ACCOUNTABILITY, INLAND TRANSPORT)?

42  
43 I. WHO IS RESPONSIBLE FOR COORDINATING WITH PVOS ON  
44 TITLE II AND SECTION 416 PROGRAMS FOR WHICH THEY HAVE  
45 RESPONSIBILITY?

46  
47 4. IN ANSWERING THESE QUESTIONS, PLEASE INCLUDE NAME,  
48 BACKSTOP, TITLE AND POSITION WITHIN MISSION STRUCTURE

49 (I.E., JOHN DOE, PSC. OFFICE OF AGRICULTURE). PLEASE  
50 INCLUDE AN OVERALL NUMBER OF PEOPLE INVOLVED WITH FOOD  
51 AID PROGRAMMING, BROKEN DOWN BY DIRECT HIRE, CONTRACTOR,  
52 FSNS.

53  
54 5. FOLLOW-UP: AFTER IDENTIFYING WHO DOES WHAT IN EACH  
55 MISSION VIS-A-VIS FOOD AID, CERTAIN OFFICERS WILL BE  
56  
57 SELECTED TO COMPLETE A MORE DETAILED QUESTIONNAIRE ON  
58 THEIR BACKGROUND, TRAINING IN FOOD AID, AND NEED FOR  
59 ADDITIONAL SUPPORT. THIS INFORMATION WILL ALSO BE USED  
60 TO COMPILY LIST OF INVITEES TO WORLDWIDE FOOD AID  
61 PROGRAMMING CONFERENCE EARLY NEXT YEAR IN ORDER TO  
62 UPDATE CONCERNED OFFICERS WITH NEW (1985) FOOD AID

09/29/1985 20:04 AID/CPM/T 3674 NS

202 647 5340 2504572 P.04

01 LEGISLATION AND INITIATIVES.

02  
03 6. RESPONSES: PLEASE RESPOND NLT 9/30/86 TO TOM REESE,  
04 FVA/C/PPP. SHULTZ

UNCLASSIFIED  
Department of State

INCOMING  
TELEGRAM

PAGE 01 OF 02 QUITO 10166 00 OF 02 092038Z 8433 047543 A:04945  
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ACT ON OFF CE SEP-84  
INFO PP-02 LIAISON 01 01-01 01-01 01-01 01-01 01-01  
COM-02 REG-01 PRE-26 479-01 011 AA 1889

INFO LOG-02 COP-01 01-01 01-01 01-01 01-01 01-01  
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FM EMBASSY QUITO  
TO DESTATE WASHDC 5030

UNCLAS 01 10 10166

AIDAC

FOR TOM REESE, FIA-C/FFP

E O 10356 4 A  
SUBJECT: SURVEY OF FOOD AND MANAGEMENT

REF: STATE 108326

1. BACKGROUND FOOD ASSISTANCE PROGRAMS OTHER THAN TITLE II WERE INITIATED IN ECUADOR ONLY IN 1945 AFTER SEVERAL YEARS WITHOUT SUCH PROGRAMS. THE TITLE II PROGRAM HAS EXISTED FOR MANY YEARS BUT IS BEING PHASED OUT. IN FY 85 A US\$200,000 15 MILLION TITLE I PROGRAM WAS APPROVED AND A FOLLOW-UP PROGRAM OF US\$200,000 5 MILLION WAS APPROVED FOR FY 86. MONETIZED PROGRAMS FOR SECTION 416 WHEAT AND NFM AND FOR TITLE II NFM FOR MILK REPLACER FOR FY 85 WERE APPROVED FOR FY 85 BUT ARE NOT YET OPERATIONAL. THUS, PRELIMINARY PROCEDURES FOR THESE LATTER PROGRAMS ARE STILL EVOLVING.

2. GENERAL MANAGEMENT THE FOOD AID PROGRAMS HAVE BEEN DEVELOPED AND MANAGED BY THE MISSION OFFICE OF AGRICULTURE AND RURAL DEVELOPMENT (ROD) EXCEPT FOR THE ORIGINAL TITLE II PROGRAM WHICH IS THE RESPONSIBILITY OF THE MISSION HEALTH OFFICE (FHO). THE COUNTRY TEAM (AMBASSADOR, COMMISSION DIRECTOR AND SENIOR EMBASSY STAFF) HAS OVERALL RESPONSIBILITY FOR THE PROGRAMS. A WORKING GROUP CHAIRED BY THE USAID DEPUTY DIRECTOR WITH PARTICIPATION OF THE AG ATTACHE, ECONOMIC COUNSELLOR, AND THE USAID AG. DEVELOPMENT OFFICER REVIEW AND APPROVE THE BASIC ANALYSIS AND PROGRAM FROM THE PLANS PREPARED BY ROD STAFF (PRINCIPALLY DALE COLYER, JCC AG ECONOMIST, AND TOMAS DOUSOEBES, LOCAL PSC AG. DEVELOPMENT SPECIALIST).

NEGOTIATIONS WITH THE GOE, ARRANGEMENTS FOR DELIVERY AND OTHER ASPECTS OF IMPLEMENTATION ARE THEN HANDLED BY THE MISSION ROD WITH CONSULTATION WITH AGATT. MISSION HAS NO US\$M FOOD FOR PEACE OFFICER ON ITS STAFF.

3. TITLE I. THIS PROGRAM AND ITS DESIGN WERE INITIATED BY THE ROD AND CURRENTLY ARE UNDER DIRECTION OF THE CHIEF OF ROD (JOHN O'DONNELL, USDM). THE MINISTERS OF AGRICULTURE AND FINANCE AND THE MISSION DIRECTOR APPROVE THE PROGRAMMING OF THE LOCAL CURRENCY FUNDS BASED UPON THE ADVICE AND RECOMMENDATIONS OF A PL-480 ADVISORY COMMITTEE. THE ADVISORY COMMITTEE CONSISTS OF TWO MISSION OFFICERS AND TWO GOE REPRESENTATIVES FROM THE MINISTRIES OF AGRICULTURE AND FINANCE. MISSION REPRESENTATIVES ARE JOHN O'DONNELL, CHIEF ROD AND CYNTHIA GIUSTI, CHIEF OF THE OFFICE OF DEVELOPMENT RESOURCE. DAY-TO-DAY ADMINISTRATION OF THE PROGRAM IS CARRIED OUT BY THE PL-480 IMPLEMENTATION SECRETARIAT LOCATED IN ROD WHICH IS COMPOSED OF TWO LOCAL HIRE (TOMAS DOUSOEBES, AGN DEV. SPEC., AND ROSA FULLER,

ADMINISTRATIVE ASSISTANT PSC) AND A SECRETARY. THE IMPLEMENTATION SECRETARIAT WORKS WITH PUBLIC AND PRIVATE SECTOR INSTITUTIONS TO DEVELOP PROPOSALS FOR LOCAL CURRENCY FINANCED ACTIVITIES, WHICH ARE REVIEWED BY THE PL-480 ADVISORY COMMITTEE AND APPROVED BY THE MINISTERS AND MISSION DIRECTOR. THE IMPLEMENTATION SECRETARIAT THEN MONITORS THE EXPENDITURE OF LOCAL CURRENCY FUNDS TO ASSURE THAT USES ARE CONSISTENT WITH THOSE APPROVED IN EACH ACTIVITY. THE ADVISORY COMMITTEE PERIODICALLY REVIEWS THE PROGRESS OF EACH ACTIVITY IN THE CONTEXT OF RECOMMENDING THE AMOUNTS OF INCREMENTAL DISBURSEMENTS OF LOCAL CURRENCY FUNDS TO THE IMPLEMENTING INSTITUTION. THESE INCREMENTAL DISBURSEMENTS ARE APPROVED BY THE MINISTERS AND MISSION DIRECTOR. AN ACCOUNTING FIRM TO BE CONTRACTED BY USAID USING PL-480 GENERATED COUNTERPART WILL BE USED TO AUDIT AND ACCOUNT FOR THE EXPENDITURES OF ALL AGENCIES AND ORGANIZATIONS WHICH RECEIVE LOCAL CURRENCY FUNDS.

