

**AGENCY FOR
INTERNATIONAL
DEVELOPMENT**



ANNUAL BUDGET SUBMISSION

FY 1981

PHILIPPINES

BEST AVAILABLE

**DEPARTMENT
OF
STATE**

MAY, 1979



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

Decision Unit: Philippines

	FY 1979 Est.	FY 1980 Est.	FY 1981 Request			Planning Period			
			Minimum	Current	AAPL	1982	1983	1984	1985
<u>Development Assistance</u>									
<u>Agriculture,^{1/} Rural Dev. & Nutrition</u>	<u>30,164</u>	<u>23,282</u>	<u>6,540</u>	<u>17,540</u>	<u>21,000</u>	<u>10,140</u>	<u>10,250</u>	<u>9,000</u>	<u>9,000</u>
Grants	2,647	3,615	1,824	3,824	4,415	3,140	1,250	-	-
Loans	27,517	19,667	4,716	13,716	16,585	7,000	9,000	9,000	9,000
<u>Population</u>	<u>9,209</u>	<u>2,491</u>	<u>14,900</u>	<u>14,900</u>	<u>14,900</u>	<u>7,000</u>	<u>15,000</u>	<u>15,400</u>	<u>9,050</u>
Grants	3,209	2,491	6,000	6,000	6,000	7,000	8,000	9,000	9,050
Loans	6,000	-	8,900	8,900	8,900	-	7,000	6,400	-
<u>Health^{2/}</u>	<u>2,500</u>	<u>8,887</u>	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	-	-	-	-
Grants	500	887	-	-	-	-	-	-	-
Loans	2,000	8,000	7,500	7,500	7,500	-	-	-	-
<u>Education</u>	<u>700</u>	<u>100</u>	<u>1,100</u>	<u>1,100</u>	<u>1,600</u>	-	-	-	-
Grants	700	100	1,100	1,100	1,600	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
<u>Selected Dev.^{3/} Activities</u>	<u>2,100</u>	<u>5,400</u>	-	-	-	-	-	-	-
Grants	500	1,000	-	-	-	-	-	-	-
Loans	1,600	4,400	-	-	-	-	-	-	-
<u>SUBTOTAL FUNCTIONAL ACCOUNTS</u>	<u>44,673</u>	<u>40,160</u>	<u>30,040</u>	<u>41,040</u>	<u>45,000</u>	<u>17,140</u>	<u>25,250</u>	<u>24,400</u>	<u>18,050</u>
Grants	7,556	8,093	8,924	10,924	12,015	10,140	9,250	9,000	9,050
Loans	37,117	32,067	21,116	30,116	32,985	7,000	16,000	15,400	9,000

^{1/} Increase of \$100,000 for Freshwater Fisheries I over 1980 CP level. See Table III for required explanation.

^{2/} Increase in funding to \$2 million for Bicol Health project, with corresponding decrease of \$2 million for the same project in FY 1980.

^{3/} Decrease in funding to \$1,600 for Real Property Tax Administration, with corresponding increase of \$1,060 for the same project in FY 1980.

TABLE II
TO BE PUBLISHED IN AID/W

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
 FY 1979 - FY 1981
 (Thousands \$)

DECISION UNIT

Philippines

APPROPRIATION ACCOUNT/PROJECT NO./TITLE	I/G	FY 1979	FY 1980	Minimum	FY 1981		
					Current	AAPI	
<u>Agriculture, Rural Development and Nutrition</u>							
492-0286 Agriculture Research II	L	4,000	-	-	6,000	6,000	-
492-0289 Bicol IAD III (Rinconada-Buhi/Lalo)	L	3,500	1,500	-	-	-	-
492-0297 Rural Roads II	L	10,617	6,383	-	-	-	-
492-0300 Cooperative Marketing	L	4,400	-	-	-	-	-
492-0301 Small Farmer Systems I	G	350	495	-	-	-	-
492-0301 Small Farmer Systems I	L	5,000	-	-	-	-	-
492-0303 Bicol Integrated Rural Development	G	680	520	240	240	240	240
492-0304 Rural Service Centers	G	417	500	-	-	-	291
492-0305 Agro-forestation and Upland Dev.	G	270	-	-	-	-	300
492-0305 Agro-forestation and Upland Dev.	L	-	-	-	-	-	2,869
492-0320 Food and Nutrition Outreach	G	530	1,000	1,084	1,084	1,084	1,084
492-0322 Freshwater Fisheries Development	G	400	1,100	-	-	-	-
492-0332 Artisan Fishermen/Farmers	G	-	-	-	-	-	2,000
492-0332 Artisan Fishermen/Farmers	L	-	-	-	-	-	3,000
492-0334 Small Farmer Systems II	G	-	-	500	500	500	500
492-0334 Small Farmer Systems II	L	-	11,784	4,716	4,716	4,716	4,716
<u>Population</u>							
492-0277 Population Planning II	G	3,209	2,491	-	-	-	-
492-0277 Population Planning II	L	6,000	-	-	-	-	-
492-0341 Population Planning III	G	-	-	6,000	6,000	6,000	6,000
492-0341 Population Planning III	L	-	-	8,900	8,900	8,900	8,900
<u>Health</u>							
492-0309 Local Water Development	G	500	-	-	-	-	-
492-0319 Bicol Integrated Health	L	2,000	500	-	-	-	-
492-0333 Barangay Water II	G	-	887	-	-	-	-
492-0333 Barangay Water II	L	-	7,500	7,500	7,500	7,500	7,500

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TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
 FY 1979 - FY 1981
 (Thousands \$)

APPROPRIATION ACCOUNT/PROJECT NO./TITLE	L/G	FY 1979	FY 1980	DECISION UNIT		
				Philippines		
				Minimum	FY 1981 Current	AAPL
<u>Education</u>						
492-0308 Participant Training II	G	100	100	-	-	-
492-0331 Agricultural Education Outreach	G	600	-	1,100	1,100	1,100
492-0340 Participant Training III	G	-	-	-	-	500
<u>Selected Development Activities</u>						
492-0295 Economic and Social Impact Analysis/WID	G	500	1,000	-	-	-
492-0298 Real Property Tax Administration	L	1,600	4,400	-	-	-
<u>SUBTOTAL FUNCTIONAL ACCOUNTS:</u>						
Agriculture, Rural Dev. and Nutrition		30,164	23,282	6,540	17,540	21,000
Population		9,209	2,491	14,900	14,900	14,900
Health		2,500	8,887	7,500	7,500	7,500
Education		700	100	1,100	1,100	1,600
Selected Development Activities		2,100	5,400	-	-	-
<u>Other DA Programs</u>						
PVO Co-Financing						(400)
TOTAL ALL DA APPROPRIATION ACCOUNTS		44,673	40,160	30,040	41,040	45,000
<u>Security Supporting Assistance</u>						
Elementary School Construction	G		(18,000)	-	-	-
Project Design	G		(2,000)	-	-	-
TOTAL SSA			20,000	30,000	30,000	30,000
TOTAL DA AND SSA		44,673	60,160	60,040	71,040	75,000

EXPLANATORY ANNEX TO TABLE III

Decision Unit: Philippines

Project No.	Change (+ or -) (\$000)	Explanation of Change in FY 80 Funding Level
<u>Agriculture, Rural Development and Nutrition</u> 492-0322	+ 100	Revised funding estimate - final project design identifies need for additional \$100,000 in technical services.
<u>Health</u> 492-0319	- 2,000	Rebudgeted: Life of project funding is \$2.5 million, \$2 million of which will be obligated in FY 79 with the \$.5 million balance obligated in FY 80.
<u>Selected Development Activities</u> 492-0298	+ 1,060	Rebudgeted: FY 79 obligated adjusted to \$1.6 million, with \$4.4 million balance to be obligated in FY 80.

TABLE IV PROJECT BUDGET DATA

NUMBER	PROJECT TITLE	OBLIGATION DATE	DATE OF NEXT PLANNED NON-ROUTINE FVM.	CUM. PIPELINE AS OF 9/30/78	FY 1979			FY 1980			FY 1981 APPL. OBLIG.	FY 1982 OBLIG.	FY 1983 & BEYOND
					OBLIG.	EXPEND.	CUM. PIPELINE	OBLIG.	EXPEND.	CUM. PIPELINE			
					INITIAL	FINAL							
492-0286	Agriculture, Rural Development and Nutrition	1979	1981	-	140	3,860	-	3,800	6,000	-	-	-	
492-0289	Bicol IAD III (Rinconada-Buhi/Lalo)	1979	1980	-	300	3,200	1,500	1,425	-	-	-	-	
492-0297	Rural Roads II	1978	1980	7,000	3,000	9,617	6,383	10,000	-	-	-	-	
492-0300	Cooperative Marketing	1978	1979	1,600	1,377	2,623	2,860	1,763	-	-	-	-	
492-0301	Small Farmer Systems I	1978	1980	155	151	354	495	364	-	-	-	-	
*492-0302	Integ. Ag. Prodn. & Marketing	1977	1982	5,604	2,136	3,468	-	1,545	-	-	1,500	-	
492-0301	Small Farmer Systems I	1978	1979	5,000	3,000	7,000	-	3,000	-	-	-	-	
492-0303	Bicol Integrated Rural Dev.	1978	1981	750	685	745	520	834	240	-	-	-	
492-0304	Rural Service Centers	1978	1981	354	341	430	500	539	291	-	-	-	
492-0305	Agro-Forestation and Upland Development	1979	1981	-	-	270	-	70	300	-	-	-	
492-0305	Agro-Forestation and Upland Development	1981	1981	-	-	-	-	-	2,569	-	-	-	
492-0320	Food and Nutrition Outreach	1979	1982	-	325	205	1,000	730	1,084	-	1,140	-	
492-0322	Freshwater Fisheries Dev.	1979	1980	-	55	303	1,100	751	-	-	-	-	
492-0332	Artisan Fishermen/Farmers	1981	1981	-	-	-	-	-	2,000	9/84	-	-	
492-0332	Artisan Fishermen/Farmers	1981	1981	-	-	-	-	-	3,000	9/84	-	-	
492-0334	Small Farmer Systems II	1981	1981	-	-	-	-	-	500	-	500	-	
492-0334	Small Farmer Systems II	1980	1985	-	-	-	11,784	-	4,716	-	7,000	27,000	
492-0277	Population Planning II	1977	1980	4,015	7,113	106	2,491	2,518	-	-	-	-	
492-0277	Population Planning II	1979	1979	-	4,700	1,300	-	600	-	-	-	-	
492-0341	Population Planning III	1981	1985	-	-	-	-	-	5,000	-	7,000	26,000	
492-0341	Population Planning III	1981	1984	-	-	-	-	-	8,900	-	-	13,400	

*Integrated Agricultural Production and Marketing Project was initially obligated in FY 1978. An additional \$1.5 will be obligated in FY 1982 with no obligations in FY 79, 80, or 81.

** Contraceptive requirements.

Philippines

TABLE IV - PROJECT BUDGET DATA

PROJECT NUMBER	PROJECT TITLE	OBLIGATION DATE	DATE OF NEXT PLANNED NON-ROUTINE EVAL.	CUM. PIPING AS OF 9/30/78	FY 1979		FY 1980			FY 1981 AAPL OBLIG.	FORWARD FUNDED TO (MO/YR)	FUTURE YEAR OBLIGATIONS	
					OBLIG.	EXPEND.	OBLIG.	EXPEND.	CUM. PIPELINE			FY 1982	FY 1983 & BEYOND
					INITIAL	FINAL	INITIAL	FINAL	INITIAL			FINAL	
<u>Health</u>													
492-0309	Local Water Development	G 1978	1979	500	1,000	500	500	-	-	-	-	-	-
492-0319	Bicol Integrated Health	L 1979	1980	2,000	-	2,000	577	1,923	-	-	-	-	-
492-0333	Sarangay Water II	G 1980	1980	-	-	887	80	807	-	-	-	-	-
492-0333	Sarangay Water II	L 1980	1981	-	-	7,500	-	7,500	7,500	-	-	-	-
<u>Education</u>													
492-0308	Participant Training II	G 1978	1980	63	154	100	109	9	100	-	-	-	-
492-0331	Ag Education Outreach	G 1979	1981	-	-	600	300	600	1,100	-	-	-	-
492-0340	Participant Training III	G 1981	1981	-	-	-	-	-	500	9/85	-	-	-
<u>Selected Development Activities</u>													
492-0295	Economic & Social Impact Analysis/MID	G 1978	1980	1,000	1,469	500	538	31	1,000	-	-	-	-
492-0298	Real Property Tax Administration	L 1978	1980	4,000	4,000	1,600	3,000	1,600	4,400	-	-	-	-

ESTIMATED U.S. DOLLAR COST (\$000)

ACTIVITY DATA SHEET

PROGRAM: Private Voluntary Organization Co-Financing

TITLE: Selected Development Problems

PROPOSED OBLIGATION: 400

INITIAL OBLIGATION: 400

ESTIMATED OBLIGATION: 2,000

ESTIMATED FISCAL YEAR: 86

GRANT: CO-FINANCING: CONTINUING: NEW:

Purpose: To expand opportunities of low income groups to improve their economic and social condition.

Background: The Government of the Philippines (GOP) is currently undertaking an enlarged program to make essential social services available to all. Resource constraints, however, both human and financial, set limits to the government's ability to reach the rural poor effectively. Recognizing the proven capability of U.S. and Filipino PVOs in providing solutions to community-based problems, especially those resolved in large measure by community self-reliance, the PVO Co-Financing Project will be used to augment the host government's own efforts to improve the lives of the poor and increase their capacity to participate in their own development.

Basic criteria to be used for support of individual PVO subprojects are: (a) relevance of the activity to the needs of the poor, (b) the degree of public participation and self-reliance entailed, (c) number of beneficiaries, and (d) likelihood that the activity can become self-sustaining following termination of PVO technical and financial support. The new project will also provide funding for experimental or innovative efforts to devise low cost solutions to long standing problems at barangay level.

Host Country and Other Donors: At a minimum, each

PVO will be expected to mobilize from its own re-sources, that of the government's or from individual communities, at least 25% of total subproject costs. Those proposals which entail a larger share of re-sources made available from indigenous sources will receive more favorable review.

Beneficiaries: Direct beneficiaries, mainly the rural poor, are expected to number at least 100,000 persons. The average per family cost is expected to be approximately \$60 over the life of the project.

FY 1981 Program: \$400,000 is requested to provide grants to U.S. and Filipino PVOs. It is anticipated that 3 to 6 subprojects can be launched in this initial year. From prior consultations and experience with the local PVO community, it is expected that sub-projects addressing agricultural and water constraints will constitute the main undertakings.

Major Outputs:

- Number of PVO Subprojects 25
 - Number of Participating PVOs 15
- A.I.D.-Financed Inputs: (\$ Thousands)

- Three to six subproject grants
 - Program Consultant
- Total** 400

U.S. FINANCING (in thousands of dollars)

Through September 30, 1979	Obligations	Expenditures	Unliquidated
Estimate: Fiscal Year 1980			
Estimate through September 30, 1980			
Proposed Fiscal Year 1981	400	1,600	2,000

PRINCIPAL CONTRACTORS OR AGENCIES

To be selected

PVO Co-Financing Project

PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
 FY 1981 TO FY 1985
 (\$ thousands)

Decision Unit: Philippines

APPROPRIATION ACCOUNT	FY 1981			FY 1982	FY 1983	FY 1984	FY 1985
	Minimum	Current	AAPL				
<u>Agriculture, Rural De- velopment and Nutrition</u>	-	-	300	300	300	300	300
<u>Population</u>	-	-	35	35	35	35	35
<u>Health</u>	-	-	40	40	40	40	40
<u>Education</u>	-	-	-	-	-	-	-
<u>Selected Development Activities</u>	-	-	25	25	25	25	25
TOTAL ALL DA APPROPRIA- TION ACCOUNTS	-	-	400	400	400	400	400

The Mission is placing a higher degree of emphasis on support of private voluntary agency activities in the Philippines. As shown in the Activity Data Sheet included in the ABS for a PVO Co-Financing Project, a five year program is proposed. A Project Identification Document is being prepared. Following the guidelines contained in STATE 122141, the table above provides the Mission's best estimate of required funding levels by appropriation account. It is planned that the project be funded under the Asia Regional PVO Project.

DECISION UNIT : Philippines

DECISION PACKAGE: MINIMUM

MINIMUM PACKAGE NARRATIVE

The preparation of Table V is based primarily upon the Mission's Country Development Strategy for 1981-1985, taking into account concerns expressed in STATE 102413 on the CDSS review. The Minimum package as presented in Table V is deemed to be a core group of activities, the reduction of which would prevent our assistance effort from making an adequate contribution to the goals of the country strategy.

Analyzing the portfolio within the Minimum package reveals that only one new project is being proposed for FY 81, Population Planning III, which is a follow-on to population activities already underway. Failure to include this effort, mentioned as the basic element of the Mission's strategy in the area of social services and ranked in last year's ABS as the top priority activity, would severely restrict the GOP family planning program at a time when an effective outreach network has just been established nationwide.

The remaining projects in the Minimum are continuations of efforts previously found to impact on the rural poor in ways which produce direct economic and social benefits. Small Farmer Systems II supports the Mission strategy objective of improving small farm productivity, primarily oriented toward rice farmers. However, this is the only project in the Minimum which specifically restricts itself to this beneficiary group. Population Planning III, Agricultural Education Outreach, Food and Nutrition Outreach, Barangay Water II, and BIRD, are oriented to the provision of extension services and technical assistance, and improved social services to the general rural population as a whole but focused at community level and upon the least privileged groups.

The Minimum package of new and continuing projects has been constructed to meet the basic goals and objectives set forth in the CDSS and at the same time to prevent proliferation/scatteration by adding new project which would encompass new areas of concern not spelled out in our strategy. In short, the proposed Minimum package is, in the Mission's view, a sound, integrated approach to meeting our most important and highest priority program goals and objectives.

