

BUREAU FOR FOOD FOR PEACE
AND VOLUNTARY ASSISTANCE

OFFICE OF FOOD FOR PEACE

FY 1988 ANNUAL BUDGET SUBMISSION
PROGRAM SUPPORT BUDGET

OFFICE OF FOOD FOR PEACE
FY 1988 ANNUAL BUDGET SUBMISSION

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TABLE 1 - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)

	FY 1985	FY 1986	FY 1987		FY 1988	PLANNING PERIOD			
	<u>ACTUAL</u>	<u>ESTIMATE</u>	<u>CP</u>	<u>ESTIMATE</u>	<u>AAFL</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>
GRANT PROGRAMS		9,035		6,650	7,575	7,849	8,030	8,132	8,229
Surplus Dairy Program	--	2,785	--	--	--	--	--	--	--
FFP Mgt. Support	386	300		300	350	350	400	400	400
Title II Enhancement	1,821	950		2,400	1,500	1,400	1,300	1,200	1,100
Food Needs Assessment	1,302	--	450	600	650	650	650	650	
Title II Outreach-I	4,460	5,000	4,500	--	--	--	--	--	--
Title II Outreach-II	--	--	--	3,500	5,125	5,499	5,680	5,882	6,079

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ACTION PLAN

Food for Peace supports AID's overall development assistance strategy through the \$1.6 billion PL-480/416 food aid program. Food for Peace draws upon the American Farmer's prolific production to provide food aid to countries which suffer acute and/or chronic food shortages.

Food aid under PL-480 is provided directly to friendly governments on a credit basis (Title I) for sale in commercial markets or -- in the case of Title II -- on a grant basis. Title II is provided through private voluntary agencies and the World Food Program (WFP) as well as through government-to-government arrangements for a variety of programs to benefit needy people directly.

Food for Peace will concentrate on three broad objectives for the coming year. We plan to institutionalize Food for Peace's increased ability to identify and to respond rapidly to emergency food situations. We will incorporate into Food for Peace operations the "lessons learned" from the 1985-86 African emergency. Our second major objective is to enhance the use of food aid as a development resource. We will do this by linking food aid with existing development assistance activities, as well as seeking new modes for developmental uses of grant food assistance. Finally, our third objective is to improve the effectiveness of Food for Peace programming and management through a more efficient realigned Food for Peace program.

FY 1987 bench marks in terms of food emergency response will be a seminar in Africa to train local technicians in assessment methodology; and the early dispatch of assessment teams to potential emergency situations worldwide for food needs assessment. Such teams will generally utilize the assessment methodology developed during the 1985-86 African famine. In country situations where it is deemed necessary, Food for Peace will preposition or early ship emergency food assistance as required. These two techniques, assessment and food prepositioning, are two examples of lessons learned from the African famine. We intend to institutionalize these in our 1987 operations.

Food aid serves a variety of objectives -- humanitarian, economic development, foreign policy and U.S. market development. As a consequence, it has too often been viewed in isolation from our development assistance programs overseas. Food for Peace's second objective is to strengthen the links of food aid to long-term economic growth with equity. The principal elements of our Title I strategy are:

Policy Reform -- Where we believe change is needed in a recipient country's policies to increase that country's ability to feed itself or to pay for required food imports, we seek commitments to such change in negotiating our food aid program.

Private Initiative -- We are alert to opportunities to utilize food aid to encourage the active participation of the private sector in programs to increase food production and improve marketing and distribution facilities.

Integration of Programs -- We seek to assure that both food and non-food elements of the foreign assistance programs in less developed countries are closely linked to achieve common objectives. The use of local currencies generated through Food for Peace, Title I programs to support the recipient country priorities is one example.

Self-Help -- We negotiate agreements with food aid recipients on specific self-help steps that they can take to achieve sustained economic growth, and measure progress carefully as additional assistance is considered.

In terms of Title II, we seek to link traditional Title II programs - school feeding, MCH, Food for Work - with DA, as well as seek new initiatives. In India, for example, Food for Peace will support a USAID/India child survival initiative which integrates Title II food assistance and development assistance funding. This ambitious undertaking totally integrates voluntary agency, host country, development assessment and food assistance elements to focus on a child survival initiative that has four main elements: immunization, oral rehydration therapy, targeted feeding, and growth monitoring and nutrition. Additionally, Food for Peace will seek to test new modes of food assistance with greater development emphasis. Examples are a "calf replacer" dairy initiative in Latin America and Asia, as well as innovative food assistance employment and income generation activities, reclamation projects, and a variety of small rural works infrastructure activities in Africa.

Finally, we expect to realign Food for Peace along regional lines following the regional bureau pattern: We plan to develop regional Food for Peace strategies with an emphasis on specific country programs based on size and/or program content. The aim is to better integrate and rationalize food aid programs (Titles I, II, III and 416) in a specific country. The objective is to improve food aid planning and management.