4. TITLE II (STANDARD PROGRAM): THE BASIC TITLE II PROGRAM HAS BEEN OPERATING FOR MANY YEARS IN CONJUNCTION WITH CATHOLIC RELIEF SERVICES (CRS). ON-GOING ANALYTICAL AND DESIGN PROCESSES FOR THE PROGRAM ARE BASED UPON SUPERVISORY RURAL FIELD VISITS BY THE PROGRAM MANAGER (MR. OSWALDO ORDONEZI FROM THE SECRETARIADO NACIONAL DE PASTORAL SOCIAL OF THE CATHOLIC CHURCH (SENAPS)), WITH THE USAID/E NUTRITION ADVISOR (MS. JEAN A. WIGHT - PSC) WHO IS RESPONSIBLE FOR MISSION TITLE II FOOD AID PROGRAMMING. MEETINGS ARE HELD WITH THE BISHOPS AND OTHER PERSONNEL IN EACH PROVINCE WHERE THE PROGRAM OPERATES TO IDENTIFY NEEDS AND DEVELOP PROJECT IDEAS. FOLLOW-UP MEETINGS ARE HELD IN QUITO WITH THE CRS COUNTRY REPRESENTATIVE, THE EXECUTIVE SECRETARY OF SENAPS AND THE USAID NUTRITION ADVISOR TO DEFINE FOLLOW-UP ACTIONS AND TO DRAFT PROJECT PROPOSALS. INTER-INSTITUTIONAL NEGOTIATIONS DEFINE THE ROLES OF CRS, SENAPS, PROVINCIAL DIOCESES, USAID/E, AND AID/W. THE NUTRITION ADVISOR AND CHIEF, FHO, (MR. WILLIAM GOLDMAN, USDM) REVIEW THE PROPOSALS. IMPLEMENTATION IS EFFECTED BY SENAPS, WITH CRS PARTICIPATION IN SOME PROJECTS. THE SENAPS TITLE II MANAGER AND TWO FIELD SUPERVISORS HANDLE THE LOGISTICS (PORT CLEARANCE, ACCOUNTABILITY AND INLAND TRANSPORT). FHO MONITORS COMPLIANCE AND EVALUATION. NO CASH PROGRAMS SUPPORT TITLE II IN ECUADOR. OUTREACH AND ENHANCEMENT IS HANDLED BY THE NUTRITION ADVISOR.

5. TITLE II (MONETIZED PROGRAM). THIS PROGRAM WHICH CONSISTS OF STANDARD GRADE NFM FOR CALF MILK REPLACER HAS BEEN APPROVED FOR FY 86 AND IS IN THE PROCESS OF BEING IMPLEMENTED. THE PROGRAM DESIGN WAS STARTED AS A PART OF THE SECTION 416 PROGRAM PROPOSAL BY THE ROD STAFF UNDER THE DIRECTION OF THE CHIEF (JOHN O'DONNELL, USDM), DEPUTY CHIEF (DARELL MCINTYRE, USDM), AGRICULTURAL ECONOMICS OFFICER (DALE COLYER, JCC) AND AGRICULTURAL DEVELOPMENT SPECIALIST (TOMAS DOUSOEBES, LOCAL PSC). PERSONNEL FROM A CONTRACTOR (SIGMA ONE CORPORATION - DAVID FRANKLIN AND EDGAR ARIZA) AND LINDA O'LAKE'S (DOUGLAS PETTY) HAVE ASSISTED WITH THE DESIGN AND DEVELOPMENT OF THE PROJECT. PROGRAMMING OF LOCAL CURRENCIES GENERATED AND ACTIVITY APPROVAL AND MONITORING WILL BE HANDLED IN THE SAME WAY AS TITLE I FUNDS. A SPECIALIZED ADMINISTRATIVE UNIT IS BEING DEVELOPED TO MONITOR AND OVERSEE THE RECEIPT AND DISTRIBUTION OF THE NFM.

6. SECTION 416 THIS PROGRAM ALSO IS BEING DEVELOPED AT THIS TIME AND WILL CONSIST OF NFM FOR NINIAN CONSUMPTION AND WHEAT. IT WAS DEVELOPED IN CONJUNCTION WITH THE SPECIAL TITLE II CALF MILK REPLACER PROGRAM DESCRIBED IN PARAGRAPH 5 AND IS BEING HANDLED IN THE SAME WAY AS THAT PROGRAM. A CONTRACTOR (JOSE RODRIGUEZ) AND IDY

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Department of State

 INCOMING  
TELEGRAM

PAGE 02 OF 02 QUINCY 18156 08 OF 02 J910332 0433 041543 A104945  
SALVATORE PINZINO LEADS FOOD FOR PEACE OFFICER,  
BOLIVIA. ARE ADDITIONAL PERSONNEL IN THE IMPLEMENTATION  
PROCEDURES TO BE USED FOR BOTH ACTIVITIES.

\* PERSONNEL THE TOTAL NUMBER OF PERSONNEL  
INVOLVED IN THE FOOD AND PROGRAM IS RELATIVELY LARGE &  
INDIVIDUALS BUT CURRENTLY ONLY TWO THE LOCAL HIRE POC  
ADMINISTRATIVE POC STAFF AND SECRETARY FOR THE  
IMPLEMENTATION DEPARTMENT ARE FULL TIME WITH THE FOOD  
THERE ARE TWO LOCAL ONE POC AND ONE LOCAL HIRE POC WHO  
DEVOTE A SUBSTANTIAL AMOUNT OF TIME TO THE FOOD AND  
PROGRAM IN AND ONE DIRECT HIRE AND ONE POC ARE  
INVOLVED IN THE ADMINISTRATION THAT ANOTHER LOCAL HIRE POC  
WILL BE NEEDED FOR THE COMBINED TITLE AND SECTION 416  
ADMINISTRATIVE UNIT BONDON

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ACTION  
COPY

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TELEGRAM

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BANQU 01579 00 OF 0 0100Z 01 FEB 68 0100Z 01 FEB 68

TO DIRECTOR  
FROM AFR/DA  
SUBJECT: AFR/DA  
REF: STATE COPY

INFO: AFR/DA  
REF: STATE COPY

-----0100Z 01 FEB 68 24 10

RE: AFR/DA  
TO DIRECTOR  
FROM AFR/DA  
SUBJECT: AFR/DA

INFO: AFR/DA

INFO: AFR/DA

INFO: AFR/DA

INFO: AFR/DA

INFO: AFR/DA

INFO: AFR/DA

1. THIS MISSION PROVIDED FOOD AID THROUGH PL-480 TITLE II EMERGENCY, SECTION 206, AND SOG AG PROGRAMS. IN FY 64 WE PROVIDED 3,000 MT. AND IN FY 65 6,000 MT. OF EMERGENCY FOOD AND 3,000 MT. OF SOG AG AND 3,000 MT. RESPECTIVELY WERE MONETIZED. IN FY 66 WASHINGTON APPROVED A ONE-YEAR \$60.614 MILLION PL-480 TITLE II SECTION 206 PROGRAM UNDER THE PRO PLAN APPROXIMATELY \$2.00 MT. \$1,000 MT. PER ANNUM. OF PRICE WILL BE MONETIZED AND THE PROCEEDS USED TO IMPROVE THE EFFECTIVENESS OF THE AGRICULTURAL MARKETING SYSTEM (C.A.M.S.) AS DESCRIBED IN THE PARAGRAPH RELIEF SERVICES (C.A.M.S.) MATERIAL CHILD HEALTH CARE PROJECTS THROUGH THE EFFECTS OF THE SECTION 206 PROGRAM IN 1964-1965. WAS NOT DEVELOPED UNTIL AFTER SEVERAL DELIVERIES OF FOOD TO THE PEOPLE OF AFRICA. BUREAU FOR ALL FOOD ASSISTANCE OF AFRICA. THE RECENT ESTABLISHMENT OF A FOOD ASSISTANCE MANAGEMENT RESPONSIBILITIES FOR FOOD ASSISTANCE HAVE BEEN DIVIDED AS DESCRIBED BELOW.