Care has been taken to structure the Minimum package of ranked projects to ensure that a broad, though targeted, segment of the rural poor will directly receive the benefits of AID assistance. At the same time, the number of projects has been kept to a minimum. The following facts concerning the contribution of individual projects in the Minimum package reflect a refinement of Mission strategy as suggested in the CDSS review cable.

(1) The Population Planning III, Food and Nutrition Outreach (including PL 480 Title II) and Barangay Water projects are directed at not just the small rice and corn farmer but the rural populace as a whole, with specific focus on meeting basic human needs of those least able to avail themselves of access to existing social services. In the proposed Minimum package, these projects account for \$23 million out of \$30 million or 77 percent of the proposed funding. Only 23 percent of the proposed Minimum package funding is being directed specifically at poor rice and corn farmers, a smaller target group but one which forms the agricultural backbone of the nation and a segment for which we have demonstrated a capacity to reach with effective cooperation.

(2) Eight of the nine ranked line items under the Minimum package are implemented at provincial and/or barangay level as a means to ensure more immediate benefits at the community level. The ninth item (Bicol Integrated Rural Development) accounts for less than one per cent of the funds under the Minimum package, with its inclusion based on the success of the Bicol Program as a whole in reaching the poor of this region.

(3) All ranked projects proposed under the Minimum package are directly associated with the CDSS's three major areas of concern: increasing the production and income of the small rice and corn farmers, reducing the population growth rate, and improving local participation. Special note is taken here of a major concern expressed in the CDSS review cable. Specifically Para 10A, "...the validity of the third prong of the Mission's strategy - Local Participation - was questioned." We have further refined our strategy for FY 81 in the Minimum package to exclude any new or continuing projects specifically designed to improve local participation per se. It should be noted, however, that all new and continuing projects in the Minimum package by their nature require substantial local participation. For example, the Population Planning III project will have as one of its objectives the strengthening of local government management and financing of family planning; the Small Farmer Systems project focuses on the establishment of irrigator service associations which will initially handle water provision and management, but later act as both buying and selling agent for farmer inputs and produce, and as a conduit for extension services; Food and Nutrition Outreach establishes village nutrition outlets; Barangay Water II delivers potable water to village residents through establishment of locally elected and managed water user's associations; Agricultural Education Outreach brings the improved agricultural practices to the barrio through teachers who live among the residents themselves. Finally, the BIRD project seeks to provide comprehensive development of a specific geographic area utilizing coordinating committee with direct links to development teams in individual municipalities. The emphasis on local participation is a method of providing cooperation, not a separate category of projects.

In addition to having the most direct relevance to the Mission's country development strategy, the mix of projects included in the Minimum package was chosen for the following programmatic reasons:

- 1) The projects represent continuation or expansion of activities for which techniques and designs are already proven to be effective;
- 2) They have moderate to low personnel intensity; and
- 3) They are consistent with the Mission's objective of implementing fewer but larger projects.

To summarize, the projects selected for the Minimum package represent discrete yet integrated activities which impact directly on the rural populace.

A discussion of workforce requirements for the Minimum package is provided under the narrative supporting Table IX.

DECISION UNIT : Philippines

DECISION PACKAGE: CURRENT

CURRENT PACKAGE NARRATIVE

The current package proposes an additional \$11 million increase over the Minimum package. As the Mission is sensitive to AID/W's concern regarding the number of projects within the Mission portfolio, only one new project is proposed in the Current package.

As mentioned in the description of the Minimum package, efforts are being undertaken to broaden the beneficiary target group as suggested in the CDSS review cable. These efforts continue in both the Current and AAPL packages. The Artisan Fishermen/Farmers Project contributes to expanding the target group beyond the present primary beneficiary group, the small rice and corn farmer. Looking at the proposed Minimum and Current packages together should provide evidence that, where possible, a number of AID/W's expressed concerns (scatteration, limited target population) as referred to in the CDSS review cable are addressed. Of the total Current package of \$41 million, only 22 percent of the funding is directed solely to the poor rice and corn farmer, while 78 percent is being directed to a broader segment of the rural society.

The addition of the Artisan Fishermen/Farmers project into the Current package is based on:

1. Efforts to broaden the target population group to include an even more disadvantaged group heretofore largely neglected by development progress.
2. Direct, immediate benefits to the target population.
3. Knowledge obtained from earlier projects such as Cooperative Marketing, Agrarian Reform and IAPM may contribute to faster and smoother implementation.
4. Low personnel intensity.

The Agricultural Research II project is placed in the Current package due to our long term commitment to support the GOP strategy of establishing a functioning and viable agriculture research system. Although the project is not considered essential in meeting our minimum developmental objectives (based on the Minimum package definition) and therefore not placed in the Minimum package, our past and current contributions fully justify its appearance in the Current package. Another reason for placing the Agricultural Research II Project in the Current package is that it partly addresses

one of AID/W's concerns mentioned in Para 5 of the CDSS review cable regarding the role of other donors. As mentioned above, our assistance in the Agricultural Research effort is part of an earlier commitment. It also interfaces with a World Bank loan of \$35 million to expand, extend and improve the scope of agricultural extension services in the Philippines. The provision of the World Bank loan in part is based on our prior assistance for agricultural research. These two projects are mutually supporting and will, in future years, jointly contribute to the agricultural development of the Philippines. Including Agricultural Research II in the Current package indicates a strong, continued commitment by AID to the GOP in concert with the World Bank for developing a common approach to the shared objective of improving a research capability in agriculture.

The total workforce increment in the Current package increases by five USDH to 54 and by 19 FNDH to 106. Of the five USDH, three are directly related to the implementation of the two projects added at this level. It should be noted that although the two projects added in the Current package indicate three additional US positions are required, the personnel concerned may not spend full time on just these two projects. Rather, the three new positions directly related to the projects consist of the total number of months the responsible technicians will spend on the project plus the total number of months staff officers will devote to the project. Two additional staff officer positions become necessary at this level of overall activity, more on a program than project basis. The total number of months spent on individual projects as reported by the various offices was used in determining the incremental workforce levels.

Of the increase in 19 FNDH positions in the Current package, ten positions are necessary for Mission Support, four are required for Financial Management and five positions are directly related to project implementation. Most of the Mission support FNDH increase relates to logistic support in the form of excess property personnel. This coincides with the Logistics Office Workforce Increment of one USDH officer reported under the Current package on Table V.

DECISION UNIT : Philippines
DECISION PACKAGE: AAPL

AAPL PACKAGE NARRATIVE

The AAPL package consists of a total of \$45 million. This compares with a \$46.4 million Proposed Assistance Planning Level (PAPL) shown in the CDSS. As is evident in the narrative describing both the Minimum and Current packages, and the budget supporting them, the total AAPL package was formulated upon the development priorities established in the CDSS and the CDSS review cable. Although the AAPL is slightly lower than the PAPL, the difference is not considered significant enough to adversely effect our attempt at meeting our development goals and objectives as spelled out in the CDSS.

One of the concerns expressed in the CDSS review cable was the need to have the strategy provide a clearer explanation of the objectives the Mission seeks to achieve over the five-year period regarding the target group. One of the examples related to this concern was "agricultural productivity and production". Of the nine agricultural projects composing the total AAPL package, eight are directly related to the objective of increased production while one project, Agro-forestation, will indirectly contribute to increased production but over a much longer period of time. As stated in the CDSS, "future increases in production will have to come primarily from increased yields through more intensive land use". Our concern with Agricultural Research I and II, Crop Protection, Freshwater Fisheries Development and Small Farmer Systems I and II as presented in the AAPL package are prime examples of efforts to increase production intensity and, thus, directly improve the lives of our primary target group.

The inclusion of the Rural Service Centers project in the AAPL package is based on the potential contribution it can make and the fact that FY 81 is the final year of obligation. In short, we will be taking advantage of what we started in earlier years.

The inclusion of the Agro-forestation project in the AAPL was done for basically the same reason - the length of time it will take our target group to fully derive benefits from the project. The need in the Philippines for a well defined agro-forestation policy and plan is very apparent. It is anticipated that the Agro-forestation project in the AAPL package could contribute to the initiation of such a policy and plan though full implementation will require for greater resources than our pilot contribution indicates. Eventual benefits could contribute to an overall increase in production through improved watersheds and at the same time provide a source of employment for both the unemployed and underemployed upland farmers and landless laborers.

The Participant Training III project appearing in the AAPL is a necessary element of the overall program. It assists in meeting our development objectives by providing a source of training to key personnel at various levels in the government that design, plan, and implement projects and programs directed at our rural poor target group. This project also can directly support other projects in the total AAPL package by providing funding for unforeseen training programs that are associated with our development goals and objectives.

The inclusion of PL 480 at the AAPL level is explained in the CDSS as follows:

"Any significant reduction in the present level would effectively eliminate us from the ranks of major donors since Japan, the only other major bilateral donor at present, appears inclined to increase its contribution over time in absolute as well as relative terms. Moreover, any appreciable reduction in either the DA or PL 480 programs at this time, would likely be viewed by the GOP as an attempt to unfairly compensate for the Economic Support Funds to be provided under the recently-signed bases agreement."

PL 480 is discussed further in part 10.

Looking at the \$45 million AAPL package as a whole, it is significant that of the total 38 line items (loans and grants), only five are reported as new projects. A closer look will reveal that of the total package, there is in fact only one new project in FY 81 per se, Artisan Fishermen/Farmers. The other grants/loans reported as new are in fact continuing endeavors such as Population and Participant Training III. This reduction in new starts is an integral and important part of the CDSS as stated therein:

"By the end of FY 1983, 29 of the Mission's 31 presently active projects will have ended, providing us with an opportunity to more tightly focus our assistance efforts. We anticipate this will involve the generation of an average 3-4 new project starts per year through 1985. Projects begun during the planning period will, however, be less personnel-intensive...."

A more detailed discussion of the total workforce in relation to the overall program and the three different funding levels is presented in the narrative supporting Table IX. However, it is deemed appropriate here at the AAPL level to present key elements in the workforce levels as they relate to the three planning levels.

- (1) The number of USDH Mission support personnel required at the Minimum level increases by only one at the AAPL level.
- (2) The major increase in USDH personnel from the Minimum level to the AAPL is directly related to project implementation.
- (3) Not shown on Table V are 15 additional USDH/PASA that the Mission is responsible for supporting. This number of personnel remains constant from the Minimum level to the AAPL.
- (4) Included in the level of 59 USDH personnel are three regional officers who do not spend 100% of their time in direct support of Mission activities plus three IDIs.
- (5) Wherever possible, Mission support positions are being filled by FNDH, i.e., Minimum level Mission support FNDH totals 41 personnel vs. 65 at the AAPL.
- (6) Any further reductions in workforce levels (US/FN) could result in curtailment of programs in support of other Mission and agencies/organizations, i.e., third country participant training and the excess property program.

2000000000

TABLE V - FY 1981 PROPOSED PROGRAM RANKING

RANK	DECISION PACKAGES/PROGRAM ACTIVITY		TERM/ NEW/ CONT.	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$'000)		WORKFORCE (Number of Positions)		
	DESCRIPTION	CUM				INCR	USDH INCR	USDH CUM	FNDH INCR	FNDH CUM
DECISION PACKAGE MINIMUM										
	Terminated Projects with Pipeline									
	492-0275 Libmanan/Cabusao Integ. Area Dev.		T	L	FN	(2,000)	(2,000)			
	492-0277 Population Planning II		T	G	PH	(79)	(2,079)			
	492-0277 Population Planning II		T	L	PH	(700)	(2,779)			
	492-0280 Agriculture Research I		T	L	FN	(407)	(3,186)			
	492-0281 Bicol Secondary & Feeder Roads		T	L	FN	(2,100)	(5,286)			
	492-0288 Crop Protection		T	L	FN	(2,730)	(8,016)			
	492-0289 Bicol IAD III (Rinconada-Buhi/La'b)		T	L	FN	(3,275)	(11,291)			
	492-0291 Barangay Water I		T	L	HE	(400)	(11,691)			
	492-0291 Barangay Water I		T	G	HE	(54)	(11,745)			
	492-0294 Non-Conventional Energy Dev.		T	G	SD	(598)	(12,343)			
	492-0294 Non-Conventional Energy Dev.		T	L	SD	(2,748)	(15,091)			
	492-0295 Economic & Social Impact Analysis/WID		T	G	SD	(493)	(15,584)			
	492-0297 Rural Roads II		T	L	FN	(6,000)	(21,584)			
	492-0298 Real Property Tax Administration		T	L	SD	(3,000)	(24,584)			
	492-0300 Cooperative Marketing		T	L	FN	(1,763)	(26,347)			
	492-0301 Small Farmer Systems I		T	G	FN	(485)	(26,832)			
	492-0301 Small Farmer Systems I		T	L	FN	(4,000)	(30,832)			
	492-0309 Local Water Development		T	L	PH	(6,000)	(36,832)			
	492-0310 Bicol IAD II (Bula)		T	L	FN	(1,378)	(38,210)			
	492-0312 Panay Unified Services for Health		T	G	PH	(205)	(38,415)			
	492-0312 Panay Unified Services for Health		T	L	PH	(3,921)	(42,336)			
	492-0319 Bicol Integrated Health, Nutrition and Population		T	L	PH	(1,923)	(44,259)			
	492-0322 Freshwater Fisheries Development		T	G	FN	(440)	(44,699)			
	Subtotal (Non-Add)						(44,699)			

Philippines

TABLE V - FY 1981 PROPOSED PROGRAM RANKING

RANK	DECISION PACKAGES/PROGRAM ACTIVITY DESCRIPTION	TERM/ NEW/ CONT.	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)		WORKFORCE (Number of Positions)	
					INCR	CUM	INCR	CUM
1	New and Continuing Projects	N	G	PH	6,000			
2	492-0341 Population Planning III	N	L	PH	8,900	6,000		
3	492-0341 Population Planning III	C	G	FN	500	14,900		
4	492-0334 Small Farmer Systems II	C	L	FN	4,716	15,400		
5	492-0334 Small Farmer Systems II	C	G	FN	1,084	20,116		
6	492-0320 Food and Nutrition Outreach PL 480 Title II	C	G	FN	(23,347)	21,200		
7	492-0333 Barangay Water II	C	L	PH	7,500	28,700		
8	492-0331 Agricultural Education Outreach	C	G	EH	1,100	29,800		
9	*492-0303 Bicol Integrated Rural Dev.	C	G	FN	240	30,040		
	(L/C projects, excluding PL 480 funded: No. of Projects - 8; \$value - 1,416.1)							
10	Basic Workforce				-	30,040	49	87
	Total Minimum Package and Related Workforce -				-	30,040	49	87
	DECISION PACKAGE CURRENT							
11	492-0286 Agriculture Research II	C	L	FN	6,000	36,040	2	51
12	492-0332 Artisan Fishermen/Farmers	N	G	FN	2,000	38,040	1	52
13	492-0332 Artisan Fishermen/Farmers	N	L	FN	3,000	41,040	-	52
14	Workforce Increment for Project Design (Program Office)						1	53
	*Approved PP as of 4/30/79							

AID 1980-9 (3-79)

Bureau Code: Decision Code:

TABLE V - FY 1981 PROPOSED PROGRAM RANKING

RANK	DESCRIPTION	TERM/ NEW/ CONT.	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)		WORKFORCE (Number of Positions)				
					INCR	CUM	INCR	CUM	INCR	CUM	
											INCR
Philippines											
15	Workforce Increment Package										
16	Logistics Office Workforce Increment										
	Total Current Package and Related Workforce										
<u>DECISION PACKAGE AAPL</u>											
17	*492-0304 Rural Service Centers	C	G	FN	291	41,331	2	56	-	19	106
18	492-0305 Agro-Forestation & Upland Dev.	C	G	FN	300	41,631	1	57	-	-	106
19	492-0305 Agro-Forestation & Upland Dev.	C	L	FN	2,869	44,500	1	58	-	-	106
20	492-0340 Participant Training III	N	G	ED	500	45,000	1	58	-	-	106
21	PL 480 Title I				(10,000)		1	59			
22	PVO Co-Financing				(400)						
23	Workforce Increment AAPL Package					45,000		59	18	124	
	Total AAPL Package and Related Workforce					45,000	5		18		

*Approved PP as of 4/30/79

TABLE VI
Philippines

PROJECT SUMMARY

NUMBER OF PROJECTS

	FY 77	FY 78	FY 79	FY 80	FY 81	
					MINIMUM	CURRENT
Implementation at Beginning of Year	22	25	36	35	29	29
Moving from Design to Implementation During Year	5	12	7	2	1	3
Design for Future Year Implementation	19	13	3	9	10	10
SUBTOTAL ▲	46	50	46	46	40	42
Number of Non-Project Activities	2	2	2	2	2	2
TOTAL ▲	48	52	48	48	42	44

NUMBER OF PROJECTS MOVING FROM
DESIGN TO IMPLEMENTATION BY PROJECT SIZE

AID'S CONTRIBUTION TO LIFE OF PROJECT COST	FY 77	FY 78	FY 79	FY 80	FY 81	
					MINIMUM	CURRENT
Less than \$1 Million	-	1	-	-	-	1
\$1 To \$5 Million	3	5	5	-	-	1
\$5 To \$15 Million	1	5	2	-	-	-
\$15 To \$25 Million	1	1	-	1	-	-
More Than \$25 Million	-	-	-	1	1	1

AID 1510-6 (3-79)

