

Annual Budget Submission

FY 1985

OFFICE OF FOOD FOR PEACE

BUREAU FOR FOOD FOR PEACE
AND VOLUNTARY ASSISTANCE



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Agency for International Development
Washington, D.C. 20523

OFFICE OF FOOD FOR PEACE

FY 1985 ANNUAL BUDGET SUBMISSION

Table of Contents

Table I - Long Range Plan	1
Program Narrative	2
Table IV - Project Budget Data.	6
Table V - Proposed Program Ranking.	7

FY 1985 ANNUAL BUDGET SUBMISSION
TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)
COUNTRY/OFFICE AID/EVA/FFP

	FY 1983	FY 1984		FY 1985	PLANNING PERIOD			
	ESTIMATE	CP	ESTIMATE	AAPL	1986	1987	1988	1989
Agriculture, Rural Development and Nutrition	4,000	4,000	4,300	4,500	4,900	5,300	6,000	6,500
TOTAL	4,000	4,000	4,300	4,500	4,900	5,300	6,000	6,500

ANNUAL BUDGET SUBMISSION
PROGRAM SUPPORT BUDGET
FY 1985
OFFICE OF FOOD FOR PEACE

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

The food aid alone can only begin to meet the short-term food needs of the malnourished -- currently estimated from 400 to 900 million people. To reach our longer term development objectives, it is necessary to improve the quality, effectiveness and impact of food aid programs through integration with A.I.D. and other external assistance activities in developing countries.

To help achieve these objectives, there are two centrally funded support projects managed by the Office of Food for Peace. These are the P.L. 480 Title II Outreach Project and the Program Support and Management Project. Both are continuing activities.

The poor majority target population of the Title II program is often the most costly and the least accessible to reach. Prior to the availability of P.L. 480 Title II Outreach Project Grants, which began in FY 1978, Title II programs in many of the least developed countries were constrained by scarcity of funds for internal administrative, logistical and material support costs. This frequently led to restricting Title II programs to those areas in or near commodity entry points or ports of entry.

The voluntary agencies and recipient governments frequently lack the resources to meet full support costs necessary to reach the rural poor. Sharp increases in energy and other costs have stretched financial resources, threatening the continuation of well-designed, effective ongoing programs and restricting the scope of nutritional and rural developmental programs and the ability of these programs to serve the very populations

that need them most. To address this constraint and enable Title II to be more responsive to its legislative mandate, Project Outreach funds serve as a catalyst in support of feeding programs by providing essential short-term logistical or small material support for Title II programs as needed on a world-wide basis, with emphasis on the poorest countries.

The extent to which the proposed programs support the achievement of specific country development objectives is a significant factor in considering grant approval. In addition, all grant requests must indicate how and when the responsibilities covered under Project Outreach will be handled following termination of outreach support. Grant funding normally ranges from 1 to 3 years. The joint use of Title II commodities and development assistance funds offers an excellent opportunity to broaden Title II feeding programs to more fully achieve the humanitarian and developmental goals of Title II. Support to date has focused on programs in Africa and Latin America with Outreach grants approved to date for programs in the following countries: Benin, Bolivia, Burundi, Djibouti, Haiti, Honduras, Indonesia, Kenya, Lesotho, Mauritania, Nicaragua, Rwanda, Sierra Leone, Sudan, Togo, Upper Volta, and Zaire.

An overall project evaluation was completed in FY 83. The results were highly supportive of the project and reinforced the belief that objectives were being met. Among the conclusions of the evaluation were:

- 1) Outreach Grants have provided essential financing for launching several new Title II programs in countries in which there were no other funds available;
- 2) Outreach Grants have permitted increasing the number of beneficiaries by providing required additional storage capacity and expanded transportation systems;
- 3) By subsidizing transportation, Outreach has enabled programs, such as Togo, Haiti and Upper Volta, to target hard to reach recipients who would otherwise not have been able to participate because of prohibitively high transportation costs;
- 4) The efficiency of commodity management and the reliability and timeliness of deliveries have been improved by Outreach;
- 5) Outreach has contributed to enabling PVOs, in countries like Haiti and Upper Volta, to increase their responsiveness to disasters such as hurricanes or periodic food shortages;

- 6) Outreach has freed money from recipient fees and other local sources for use in improving program management and technical support, and in funding complementary development inputs;
- 7) Outreach has promoted better coordination among the voluntary agencies and between the PVOs and AID Missions.

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

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

Technical advisory services are also frequently needed overseas during the course of a program year to solve specific problems, eliminate bottlenecks and enhance program effectiveness and integration through improved design and management. The provision of experts to assess an innovative CRS oilseeds processing project associated with Title II Maternal/Child Health programs in Rwanda, Kenya, Upper Volta and Gambia is an example of this type of assistance. More recently, technical assistance activities have included help with program design, integration and planning for program phase-over, as well as short-term funding for food monitors in emergency situations, particularly in Africa.

Program Ranking Narrative

The levels used in the program ranking in Table V assume a continuation of program support at levels close to those currently required for all activities. With judicious planning and careful management, funding at the proposed \$400,000 level for Program Support and Management and \$4,100,000 for Title II Outreach would enable support for approximately 13 grants, and would permit continuation of other support activities and technical assistance at the minimum levels required to address implementation problems and improve the design of programs under all three Titles of P.L. 480.

Even at the FY 85 requested AAPL funding levels for both projects, the Office of Food for Peace is not requesting substantial increases. The additional funding increments would be sufficient to cover one additional Outreach grant and a somewhat higher level of program support services to facilitate integrating food aid and other development assistance. Funding at this level (\$4,500,000) would still require extremely careful programming, implementation and management.

FY 1985 ANNUAL BUDGET SUBMISSION
 TABLE IV - PROJECT BUDGET DATA

974 - FCCD FOR PEACE

RUR FOR FOOD FOR PEACE AND VOL ASSIST

PROJECT NUMBER AND TITLE	ESTIMATED U.S. DOLLAR COST (\$000)									
	FY 82 OBLIG DATE	FY 83 PIPE- LINE	FY 84 EXPEND- ITURES	FY 85 EXPEND- ITURES	FY 86 PIPE- LINE	FY 87 OBLIG	FY 88 OBLIG	FY 89 OBLIG	FY 90 OBLIG	FY 91 OBLIG
AGRICULTURE, RURAL DEV. AND NUTRITION										
524000 TITLE II OUTREACH										
524000 G 78 C 4802	3700	3700	5500	5500	4000	4000	4400	4800	5500	6000
524000 G 80 C 345	300	300	500	445	300	300	500	500	500	500
TOTAL	4000	4000	6000	5945	4300	4300	4900	5300	6000	6500
GRANT	4000	4000	6000	5945	4300	4300	4900	5300	6000	6500
LCAN										
COUNTRY										
5147	4000	4000	6000	5945	4300	4300	4900	5300	6000	6500
5147	4000	4000	6000	5945	4300	4300	4900	5300	6000	6500
LCAN										

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE V - FY 1985 PROPOSED PROGRAM RANKING					Country/Office	FVA/FFP
RANK	PROGRAM ACTIVITY	ONGOING NEW	LOAN GRANT	APPR ACCT	PROGRAM FUNDING (\$000)	
	DESCRIPTION				INCR	CUM
1.	938-0700 P.L. 480 Program Support and Management	0	G	F&N	350	350
2.	904-0006 Title II Outreach	0	G	F&N	3,850	4,200
3.	938-0700 P.L. 480 Program Support and Management	0	G	F&N	50	4,250
4.	904-0006 Title II Outreach	0	G	F&N	250	4,500