2. THE VOLUNTARY AGENCY PROGRAMS CONSIST OF A GOV-MANAGED MATERNAL CHILD HEALTH FEEDING PROGRAM. WITH THE RECENT ELIMINATION OF THE SOG AG POSITION, BACKSTOPPING AND OVERSIGHT HAVE BEEN TAKEN OVER BY OUR WORLDWIDE PROJECT ASSISTANT, PSC IDA OFFICE. ONE IS GIVEN TECHNICAL ASSISTANCE AND GUIDANCE BY THE REGIONAL FOOD FOR PRICE OFFICER. PREVIOUSLY SUPERVISED BY THE SOG AG, ONE IS NOW SUPERVISED DIRECTLY BY THE AID REP.

3. SECTION 206 DESIGN COMMENCED WITH A PID PREPARED IN FEBRUARY 1963 BY THREE CONSULTANTS, ONE A RETIRED FORMER MISSION DIRECTOR AND HEAD OF AFR DP, THE SECOND A USDM AGRICULTURAL ECONOMIST WITH PPC, AND THE THIRD A FORMER FFP OFFICIAL. THE PID WAS FORMALLY APPROVED IN AUGUST 1963. IN MOVING FROM A PID TO PP, HOWEVER, THE MISSION WAS CONFRONTED WITH SEVERAL OBSTACLES. FIRST, SEVERAL PERSONS IN WASHINGTON DID NOT BELIEVE THE PID HAD PRESENTED A CLEAR ANALYSIS OF THE COMBINATIONS OF POLICY MEASURES THAT HAD CONTRIBUTED TO THE HAMBAMU FOOD

SHORTAGE. THEY BELIEVED, FURTHER, THAT THE PID DID NOT DEFINE THE EXACTLY AN INTERRELATED COMBINATION OF POLICY REFORM AND FOOD AID PROCEEDS TO CORRECT THE POLICY AND POLICY RELATED SHORTCOMINGS. SECOND, AID/W ARRANGEMENTS TO SUPPORT A PROGRAM FOR SECTION 206 WERE WELL AWAY IN NOVEMBER 1963. BUT ALL THE TIME HAD TO HAVE DEPARTED FOR THE FIELD. ONE OF A SERIES OF SUCH DISAPPOINTMENTS ENCOUNTERED BY THE MISSION AROUND THAT TIME. THIRD, THERE WERE CONTINUED EXPRESSIONS OF DOUBT IN WASHINGTON THAT THE CASE WAS MERITED AS A FOOD EMERGENCY COUNTRY. FOURTH, THE MISSION RECEIVED INDICATIONS THAT THE PID APPROVAL MESSAGE HAD NOT BEEN CLEARED OUTSIDE AFR. THE MISSION, THEREFORE, DECIDED TO COMMISSION A SERIES OF ANALYTICAL PIECES IN APPROPRIATE SEQUENCE AND DRAW UPON THESE TO CLARIFY THE PP INTERIM RATHER THAN RELY ON A SHORT-TERM DESIGN TEAM. UPON THE ADVICE OF AFR/DA, IT DECIDED ALSO TO HOLD INTERIM REVIEWS AT KEY POINTS WITH ALL CONCERNED WASHINGTON STAFF.

4. IN EARLY 1964, MALCOLM MOPHERSON, A HARVARD CONSULTANT WITH DUAL SPECIALITIES IN MACRO AND AGRICULTURAL ECONOMICS, DRAFTED AN ANALYSIS OF THE POLICY ENVIRONMENT IN MID-1964, AFTER REVIEWING THE ANALYSIS AND THE CORRECTIVE MEASURES THAT MIGHT BE TAKEN, AID/W CONFIRMED ITS APPROVAL TO PROCEED WITH PP PREPARATION. PAUL RUSSELL, FORMER FFP OFFICIAL, THEN PREPARED THE PROCEDURAL PARTS OF THE PP. IN MAY-JUNE 1965, DONALD MCCLELLAND, USDM ECONOMIST WITH PPC, CAME TO SKETCH OUT CORE PROGRAM RATIONALE AND CORRECTIVE POLICY MEASURES, INCLUDING PRIVATIZATION OF THE RICE TRADE AND FREEING UP RICE PRICES. INsofar AS THE MISSION HAD PROVIDED EMERGENCY RICE FOR LOCAL SALE IN 1964 AND HAD MORE ON ORDER FOR 1965, THE MISSION, AT MCCLELLAND'S RECOMMENDATION APPLIED THE FREE MARKET PRICE RECOMMENDATION TO THE 1965 EMERGENCY SHIPMENT. THE MISSION ALSO URGED IMMEDIATE PRIVATIZATION OF THE COMMERCIAL RICE TRADE AND USED THE 1964 AND 1965 SALES PROGRAMS AS FORERUNNERS OF THE SECTION 206 PROGRAM. AID REP AND AID/W STAFF CONDUCTED JOINT REVIEW OF MCCLELLAND'S SUBMISSION IN AUGUST 1965.

6. THE PSC ECONOMIC ANALYSIS WITH ASSISTANCE FROM AID REP AND PSC, DESIGNED THE TRANSFER AUTHORIZATION. IT WAS REFINED BY AID/W TITLE II STAFF (WILLIAM CARTER) AND LAWYERS. NEGOTIATIONS WERE COMMENCED BY AGRICULTURAL DEVELOPMENT OFFICER, USDM RALPH COMLEY, ASSISTED BY PROGRAM OFFICER, AND COMPLETED BY AID REP.

7. POSSIBILITIES FOR PROGRAMMING THE SECTION 206 SALES PROCEEDS HAD BEEN DISCUSSED BY AID REP AND AID/W AFR AND FFP STAFF FOLLOWING MOPHERSON ANALYSIS IN 1964 AND AGAIN FOLLOWING MCCLELLAND ANALYSIS IN 1965. MCCLELLAND HAD PROVIDED A LIST OF THE POSSIBILITIES WITH A REVIEW OF THE COMPARATIVE ADVANTAGES OF EACH. THESE WERE REVIEWED AND DISCUSSED BY MISSION STAFF PREPARATORY TO AID REP DISCUSSIONS IN AID/W. FINAL SELECTION WAS MADE JOINTLY BY MISSION STAFF FOLLOWING AID REP DISCUSSIONS IN WASHINGTON. PSC ECONOMIST DESIGNED THE MECHANISM FOR USE OF LOCAL CURRENCY PROCEEDS AND DEVELOPED THE FRANKING AND CONDITIONALITY ARRANGEMENTS.