TABLE VIII
OPERATING EXPENSE SUMMARY
PH1119910000

COST SUMMARIES	FY 77			FY 78			FY 79			FY 80		
	(0000)	RELATED WORKYRS.	UNIT COST									
US Direct Hire	2,644	58	45	2,573	55	47	3,055	70	51	3,637	70	52
FN Direct Hire	414	169	3	453	150	3	435	109	3	453	124	4
US Contract Personnel	21	4	5	19	4	5	13	3	4	10	4	3
FN Contract Personnel	175	46	4	99	45	2	105	69	3	169	49	3
Housing	679	74	9	541	63	9	1,024	79	15	1,148	79	16
Office Operations	1,317	XXXX	XXX	1,090	XXXX	XXX	1,108	XXXX	XXX	1,672	XXXX	XXX
TOTAL REQUEST	5,241			4,795			6,232			7,089		
Amount of Trust Fund Included												
= Total Requested												

COST SUMMARIES	FY 81 APRL			FY 81 MICHIGAN			FY 81 CONNECTICUT		
	(0000)	RELATED WORKYRS.	UNIT COST	(0000)	RELATED WORKYRS.	UNIT COST	(0000)	RELATED WORKYRS.	UNIT COST
US Direct Hire	3,677	70	52	3,389	60	56	3,532	65	54
FN Direct Hire	512	124	4	365	67	4	443	105	4
US Contract Personnel	19	4	3	19	4	3	19	4	3
FN Contract Personnel	193	69	4	177	44	4	177	44	4
Swaging	1,289	70	19	1,135	60	19	1,189	65	18
Office Operations	1,918	XXXX	XXX	1,784	XXXX	XXX	1,803	XXXX	XXX
TOTAL REQUEST	7,468			6,842			7,153		
Amount of Trust Fund Included									
= Total Requested									

TABLE VIII.A.
ADP SYSTEMS INVENTORY

	FY 1979		FY 1980		FY 1981	
	\$	TF	\$	TF	\$	TF
1. <u>Capital Investments</u>						
A. Purchase of ADP Equipment ^{1/}	-0-	20,000	25,000	-0-	30,000	-0-
B. Purchase of Software	-0-	-0-	-0-	-0-	3,000	3,000
C. Sub-Total	-0-	20,000	25,000	-0-	30,000	3,000
2. <u>Personnel^{2/}</u>						
A. Compensation, benefits, travel	22,700	5,300	42,200	11,000	44,800	15,700
B. Workyears	(.5)	(1.0)	(1.0)	(3.0)	(1.0)	(4.0)
C. Sub-Total	22,700	5,300	42,200	11,000	44,800	15,700
3. <u>Equipment Rental and Other Operating Costs</u>						
A. ADP Equipment (ADPE) Rentals ^{3/}	-0-	1,000	-0-	1,000	-0-	1,500
B. Supplies and Leased Software	-0-	10,000	-0-	4,000	-0-	6,500
C. Sub-Total	-0-	11,000	-0-	5,000	-0-	8,000
4. <u>Commercial Services</u>						
A. ADP Service Bureau ^{4/}	-0-	-0-	-0-	6,000	-0-	6,500
B. Systems Analysis and Programming	-0-	46,000	-0-	40,000	-0-	50,000
C. ADPE Maintenance (If separate from item 3.A)	-0-	8,000	-0-	9,000	-0-	10,500
D. Sub-Total	-0-	54,000	-0-	55,000	-0-	67,000
5. <u>Total Obligations - (Sum of 1C, 2C, 3C & 4D)</u>	22,700	90,300	67,200	71,000	74,800	93,700
6. <u>Interagency Services^{5/}</u>						
A. Payments	-0-	-0-	-0-	-0-	-0-	-0-
B. Offsetting Collections	-0-	-0-	-0-	-0-	-0-	-0-
C. Sub-Total	-0-	-0-	-0-	-0-	-0-	-0-
7. <u>Grand Total - (Sum of 5 plus 6C)</u>	22,700	90,300	67,200	71,000	74,800	93,700
			113,000	138,200	138,200	168,500

Footnotes

- 1/Computers i.e., electronic data processing equipment and all peripheral equipment electronically attached to central processors (CPU's) punched and magnetic card accounting machines.
- 2/"Direct-hire personnel assigned primarily to ADP duties such as equipment operators, data-entry clerks, systems analysts and programmers excluding any mission personnel who simply use ADP incidental to the performance of their primary function."
- 3/Includes maintenance furnished as part of rental contracts.
- 4/Include cost of obtaining computer processing service from any host country government agencies as well as from commercial sources.
- 5/Cost of ADP services provided to or received from other U.S.G. agencies.

DECISION UNIT: Philippines

AUTOMATIC DATA PROCESSING (ADP)
NARRATIVE STATEMENT

The USAID/P computer project is a pilot project aimed at automating financial, administrative and program activities within a single mission. Should the pilot effort be deemed successful, software developed for USAID/P will be transferred to other USAIDs who require automation.

The hardware is operational. The first software system is being developed for the USAID Controller's Office and is scheduled to be operational during the first quarter of FY 80. The first software system is named the Financial Accounting System (FAS) and will process the USAID budget, operating expense, and project expense accounts.

Other systems to be developed in FY 80 and 81 are contracts, personnel, program information system, and excess property.

The USAID/P Computer System was procured 9/30/78 with a delivery date of 3/31/79. The computer hardware is in-place and includes:

- 1 - Hewlett/Packard Model-1000 Central Processing Unit with 256 K byte storage and Image-1000 DBMS.
- 2 - 20 Megabyte H.P. Disk Drives Model HP 7906
- 1 - 200 LPM Printer Model 12987A
- 1 - Console CRT Model 2645A with cassette tape capability
- 3 - CRT Terminals Model 2640B

The system was procured from dollar funds at a cost of \$91,800 in FY 78. For FY 79, there is a pending procurement of 5 additional CRT terminals at a cost of \$20,000. Budgeted FY 80 and 81 dollars are for the procurement of additional CRTs, a faster line printer, and additional memory.

USAID/PHILIPPINES

FY 30 Non-Expendable Property Procurement Plan
O/C 310, 311, 312 & 319

Item No.	Description	Number of Available Units			Units to be Purchased			C O S T			Comments
		Warehouse	Issued	On Order	Total	C	A	NR	Item	Freight	
1	AIR CONDITIONER, Window type, 14,000 BTU "Feeders"	56	315	10	381	46	34	80	\$ 28,832.00	\$ 11,732.80	Mission is phasing out 50 cycle units diverted from Vietnam.
2	AIR CONDITIONER, Window type, 24,000 BTU "S.E."	9	49	5	63	15	5	20	11,985.00	4,387.80	
3	REFRIGERATOR, Elec., 2-door, 17 cu.ft.	15	121	3	139	-	10	10	7,150.00	2,860.00	
4	RANGES, Elec., 4-burner, w/ oven	7	61	-	68	-	1	1	733.20	293.28	15 Units electric ranges to be replaced with gas ranges, see Item #5.
5	RANGES, Gas, 4-burner, w/ oven	3	25	5	33	-	5	20	6,500.00	2,600.00	15 Units to be purchased in lieu of 15 electric ranges.
6	DRYER, Clothes, automatic	3	70	8	81	11	9	20	5,434.00	2,173.60	
7	WASHER, Clothes, automatic	9	77	8	94	11	9	20	7,865.00	3,446.00	
8	FAN, Oscillating, 220v., 16"	10	222	20	242*	20	-	30	1,857.14*		162 out of 242 total units available are to be replaced due to age. *Exh. Rate=7.35 (TF - P13,650.00)
9	CHAIR, Straightback, wood	-	102	-	102	20	-	20	4,342.00	1,736.80	
10	CHAIR, Exec., metal, w/arms	1	120	-	121	24	-	24	2,964.00	1,371.20	
11	CHAIR, Secretarial, metal	14	70	-	84	14	6	20	1,742.00	696.80	
12	CALCULATOR, Electric, desk type	5	83	-	88	10	-	10	8,684.00	3,473.60	Mission is converting from adding machines to calculators.
13	TYPEWRITER, IBM Selectric	-	19	1	20	-	-	12	11,420.76	4,568.31	These units are replacements for 12 units of Standard IBM typewriters due to age condition.
14	TYPEWRITER, Manual, portable	2	8	-	10	-	5	5	775.00	310.00	

C = Replacement based on condition of item
A = Replacement based on age
NR = Total number of replacement

Table VIII.B

USAID/PHILIPPINES
 FY 80 Non-Expendable Property Procurement Plan
 O/C 310, 311, 312 & 319

Item No.	Description	Number of Available Units			Units to be Purchased			C O S T			Comments
		Warehouse	Issued	On Order	C	A	MR	Item	Freight		
15	COLLER, Water (Dispenser), 110v.	-	10	1	11	4	-	4	\$ 1,300.00	\$ 520.00	CO2 type Fire Ext. to be replaced with ABC type fire extinguisher. *Exchange rate = P7.35 Trust Fund - P84,136.00
16	FIRE EXTINGUISHER, 15 lbs. cap.	-	33	-	33	30	-	30	1,770.00	708.00	
17	LIVING ROOM SET, rattan, 22 pcs/set	15 (Set)	112 (Set)	8 (Set)	135 (Set)	8	-	8 (Set)	11,447.07*	-	*Exchange rate = P7.35 Trust Fund - P84,136.00
18	DINING ROOM SET, rattan, 11 pcs./set	15 (Set)	84 (Set)	8 (Set)	107 (Set)	8 (Set)	-	8 (Set)	6,395.65*	none	
19	BED, single, w/ mattress & boxspring	77	237	5	319	20	-	20	4,524.00	1,809.60	*Exchange rate = P7.35 Trust Fund - P47,008.00
20	BED, double, w/ mattress & boxspring	3	24	8	35	10	-	10	2,782.00	1,112.80	
21	BED, queen, w/ mattress & boxspring	13	55	-	68	20	-	20	7,358.00	2,943.20	
22	BED, wool/acrylic fiber, 12' x 15'	4	57	15	76	20	-	20	6,017.14*	none	*Exchange rate = P7.35 Trust Fund - P44,226.00
23	BABY CRIB, with mattress	7	7	-	14	4	-	4	1,338.78*	288.00	
24	STEP STOOL, chromium plated	13	88	-	101	24	-	24	720.00	288.00	*Exchange rate = P7.35 Trust Fund - P9,840.00
25	TABLE, kitchen, wood, formica top	12	53	-	65	20	-	20	1,338.78*	-	
26	Computer System (Addition to Inventory)	None	None	None	None	None	-	None	\$144,407.42	\$ 46,940.66	
	Sub-EQUIPMENT (Hewlett Packard)	None	None	None	None	None	-	None	25,000.00	10,000.00	
	Sub-TOTAL -	None	None	None	None	None	-	None	\$169,407.42	\$ 56,940.66	
27	Vehicles (Replacement):	None	6	5	11	5	-	5	27,625.00	9,500.00	*Exchange rate = P7.35 Trust Fund - P9,840.00
28	SEDAN (Compact Class 11)	None	5	1	7	1	-	1	6,130.00	2,100.00	
29	STATION WAGON (Intermediate Class 111) c	None	4	-	4	-	-	-	-	-	
	SEDAN (Mid-Size Class 111)	None	4	-	4	-	-	-	-	-	

USAID/PHILIPPINES
 FY 80 Non-Expendable Property Procurement Plan
 O/C 310, 311, 312 & 319

Item No.	Description	Number of Available Units		Units to be Purchased		C O S T		Comments
		Warehouse Issued	On Order	C	A	Item	Freight	
30	CARRYALL (Cargo/Passenger)(4x4)	None	-	-	-	-	-	
31	JEEP (Cargo/Passenger)(4x4)	None	-	-	-	-	-	
32	CARRYALL (Cargo/Passenger)(4x2)	None	-	-	-	-	-	
33	SUBVAN (Cargo/Passenger)(4x2)	None	2	-	2	\$ 16,544.00	5,200.00	
34	PICKUP Truck	None	1	-	1	9,700.00	2,600.00	
35	STEELVAN Truck	None	1	-	-	-	-	
36	VAN Truck	None	1	-	-	-	-	
37	BUS	None	1	-	-	-	-	
TOTAL						\$229,406.42	\$76,340.66	

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING
 POSITION REQUIREMENTS - FY 1979 - 1981
 (By Function, Organizational Unit, Position Title and Professional Speciality)

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	DECISION UNIT Philippines DECISION PACKAGE											
	NUMBER OF POSITIONS											
	FY 1979			FY 1980			FY 1981 Current			FY 1981 AAPL		
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH
<u>EXECUTIVE DIRECTION</u>												
<u>Director's Office</u>												
Director	1											
Deputy Director	1		1									
Program Economist	1		1									
Legal Advisor	1		1									
Attorney Advisor		1		1								
All Other (Non-Professional)	1	3	1	3								
Subtotal Executive Direction	5	4	5	4								
<u>PROGRAM PLANNING</u>												
<u>Program Office</u>												
Program Officer	1		1									
Deputy Program Officer	1		1									
Asst. Program Officer	1		1									
Asst. Program Officer	1		1									
Asst. Program Officer	1		1									
Asst. Program Officer	1		1									
IDI	1		1									
Program Assistant		1		1								
All Other (Non-Professional)	1	1	1	1								
Subtotal Program Planning	8	2	8	2								
<u>PROJECT DESIGN AND IMPLEMENTATION</u>												
<u>Program Office</u>												
Supervisory Training Specialist		1		1								
Training Specialist		3		3								2

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING
 POSITION REQUIREMENTS - FY 1979 - 1981
 (By Function, Organizational Unit, Position Title and Professional Speciality)

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	NUMBER OF POSITIONS											
	FY 1979			FY 1980			FY 1981			AAPL		
	Minimum			Current			Current			Current		
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH
<u>Office of Nutrition</u> Food for Peace Officer Asst. Food for Peace Officer Food for Peace Program Specialist Food for Peace Specialist All Other (Non-Professional)	1		1		1							
	1	1	1	1								1
		1	1	1								
		2	1	1								
<u>Office of Population</u> Family Planning Development Officer Population Advisor Program Specialist Program Assistant All Other (Non-Professional)	1		1		1							
	2		2		2							
		1		1								1
		1		1								1
<u>Office of Health</u> Health Development Officer Public Health Advisor Health/Population/Nutrition (IDI)	1		1		1							
	1		1		1							
			1		1							1
<u>Office of Education</u> Human Resources Development Officer - Education Education Specialist	1		1		1							
		1		1								
<u>Office of Agricultural Development</u> Agricultural Development Officer Asst. Agricultural Development Officer Agricultural Economist Agri/Econ (IDI) Land Reform Advisor Agricultural Advisor - Research Fisheries Development Officer	1		1		1							
	1		1		1							
	3		3		3							
	1		1		1							
	1		1		1							
	1		1		1							
	1		1		1							
												1
												1

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING
 POSITION REQUIREMENTS - FY 1979 - 1981
 (By Function, Organizational Unit, Position Title and Professional Speciality)

DECISION UNIT
 Philippines
 DECISION PACKAGE

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	NUMBER OF POSITIONS													
	FY 1979		FY 1980		FY 1981				AAPL					
	USDH	FNDH	USDH	FNDH	Minimum	Current		USDH	FNDH	USDH	FNDH			
Program Specialist		2			2									
Statistical Assistant		1			1									
All Other (Non-Professional)		3			3									
<u>Office of Capital Development</u>														
Capital Resources Development Officer	1		1		1									
Deputy Capital Resources Development Officer	1		1		1									
Capital Project Development Officer	2		2		2									
Project Manager	1		1		1									
General Engineering Officer	1		1		1									
General Engineering Advisor	1		1		1									
Hydraulic Engineering Advisor - Water Resources	1		1		1									
Program Specialist	2		2		2									
Engineer (Civil)		1			1									1
All Other (Non-Professional)		3			3									1
<u>Office of Provincial Development</u>														
General Development Officer	1		1		1									
Asst. General Development Officer	1		1		1									
Equipment Advisor (E'd 9-30-78)	1		1		1									
Community Development Advisor	2		2		2									
Public Administration Advisor - Training	1		1		1									
Engineer		2			2									
Property Utilization Specialist		1			1									
Equipment Specialist		1			1									
Program Specialist		2			2									
All Other (Non-Professional)		2			2									

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING
 POSITION REQUIREMENTS - FY 1979 - 1981
 (By Function, Organizational Unit, Position Title and Professional Speciality)

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	NUMBER OF POSITIONS											
	FY 1979			FY 1980			FY 1981			FY 1981		
	Minimum			Current			AAPL			AAPL		
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH
<u>Office of Regional Development</u>	1											
General Development Officer	1											
Economic Advisor		1										
Program Specialist		1										
Admin. Assistant												
<u>Office of Local and Regional Development</u>			2									
General Development Officer			1									
Economic Advisor			1									
Asst. General Development Officer			1									
Community Development Advisor			2									
Public Administration Advisor - Training Engineer			1									
Program Specialist			2									
Admin. Assistant												
All Other (Non-Professional)												
Subtotal Project Design and Implementation	34	34	34	29	26	24	24	3	5	5		
<u>FINANCIAL MANAGEMENT</u>												
<u>Controller's Office</u>												
Controller	1											
Deputy Controller	1											
Budget/Accounting Officer	1											
Budget & Accounting Supervisor												
Financial Analyst												
Auditor												
Accountant												
Accounting Assistant												
Admin. Assistant												
All Other (Non-Professional)												
Subtotal Financial Management	3	20	3	20	3	12	12	-	4	-	4	4

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING
 POSITION REQUIREMENTS - FY 1979 - 1981
 (By Function, Organizational Unit, Position Title and Professional Speciality)