Supporting Programs

AID dollar support funded through the Development Assistance accounts is a small but essential part of the Agency's effort to insure that food aid programs are well targeted, soundly designed and effectively administered. The PL-480 Title II Outreach Project will continue in FY 1987 to help cover logistic and material support costs of U.S. voluntary agencies engaged in improving and expanding people-to-people programs in the poorest areas of Africa and Latin America. The Title II Program Enhancement Project will continue to help PVOs improve the development impact of the Title II resources they administer by strengthening their capability to design and implement essential components of supplementary feeding programs. A third Development Assistance-funded activity, Food Data Needs Assessment, will continue to help AID missions and host governments improve collection and analysis of food sector data in drought-prone African countries, in order to ensure more accurate and timely estimates of food aid needs. The Program Support and Management Project will continue to make available the management resources required for effective program planning and implementation through the funding of short-term technical advisory services.

World Food Program

In 1987, over 350,000 metric tons of food valued at \$75 million will be allocated to regular feeding programs of the United Nations Food and Agriculture Organization-sponsored World Food Program. The United States, together with 11 other major donors, pledges food, services (such as ocean transportation costs) and cash to the World Food Program for projects similar to those sponsored by U.S. voluntary agencies. The World Food Program has been instrumental in the difficult task of coordinating emergency shipments from the U.S. and other donors to Africa, as well as monitoring in-country logistical constraints. In FY 1986, approximately 568,400 metric tons of food valued at over \$110 million is projected for shipment through the World Food Program for support of regular and emergency activity; in FY 1985, nearly 594,000 metric tons valued at nearly \$136 million were shipped through WFP.

Section 416

Section 416 of the Agriculture Act of 1949 authorizes the donation of U.S. agricultural commodities made available from Commodity Credit Corporation (CCC) stocks by the Secretary of Agriculture to foreign governments and private and voluntary organizations for development and humanitarian assistance

overseas. The program aims to reduce CCC food inventories while assisting needy people. Section 416 proposals are approved by the Development Coordination Committee (DCC) to assure that programs complement other U.S. foreign assistance and are consistent with U.S. foreign policy, budgetary considerations and agricultural policies.

In Fiscal Year 1985, 48 agreements for programs in eighteen countries were signed for 146,762 metric tons of dairy products (non-fat dry milk, butter, butteroil and cheese). Program levels for FY 1986 and 1987 will depend upon the size of the CCC inventory and approved program requests.

FY 1988 FY 1988 ANNUAL BUDGET SUBMISSION
 TABLE IV - PROJECT BUDGET DATA BUR FOR FOOD FOR PEACE AND VOL ASSIST

PROJECT NUMBER AND TITLE	ESTIMATED U.S. DOLLAR COST (\$000)		FY 85 PIPE LINE	FY 84 CAPEND- ITURES	FY 87 CAPEND- ITURES	FY 88 PROPOSED
	FY 84	FY 85				
9040006 TITLE II OUTREACH	20172	20159	1412	1412	---	---
9387X1 SURPLUS DAIRY PROGRAM	---	2785	---	500	1000	---
9380700 FOOD FOR PEACE PROGRAM MGMT	---	2228	323	360	300	350
9380701 TITLE II ENHANCEMENT	---	1821	1821	1700	2400	1500
9380702 AFR FOOD NEEDS ASSESSMENT	---	1302	1245	1000	450	600
9380703 TITLE II OUTREACH	---	4460	3629	4700	---	---
9380704 TITLE II OUTREACH	---	15000	---	---	3500	5125
APPROPRIATION						
TOTAL	39000	29970	8430	9672	6650	7575
GRANT	39000	29970	8430	9672	6650	7575
LOAN	---	---	---	---	---	---
FUNCTIONAL ACCOUNT						
TOTAL	39000	29970	8430	9672	6650	7575
GRANT	39000	29970	8430	9672	6650	7575
LOAN	---	---	---	---	---	---
OFFICE TOTAL						
TOTAL	39000	29970	8430	9672	6650	7575
GRANT	39000	29970	8430	9672	6650	7575
LOAN	---	---	---	---	---	---

AID PROGRAM IN FY 1988
ANNUAL BUDGET SUBMISSION
TABLE V - PROPOSED PROGRAM RANKING

DECISION UNIT 904 FOOD FOR PEACE

RANK	PROJECT	TITLE	NEW/ CONT	LOAN/ GRANT	APPROP	PROGRAM FUNDING (\$000)	
						INCR	CUM
1	0704	Title II Outreach	O	G	FN	3,500	3,500
2	0701	Title II Enhancement	O	G	FN	1,000	4,500
3	0702	AFR Food Needs Assessment	O	G	FN	400	4,900
4	0700	Food for Peace Program MGMT	O	G	FN	250	5,150
5	0704	Title II Outreach	O	G	FN	1,000	6,150
6	0701	Title II Enhancement	O	G	FN	350	6,500
7	0702	AFR Food Needs Assessment	O	G	FN	200	6,700
8	0704	Title II Outreach	O	G	FN	500	7,200
9	0701	Title II Enhancement	O	G	FN	150	7,350
10	0704	Title II Outreach	O	G	FN	125	7,475
11	0700	Food for Peace Program MGMT	O	G	FN	100	7,575
TOTAL							7,575