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TELEGRAM

STATE DEPARTMENT  
WASHINGTON, D.C. 20520  
OFFICE OF THE ASSISTANT SECRETARY FOR  
ECONOMIC AND BUSINESS AFFAIRS  
ATTENTION: ECONOMIC AFFAIRS SECTION  
TELEPHONE: 467-4000  
TELETYPE: 467-4000  
FACSIMILE: 467-4000  
MAIL ROOM: 467-4000  
RECEIVED: 12 22 86

NUMBER 3 61 00 OF 00 000000 005 04156 14:0741  
ECONOMIST OFFICE OF PHILIPPINE DEPARTMENT OF  
REGIONS (ECONOMIST OFFICE) REPORT GENERAL FOR  
UNIT AND THE REGIONAL DIRECTOR GENERAL FOR IMPROVED  
AND INVESTMENT IN ADDITION TO COOPERATING DELIBERATE  
AND PARTICIPATING GOVERNMENT. WE ESTIMATE THAT A  
TOTAL OF ONE US\$ AND 3 FOR PERSON MONTHS ARE DEVOTED TO  
THIS PROGRAM.

P 014550 07 86  
FM AMEMBASSY MANILA  
TO SECSTATE WASHDC PRIORITY 0446

- B. RE ITEM J.H. - COOPERATING SPONSORS (I.E. CRU  
AND C-RE) ARE RESPONSIBLE FOR OVERSEEING AND ARRANGING  
FOR FURTHER CLEARANCE, ACCOUNTABILITY AND INLAND  
TRANSPORTATION WHICH IS FINANCED BY THE COP'S  
PARTICIPATING MINISTERIAL AID MONITORED BY OFFPVC.

UNCLAS Manila 31561

- C. RE ITEM J.F. - AT PRESENT THE MISSION HAS NO CASH  
PROGRAMS TO SUPPORT THE TITLE II PROGRAM OTHER THAN  
OCCASIONAL AND NOMINAL AMOUNTS OF TITLE I GENERATIONS.  
THESE ARE ADMINISTERED BY THE USAID PROGRAM OFFICE.

AMEMB

4. TITLE III - THE MISSION HAS NO TITLE III PROGRAM.

E.O. 12958 G-2  
SELECT SURVEY OF FOOD AID MANAGEMENT

5. SECTION 416 (SUGAR QUOTA OFF-SET) PROGRAM.

REFERENCE STATE DEPT

- RE ITEMS 3.A,B,D AND I. - THIS PROGRAM IS  
ADMINISTERED BY THE PROGRAM OFFICE. THE ACTION OFFICER  
IS WILLIAM T. OLIVER, (ECON), CHIEF, PROGRAM OFFICE WHO  
REPORTS TO JOHN S. ELACKTON, DEPUTY MISSION DIRECTOR,  
AND WORKS IN CLOSE COOPERATION WITH EMBASSY OFFICIALS  
AND OTHER MISSION ELEMENTS.  
THIS NEW PROGRAM IS STILL IN THE NEGOTIATION STAGE WITH  
THE PARTICULARS OF WHO IS RESPONSIBLE FOR WHAT REMAINING  
TO BE DETERMINED. THE AMOUNT OF STAFF TIME REQUIRED TO  
ADMINISTER THIS AND OTHER SECTION 416 PROGRAMS ALSO HAS  
NOT YET BEEN DETERMINED.

1. THIS CYCLE PROVIDED USAID/PHILIPPINES RESPONSE TO  
REFTEL AND S REFEL ACCORDINGLY.

2. TITLE I

- A. RE ITEMS 3.A,B AND C - THE TITLE I PROGRAM IS  
ADMINISTERED BY THE USAID'S OFFICE OF RURAL AND  
AGRICULTURAL DEVELOPMENT (ORAD). THE ACTION OFFICER IS  
WILLIAM R. COOCHMAN, (ECON), (BS-12), CHIEF, POLICY AND  
PLANNING DIVISION, WHO WORKS UNDER THE POLICY GUIDANCE  
OF JAMES R. BRADY, OFFICE DIRECTOR, ORAD. HIS DIVISION  
CONDUCTS THE ANALYTICAL AND MONITORING FUNCTIONS OF  
TITLE I PROGRAMS. NEGOTIATIONS HAVE INVOLVED OTHER  
OFFICES, INCLUDING PROGRAM, PROGRAM COORDINATOR, REGIONAL  
LEGAL ADVISER AND CAPITAL DEVELOPMENT AS WELL AS  
CONCERNED EMBASSY OFFICIALS. WE ESTIMATE THAT A TOTAL  
OF 3 US\$ PERSON MONTHS AND 5 FSN PERSON MONTHS PER YEAR  
ARE DEVOTED TO THIS PROGRAM.

6. IT SHOULD BE NOTED THAT WE HAVE PROPOSED A  
STRUCTURAL REORGANIZATION TO ENABLE THE MISSION TO  
EFFECTIVELY MANAGE THE GROWING VOLUME AND VARIETY OF NEW  
FOOD AID PROGRAMS. IN THIS CONNECTION, THIS  
REORGANIZATION IS EXPECTED TO INVOLVE SOME REALLOCATION  
OF RESPONSIBILITIES AND WORKLOAD FROM THOSE CITED ABOVE.  
BOSWORTH

- B. RE ITEM 3.C. - UNDER THE DOLLARS 480 MILLION FY  
85 PL 468 AGREEMENT, THE COP NATIONAL ECONOMIC AND  
DEVELOPMENT AUTHORITY (NEEDA) AND USAID ARE RESPONSIBLE  
FOR THE JOINT PROGRAMMING OF LOCAL CURRENCY PROCEEDS FOR  
AGRICULTURAL DEVELOPMENT PROJECTS. UNDER THE FY 85  
TITLE I AGREEMENT, THE COP MINISTRY OF FINANCE (MOF)  
INFORMALLY PROPOSES USES FOR PROCEEDS AND THESE ARE THEN  
NEGOTIATED IN MEETINGS BETWEEN USAID (OL/ORAD/PROJ) AND  
MOF. RECENT TITLE I PROCEEDS HAVE BEEN USED FOR  
BUDGETARY SUPPORT OF AGRICULTURAL PROGRAMS. SO THE  
ACTION OFFICER WORKS WITH THE MOF AND THE MINISTRY OF  
AGRICULTURE AND FOOD ON IMPLEMENTATION OF AGREED LOCAL  
CURRENCY USES.

- C. RE ITEM 3.D. - LOGISTICS RELATED TO THE TITLE I  
COMMODITIES ARE HANDLED BY THE COP'S MINISTRY OF FINANCE  
AND/OR THE NATIONAL FOOD AUTHORITY.

3. TITLE II

- A. RE ITEM 3.A,E,G AND I - THE TITLE II PROGRAM IS  
ADMINISTERED BY THE USAID'S OFFICE OF FOOD FOR PEACE AND  
VOLUNTARY COOPERATION (OFFPVC). THE ACTION OFFICER IS  
CHARLES M. BILLINGS, (ECON), (BS-12), PROGRAM MANAGER, WHO  
WORKS UNDER THE SUPERVISION OF BRYANT GEORGE, CHIEF,  
OFFPVC. THE ACTION OFFICER IS RESPONSIBLE FOR ANALYSES,  
REVIEWS OF FVO PROPOSALS, NEGOTIATIONS WITH COOPERATING  
SPONSORS, COORDINATION, FVO COMPLIANCE WITH AGREEMENTS  
AND REGULATIONS MONITORING, REPORTING AND DAY-TO-DAY  
OPERATIONS OF THE TITLE II PROGRAM. HE WORKS IN CLOSE  
COOPERATION WITH MISSION'S PROGRAM OFFICE, PROGRAM

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AID  
FOOD AID MANAGEMENT SURVEY  
THEMES

Title I:

- Amb./AID Dir./AID Reps. participate in host country negotiations
- Program Officers and Economists, Ag. Development Officers perform much of the design and analytical work.
- Program Officers and Economists and Ag. Development Officers involved with local currency programs.
- Program Officers, Controllers, FSNs involved in compliance and local currency monitoring.
- Some missions (Kenya, Bangladesh, Bolivia, et al) use a "team" or "committee" approach on self-help and local currency programming.