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	NUMBER OF POSITIONS											
	FY 1979			FY 1980			FY 1981			Current		
	Minimum			Minimum			Minimum			Minimum		
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH
<u>MISSION SUPPORT</u>												
<u>Executive Office</u>												
Executive Officer	1		1		1		1					
Deputy Executive Officer	1		1		1		1					
Computer Systems Analyst	1		1		1		1					
Executive Aide		1		1		1						1
All Other (Non-Professional)		1		1		1						
<u>1. Personnel</u>												
Personnel Officer	1		1		1		1					
Personnel Specialist		3		3		3		3				1
Travel Supervisor		1		1		1		1				1
All Other (Non-Professional)		3		3		3		3				1
<u>2. General Services</u>												
Assistant General Services Officer	1		1		1		1					
General Services Supervisor		2		2		2		2				1
Freight Rate Specialist		1		1		1		1				
General Services Assistant		1		1		1		1				
Supervisory Supply Technician		5		5		5		5				2
All Other (Non-Professional)		5		5		5		5				
<u>3. Communications & Records</u>												
Mail & File Supervisor		1		1		1		1				
All Other (Non-Professional)		6		5		5		5				2
<u>4. Motor Pool</u>												
General Services Specialist		1		1		1		1				4
All Other (Non-Professional)		22		20		20		20				

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING
 POSITION REQUIREMENTS - FY 1979 - 1981
 (By Function, Organizational Unit, Position Title and Professional Speciality)

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	NUMBER OF POSITIONS												DECISION UNIT			
	FY 1979			FY 1980			FY 1981			Current		A.A.P.L.		Philippines		
	Minimum			Minimum			Minimum			Current		A.A.P.L.		Philippines		
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH
5. Communications Media																
Production Supervisor		1		1			1				1					1
Artist, Principal		1		1							1					1
Library Assistant		2		2							2					1
All Other (Non-Professional)		3		3							3					1
6. Logistics																
Logistics Management Officer	1		1													
Asst. Logistics Management Officer	1		1													
Property Utilization Specialist		5		3							1					1
Procurement Supervisor		1		1							1					
Procurement Specialist		2		2							1					
Admin. Assistant		1		1							1					
Equipment Specialist (Auto)		1		1							1					
All Other (Non-Professional)		7		4							2					1
7. Contract Services Division																
Contract Services Officer	1		1								1					
Asst. Contract Services Officer	1		1								1					
Contract Specialist		1		1							1					
Subtotal Mission Support	9	74	9	65	8	41	1	10								14
NON-MISSION SPECIFIC																
1. Area Auditor General/East Asia																
Area Auditor General	1		1								1					
Deputy Area Auditor General	1		1								1					
Audit Manager	2		2								2					
Auditor	5		5								5					
Supervisory Auditor		1		1							1					
All Other (Non-Professional)		2		2							2					

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING
 POSITION REQUIREMENTS - FY 1979 - 1981
 (By Function, Organizational Unit, Position Title and Professional Speciality)

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	NUMBER OF POSITIONS											
	FY 1979			FY 1980			FY 1981			FY 1981		
				Minimum			Current			AAPL		
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH
2. <u>Inspection & Investigation Staff (IIS)</u>												
Foreign Assistance Inspector	2	1	2	1	2	1						
All Other (Non-Professional)	1		1		1							
3. <u>Asian Development Bank</u>												
Program Planning Officer	1		1		1							
4. <u>Centrally Funded PASA</u>												
Physiologist	1		1								1	
Fisheries Development Officer	1		1								1	
Subtotal Non-Mission Specific	15	4	15	4	13	4					2	
Total Increment	74	138	74	124	62	87					7	18
Cumulative Total	74	138	74	124	62	87					74	124

TABLE IX NARRATIVE

A concern which the Mission expressed in the CDSS was the need to design project efforts which meet basic human needs but are of a lower personnel intensity than in years past. The FY 80 ABS exercise pointed up in graphic terms the high personnel intensity of a large portion of the USAID portfolio and the tendency of the Mission to rely increasingly on high cost U.S. consultants to bridge the personnel "gap".

The shift to projects which emphasize more production activities and labor-intensive infrastructure, and which are larger in overall size, should help to ameliorate this problem beginning in FY 81. However, staff requirements for terminated projects with pipeline will continue to be high since most of these tend to have higher personnel intensity. The total pipeline for terminated projects amounts to almost \$47 million spread among 19 discrete project efforts. Combining this total with 7 projects beginning or continuing to receive funding under the Minimum brings the portfolio total to 25 projects and \$77.0 million requiring a minimum of 49 USDH staff. Adding six more projects under the Current and AAPL at a value of \$15 million will require 10 additional USDH personnel in these two packages, primarily in the area of project implementation. This is because most of the efforts involve expansion of existing activities which are of higher personnel intensity (Agricultural Research, Agro-Forestation, Rural Service Centers) or follow-on to previous projects (Participant Training III). The Mission has determined that USDH support staff needs across the decision packages are fairly constant, and are not so much a function of program levels as they are a permanent functional need. There is a permanent need, for example, for program and financial personnel which is largely independent of the number of projects or annual program level.

Prior to any discussion of personnel and program requirements, two important caveats must be made.

First, Table VII gives the impression of a gradual increase in USDH staffing from FY 77 - FY 81. Actually, there were 19 more USDH staff present in FY 77 and 10 more at post in FY 78 than accounted for under operating expenses. These additional personnel were project-funded during those years. Thus, total USDH staffing has actually declined from 84 to 74 (FY 81 AAPL). Second, in the Mission's view, linking personnel needs to resource levels is often spurious. Pipeline data is not the best measure of efforts required to implement a project toward purpose-level achievement. Although very time consuming, procuring goods and services is a minor portion of development activities; ensuring goods and services are actually utilized to achieve end of project status is the true objective of implementation and for which substantial personnel resources are required.

For the FY 1981 Minimum portfolio this latter caveat is the basis for understanding the requested USDH level of 49. Most of the projects in "the terminated projects with pipeline" category represent activities considered

pilot or which are composed of many discrete subproject activities requiring substantial monitoring, coordination, and evaluation. Barangay Water, Small Farmer Systems, Rural Roads and Population Planning, Bicol Integrated Rural Development are illustrative examples.

The personnel implications of the overall Minimum package suggest a gradual transition from a past portfolio of projects which were new efforts in their respective fields and therefore somewhat experimental, to expansion of proven efforts and higher utilization of in-country resources (A&E firms) for monitoring. The staff of 62 requested includes 26 USDH officers directly responsible for project implementation over the total number of 25 projects, a relatively low ratio. However, the actual allocation of time of project implementing officers reveal that proportionally greater time is allocated to terminated projects with pipeline as mentioned above, due to their relative "experimental" nature rather than to projects being continued for funding. As pipelines for some projects are fully expended, this attention should shift somewhat to new and continuing efforts which will be moving toward accelerated implementation, and to preparing PPs for future year activities.

The remaining USDH staff in the Minimum (36) are 7 in program planning, 8 Mission support, 5 in Executive Direction and 13 which are non-Mission specific. The latter group are particularly important to note. They are included in the Mission's MODE ceiling, but their function is to provide services to other countries in the region. These include personnel assigned to IIS and AAG. In reality, the staff actually attributable to USAID's bilateral program on a full time basis (including 3 IDIs) would amount to only 46 under the Minimum package were these personnel and three regional officers not counted.

The seven staff in program planning are required to provide policy oversight functions and evaluation assistance to project officers in addition to planning duties which include CDSS preparation, ABS and Congressional Presentation, and SSA planning and administration. The eight support staff include logistic support for the Mission, operation of the excess property program, and two Regional Contracts officers. Since non-Mission specific personnel must also be serviced from Mission resources, the eight support staff listed are deemed the minimum required to meet this need.

The staff increment being added under the Current package is 5 of which 3 are project implementation personnel, one is for project design increment and the fifth is support staff for logistics property management. The addition of a second agricultural research loan will require a project implementing officer to monitor all construction and training activities. This officer is not contemplated in the Minimum since the agricultural research effort would be near completion by FY 81 without this additional funding. The second officer slotted against this project is actually a capital development officer. This individual's time would, of course, be divided primarily among both agriculture loans in the Current package as both will have substantial loan-funded construction activity. He would

also have loan officer responsibility with reference to design and evaluation of other projects. Finally, a project implementation officer is requested for the Artisan Fishermen/Farmers project since this is a new venture in the Mission portfolio, and contains a loan component comprising FAR construction activity.

Recognizing that as many as 8 projects may be ending in FY 81 and an additional 6 in FY 82, there will be a need to develop new project efforts for FY 83 and beyond. Thus, one additional person is requested for project design.

The AAPL level adds five project activities to the Current package with a net increment of \$3,960,000, plus the value of PL 480 Title I commodities and a PVO Co-Financing project. Five additional personnel are required to implement these activities, all in project implementation. Because of the high personnel intensity of the Rural Service Centers program and the large number of cities (16) included, it is deemed that two full-time project officers are required to adequately monitor and evaluate project progress. The present project officer spends almost two-thirds of her time in the field. An additional person would alleviate this heavy burden, act as training advisor for domestic and international training requirements, and help provide better coordination with the Central City Development Assistance Program Office in Manila.

Because of the inclusion of a loan to the Agro-Forestation project, one additional person is required to monitor loan activities as well as the project officer assigned to the grant activities. This second individual is likely to combine the functions of loan officer with strong field orientation to closely monitor the loan's reimbursable portions.

Contemplating a continued Title I program, it is necessary to have a full-time officer monitoring GOP commodity needs and the nutritional situation.

The situation with respect to Foreign National Direct Hire is somewhat more complex and requires explanation. Since FY 77, the FNDH staff in the Mission has been reduced almost 19% to a level of 124 in FY 80 and FY 81. A close look at Table VII reveals that these cuts have been primarily in the areas of project implementation and mission support. Comparing the trend in American staffing over the same time period reveals a moderate increase in USDH staffing in FY 79 - FY 81 in project implementation as a result of the large number of project agreements signed in FY 78, and a minor increase of USDH in Mission support over the four-year span. In the critical area of project implementation, there are 13 fewer FNDH in FY 81 compared to FY 77, while the USDH level has decreased by 6.

This trend appears to obviate attempts by the Mission to turn over an increasing share of support and implementation functions to local staff whose technical training as well as cultural background make them better suited at times to handle these activities than USDH personnel. Unfortunately, what accounts for this trend is not only AID/W reductions in FNDH ceilings, but

also the inability of the Mission to pay salaries competitive with the local economy and private overseas employment recruiters. During the past 15 months, the Mission has lost 19 personnel to employment opportunities elsewhere in the Philippines and abroad. Although Mission salaries may never equal those offered by foreign recruiters, they are still low enough to be insufficient compensation to deter Filipinos from giving up two years away from their families and homes. A more disturbing trend, however, is that government corporations and even some GOP ministries are beginning to bid away the services of professional FNDH staff at salaries double or more than what they earn at present with USAID. An indication of the magnitude of the salary problem is that 5 of 7 Filipino personnel in the Mission's Program Office have left within the past 12 months for Arab countries or better opportunities elsewhere in the Philippines.

Given these considerations, the Mission feels that an overall level of 24 FNDH personnel is required to maintain an effective assistance effort in the Philippines which contributes to the three objectives discussed in the CDSS. Under the Minimum package this amounts to 87, in the Current package, 106, and under the AAPL, 124. The changes in personnel level are primarily in three areas: project implementation, financial management and mission support. The largest increases over the three decision packages are Mission support, since with reduced numbers of American personnel in the Minimum and Current, fewer drivers would be required. Also, reducing the number of -projects under the Minimum and Current from that in the AAPL would require fewer financial analysts than would be needed for a full \$45 million program plus pipeline. On the other hand, it is crucial that the number of financial analysts not be reduced below FY 79 levels given the total number of projects projected to be active in FY 81. Although the total amounts of funds in the pipeline plus new obligations in FY 81 (exceeding \$80 million) is less than the FY 79 level (\$105 million), the actual number of active projects will decrease by only four between the two years.

The difference in requirements for project implementation personnel, by comparison, is relatively less between the three packages. This is primarily for the reasons cited above that in the past severe cuts in this area have caused some increase in USDH personnel for implementation. As the Mission moves from the design stage to actual implementation, it is critical that the level of FNDH staff or project implementation not be reduced, but actually be increased from 27 in FY 80 to 29 under the Current and AAPL packages. A minor reduction could be handled if only the Minimum level were approved, since no completely new activity is contemplated in the Minimum package.

Finally, it should be noted that between FY 79 and FY 80 the Mission will be reorganizing two offices, Provincial Development and Regional Development, into a combined Office of Local and Regional Development. This move is justified on the re-orientation of Mission activities away from strictly public administration support projects in the provinces to actual improvements in rural infrastructure and services utilizing the improved local government machinery. It is felt that greater efficiency in project imple-

mentation and evaluation activities will result from this move. The re-organization is depicted on Table IX by listing the Office of Provincial Development personnel as attributable to FY 79 only, with the same slots being picked up under the new Office of Local and Regional Development beginning in FY 80. The Office of Regional Development is similarly treated.

TO BE PUBLISHED UPON RECEIPT OF FORMS FROM AID/W

ASIA BUREAU POINTS OF INTEREST
(STATE 099264/01)

A. The Causes of Significant Increase in the 80 and 81 OE Budget Requests

1. Our projected OE requirements for FY 1980 total \$7,089,000, compared to our FY 79 requirement of \$6,292,000, or a 12% increase totalling \$797,000. Of this increase, a substantial portion, or \$578,000 (71%), is directly related to office operations. Specific causes of the increases are as follows:
 - a) Change in the funding procedures of AID/W personnel on TDY to overseas posts regardless of the TDY duration, per STATE 099264/01. There is a total projected increase in international operational travel, including AID/W TDY personnel, of \$280,000.
 - b) Replacement of vehicles due to age and condition. The Mission plans to replace nine vehicles at an estimated cost of \$70,000 compared to only one vehicle in FY 79.
 - c) Anticipated price increases in other areas such as office rents/utilities, domestic transportation, supplies, materials, equipment and other contractual costs. These increases are anticipated to amount to approximately \$228,000.

In addition to the above increases, it is estimated that other categories will increase in cost totalling about \$219,000. These categories include:

a) U.S. Direct-Hire salaries, benefits and related costs	\$32,000
b) FN Direct-Hire salaries, benefits and related costs	\$18,000
c) FN contractor salaries, benefits and an increase of nine PSCs	\$62,000
d) Housing - increase in rental/utilities and replacement of furniture and equipment	\$107,000
TOTAL	\$219,000

2. Our projected OE requirements for FY 1981 total \$7,468,000 compared to the FY 1980 OE requirements of \$7,089,000. This results in a projected \$379,000 increase (5%) in FY 1981 compared to FY 1980. The following summarizes the increases:

a) Office and Residential Rents and Utilities	\$145,000
b) Acquisition and freight costs of replacement vehicles, including one bus	\$ 94,000
c) Salaries and benefits of FNDH and FN contract personnel	\$ 82,000
d) Step increases, benefits and travel of USDH	\$ 40,000
e) Net increase in supplies, materials, equipment and contract services	\$ 18,000

B. Impact of Inflation

Since the drastic 35 per cent increase in consumer prices registered in 1974, as a consequence of the OPEC-induced world oil crisis, annual inflation in the Philippines has been moderate, averaging 7-8 per cent from 1975-1978. The new series of oil price increases imposed recently by OPEC however, has triggered a wave of price adjustments that threaten to push overall inflation to as high as 20 per cent in 1979. For example, Philippines Airlines has already increased its rates by 25%. Some GOP authorities are projecting sustained overall inflation of 15-20 per cent annually for the next several years in response to expected continued increases in crude oil prices, oil-related imports, and transportation costs.

During 1974-78, the individual price indexes for housing and house maintenance, utilities, construction materials, fuel, office and school supplies and household operations and supplies showed annual increases commensurate with the overall rate. Thus, it can be anticipated that the prices of goods and services in these categories are also likely to increase in the 15-20 per cent range over the next several years.

C. Status of Trust Funds

As is apparent from Table VIII, the trust fund budget is an extremely important part of the OE budget. From FY 79-FY 81 it is estimated that the OE trust fund budget will account for an average of approximately one-third of the total OE budget each year. Although there is evidence of peso shortfalls within the overall GOP budget, it is anticipated these shortfalls will not have an adverse impact on the OE trust funds in the immediate future, i.e., FY 79. However, if the reported peso shortfall continues, it is anticipated there could be a direct adverse

affect on the trust fund budget. If our trust fund budget request to the GOP is cut we would need to request a corresponding dollar increase in the OE budget. It is anticipated that FY 1980 will act as a harbinger of what is to come with reference to reductions in the OE trust fund by the GOP.

D. Impact of PSC and/or Travel Restrictions on Program Implementation

Recent restrictions on contracting for PSCs has not adversely affected the FY 79 mission program. The primary reason for this is AID/W's approval of the total number of PSCs requested. If our projections for FY 80 and 81 are as accurate as they were in FY 79 and AID/W approves our projections, program implementation should not be adversely affected.

The recent change in funding for operational travel could possibly adversely affect implementation, although it is too early to make an accurate forecast as to the extent. The Mission has made its travel plan for FY 80 and it is anticipated there may be some problems especially during the last half of the year when the travel budget funds are completely utilized.

E. Measures Being Taken to Ensure More Efficient Utilization of OES Units

1. Personnel

In past years USAID considered on-board strength of direct hire Americans to be low when considered in the context of the broad range of expertise required to implement relatively high staff-intensive projects designed to meet basic human needs of the rural poor. As stated in the narrative supporting Table V, attempts are being made to cut down on personnel intensive projects and still meet our goals and objectives. Whenever possible, USAID works in collaboration with private voluntary agencies, Peace Corps and U.S. institutions, firms and individuals under contract to the Philippine Government in reaching program goals. USAID also endeavors to meet specific staff requirements through the use of host country national employees employed under Trust Funds allocated by the GOP on either a Direct Hire or Personal Services Contract basis. In the event that the expertise necessary to the success of a particular project requires recruitment of non-Filipino personnel USAID first undertakes to meet the requirement through use of short-term personal services contracts, execution of PASA agreements with various U.S. Government agencies or, if no other alternatives exist, through assignment of USAID direct hire staff.