Title II/416:

- Directors (small missions), Program Officers, but especially FFPO and Regional FFPO involved in Title II/416 proposal review.
- FFPO and PSC involved in Outreach/Enhancement, as well as monitoring Title II generated local currencies.
- FFPO, but especially PSC and FSNs, involved in Title II logistics and PVO coordination.

## Regional Themes

### Africa

- Senior USAID Mgt. likely to be involved in planning and analysis.
- Wide variety of Mgt. arrangements.
- High dependence on contract personnel.

### Asia

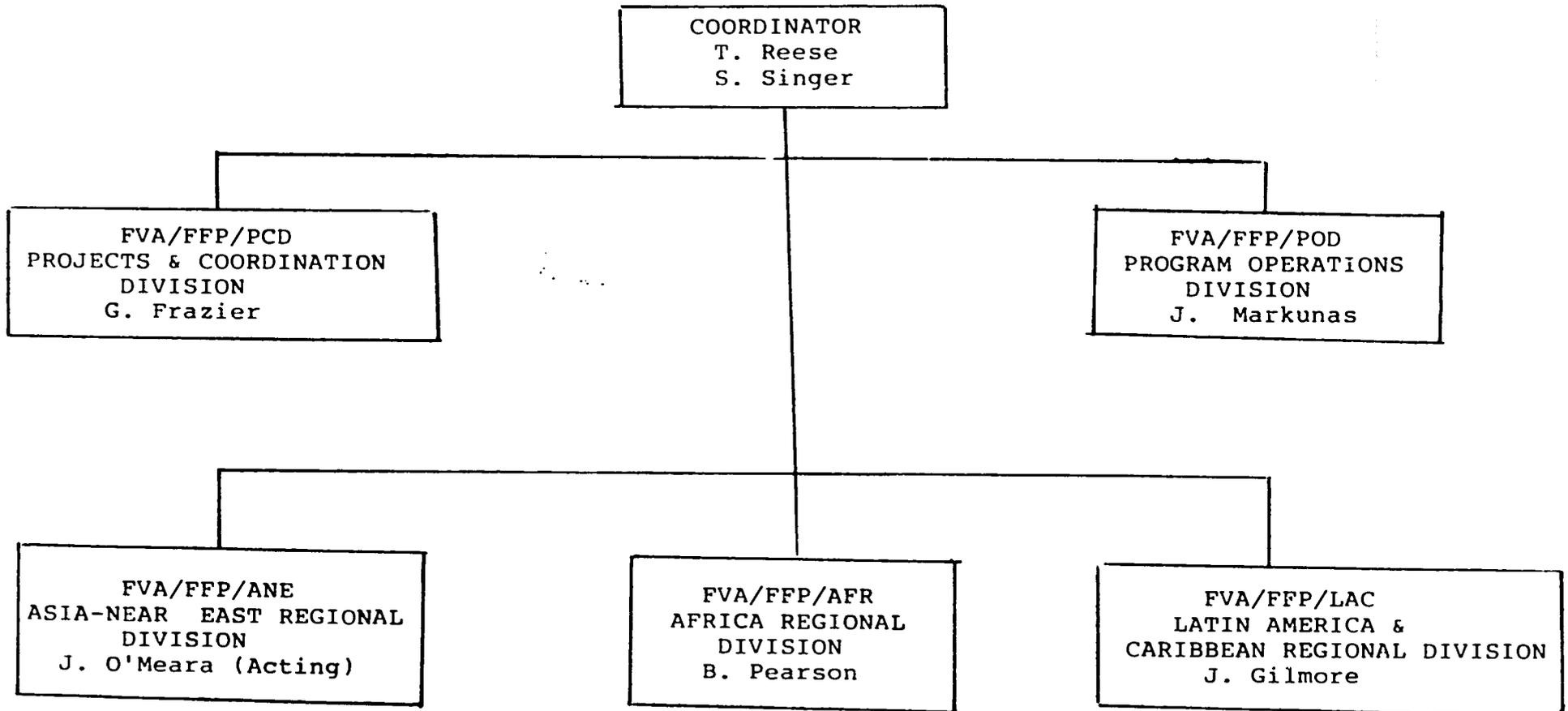
- FVA style offices have greater FFPO involvement in all phases of food aid management -- Bangladesh and Indonesia.

### Latin America

- Relatively sophisticated (Bolivia and Peru) food aid programs with intense, well organized cross-cutting food aid management.

10/09/86

AGENCY FOR INTERNATIONAL DEVELOPMENT  
BUREAU OF FOOD FOR PEACE AND VOLUNTARY ASSISTANCE  
FOOD FOR PEACE



AID Overseas  
Food for Peace Officers

<u>Asia/Near East</u>	(7)
Bangladesh	2
India	2
Indonesia	2
Pakistan	1 (refugees)
<u>Latin America/Caribbean</u>	(2)
El Salvador	1
Peru	1
<u>Africa</u>	(11)
Ethiopia	1
Kenya	1
Mauritania	1
Mozambique	1
REDSO/W	2
REDSO/E	2
Senegal	1
Somalia	1
Zambia	1
FODAG	1
<hr/>	
TOTAL OVERSEAS	21

January 23, 1987

MEMORANDUM

TO : See Distribution

FROM : FVA/PPE, Forest Duncan<sup>FF</sup>

SUBJECT: PL 480 and Section 416 Funding as a Percent of Total U.S. Economic Assistance

The attached tables help illustrate the significance of PL 480 and Section 416 food aid as a developmental resource to support U.S. economic development efforts abroad. Fifty-one of the eighty-two countries receiving U.S. economic assistance in FY 1987 are PL 480 and Section 416 recipients. (Excluded are several Title II and Section 416 recipients which are not traditional AID development assistance countries including Poland, Gaza, the West Bank, Brazil, Chile, Mexico, St. Kitts, St. Lucia, and Bhutan.) These 51 countries accounted for 84 percent of PL 480/416 aid, 83 percent of DA, and 87 percent of ESF assistance provided to all 82 countries, excluding funding for regional programs and Israel.

PL 480 and Section 416 aid comprised over 50 percent of total U.S. economic assistance in 22 of 51 countries receiving U.S. food aid; 25 percent to 50 percent in 15 countries, and less than 25 percent in the remaining 14 countries. Regionally, PL 480 and Section 416 food aid accounted for 28 percent of total U.S. economic assistance in Latin America, 42 percent in Africa, and 25 percent in Asia/Near East. Worldwide, PL 480 in the 51 countries averaged 28 percent of total U.S. economic assistance.

Funding for reserves and freight costs is not included in the calculations as estimates are unavailable on a country-by-country basis. Including this funding would result in a higher proportion of U.S. food aid to total USG economic assistance - roughly about 36% vs. 28% on a worldwide aggregate basis..