2. Housing and Office Space

USAID, working with the Department of State, ICA and other U.S. Government Agencies, provides housing to eligible employees by means of a U.S. Government leased housing program. A range of residences suitable for families varying in size from single employees to families comprising seven or eight members are under lease. Since the essence of a U.S. Government leased housing program is stability and cost effectiveness, USAID constantly monitors Mission leased properties to assure equitable and appropriate housing assignments and obtains favorable lease agreements which include, whenever possible, annual renewal options. In keeping with the Agency's objectives with respect to life style, housing is moderate in both appearance and cost. Analyses show that Post rental costs for both residential and office space are substantially lower than current market rates. Our two-year leases have resulted in considerable savings during the present rapid inflationary increases.

Office space is maintained at the Ramon Magsaysay Center. Floor plans and space allocations are kept under review to assure the best possible space utilization. Recent office space consolidation has allowed USAID to absorb the impact of the entire Automated Data Processing pilot project including Computer Room and office space for Computer System personnel without leasing of additional space.

F. Significant Trends in Relationship Between OE, Personnel and OYB Levels

The trend (from 77 to 81) has been a reduction in personnel, both USDH and FNDH. At the same time the bilateral program has remained about the same going from 44.2 million in FY 77 to 44.6 million in FY 79. If the OYBs in the next five years do coincide with the OYB levels projected in the CDSS this trend would change. The result would be approximately the same number of personnel implementing a much larger program. With our emphasis on a smaller number of projects with lower personnel intensity and increased value this would not appear to cause significant problems.

Considering annual OE increases due to overall inflation as mentioned in Para B, there should be no additional significant changes in OE trends through FY 1981.

G. Impact of Budget Restrictions on NXP Procurement Plans

Primary impact of budget restrictions on NXP procurement plans is adverse effect of the present requirement to seek AID/W approval for all NXP

procurement actions in excess of \$500.00. Mission urges that the limitations be eliminated for any procurement which has been appropriately budgeted for and approved in ABS. If AID/W remains insistent that rigid limitation on Mission authority to procure NXP must be continued, USAID/P recommends that the limitation be changed from \$500.00 to a minimum of \$1,500.00. This action would provide Posts considerably more leeway and reduce leadtime, particularly in cases of emergency procurement.

FY 1981 PHILIPPINE PL 480 PROGRAMS

Relationship of PL 480 to CDSS

The PL 480 resources (Title I and II) proposed for the Philippines in FY 1981 will play a principal role in supporting the Mission's CDSS and the GOP's five-year development program. Although the food element of Title I is rather insignificant in that the commodity mix available to the GOP over the past several years has leaned toward supply of non-food items such as tobacco and cotton, an important benefit of the program is derived from the pesos generated from the sale of the commodities. The local currency generations are used for direct support of ongoing development projects. It is also true that Title I will provide some relief to the balance of payments situation, which since late 1978 shows an estimated deficit of some \$54 million while debt servicing requirements show a continuing rise. The country's trade deficit swelled to \$1.3 billion last year due largely to faster growth in imports ranged against a slackening record for exports. Central Bank reports indicate that increasing protectionism and a reduction in sugar exports continue to be the main underlying factors in trade performance.

GOP revenues from the business sector and other tax receipts are projected to fall short of planned expenditures to finance infrastructure programs. Consequently, the government has to rely on borrowing to finance budgetary deficits. The modest but important Title I level proposed for FY 1981 will provide needed additional budgetary support for the continued financing of GOP/Mission programs designed for development and the meeting of basic human needs of the people of this country.

The Philippines has been extremely cooperative in ensuring that priority consideration for use of local currencies generated from past and current Title I agreements is given GOP development activities supported by the U.S. bilateral assistance program. The end CY 1978 recap of local currencies generated through Title I sales, 1966 thru 1977, indicates net deposits of 493,430,000 million pesos. Approximately 454,663,000 million pesos of the total have been obligated for jointly approved GOP/US development projects.

Self-Help

The major constraints to increased agricultural output which lend themselves to self-help measures under Title I arise primarily from inefficient production and marketing technology in the rural sector. Among the principal problems are inadequate sources of credit, lack of marketing systems, lack of institutions to disseminate new technologies, marginal crop protection measures, and poor water management. USAID and the Philippine Government are jointly implementing development projects aimed at these constraints, for which Title I local currency generations are utilized in direct support. Specific project agreements are entered into to allocate

these funds. Each such agreement outlines the purposes for which the funds are to be utilized, establishes objectives, contains a plan of action, and designates mutual responsibilities.

GOP Actions to Reduce Food Deficits

Perhaps the largest gains in Philippine development since the early 1970's have been realized in agriculture. Since the beginning of the decade rural roads have been extended by one-quarter, agricultural credit has nearly doubled, and irrigated farmland increased by almost 60 per cent. Significant progress was also made in the formation of agricultural marketing cooperatives and the provision of land ownership rights to small farmers. During 1972-78 rice and corn production expanded by nearly one-third, while the production of fruits and vegetables doubled. Agricultural production (one-quarter of GNP) increased 4.6 per cent in real terms during 1978 compared to 5.4 per cent the previous year. For details on Philippine Government planning for self-reliance in food and more equitable consumption policies, see Annexes B and C of the CDSS.

Marketing and Storage

Philippine handling, storage and transportation facilities (details in MANILA cable 17690 dated November 4, 1977 and 13005 dated July 28, 1978) have been further augmented to improve the country's import-export capability. Recent improvements in existing transportation, handling, and storage facilities plus planned new construction provides the Philippines with the necessary capability to efficiently receive, store, and transport within country, all PL 480 commodities programmed. Accordingly we do not foresee any storage/handling problems for PL 480 commodities proposed for FY 1981.

Title I Commodity Relationship to Philippine Agriculture Production

The Title I commodities requested will not constitute a disincentive to domestic agricultural production, as neither the wheat nor type of tobacco requested are grown in the Philippines and cotton output remains low. In FY 1981 it is estimated that wheat import needs (with U.S. as major supplier) will range from 900,000 to 1,000,000 tons. Consequently, the 61.4 metric tons contained in the Title I request will meet only a portion of total needs. Despite the health hazards of smoking, tobacco imports continue to rise from 9,314 tons in 1976 to an estimated 12,500 tons in FY 1981. Imported tobacco is blended with domestic leaf. Cotton is only grown in limited quantities. To meet marketing demands, shortfalls in cotton production must be obtained from outside sources. In some areas, farmers are switching back to other crops as a means to assure a more constant return on investment.

Title II

The aim of the Philippine Title II program remains unchanged since it was redesigned in 1974: that of channeling U.S. donated commodities to the most vulnerable malnourished groups (infants, pre-schoolers, pregnant and lactating mothers.) Over the past decade Title II support to the Philippines has played a major role in the evolution of an infrastructure for dealing with malnutrition that is second to none in the developing world. Title II inputs have been insignificant in that the child feeding programs researched, supported and implemented through U.S. Volags (CARE and CRS), were major factors in helping to identify the Philippine malnutrition problem and bring it to the attention of national planners at the highest level. Our donated food efforts are recognized by Philippine nutrition planners as having had a greater impact on reducing malnutrition prevalence in this country than any other intervention. Impact estimates derived from internal as well as external evaluations have shown that even though our Title II resources are limited to only about 20 per cent of the malnourished child population, they are effecting an average nationwide annual reduction in malnutrition prevalence of 3.7 per cent.

The Philippine National Nutrition Program represents a major accomplishment in program and institutional development. In less than four years the National Nutrition Council and the Nutrition Center of the Philippines have built facilities, developed educational and training facilities, and made impressive progress in institutionalizing a structure for nutrition planning, programming and action equal to any in the world. The powers of Governors and Mayors have been harnessed in support of nutrition, through a political and education process that has also produced popular support and generated a significant expansion of private, provincial and municipal financial allocations for nutrition-related activities. Political commitment and financial support from the National Government continue to be impressive. Much, however, remains to be accomplished in expanding the current effort to reach all malnourished within the country.

FY 1981 will mark the second operational year of the USAID Food and Nutrition Outreach Project (FNO). A major design element of FNO calls for a program which links domestic food production to the malnutrition problem. The major thrust of the FNO will focus upon developing and implementing local food production interventions in 300 selected pilot municipalities during the project's life. If at this time a major reduction were made in Philippine Title II feeding programs it could seriously erode the progress that has been made in dealing with the malnutrition problem. Accordingly, in FY 1981 it is proposed that the first step be made to reduce Title II levels by only some fifteen per cent over FY 1980. Thereafter, and based on progress made in the Philippine food self-reliance program, the program will continue to gradually phase down until PL 480 donated foods are completely replaced by domestic foods, estimated to occur within the next 5-10 years.

Based on the budgetary performance of the GOP over the past three years, programming of Title II should be on a year to year basis rather than multi-year. In FY 1977, FY 1978 and to a lesser degree in FY 1979, the GOP

was unable to allocate necessary funding to support its total obligations for inland transportation handling and storage. Some of the GOP counterpart ministries which are deeply involved in feeding programs utilizing Title II foods have previously attempted to obtain multi-year funding allocations. Their efforts have not been successful. Faced with this situation, programming of Title II commodities for the Philippines should continue to be on a year to year basis, at least as until as at such time as internal GOP budgetary procedures permit multi-year funding at specific levels.

Title III

Given the uncertainties of PL 480 program allocations, the Mission believes that for FY 1981 no Title III program should be discussed with the Philippines.

Country: Philippines

TABLE XI

P. L. 480 TITLE I/III REQUIREMENTS
(Dollars in Millions, Tonnage in Thousands)

Commodities	FY 1979*			Estimated FY 1980**			Projected FY 1981**			Carry-in to FY 1982	
	Agreement \$ MT	Shipments \$ MT	Carry-in to FY 1980 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry-in to FY 1981 \$ MT	Agreement \$ MT	Shipments \$ MT	Agreement \$ MT		
Wheat	9.9	85.0	9.9	85.0	-	-	8.0	61.5	8.0	61.4	-
Corn	1.9	20.0	1.9	20.0	-	-	-	-	-	-	-
Tobacco	4.4	1.0	4.4	1.0	-	-	-	-	-	-	-
Cotton	9.5	30.0	9.5	30.0	-	-	2.0	61.0(bis)	2.0	61.0(bis)	-
Total Program Value:	\$ 25.7			\$ 10.0			\$ 10.0		\$ 10.0		

Of which
Title III

None

Total

\$ 25.7

\$ 10.0

\$ 10.0

Comments:

*At the time this submission was in process the Philippines had received word that only \$10 million of the \$25.7 million originally requested was to be made available for FY 1979.

**Based on the information contained in the Title I narrative to this submission, the GOP/USAID believe a modest program of approximately \$10 million annually is fully justified.

Note: If Cotton is not available in FY 1980 or FY 1981, substitution of wheat or tobacco valued at \$2 million is acceptable.

1
5
1

Country: Philippines

TABLE XII

PL 480 TITLE I/III

Supply and Distribution
(000 Metric Tons)

<u>Stock Situation</u>	<u>FY 1979</u>	<u>Estimated FY 1980</u>
<u>Commodity - Wheat</u>		
Beginning Stocks	17.3	134.5
Production	-	-
Imports	767.2	700-750
Concessional	42.2	-
Non-Concessional	725.0	-
Consumption	650.0	675.0
Ending Stocks	134.5	159.5-209.5
<u>Commodity - Cotton</u>		
Beginning Stocks	4,000	3,550
Production	550	650
Imports	31,000	33,000
Concessional	-	-
Non-Concessional	-	-
Consumption	32,000	34,000
Ending Stocks	3,550	3,200
<u>Commodity - Tobacco</u>		
Beginning Stocks	32,500	31,500
Production	79,000	82,000
Imports	10,000	10,500
Concessional	-	-
Non-Concessional	-	-
Consumption	90,000	89,000
Ending Stocks	31,500	35,000

Comments:

A. Wheat

1. Beginning Stocks as of January 1, 1979 refers to reported wheat grain stockholding of the eight (8) flour mills.
2. Imports for 1979 were identified as:
 - a. Concessional import of 42,200 LT representing the final shipment/arrivals of imports under PL 480 contract in 1978.
 - b. Non-Concessional import of 725,000 LT which is the target importation for the year.

3. Consumption refers to estimated wheat usage/flour sales expressed in wheat grain of the mills.
 4. Ending Stocks refers to the current buffer stock/import policy to maintain two months wheat requirements.
 5. Assumptions used for projecting 1980 Supply/Demand are the following:
 - a. Wheat flour is estimated to increase between 15,000-20,000 LT per year.
 - b. Importation targets were set between 700,000-750,000 LT of flour to maintain a spillover of 2-3 months by end of December.
- B. Cotton - Self-sufficiency is targeted for 1987. Like tobacco, cotton will be grown in the drier regions of the country such as Ilocos. The U.S. is a major cotton supplier.
- C. Tobacco - Domestically produced tobacco provides about 80% of consumption needs; however, demand for importation of U.S. Virginia leaf will continue. Domestic production output is estimated to be increasing by 2.4% annually.

PROGRAM PLAN
Fiscal Year 1981

I. Elements of Operations:

A. Identification

1. a. Distributing Agency: Catholic Relief Services-USCC
- b. Country: Philippines
- c. Program Plan submitted: May 4, 1979
- d. Counterparts:
 - 1) Catholic Bishop's Conference of the Philippines (CBCP)
Intramuros, Manila
 - 2) Ministry of Social Services & Development (MSSD)
San Rafael Street, San Miguel, Manila
 - 3) Ministry of Education and Culture (MEC)
Bureau of Public Schools, Manila
2. Supervisory staff:
 - a. Program Director - Terrence M. Kirch - U.S. Citizen
SAIDI Building
Corner Real & Arzobispo Streets
Intramuros, Manila
 - b. Program Assistant: Lawrence A. Beach - U.S. Citizen
 - c. Program Assistant: William G. Applegate - U.S. Citizen
 - d. Chief, Administration Department - Ernesto O. Lacion
Filipino Citizen
 - e. Chief, Nutrition Department - Gloria V. Boren
Filipino Citizen
 - f. Chief, Shipping Department - Hermeraldo R. Catubig
Filipino Citizen
 - g. Chief, Field Department - Mario C. Franco
Filipino Citizen

B. Agency Agreements:

1. CRS has made a written agreement with the Government of the Philippines regarding Title II food distribution.
2. CRS has a blanket agreement known as Diplomatic Note No. 3001 negotiated by the United States Government and Republic of the Philippines Government and signed October 18, 1956. CRS also has separate agreements with the Republic of the Philippines Department of Foreign Affairs dated January 23, 1957, and January 25, 1957, which detail the implementation of Note No. 3001.
3. These agreements provide:
 - a. Tax and duty free entry of Title II food and other relief supplies.

- b. Payment by the Philippine Government for inland transportation costs for movement of supplies from the end of ship's tackle to end-users.
- c. Police protection for the commodities as a guarantee against theft, pilferage, neglect, mishandling or illicit use.
- d. Permission to identify the supplies through normal communications media as donations from the American people.
- e. Permission to import all necessary program material and equipment under the same condition as the supplies.
- f. Admission of non-Filipino personnel for the administration of the program.

C. Area-Scope-Conditions of Operations

1. The program is nation-wide.
2. CRS works with church and government agencies such as diocesan offices, CARITAS, the Ministry of Social Services and Development, the Ministry of Health, provincial governments, and other Catholic and civic organizations. The implementation of the Nutribun Program (Targetted School Feeding) mainly in the Manila area is in coordination with the Ministry of Education and Culture (MEC).

3. Local Government Cooperation and Participation:

The Republic of the Philippines Government has been very cooperative. The Ministry of Social Services and Development budgets for the inland handling costs for all food except flour for the Targetted School Feeding Project, which is budgetted by the Ministry of Education and Culture. The Republic of the Philippines Government as a whole has placed increasing emphasis on nutrition. In 1974 it created the National Nutrition Council (NNC) to coordinate all nutrition programs in the country and to formulate national nutrition policy. (CRS is a member of the NNC Management Committee, the policy-making committee of the NNC). The Government also has founded the Nutrition Center of the Philippines to conduct research and to solicit help from abroad.

4. Coordination of Programs:

The National Nutrition Council coordinates all nutrition programs to avoid duplication and inequities. The Council of International Voluntary Agencies in the Philippines (CIVAP), of which CRS is a member, meets regularly to help coordinate programs of member agencies. There are also frequent informal meetings between the various voluntary agency chiefs to exchange information and coordinate operations.

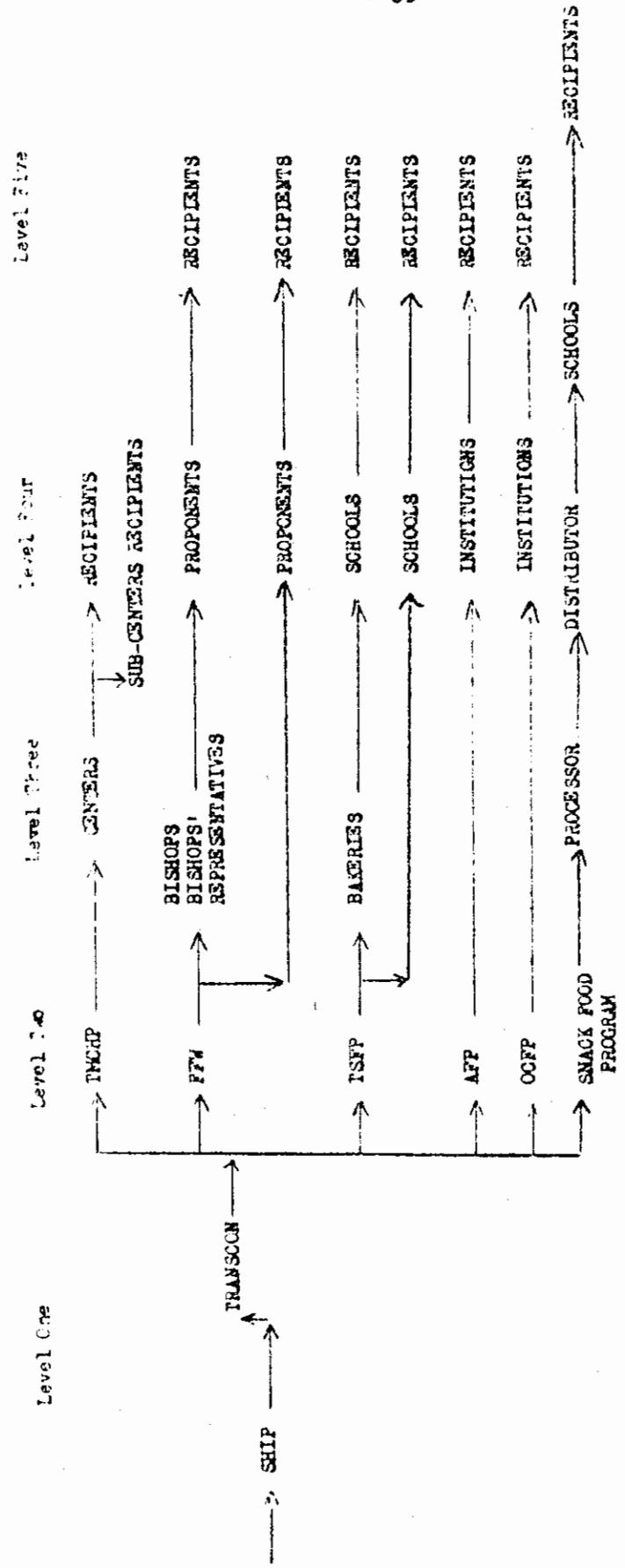
D. Control and Receipting - Records, Procedures and Audits

1. Figure 1 on Page 3 shows the flow of PL 480 commodities. CRS control systems operate on five (5) levels as follows:

On Level One, which represents the CRS Manila Shipping Department, the following controls and audit procedures are in effect:

- a. Ex-ship's Tackle Report } provide basic information as to all
Ex-pier Survey Report } losses and condition of arrival before
Ex-lighter Survey Report } commodity is stored in warehouse for
further movement inland.

FIG. 1 FLOW CHART OF PL & COMMODITIES



Coding

- TMCHP = Targeted Maternal and Child Health Project
- TSFP = Targeted School Feeding Project
- AFP = Adult Feeding Project
- OCFP = Other Child Feeding Project
- FTW = Food For Work Program

- b. Handling Contracts: Negotiated between the Ministry of Social Services and Development and Ministry of Education and Culture each calendar year with a qualified forwarder. The contract provides for the forwarder to handle the commodities from ex-ship's tackle to the ultimate recipient.
- c. Bills of Lading are sent in advance to freight forwarder, survey company, the Ministry of Social Services and Development or the Ministry of Education and Culture.
- d. A file is established on each vessel, containing all cargo details, survey reports, etc.
- e. A Master Commodity Control Book contains a record of each commodity by vessel, its packing list number, time of arrival, beginning balance and allocations made.
- f. A card file by packing list number indicates commodities allocated to programs by vessel and by commodity, date shipped by freight forwarder and shipping instruction number.
- g. A daily record of all shipments by the freight forwarder is maintained by a CRS shipping coordinator.
- h. A numerical file is maintained of all shipping instructions which authorize the forwarder to transport specified commodities.
- i. Bi-monthly stock reports are submitted by the freight forwarder.

Level Two, is the Program level.

- a. Each of the six programs/projects maintains commodity control record books to show the commodities allocated to the program by vessel by commodity and to show allocations to consignees and running balances.
- b. Each of the six programs/projects maintains files of Shipping Instructions in numerical order.
- c. Each of the programs/projects (except the Targetted School Feeding Project) maintains control cards to provide information on remittances by consignees of proceeds of sale of empty bags.
- d. The Targetted School Feeding Project maintains files on each bakery. The file contains the baking contract, list of schools served, stock and production reports.
- e. The Targetted School Feeding Project maintains individual files for each area showing the number of participating schools and the bakeries serving them.
- f. The Targetted Maternal and Child Health Project maintains files on each consignee. The file contains signed agreement forms (which certify that the consignee is responsible for handling and distribution according to prescribed guidelines), the number of recipients, monthly reports to CRS, and correspondence.
- g. The Targetted Maternal and Child Health Project maintains a card file on each consignee showing number of recipients, amount of commodities shipped, and number of each shipping instruction.

Level Three represents Consignees, Diocesan Social Action Departments and Bakeries. As part of an agreement signed with CRS, they are

required to maintain the following records:

- a. A stock register showing receipts, distribution and balances.
- b. Files containing shipping instructions, bills of lading, financial records, etc.
- c. Bakeries are required to make weekly production reports and monthly stock reports to the CRS/Manila Office.

Level Four represents the TMCHP Nutrition Centers, Food For Work Project Proponents and Schools. Through signed agreements, they are required to maintain the following:

- a. Receipt and distribution records
- b. Individual growth charts (TMCHP and School Feeding only)
- c. A stock register and file of shipping instruction (Food For Work only)
- d. Monthly progress reports (Food For Work only)
- e. Copies of monthly distribution reports made to CRS/Manila indicating amount of food distributed and balances at the end of month.

Level Five represents the ultimate recipient. All records on recipients are maintained by Level Four Agencies for at least three (3) years after the close of the program year to which they pertain. End-use check reports are being continually executed at levels three, four and five on a regular, planned basis. In addition, periodic audits are conducted on the entire program.

2. Inland and ocean losses are all reported to USAID and CRS/NY on a Report of Loss Form. In the case of spoilage, CRS/Philippines will request permission from USAID to dispose of the commodities. Claims against third parties for inland losses will be filed by CRS/Philippines. Claims against third parties for losses which occur enroute to the Philippines will be filed by CRS/NY. All payments against claims made by CRS/Philippines are received by our Shipping Department and are then transferred to the Accounting Department. Both Departments record these payments. Records of these payments are audited by CRS/NY approximately once a year and are available for audit by USAID. CRS/Philippines retains the first \$100 of the payment and transfers the remainder to United States Regional Disbursing Office (USRDO) in Manila.

B. Port Facilities - Practices

1. At the present time only the Port of Manila is used to discharge commodities for the CRS Program. Adequate facilities are provided.
2. Agreements with the host government permit duty-free entry of commodities. At present there are no problems.
3. CRS contracts for an independent survey made on board each vessel by a recognized survey company for each shipment of Title II PL 480 commodities.
4. CRS commodities are exempt from all port or other charges.

F. Storage Facilities

1. Our present freight forwarder has fourteen (14) warehouses in Metro-Manila with an estimated capacity of 2,500,000 bags.
2. Consignees generally have sturdy brick or cement structures (a few have wooden storage areas) that could accommodate their corresponding quarterly allocations of food.
3. CRS retains control of inventorying and distribution of foods in storage.

G. Inland Transportation

1. Facilities available:

Commodities are transported overland by truck and by the Philippine National Railroad. For inter-island shipments the forwarder contracts with local shipping lines.

2. Problems involved:

- a. During certain months of the year heavy rains occasionally cause delay in inland transportation, especially in the more remote areas. However, the Government of the Philippines continues to make progress in its road construction program and the situation is gradually improving.
- b. Pilferage is a common and persistent problem during transport of food.
- c. Settlement of claims against the forwarder for losses and spoilage is slow and complicated.

H. Processing, Reprocessing, Repackaging:

Philippine Government studies on nutritional levels of children have shown that there are large numbers of children, even in some more well-to-do sectors of society, who are undernourished. These studies also show that Filipinos are large consumers of packaged snack foods, most of which are nutritionally valueless. CRS is planning therefore, to initiate a pilot approach to help remedy this malnutrition problem by producing a protein-fortified snack food to be sold in school canteens. Negotiations with the processor, appropriate Government of the Philippines and USAID representatives are currently in progress. Before implementation, the pilot project will have the concurrence of the local Food for Peace Officer.

I. Financing

1. Inland transportation costs from the end-of-ship's-tackle (ocean vessels) to the ultimate consignee are paid by the Philippine government. Monies for this purpose are budgeted through the Ministry of Social Services and Development and the Ministry of Education and Culture. The MSSD and MSC negotiate a contract with a forwarder to cover the overland and inter-island shipping costs which are paid by them upon verification by CRS. The contract also covers survey fees, warehousing, repackaging of damaged commodities and any other incidental expenses that may be incurred. Salaries, per diem and travel expenses for end-use checkers are partially provided from the MSSD budget. Although the current grant represents US\$13,600 per year, CRS will request the amount of \$92,000 for 1981.

2. CRS provides money for administrative costs which includes salaries for the American and Filipino headquarters staff in Manila and related office and travel expenses.
3. The Targetted Maternal and Child Health Project (TMCHP) has an Unassociated Charge and the Targetted School Feeding Project (TSFP) has an Associated Charge. Monies from these sources are used to cover expenses related to program operations and control including supervision and salaries of field nutritionists, materials and supplies used in the nutrition education component. Expenses incurred at the operation level (feeding and distribution at the local level) are also paid from the Unassociated Charges.
4. A system of empty container sales and control has been implemented. Consignees sell the bags locally and remit ₱0.25 for each bag (except torn bags) to CRS. The money from this source is expended according to pertinent US regulations. Separate books are maintained covering the receipt and disbursement of money received from Associated Charges and the sale of empty containers. All records are subject to audit and are maintained in the CRS/Manila office.

J. Acceptability of Available Foods

1. Available foodstuffs are acceptable to all recipients in the different program categories.
 - a. Corn Soya Milk is usually mixed with vegetables as soup or in one-dish meal. It can also be prepared as a nutritious beverage.
 - b. Bulgur Wheat may be used as a rice substitute or rice extender and may also be mixed with local foods in soups, main dishes, and native delicacies.
 - c. Soy Fortified Flour is used to make high-calorie, high-protein nutribuns.
 - d. Non Fat Dry Milk is very popular and acceptable among Filipino people for drinking or for cooking.
2. Food rations and the number of distributions for each food commodity and recipient category have been established in consultation with the Food and Nutrition Research Institute, from reference data of the National Economic and Development Authority, USAID, and the CRS Program Administration.
 - a. The desired monthly rates are as follows: (kilograms)

<u>Program/Project</u>	<u>BW</u>	<u>CSM</u>	<u>FLM</u>	<u>SM</u>	<u>NFLM</u>
1) TMCHP	-	3.6	-	-	-
2) TSFP	-	-	1.17	-	-
3) OCFP	-	2.7	-	-	.9
4) Day CARE Service	-	1.36	-	-	.45
5) AFP	-	2.7	-	-	.9
6) FFW	.9	1.36	-	-	-
7) Snack Food Project	-	-	-	.54	-

- Category 1 - There will be twelve (12) distributions during the twelve (12) months of operation.
- Category 2 - There will be approximately 160 distributions during the ten (10) month school year (only 8 months of project operation).
- Categories 3 & 5 - There will be 365 distributions over the twelve (12) month period of operation.
- Category 4 - There will be five (5) days distribution a week for a duration of twelve (12) months.
- Category 6 - The figures here are the food assistance per 8-hour workday to be received by the volunteer worker in self-help activities during the year.
- Category 7 - There will be about 200 distributions over the 10-month school year, as well as limited commercial sales during the rest of the year. The ration here is the monthly ration of Soy Fortified Sorghum Grits per child.

- b. PL 480 foods will be a great help in eliminating or reducing dietary deficiencies, especially low protein intake, among the target population.
- c. Experience shows that the distribution of donated PL 480 Title II foods does not result in a substantial disincentive to domestic production in the Philippines.

K. Program Publicity

CRS representatives and consignees are made aware of the source of foods, program requirements, responsibilities, and the methods of preparation of Title II commodities through (CRS guidelines (2) distribution of recipe booklets (3) growth charts (4) mother's classes for the targetted groups, and (4) a CRS publication entitled NUTRINEWS printed every two (2) months.

L. Estimate of Program Duration

- 1. Assuming that Title II commodities remain available, the CRS food programs will continue for the foreseeable future. (CRS is currently reaching only 20% of the malnourished children/mothers).
- 2. If Title II food should cease to be available during Fiscal Year 1981 the programs would adjust as follows:
 - a. Targetted Maternal and Child Health Project would expand and replicate the pilot projects in local food production which have already begun in three areas in the Philippines. The supplemental feeding could continue at a reduced level, therefore, using locally grown food. The nutrition education component, which is the major element of the program, would also continue in most areas using locally growth food as food supplements if available, or without food supplements if necessary.
 - b. Other Child Feeding and Adult Feeding Projects would be integrated into the Food Production Program so institutions could produce their own food. The programs would carry on at a reduced level,

- e. The Day Care Service Project of MSKD would probably carry on more or less at present levels, using the current transportation budget to buy local food as a substitute for PL 480 food.
- d. Targetted School Feeding Project would expand current experiments on substituting local banana and cassava flour for PL 480 flour. The program would probably continue at a reduced level, using GOP funds formerly used for inland transport, to buy local flour and other foods.
- e. Snack Food Project could continue by substituting local cereals for donated Soy Fortified Sorghum Grits, and relying on recipients to pay the extra expenses.
- f. Food for Work Program would continue at a reduced level using CRS funds. (CRS is already experimenting with compensation of 30% cash and 70% food for Food for Work laborers.)

II. Plans of Operation for Specific Types of Projects

See Annexes I through VII for specific plans.

- A. Annex I : Targetted Maternal & Child Health Projects, Day Care Service, and Mothercraft
- B. Annex II : Other Child Feeding Project
- C. Annex III : Adult Feeding Project
- D. Annex IV : Snack Food Project
- E. Annex V : Targetted School Feeding Project
- F. Annex VI : Food For Work Project
- G. Annex VII : Summary of PL 480 Title II Requirements

III. Contributions to the Program

A. From Catholic Relief Services

<u>Purpose</u>	<u>Amount</u>	
General operating budget	\$297,000	
Administrative costs	<u>110,000</u>	
		<u>\$407,000.000</u>

B. From the Diocese

<u>Source</u>	<u>Purpose</u>		
Dioceses	Salaries/fringe benefits	\$990,000	
Dioceses	Salaries of Nutrition Aides & Parish Workers	231,000	
Dioceses	Transport/warehousing	297,000	
Proceeds from sale of empty bags	Administrative costs	24,200	
Dioceses (In kind)	Foodstuffs for TMCH and Mothercraft Centers	<u>13,200</u>	
			<u>\$ 1,555,400</u>

C. From the US Government

	<u>Metric Tons</u>	<u>Estimated \$ Value</u>	
1. Corn Soy Milk	23,845.2	\$11,612,612	
2. Nonfat Dry Milk	1,296.0	2,290,200	
3. Soy Fortified Flour	1,310.4	452,756	
4. Soy Fortified Bulgur Wheat. .	216.0	61,600	
5. Soy Fortified Corn Grits of Sorghum Grits	113.4	41,800	
	<u>26,781.0</u>		
Total			<u>\$ 14,458,968.00</u>

D. From the Philippine Government^{*}

	Inland Transport	Admin Costs	Food/Material Contributions	Total
1. Ministry of Social Services & Development	\$2,090,000	\$94,600	\$752,400	\$2,937,000
2. Ministry of Education and Culture	<u>154,550</u>	<u>123,200</u>	<u>528,000</u>	<u>805,750</u>
	\$2,244,550	217,800	1,280,400	<u>\$3,742,750</u>

E. From Local Civic Organizations

<u>Purpose</u>	<u>Amount</u> [*]
Contributions of funds and equipment to School Feeding projects	\$ 385,000
Donations to cover operating expenses of 17 mothercraft centers	30,800
Purchase of tools, construction materials, etc. for Food for Work projects	125,400
Foodstuffs for TIGH and Mothercraft Centers	13,200 (monetized)
	<u>\$ 554,400</u>

F. From USAID/NEDA

<u>Purpose</u>	<u>Amount</u> ^{**}
Administrative costs of Nutrition Program (Matching Grant to CRS Rice Bowl Funds)	\$ 100,000

G. From Others

<u>Source</u>	<u>Purpose</u>	<u>Amount</u>
Recipient contributions	Administrative costs	\$ 710,400 ^{***}
Volunteer workers	Volunteer service	114,400 (monetized)
		<u>\$ 824,800</u>
GRAND TOTAL		<u>\$21,643,318</u>

REGULATIONS

A. From Catholic Relief Services	\$ 407,000	- 1.80%
B. From the Diocese	1,555,400	- 7.19%
C. From the US Government	14,458,968	-66.81%
D. From the Philippine Government	3,742,750	-17.29%
E. From the Local Civic Organizations	554,400	- 2.56%
F. From USAID/NEDA	100,000	- .40%
G. From Others	824,800	- 3.81%
GRAND TOTAL		<u>\$21,643,318</u>

* Represents 10% increase over 1980 figure
 ** Unchanged from 1980 figure
 *** Represents 20% increase of 1980 figure

Annex 1: TARGETED MATERIAL AND CHILD HEALTH PROGRAM, BUDGETARY, DAY CARE SERVICE

1. BACKGROUND AND RATIONALE

Malnutrition is considered in the country today as a priority problem which necessitates an immediate and multi-sectoral solution. The adverse effects of malnutrition on the social and economic life of the people have been discussed and expounded in several CRS papers and other documents.

/1,2

The importance of the CRS Nutrition Program as an answer to the problem of malnutrition cannot be over-emphasized. The need for the continuity of the CRS Nutrition Program is best reflected in terms of the program's outreach and effectiveness, especially within the amouence of the over-all Philippine Nutrition Program.