Distribution:

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	PRader		
	JGilmore		

FVA/PPE:F.DUNCAN:aw:1/8/87:2712E  
Revised:FDuncan:bem:1/23/86

321

PL 480 and Section 416 Funding as a Percent of  
Total U.S. Economic Assistance

FY 1987 PL 480 COUNTRY RECIPIENTS

<u>Summary:</u>	<u>No. Countries</u>	<u>Percent</u>
More than 50%	22	43%
25% to 50%	15	29%
Less than 25%	14	28%
TOTAL	51	<u>100%</u>

<u>More than 50%:</u>	<u>Country</u>	<u>Percent</u>
	Bangladesh*	52%
	Benin	100%
	Burkina-Faso*	85%
	Cape Verde	62%
	Dominican Republic	60%
	Ethiopia*	100%
	Gambia	51%
	Ghana*	89%
	Guinea*	80%
	Guyana	100%
	India*	60%
	Jamaica	51%
	Madagascar	80%
	Mauritania	64%
	Mauritius	100%
	Morocco*	63%
	Mozambique*	66%
	Peru*	59%
	Sierra Leone	82%
	Sudan*	69%
	Tanzania	100%
	Tunisia	52%

25% to 50%

	Bolivia*	46%
	Botswana	38%
	Guatemala	25%
	Guinea-Bissau	31%
	Haiti*	27%
	Indonesia	30%
	Lesotho	26%
	Liberia	26%
	Rwanda	35%
	Somalia*	25%
	Sri Lanka	49%
	Togo	39%
	Yemen	31%
	Zaire	32%
	Zambia	39%

<u>Less than 25%</u>	<u>Country</u>	<u>Percent</u>
	Chad	15%
	Costa Rica	14%
	Ecuador	04%
	Egypt	19%
	El Salvador	15%
	Honduras	16%
	Kenya*	22%
	Mali*	22%
	Niger	02%
	Pakistan	16%
	Philippines*	09%
	Senegal	22%
	Seychelles	05%
	Uganda	05%

Source: AID/FVA/PPE

- 1/ Calculations based on USG estimates as of December 31, 1986.
- 2/ Country figures include PL 480 Title I and Title II commodity funding only and exclude funding for WFP commodities, Title I/III and Title II ocean freight, and Title I/III and Title II reserves.
- 3/ Excludes Title II commodity funding for countries without DA and ESF assistance including Poland, Gaza, and the West Bank.
- 4/ Excludes Section 416 commodity funding for countries without DA and ESF assistance including Brazil, Chile, Mexico, St. Kitts, St. Lucia, and Bhutan.
- \* Indicates FVA Emphasis Country

PL 480 and Section 416 Funding as a Percent of  
Total U.S. Economic Assistance

FY 1987 PL 480 COUNTRY RECIPIENTS  
(U.S. Million)

<u>Region</u>	<u>DA</u>	<u>ESF</u>	<u>Title I/III</u>	<u>Title II</u>	<u>Total PL 480</u>	<u>Grand Total</u>	<u>Percent PL 480</u>	<u>Section 416</u>	<u>PL 480 and 416</u>	<u>Grand Total</u>	<u>Percent Food Aid</u>
LAC	251.2	506.3	220.4	35.4	255.8	1,013.3	25%	38.9	294.7	1,052.2	28%
AFR	196.0	106.5	135.0	54.3	189.3	491.8	38%	31.7	221.0	523.5	42%
ANE	<u>255.4</u>	<u>1,345.0</u>	<u>377.5</u>	<u>15.8</u>	<u>493.3</u>	<u>2,093.7</u>	<u>24%</u>	<u>35.4</u>	<u>528.7</u>	<u>2,129.1</u>	<u>25%</u>
TOTAL	702.6	1,958.2	732.9	105.5	938.4	3,599.2	26%	106.0	1,044.4	3,704.8	28%
<u>Latin America</u>											
Bolivia*	20.1	15.0	20.0	0.0	29.0	64.1	45%	1.2	30.2	65.3	46%
Costa Rica	12.9	87.7	16.0	0.0	16.0	116.6	14%	0.0	16.0	116.6	14%
Dominican Republic	17.5	20.0	30.0	0.7	31.7	69.2	46%	24.5	56.2	93.7	60%
Ecuador	15.6	12.5	0.0	0.6	0.6	28.7	02%	0.6	1.2	29.3	04%
El Salvador	75.6	181.7	42.0	0.0	44.0	301.3	15%	0.9	44.9	302.2	15%
Guatemala	33.4	58.8	19.0	0.4	23.4	115.6	20%	6.8	30.2	122.4	25%
Guyana	0.0	0.0	5.0	0.0	5.0	5.0	100%	1.7	6.7	6.7	100%
Haiti*	37.0	29.2	18.0	0.0	25.0	91.2	27%	0.0	25.0	91.2	27%
Honduras	10.4	71.4	12.0	0.4	15.4	97.2	16%	0.0	15.4	97.2	16%

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<u>Region</u>	<u>DA</u>	<u>ESF</u>	<u>Title I/III</u>	<u>Title II</u>	<u>Total PL 480</u>	<u>Grant Total</u>	<u>Percent PL 480</u>	<u>Section 416</u>	<u>PL 480 and 416</u>	<u>Grand Total</u>	<u>Percent Food Aid</u>
Jamaica	14.5	25.0	38.4	0.0	38.4	77.9	49%	3.2	41.6	81.1	51%
Peru*	<u>14.2</u>	<u>5.0</u>	<u>20.0</u>	<u>7.3</u>	<u>27.3</u>	<u>46.5</u>	<u>59%</u>	<u>0.0</u>	<u>27.3</u>	<u>46.5</u>	<u>59%</u>
TOTAL LAC	251.2	506.3	220.4	35.4	255.8	1,013.3	25%	38.9	294.7	1,052.2	28%

AFRICA (CCWA)

Benin	0.0	0.0	0.0	1.0	1.0	1.0	100%	0.0	1.0	1.0	100%
Cameroon	20.0	0.0	0.0	0.0	0.0	20.0	0%	0.1	0.1	20.1	--%
Ghana*	1.8	0.0	8.0	6.3	14.3	16.1	89%	0.4	14.7	16.5	89%
Guinea*	4.7	0.0	8.0	0.0	8.0	12.7	63%	10.6	18.6	23.3	80%
Guinea-Bissau	1.8	0.0	0.0	0.8	0.8	2.6	31%	0.0	0.8	2.6	31%
Liberia	13.8	15.0	10.0	0.0	10.0	38.8	26%	0.0	10.0	38.8	26%
Rwanda	6.0	0.0	0.0	3.2	3.2	9.2	35%	0.0	3.2	9.2	35%
Sierra Leone	1.1	0.0	4.0	1.0	5.0	6.1	82%	0.0	5.0	6.1	82%
Togo	2.7	0.0	0.0	1.7	1.7	4.4	39%	0.0	1.7	4.4	39%
Zaire	<u>19.6</u>	<u>10.0</u>	<u>14.0</u>	<u>0.1</u>	<u>14.1</u>	<u>43.7</u>	<u>32%</u>	<u>0.0</u>	<u>14.1</u>	<u>43.7</u>	<u>32%</u>
SUB TOTAL	71.5	25.0	44.0	14.1	58.1	154.6	38%	11.1	69.2	165.7	42%

AFRICA (SWA)

Burkina-Faso*	1.0	0.0	0.0	5.8	5.8	6.8	85%	0.0	5.8	6.8	85%
Cape Verde	1.0	0.0	0.0	1.6	1.6	2.6	62%	0.0	1.6	2.6	62%