Graph I shows the past, present and projected extent of malnutrition based on both high and low program impact, the outreach of CRS alone and the outreach of CRS and all other involved agencies combined, and the number of pre-school children rehabilitated through the program.

If the malnutrition problem remains unabated (i.e. based on low impact program), it is estimated that there shall be a gradual increase of malnourished 2nd and 3rd degree pre-school children, and by 1981, the 3.3 Million mark shall have been reached. On the other hand, with high impact programs, the extent of malnutrition among the same age group is expected to diminish at a similar rate. By the end of 1981, the extent of malnutrition is expected to drop to approximately 2.0 Million, if such high impact is indeed achieved.

The program outreach of all agencies combined is insufficient to cover all the malnourished pre-schoolers in 1979 even if program impact is high. However, program outreach is estimated to increase to a high percentage by 1981 (2.6 Million) and again, minimally increase in 1982 (2.8 Million). However, with the assumption that the program impact will be low (for all agencies), it is estimated that there shall still be about 700,000 (3.3 Million minus 2.6 Million) 2nd and 3rd degree malnourished pre-schoolers who shall not be served by any nutrition agency in 1981.

On the other hand, if we were to assume that program impact will be high (for all agencies), it can be estimated that by 1981, all 2nd and 3rd degree malnourished children shall have been covered by the agencies involved in nutrition. Projected agency coverage shall even exceed the number of the malnourished in need. If the trend of the high program impact were to continue, the excess of the estimated recipients, would even be greater by 1981. (600,000)

At present, CRS serves an average of 375,000 or more 2nd and 3rd degree malnourished pre-school children, per year. (See Table 1 Page 18 for breakdown according to specific projects) Program coverage is expected to increase minimally in 1981. Compared to the total outreach of all nutrition programs including the CRS Program with regard to the pre-school age groups, CRS is estimated to be presently serving a little less than one fifth or 18% of these recipients.

On the other hand, if we were to assume that program impact will be high, CRS coverage is estimated to be about 12% of the total pre-school 2nd and 3rd degree malnourished population this year, 1979, 17.6% in 1980, and about 19% in 1981.

Based on previous studies,^{/3} we estimate that the CRS Nutrition Program can effectively rehabilitate 50% of 3rd degree and 30% of 2nd degree malnourished children within an average period of one year. Further program improvement might still increase this percentage.

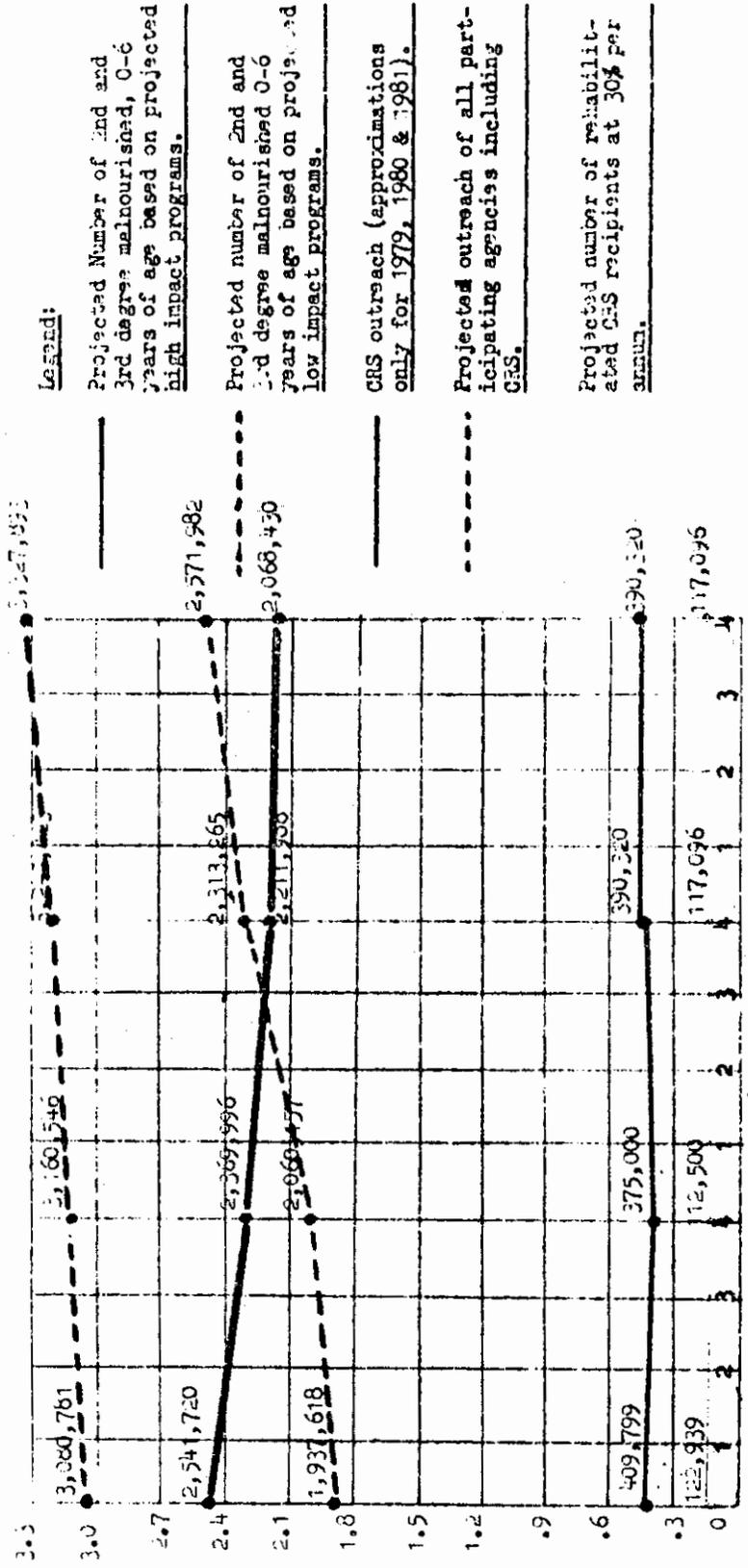
We estimate that 30% of the recipients can be rehabilitated to at least 1st degree of malnutrition (or normal levels) within one year.

Further, we estimate that over-all, the net impact of TMCH annually on both 2nd and 3rd degree malnutrition among the pre-school children is 2.55%.⁴ This means that, 2.55% of all (or one out of every 40) 2nd and 3rd degree malnourished pre-school children throughout the country are rehabilitated through TMCHP.

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- ¹ OPG Proposal 1980 - 1982, PMS Plan, annual Reports, etc.
 - ² The Philippine Nutrition Program 1978 - 1982, 1977
 - ³ Evaluation studies conducted by the Asian Social Institute (1971)
The Asia Research Organization (1974) Gloria Villareal, et al (1969)
and recently by USAID (1978)
 - ⁴ R. W. Engel. "The TMCH Program: Its Impact and Planned Adjustments to Increase Impact on Pre-school Child and Infant Malnutrition." report based on 1978 In-house Evaluation of TMCHP initiated by USAID.

Graph 1

CRS Outreach Compared to Projected Number of 2nd and 3rd Degree Malnourished Pre-School Children



Legend:

Projected Number of 2nd and 3rd degree malnourished, 0-6 years of age based on projected high impact programs.

Projected number of 2nd and 3rd degree malnourished 0-6 years of age based on projected low impact programs.

CRS outreach (approximations only for 1979, 1980 & 1981).

Projected outreach of all participating agencies including CRS.

Projected number of rehabilitated CRS recipients at 30% per annum.

End of FY 1978 1979 1980 1981
 Reference for Projections : NNC/NEDA & Cooperating Agencies. The Philippine Nutrition Program 1976-1982, Sept., 1977.
 Projected outreach of all participating agencies was taken from the FNP 1978-1982, Sept. 1977, p. 32

II. GOAL AND OBJECTIVES

With the prevalence of malnutrition among the vulnerable groups particularly pre-school children and pregnant and nursing mothers, Catholic Relief Services, together with various dioceses, will continue to assist the Philippine Nutrition Program in alleviating the malnutrition problem through the TMCHP, Mothercraft and Day Care Service Projects.

The Goal is to improve the nutritional status of the vulnerable population groups. Specifically, it seeks to:

1. Prevent malnutrition among 50% of recipients, 0-18 months old children whose weights for age are normal and those who are mildly underweight (76 - 90% of recommended standards).
2. In an 18-month period, elevate to mild underweight status at least 50% of recipient severely (60% and below of recommended standards) and moderately (61 - 75% of recommended standards) malnourished children.
3. Reach at least 25% of pregnant mothers of identified severely and moderately underweight infants and pre-schoolers, and nursing mothers of infants.
4. Motivate all participating mothers to adopt desired nutrition health, family life and food production practices in their own homes.
5. Motivate the participants on intensive backyard gardening.
6. Equip the staff with the skills necessary for smooth program implementation.

III. PROGRAM DESCRIPTION

CRS will facilitate the development of centers which will serve as focal points for rehabilitation of the malnourished and as channels for influencing nutrition and other related practices for mothers. The program will then employ one or a combination of the following patterns.

A. Targeted Maternal and Child Health Project

On a monthly schedule, nutrition education activities carrying a specific theme, weighing, follow-up visits and food distribution for a month's allocation will be undertaken until the participant's rehabilitation period of 18 months is completed.

Under this scheme, supplementary feeding will be carried out in the home. Eight pounds of Corn Soya Milk will be given in dry form to each participant on a monthly basis. Prior to the initial distribution of food, participating mothers will attend a four-day orientation (30-60 minutes per day) on the program which will include the demonstration on the various ways of preparing supplementary foods. In return for the services rendered them, each program participant will give a monthly enrollment fee of ₱0.60.

Qualified participants will be all infants aged 6 - 11 months (except those overweight) and children aged 12 - 60 months who are severely and moderately malnourished. The mothers of these malnourished children will also be included in the program if:

- they are nursing mothers who breastfeed their infants within

0-6 months after delivery, after which the infant may replace her on the rolls.

- they are pregnant women in their second or third trimester.

In addition, recipients shall also be selected based on need, that is, according to Priority groups and areas (with wide prevalence of malnutrition) and to indigency or socio-economic level of the family, i.e. in rural areas, those who are earning not more than ₦35.00 per capita per month, and in urban areas, those who are earning not more than ₦50.00 per capita per month.

B. Mothercraft Program

The program will proceed in two phases: phase one will consist of supplementary feeding of the malnourished children in Mothercraft centers. The children will be given Corn Soya Milk prepared with local food ingredients twice daily, six times a week for a period of 12 weeks (3 mos.). The mothers of these children will assist in the supervision of the feedings and will be given nutrition classes every week. Qualified mothers will also be given 8 pounds of food commodities every month in dry form or instead may partake in the daily feedings. By the end of the 12th week, children and mothers will "graduate" from the center.

Phase two will be the mother and child's participation in the TMCHP. This will consist of monthly weighing, mothers' classes, follow-up visits and distribution of supplementary foods until the rehabilitation is completed.

The qualified participants in this project will be the same as in the Targeted Maternal and Child Health Program.

C. Day Care Services

Under this scheme, CRS shall provide a part of the food requirements in MSSD Day Care centers. Children aged 2-6 years will be the recipients. This will be undertaken in support of the Ministry of Social Services and Development's Day Care Service. The service shall basically be a child welfare project whereby "substitute mothering" will be temporarily provided to children through creative and group experiences. The children will be given 8 pounds of food supplements, 4 pounds of which will be PL 460 food commodities from CRS (3 lbs. CBM and 1 lb. Dry Milk) and the other 4 pounds will be in the form of locally available foods to be provided by MSSD. Supplemental feeding will be given in the form of one meal or a snack a day, 5 days a week for a minimum duration of 12 months or one year and a maximum duration of 18 months. An enrollment fee will be contributed by each beneficiary every month for the services rendered them.

IV. PROGRAM COMPONENTS OR ACTIVITIES

There are six program components that will be integrated into the different projects in order to achieve the broad goal of up-lifting the nutritional status of the participants. The six major components are:

- A. Nutrition Education.
- B. Food Production
- C. Supplementary Feeding
- D. Health
- E. Training
- F. Research Evaluation

These components will be necessary for program implementation and will work in combination with each other to make the CRS Nutrition Program responsive and realistic in meeting the needs of the target population.

A. Nutrition Education

Nutrition Education will continue to be of prime importance in the over-all nutrition strategy of the CRS/Philippines Nutrition Program. The information gap will be reduced through the use of various approaches that have been developed for the conduct of nutrition education classes. We hope that with a projected ratio of 2,000 program participants per nutritionist in 1981 the nutrition education component of the program will be further strengthened.

B. Food Production

The realization that there must be an eventual replacement of foreign donated foods has led to the promotion of the food production component. In 1980, this component will continue to be a priority in program implementation and will aim at self-sufficiency in local food production. The promotion of individual backyard gardening among program participants will remain one of the major schemes together with the full operation of five (5) diocesan food production areas and its extension to six (6) other dioceses. By the end of 1981 there will be fourteen (14) diocesan food production areas, the first five (5) with an expected reduction of CRS technical and financial involvement in these areas.

C. Supplementary Feeding

Without food, nutrition education would fall short of its objective of improving the nutritional status of the malnourished child and eventually of his family. Thus, food supplementation will continue to be complementary to the nutrition education component.

Food supplements will come in the form of Corn Soya Milk. The food supplements shall provide approximately 425 calories per day or an estimated 1/3 of the daily requirement for calories and 20 grams protein per day or an estimated 1/2 of the daily requirement for protein. These food supplements will be given to program participants either in cooked or dry form.

D. Health

The safeguard of an effective nutrition program is good health. This component will be strengthened in 1981 by a special health-related project under the Nutrition Program. This project shall be closely coordinated with Special Projects Department (specifically its Water Management Project), as well as the Excess Property/Designated Shipments Department (specifically its medical program). The Nutrition and Special Projects and/or medical program link-up shall be implemented in such a way that priority of the two latter programs/projects shall be on those areas that have on-going TMCH Projects.

E. Training

Program implementation will be more effective and efficient if manned by personnel who are adequately equipped with skills necessary to achieve program objectives.

There will be pre-service training for prospective diocesan nutritionists; in-service training for the national staff, for regional supervisors, diocesan nutritionists, consignees and nutrition aides; cooperative training for individuals or groups; and practical training for student affiliates.

F. Research and Evaluation

Research and evaluation are integral parts of the CRS Nutrition Program. These can help management and those in charge of program operations in getting objective information regarding the over-all implementation and the impact of the program. (Monitoring in this case is regarded as a part of the evaluation aspect.) Information gained would thus give some indication of the progress achieved towards the attainment of program purposes and goals.

Activities under this component include quarterly monitoring of commodity and beneficiary levels, and nutritional impact, annual evaluation of the nutritional impact of the program, and conduct of applied research projects geared towards the improvement of the program, as a whole.

V. ADMINISTRATIVE ASPECTS OF THE PROGRAMS

A. Management Structure (TMCHP, Mothercraft, Day Care Service)

The CRS Nutrition Program shall be implemented in 1981 within the existing organizational structure. There shall be a total of 44 professional staff at the national and regional levels (twenty eight 1979 staff plus sixteen additional staff), and 7 support staff, that is, if the grant applied for through OPG were received. Also, hopefully, with OPG funding, there shall be approximately one nutritionist for every 2,500 recipients (or a total of 255 diocesan nutritionists). Some 1,500 consignees and 25,000 volunteer workers/mother leaders shall support these nutritionists.

B. Funding

Funds for program implementation are expected to come from various sources. These are the following: Operating Budget (CRS/New York), Generated Funds* (see below), Rice Bowl funds, USAID/NEHA, donation from sponsors, etc.

C. Other Resources

Other resources include food, funding for inland transport of these, and diocesan and parish contributions in terms of monetized value of volunteers and use of storage and center facilities.

VI. SCOPE OF THE PROGRAM (TMCHP, Mothercraft, Day Care Service)

The total number of recipients of food commodities for Fiscal Year 1981 will be approximately 550,000 mothers and children. Based on this projection, the needed food commodities will amount to 52,800,000 pounds (or 24,000,000 kilograms)

* a minimum participation fee of \$1.00 given in cash per month per participant shall be charged, in order to sustain center operations.

Listed below are the food requirements for each project category:

TABLE 1

Program Category	Recipient Level	Monthly Ration		Total Food Requirement	
		CSM	MSM	CSM	MSM
TMCH &	450,000	8 lbs.	-	43,200,000 lbs.	-
Mothercraft i.e. Projects (infants & children)	535,000	(or 3.63 kg)		(or 19,595,391 kg)	
	115,000 (pregnant & nursing mothers)				
Day Care Services Project	200,000	3 lbs. (or 1.36 kg)	1 lb. (or .45 kg)	5,200,000 lbs. (or 3,265,898 kg)	1,400,000 lbs. (or 1,088,633 kg)
T O T A L	650,000			50,400,000 lbs. (or 22,861,289 kg)	(or 1,088,633 kg)

- * This project is represented by 10,000 children receiving full rations (8 lbs.) rather than 200,000 receiving half rations (4 lbs.)

VI. COORDINATION WITH OTHER AGENCIES

The implementation of the CRS Nutrition Program is made possible with the administrative, technical and logistical assistance of both governmental and private agencies.

The National Nutrition Council (NNC) is responsible for coordinating all the activities of the government and private agencies engaged in the nutrition program. CRS contributes to the Philippine Nutrition Program by relating to these agencies at all levels. As a member agency of the Council, CRS contributes to the review and formulation of guidelines in various aspects of the Philippine Nutrition Program, particularly in food assistance. At the Regional level, the Regional Supervisors participate actively in the Regional Task Force on Nutrition and other similar committees. The same activity is done in all other levels of program implementation.