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<u>Region</u>	<u>DA</u>	<u>ESF</u>	<u>Title I/III</u>	<u>Title II</u>	<u>Total PL 480</u>	<u>Gr. Total</u>	<u>Percent PL 480</u>	<u>Section 416</u>	<u>PL 480 and 416</u>	<u>Grand Total</u>	<u>Perc Food Aid</u>
Chad	4.0	5.0	0.0	1.6	1.6	10.6	15%	0.0	1.6	10.6	15%
Gambia	2.0	0.0	0.0	2.1	2.1	4.1	51%	0.0	2.1	4.1	51%
Mali*	7.4	0.0	0.0	2.1	2.1	9.5	22%	0.0	2.1	9.5	22%
Mauritania	2.0	0.0	0.0	3.4	3.4	5.4	63%	0.1	3.5	5.5	64%
Niger	15.0	2.0	0.0	0.0	0.0	17.0	0%	0.2	0.2	17.2	01%
Senegal	<u>17.0</u>	<u>12.0</u>	<u>5.0</u>	<u>3.2</u>	<u>8.2</u>	<u>37.2</u>	<u>22%</u>	<u>0.0</u>	<u>8.2</u>	<u>37.2</u>	<u>22%</u>
SUB-TOTAL	49.4	19.0	5.0	19.8	24.8	93.2	27%	0.3	25.1	93.5	27%
<u>AFRICA (DA)</u>											
Ethiopia*	0.0	0.0	0.0	4.3	4.3	4.3	100%	0.0	4.3	4.3	100%
Kenya*	19.0	15.0	8.0	1.7	9.7	43.7	22%	0.0	9.7	43.7	22%
Madagascar	2.3	1.0	8.0	1.4	9.4	12.7	74%	4.2	13.6	16.9	80%
Mauritius	0.0	0.0	0.0	0.3	0.3	0.3	100%	0.2	0.5	0.5	100%
Seychelles	0.0	2.0	0.0	0.1	0.1	2.1	05%	0.0	0.1	2.1	05%
Somalia*	13.2	17.5	10.0	0.0	10.0	40.7	25%	0.0	10.0	40.7	25%
Sudan*	22.5	0.0	50.0	0.6	50.6	73.1	69%	0.0	50.6	73.1	69%
Tanzania	0.0	0.0	0.0	0.9	0.9	0.9	100%	0.3	0.3	5.7	05%
Uganda	<u>5.4</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>5.4</u>	<u>0%</u>	<u>1.1</u>	<u>2.0</u>	<u>2.0</u>	<u>100%</u>
SUB-TOTAL	57.0	35.5	76.0	9.3	85.3	183.2	47%	5.8	91.1	189.0	48%

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<u>Region</u>	<u>DA</u>	<u>ESF</u>	<u>Title I/III</u>	<u>Title I</u>	<u>Total PL 480</u>	<u>Grand Total</u>	<u>Percent PL 480</u>	<u>Section 416</u>	<u>Pl. 480 and 416</u>	<u>Grand Total</u>	<u>Percent Food Aid</u>
<u>AFRICA (SA)</u>											
Botswana	0.0	5.0	0.0	3.0	3.0	8.0	38%	0.0	3.0	8.0	38%
Lesotho	9.7	0.0	0.0	3.4	3.4	13.1	26%	0.0	3.4	13.1	26%
Mozambique*	0.0	10.0	0.0	4.7	4.7	14.7	32%	14.5	19.2	29.2	66%
Zambia	<u>3.0</u>	<u>12.4</u>	<u>10.0</u>	<u>0.0</u>	<u>10.0</u>	<u>25.4</u>	<u>39%</u>	<u>0.0</u>	<u>10.0</u>	<u>25.4</u>	<u>39%</u>
Sub-Total	12.7	25.4	10.0	11.1	21.1	61.2	34%	14.5	35.6	75.7	47%
TOTAL AFRICA	196.0	106.5	135.0	54.3	189.3	491.8	38%	31.7	221.0	523.5	42%
<u>ASIA</u>											
Bangladesh*	63.0	0.0	52.0	15.5	67.5	130.5	52%	0.0	67.5	130.5	52%
India*	53.0	0.0	0.0	74.8	74.8	127.8	59%	5.0	79.8	132.8	60%
Indonesia	45.0	0.0	15.0	4.1	19.1	64.1	30%	0.0	19.1	64.1	30%
Pakistan	25.0	250.0	50.0	3.0	53.0	328.0	16%	0.0	53.0	328.0	16%
Philippines*	13.0	250.0	0.0	7.8	7.8	270.8	03%	18.8	26.6	289.6	09%
Sri Lanka	<u>18.0</u>	<u>0.0</u>	<u>15.5</u>	<u>2.0</u>	<u>17.5</u>	<u>35.5</u>	<u>49%</u>	<u>0.0</u>	<u>17.5</u>	<u>35.5</u>	<u>49%</u>
Sub Total	217.0	500.0	132.5	107.2	239.7	956.7	25%	23.8	263.5	980.5	27%

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<u>Region</u>	<u>DA</u>	<u>ESF</u>	<u>Title I/III</u>	<u>Title II</u>	<u>Total PL 480</u>	<u>Grand Total</u>	<u>Percent PL 480</u>	<u>Section 416</u>	<u>PL 480 and 416</u>	<u>Grand Total</u>	<u>Percent Food Aid</u>
<u>NEAR EAST</u>											
Egypt	0.0	815.0	185.0	4.2	189.2	1,004.2	19%	0.0	189.2	1,004.2	19%
Morocco*	16.4	10.0	40.0	4.4	44.4	70.8	63%	0.0	44.4	70.8	63%
Tunisia	0.0	20.0	10.0	0.0	10.0	30.0	33%	11.6	21.6	41.6	52%
Yemen	<u>22.0</u>	<u>0.0</u>	<u>10.0</u>	<u>0.0</u>	<u>10.0</u>	<u>32.0</u>	<u>31%</u>	<u>0.0</u>	<u>10.0</u>	<u>32.0</u>	<u>31%</u>
Sub-Total	38.4	845.0	245.0	8.6	253.6	1,137.0	22%	11.6	265.2	1,148.6	23%
TOTAL ANE	255.4	1,345.0	377.5	115.8	493.3	2,093.7	24%	35.4	528.7	2,129.1	25%

Source: AID/FVA/PPE

- 1/ Figures are based on U.S.G. estimates as of December 31, 1986.
- 2/ Country figures include PL 480 Title I and Title II commodity funding only and exclude funding for WFP commodities; Title I/III ocean freight, and Title I/III and Title II reserves.
- 3/ Table omits Title II commodity funding for Poland (\$2.3); Gaza (\$0.5) and the West Bank (\$1.1).
- 4/ Section 416 figures exclude section 416 funding for country programs without DA and/or ESF assistance including Brazil (\$7.8), Chile (\$0.7), Mexico (\$28.1), St. Kitts (\$12.5), St. Lucia (\$41.5), and Bhutan (\$0.4).

\* Indicates FVA Emphasis Country.

APR 22 1987

INFORMATION MEMORANDUM FOR THE ADMINISTRATOR

THRU : Marshall Brown, Counselor to the Agency  
FROM : AA/FVA, Walter G. Bollinger (Acting)  
SUBJECT: Follow-Up to Report on the Future Management of Food  
Aid Resources (FM/FAR)

Last month you approved the Report of the Working Group on the Future Management of Food Aid Resources. The purpose of this memorandum is to update you on progress in carrying out the report's principal concepts. A separate action memorandum seeks your approval to transmit the report to the field and within AID/W.

The first section of the Report calls for institutionalization of the changes already underway to strengthen the documentation and review of food aid both within - and, where necessary, outside - the Agency's normal programming cycle. We have observed significant improvement in recent months in the presentation and review of food aid programs by Regional Bureaus and many missions. Regional bureau/FVA coordination and consultation has been notably closer this year than in the past, e.g., during Program weeks and in CDSS and Action Plan reviews. The worldwide Food for Peace Conference and the reorganization of the Office of Food for Peace were extremely helpful in strengthening overall performance in this regard. The Report also pointed to the desirability of earlier intra-agency consultation and coordination to resolve strategic food issues, e.g., through regional early planning sessions each fall. FVA will be in touch with the regional bureaus later this summer to determine the optimal timing and structure of such sessions.

With respect to the need for development of new food aid programming modes and tools, ultimate success will require a sustained long-term Agency-wide effort. This is an area that calls for continuing priority -- and high-profile support by Agency and Bureau leadership -- well into the future. However, we have made a good start. You are well aware, for example, of the Agency's accomplishments in encouraging the use of food aid in support of structural adjustment programs. We also have been successful in reaching inter-Agency agreement on guidelines that will enable us to expand Title II Section 206 programming in

support of economic reform. We have likewise reinforced our efforts this year to promote integration of Agency-supported PVO Child Survival activities with Title II programs.

Given the highly-collaborative nature of the effort to develop innovative new modes of food aid programming -- and the longer-term perspective necessary to carry it out -- we recommend an assessment in 6-9 months, with strong regional bureau and PPC inputs, of our experience over the past year to take stock of what we have learned and to identify promising program initiatives for the future.

Development of better tools to support food aid programming also has proceeded apace. As you know, we have finally reached inter-Agency agreement on monetization guidelines designed to facilitate the programming of project food aid for greater developmental impact. Related to this, we have commissioned the preparation of a Monetization Field Manual to provide guidance to missions and PVOs on the implementational aspects of this programming tool. Additionally, we have accelerated the pace of the FVA Task Force that is revising the Food Aid Handbook (Handbook #9) and related Federal Regulations; this promises to be highly beneficial in simplifying and updating the provisions under which A.I.D. and PVOs operate. We also hope to conclude a cooperative agreement this year which will make available, for the first time, a roster of seasoned experts to assist missions in preparing food aid strategies and in resolving specific design and implementation issues. Finally, as a follow-up to the February worldwide Food Aid Conference, we have scheduled two "mini-conferences" to bring regional bureau staff and PVOs up-to-date on food aid developments, priorities and potentials.

In the section on managing field operations, the report identifies a number of staffing and training requirements fundamental to the success of the Agency's effort to make better use of food aid. Although there is broad agreement in principle on weaknesses in the current system, and the types of changes necessary, progress has been invariably slow, difficult and time consuming. We have mentioned the role of the Food for Peace reorganization, the Food for Peace Conference and the strengthened regional bureau/FVA collaboration as major contributions to this end. Yet, in the last year, there have been losses to the Food for Peace Officer corps--through retirements, crossovers and conversions--amounting to almost 25% of the staff. This has created a severe shortage in filling Food for Peace positions in AID/W. In partial response to this need, FVA recently reached agreement with the Director of Personnel on the provision of four new-hires this summer from individuals recruited in the BS-94 Project Development backstop who will be cross-trained in FFP management. The FVA management office also has been working with the three regional bureau

management offices, the career development officers and the Foreign Service Personnel staff to encourage cross-over excursions into the BS-15 Food for Peace backstop by strong FSOs. To date, crossovers out of BS-15 have been quite successful (five in the past year) while crossovers into the FFP backstop have been considerably less forthcoming. Looking to the future, a small but steady supply of IDI's, either BS-94 or BS-15, would offer an excellent way of addressing the problems we are experiencing.

With respect to improved training in Food for Peace skills, we have compiled a list of FSNs working with food aid and have begun discussions with the FSN office and the Training Division in the Office of Personnel Management on ways to provide appropriate training for this group. To better address overall Food for Peace-related training needs for Agency personnel, we are suggesting establishment of an intra-agency committee to review current training courses and to determine those to which addition of a food aid module may be appropriate. We propose that this committee be chaired by the Training Division and include representatives from FFP, PPC, the Regional Food Aid Coordinators, the FSN office and the career counselors.

Lastly, the FM/FAR report drew attention to the need for a better coordinated effort to manage the Agency's relationship with its widespread and highly varied food aid constituency. FVA will explore with XA and LEG the appropriate approach to and dimensions of such an effort, including in particular those steps that could usefully be taken looking to next year's legislative cycle.

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C. 20523

ASSISTANT  
ADMINISTRATOR

APR 22 5 23 PM '87

AID  
EXECUTIVE SECRETARIAT

APR 22 1987

INFORMATION MEMORANDUM FOR THE ADMINISTRATOR

THRU : Marshall Brown, Counselor to the Agency  
FROM : AA/FVA, Walter G. Bollinger (Acting) *WGB*  
SUBJECT: Follow-Up to Report on the Future Management of Food  
Aid Resources (FM/FAR)

Last month you approved the Report of the Working Group on the Future Management of Food Aid Resources. The purpose of this memorandum is to update you on progress in carrying out the report's principal concepts. A separate action memorandum seeks your approval to transmit the report to the field and within AID/W.

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*WGB*

support of economic reform. We have likewise reinforced our efforts this year to promote integration of Agency-supported PVO Child Survival activities with Title II programs.

Given the highly-collaborative nature of the effort to develop innovative new modes of food aid programming -- and the longer-term perspective necessary to carry it out -- we recommend an assessment in 6-9 months, with strong regional bureau and PPC inputs, of our experience over the past year to take stock of what we have learned and to identify promising program initiatives for the future.

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management offices, the career development officers and the Foreign Service Personnel staff to encourage cross-over excursions into the BS-15 Food for Peace backstop by strong FSOs. To date, crossovers out of BS-15 have been quite successful (five in the past year) while crossovers into the FFP backstop have been considerably less forthcoming. Looking to the future, a small but steady supply of IDI's, either BS-94 or BS-15, would offer an excellent way of addressing the problems we are experiencing.

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4/5

cc: AA/ANE:JCBloch  
AA/AFR:ARLove (Acting)  
AA/LAC:DAInk  
AA/PPC:REBissell  
AA/PRE:NPeden  
AA/S&T:NCBrady  
AA/FVA:WGBollinger (Acting)

Clearance: *for*  
AA/PPC:REBissell *WV*

FVA/PPM:LStamberg:04/14/87:bem:#0026D

*46*

**AGENCY FOR INTERNATIONAL DEVELOPMENT**  
WASHINGTON, D C 20523

THE ADMINISTRATOR

MEMORANDUM TO MISSION DIRECTORS AND A.I.D. REPRESENTATIVES

SUBJECT: Future Management of Food Aid Resources

Last year, with a view to the increasingly important role of food aid in the Agency's development assistance programs, I directed the FVA Bureau to establish an informal intra-agency working group to explore some of the specific programming and management implications associated with the more effective use of U.S. food resources. The working group recently finished its report, which I am transmitting with this memorandum. I commend it to your attention.

The report on the future management of food aid resources pulls together for the first time our Agency strategy for food aid management. While it was not designed to break new policy ground, it raises a wide range of operational issues bearing on the vital question of how the Agency will translate previously agreed policies into action.

The report discusses all components involved in the management of food aid: (a) allocating and programming resources; (b) identifying and designing programs; (c) managing field operations; and (d) managing constituent relations. It was presented in summary form by the Counselor to the Agency at the worldwide Food Aid Conference held in Annapolis last February. I have approved it for use as the basis of a coordinated intra-agency effort to develop the operational guidelines necessary to implement its principal concepts.

The operational issues raised in the report are not de novo; many of the actions it prescribes are completed or in process. However, a great deal remains to be done to realize the full potential of food aid as a developmental instrument. This will require the cooperation of missions, regional bureaus and AID/W management alike. The report of the working group offers a useful road map of the direction in which we must move. You will find it helpful as you develop your plans to use food aid most effectively as a component of the Agency's country development programs.

M. Peter McPherson

Attachments:

1. Report on the Future Management of Food Aid Resources
  2. Information memorandum for the Administrator on follow-up to the FM/FAR Report
- 51