The Ministry of Social Services and Development, which is the lead agency on Food Assistance, assists CRS in the formulation of guidelines responsive to the needs of the malnourished children and based on results of nutritional status surveys. CRS assists the Day Care Service program of the MSSD through provision of food in some Day Care Service centers. CRS is also provided by this agency with budget for transportation and handling of commodities from Manila to the beneficiaries.

CRS as a resource agency operates through the individual dioceses and their Social Action centers in the integration of nutrition as part of Family Life and Christian Community Building. The Dioceses are represented by their Bishops in national and major decision making while, at the Diocesan level, Social Action Directors monitor the program with regard to administrative and some operational aspect of the program. They are assisted by CRS Regional Supervisors in the technical and operational supervision of Diocesan Nutritionists. One or more of these ANs are assigned to look after implementation of the TMCHP which are under the direct charge of the consignees, mostly parish priests. Nutrition aides and volunteer mothers help facilitate record keeping, nutrition education and other activities in the centers.

USAID provides food in form of Corn Soya Milk and Non Fat Dry Milk. CRS also avails of the expertise of the USAID Nutrition Advisor.

VIII. MONITORING, EVALUATION AND AUDIT PROCEDURES

Monitoring shall be done in two separate but integrated parts. The first part shall deal with the monitoring of activities at the center, diocesan and regional levels. These activities shall be reported quarterly using the operational report form. Activities shall be reported by component; i.e. nutrition education, food assistance, food production, training, research and evaluation.

The report format includes the following items: objectives or purposes, targets or indicators, activities, problems encountered, action taken, recommendations and remarks. In addition, there shall be some narrative parts to expound on highlights and other significant aspects of the report.

The second part shall deal with the monitoring of commodity and beneficiary levels, as well as the over-all nutritional impact of the program. Again, this is to be done quarterly. The quarterly status report shall be used for this purpose.

The program participants shall be weighed quarterly, except the infants and the third degree malnourished who shall be weighed monthly. The children's age in months, and weights, shall then be recorded in their ration cards and/or record notebook.

The nutrition aides/volunteers are usually in charge of this activity. The nutritionist may also take charge of such activity in some areas, while in other areas that have trained volunteers and nutrition aides, she will only supervise.

The weights will then be tabulated in cross-over sheets quarterly by the nutrition aides/volunteers. The initial data of the nutrition aides should show which particular children are lagging behind in terms of nutritional levels and thus, need special attention.

The nutritionist shall collate the data and shall make a simple analysis that will show the percentages of children who improved, maintained or decreased in nutritional levels. Also, the nutritionist would see in the collated reports of the nutrition aides an indication of the nutrition aide's workload so that they may be able to assist at providing means to solve any problems. The nutritionist shall then transmit the data/information to her Social Action Director/Bishop and Regional Supervisor. She shall also send feed-back to the nutrition aides.

The Regional Supervisors in turn would collate the diocesan reports, analyze these, and may use these data to evaluate the program's success in the specific dioceses covered and also to determine which places are most seriously in need of her attention. She shall then send feed-back to the nutritionists and also send her report to CRS/Manila.

CRS/Manila staff shall collate the data/information from the different regions, analyze these, and make an in-depth study. Then using these data/information, the staff would be able to assess the over-all impact of the program and provide guidance as to where more detailed study is to be applied. Likewise, the program administrators can use such information as one of the bases by which plans and guidelines can be formulated or revised. CRS/Manila shall send copies of the over-all report to USAID, the National Nutrition Council, and the Ministry of Social Services and Development. Feedback shall be sent to the Regional Supervisors.

Aside from the quarterly monitoring of nutritional impact, a yearly evaluation shall also be conducted by selected CRS/Manila staff. For this purpose, sample centers (approximately 10% of the total number) shall be closely followed-up, and only those children who had been with the program for one year or more, shall be included. In effect, the results of this annual evaluation shall serve as a more in-depth analysis and a "check" or validation of the quarterly reports on nutritional impact.

In addition to operational and status reports that will be sent regularly to the Nutrition Department, there shall also be other provisions for controlling some other aspects of the nutrition program.

The use of funds, for example, shall be controlled by the Accounting Department. For the Nutrition Program administrative staff, such accountable items shall include salaries, travel advances and operational expenses such as those for training, development of nutrition education materials, etc. The aforementioned shall be reported in the form of itinerary of travel, requests for travel advances, travel expense vouchers and memos requesting for funding of specific projects/activities.

For the Regional Supervisors, accountability to the Accounting Department shall include reimbursement of transportation, per diem and miscellaneous expenses. Reports which include a summary of activities are also to be sent to the Accounting Department and this shall be used as basis for reimbursement. In this case of Diocesan Nutritionists, funding assistance shall also be controlled, similar to the above.

The amount of food allocation per person per center and diocese depending on food availability shall be controlled by the Shipping Department. Control is in the form of returned S. I.'s (pink copy) which would show how much, when, where, how, and to whom food was delivered. This form would also reflect food damage and shortages. In addition, reimbursement of Shipping (which includes claims and billing) shall also be sent by the centers to the Shipping Department. Finally, stopping of food shall also be implemented by the Shipping Department upon approval of the Nutrition Department.

The Field Department shall also control certain aspects of the Nutrition Program implementation at the diocesan and center levels. The fieldmen shall check center records (including remittances), audit the expenses incurred as reflected in the accounting records, and investigate the condition of warehouses, warehousing procedures, actual amount of food received, and the general implementation of the program in relation to the program guidelines. Questionnaires and interviews with center nutrition aides, consignees, recipients, Diocesan nutritionists and Regional Supervisors, and observations in the field shall be used for this purpose.

Administrative matters involving Nutrition Program personnel including Regional Supervisors, such as vacation and sick leaves, office report time, itinerary of travel, use of company vehicles, and expenses incurred, etc. shall continue to have control measures in the form of itinerary of travel, travel expense vouchers, field trip reports, daily time records, applications/reports of vacation and sick leaves and requests through memos, etc.

Annex II:

OTHER CHILD FEEDING PROJECT

I. RATIONALE

Among several institutions providing temporary shelter and care to orphaned, abandoned, neglected, sick and abused children, there is a prevalent problem of malnutrition caused by lack of manpower, technical expertise and insufficient funds to provide for the basic needs of the child. It is a sad truth that most of these institutions could hardly cope with the demands of everyday life.

II. OBJECTIVES

The Other Child Feeding Project is created with the main objective of alleviating the prevalent problem of malnutrition among institutionalized children by providing supplementary foods as well as initiating activities that would uplift the present conditions aimed towards self-sufficiency. It not only aims to eliminate the problem of malnutrition, but also to prevent its recurrence.

III. PLANS OF OPERATION

To attain the project's objectives and facilitate communication between the institution and OCS/Manila, the project is placed under the Operations Section of the Nutrition Department and directly under the supervision of the Nutrition Area Coordinators. The latter provide technical support to the consignees.

IV. PARTICIPATION

Project participants are institutionalized children 15 years and below who are fed through communal kitchens. Priority is given to malnutrition wards, orphanages, rehabilitation centers and temporary shelter homes. The children receive a monthly ration of 8 lbs. of the food commodities. They partake of the supplementary food at least twice a day.

Food required are the following:

	<u>Ration</u>	<u>Annual Total Requirement</u>
Corn Soya Milk -	6 lbs. per month (2.72 kg)	1,296,000 lbs. (583,200 kg)
Non Fat Dry Milk-	2 lbs. per month (.9 kg)	432,000 lbs. (194,400 kg)

The project operates nationwide with most assistance provided in Metro-Manila where several institutions are situated.

There are 18,000 children programmed for 1981.

V. AGENCY LINKAGE

The institutions under the OCFP are managed and operated by different private, religious and government agencies particularly the Ministry of Social Services and Development. They receive support from different sectors.

VI. EVALUATION, MONITORING, AUDITING

The OCFP like the TMCNP undergoes the usual auditing done by the Field Department and the USAID. On the diocesan level, technical support and follow-up is conducted by the nutritionists. On the regional and national level, the institutions fall under the direct supervision of the Regional Supervisor and the Nutrition Area Coordinator.

The following records are maintained at the center and are available for inspection by CrS and USAID representatives:

1. Monthly receipt and consumption report
2. Up-to-date list of program participants
3. Reports and receipts on remittances of sale of empty bags
4. Consignee's copy of the Shipping Instructions.

Annex III

ADULT INSTITUTIONAL FEEDING PROJECT

I. RATIONALE

The institutions providing temporary shelter and care to sick, neglected, abandoned and abused adults have a common problem of malnutrition among their residents, caused primarily by insufficiency of food. Furthermore, the lack of manpower and technical expertise aggravate the situation.

II. OBJECTIVES

The Adult Institutional Feeding Project primarily aims to provide food assistance to hospitals, rehabilitation center and shelter homes for sick, neglected, abandoned and abused adults.

III. PLANS OF OPERATION

The Adult Feeding Project, like the TMCHP, is under the Diocesan structure. When needed, the diocesan nutritionists provide technical expertise to the consignees, especially in food service. On the regional and national level, the institutions fall under the supervision of the Regional Supervisors and Nutrition Area Coordinators.

IV. PARTICIPATION

Project participants are institutionalized adults, permanently or temporarily sheltered in leprosarium, rehabilitation centers for TB patients and shelter homes. There are 2,000 adults programmed for 1981. Each project participant receives a monthly ration of 8 lbs. of food commodities, which they partake of in cooked form twice a day.

Like OCFP, the project operates nation-wide.

Food required are the following:

	<u>Ration</u>	<u>Annual Total Requirement</u>
Corn Soya Milk	6 lbs. per month (2.72 kg/month)	144,000 lbs. (65,280 kg)
Non Fat Dry Milk	2 lbs. per month (.9 kg/month)	48,000 lbs. (21,600 kg)

V. AGENCY LINKAGE

The institutions under the Adult Feeding Project are managed and operated by different private, religious and government agencies particularly the Ministry of Social Services and Development. They receive support from different sectors.

VI. EVALUATION, MONITORING, AUDITING

The Adult Institutional Feeding Project like the TMCHP undergoes the usual auditing done by the Field Department and the USAID. On the diocesan level, technical support and follow-up is conducted by the nutritionists. On the regional and national level, the institutions fall under the direct supervision of the Regional Supervisors and the Nutrition Area Coordinators.

The following records are maintained at the center and are available for inspection by C&S and USAID representatives:

1. Monthly receipt and consumption report
2. Up-to-date list of project participants
3. Reports and receipts on remittances of sale of empty bags
4. Consignee's copy of the Shipping Instructions.

Annex IV:

SNACK FOOD PROJECT

I. RATIONALE

It is not easy to teach a school child to eat the proper food, especially when there is proliferation of ready-to-eat non-nutritious extruded snacks in the school canteen. But because it is at this age that he has the greatest need for an adequate diet to provide for the growth demands of his body, it is important that he is given motivation to learn and develop an interest in proper nutrition practices.

Since children are easily attracted to colorful, convenient tasty and fun-to-eat snacks, they can be provided with a snack product which contains nutrients to supplement their diet. At the same time, the packaging and promoting of this food can inform the children on good nutrition practices.

II. OBJECTIVES

The Snack Food Project seeks to support the Philippine Nutrition Program through improving the nutritional status of schoolchildren. In order to achieve this goal, the project has the following specific objectives:

1. To provide a highly nutritious snack food competitive with the currently available commercial "junk food" in school canteens
2. To increase the children's awareness of proper nutrition practices
3. To mobilize nutrition students in providing nutrition education to children in their own schools

III. PROJECT OPERATION

The snack food, named 'Puppets', is an extruded product made of 100% Soy-fortified sorghum grits and fortified with vitamins and minerals. It is processed and packaged by Leslie Corporation, a local snack food company. The distribution and promotions in selected private schools is handled by CRS. The snack food is sold at a lower price than the similar commercial snack foods. A certain percentage from the sales goes to the school to support nutrition-related activities of the children. The proceeds from this project shall be used to defray the project's operational cost as well as to partly support the CRS existing Pre-school nutrition program nation-wide.

The Snack Food Project is supervised by a nutritionist and assisted by two people who shall be responsible for the promotion and sales. The main promotional activity of the project is the puppet show, hence, the name, 'Puppets' curls. These shows are presented by groups of nutrition students who are trained in the basics of puppetry. The puppet shows contain simple nutrition messages that schoolchildren could easily comprehend. Other promotional strategies of the project include the use of posters with nutrition messages, and contests conducted by the school and supported by the project.

The 250,000 pounds (or 113,378 kg) of soy-fortified sorghum grits programmed for 1980 is estimated to produce 3.5 million 25-gram packages of the snack food. If each schoolchild buys one package of the snack food per day, for the 200 schooldays during the schoolyear 1980-1981, around 17,500 schoolchildren shall benefit from the project. Thus the monthly ration per child is .54 kilogram of soy-fortified sorghum grits. Approximately 50 selected private schools in Metro-Manila shall be implementors of the

project (Note: Experiments and discussions are now in progress to determine if soy-fortified corn grits can be substituted for sorghum grits. If the results are positive, sorghum grits will be dropped and corn grits substituted. The new mixture will consist of 80% corn and 20% soy).

IV. AGENCY LINKAGE

The Snack Food Project is implemented in coordination with the Catholic Educational Association of the Philippines, with the endorsement of the National Nutrition Council. The school principals serve as the main contact in the implementation of the project in the selected schools.

The quarterly analysis of the product's nutrient composition and checking for the presence of aflatoxin is done by the Food and Nutrition Research Institute. A similar analysis is conducted by the Food and Drug Administration which gives the permit to market the product.

V. EVALUATION AND MONITORING AND AUDITING

The product's acceptability and marketability among the schoolchildren is the main criteria in assessing the project's potential for use in the Philippine Nutrition Program. Outputs of the project shall be in terms of the number of school canteens serving as outlets for the product and the number of packages ordered and sold.

With regard to the goal of promoting proper nutrition practices among the targetted schoolchildren, it can be indirectly evaluated through the participation of the children in the different nutrition-related contests as well as puppet shows sponsored by the project.

Aside from the regular follow-up and evaluation made by personnel under the project, it is also subject to auditing by the Field Department in the same manner as the other CFS programs.

Annex V:

TARGETED SCHOOL FEEDING PROJECT

I. RATIONALE

In view of the great extent and the adverse effects of malnutrition, and realizing that better nutrition is a fruitful humanitarian and basic development investment, there is an immediate need to answer this problem at all levels and in all sectors of Philippine society. The CRS Targeted School Feeding Project, in cooperation with the Ministry of Education and Culture, addresses this problem for underweight school aged children.

II. GOALS AND OBJECTIVES

A. General Objective: To rehabilitate and improve the nutritional health of underweight school children between the ages of 5 - 10 years (Kindergarten and Grades 1-1V).

B. Specific Objectives:

1. To supplement the diets of underweight schoolchildren in order to improve their physical and mental development.
2. To improve the attendance of target schoolchildren.
3. To instruct teachers, parents, and children about the adverse effects of undernourishment through nutrition education.
4. To promote self-sufficiency through the production and utilization of indigenous foods as well as in the development of skills as in the case of schools operating pilot bakery projects in which work education students comprise the manpower of the project.

III. BRIEF DESCRIPTION OF THE PROJECT

The Targeted School Feeding Project is a joint project of the Ministry of Education and Culture and of the Catholic Relief Services. It is implemented in accordance with an MEC-CRS Agreement which stipulates, among other provisions, that the Government provides the funds to meet the inland handling and transportation costs of the food commodities that CRS provides for the Targeted School Feeding Project. The Agreement includes prescribed guidelines for implementing the project.

IV. SALIENT POINTS OF PROJECT OPERATIONS/ACTIVITIES

Schoolchildren who, after a height-weight survey, are found to be underweight, are served a daily ration of nutribruns. One nutribrun supplies the child 250 calories, 8.4 grams protein and essential vitamins and minerals. As a counterpart contribution, the school provides each child with an additional 50 calories from indigenous food, such as fillings, soup, etc.

The nutribruns are sold to the children at ₱0.10 (₱0.130): ₱0.08 (₱0.010) represents the cost of baking and ₱0.01 (₱0.00135) is collected by CRS as an Associated Charge for program support. The other ₱0.01 is used by the school to pay for the nutribruns of indigent children and to cover the project cost within the school. Fillings may be provided to the children by the school at an extra charge (normally ₱0.05).

V. PARTICIPATION

CRS plans to serve 140,000 schoolchildren in 1981. The bulk of the project will be in the four (4) cities of Metro-Manila, i.e. Manila, Caloocan, Pasay and Quezon City. There will also be small programs in Iligan, in Lanao del Norte in Mindanao, in Culion, Palawan, and in other areas that may be designated by the Ministry of Education and Culture.

<u>ration</u>	<u>Annual Food Requirement</u>
Soy-fortified Flour(12%) 1.17 kilograms per child per month for a 250 calorie nutribun for 160 feeding days	1,310,400 kilograms or 2,882,880 pounds

VI. AGENCIES INVOLVED

The Ministry of Education and Culture is committed to provide the necessary budget for the inland handling and transportation of the commodities used in the School Feeding Project. For 1980 the Ministry of Education and Culture has presented a budget amounting to \$1,040,000 (\$140,540) for this purpose and we will request the same amount for 1981.

In addition the MEC has the primary responsibility of carrying on the nutrition education component of the program. It has thus far integrated nutrition subjects as an integral part of the curriculum. Nutrition education materials such as growth charts are being provided by MEC. Likewise seminar-workshops are conducted by MEC for each participating Division Office on an annual basis (usually during the first month of the school year) to re-orient those school personnel directly involved in the program on the mechanics of project operations.

VII. EVALUATION

A yearly comprehensive evaluation will be made to gauge the nutritional impact of the program as well as the attainment of its other objectives.

For control, the CRS Targeted School Feeding Program staff and Field representatives will visit the schools to see that the project is implemented in accordance with prescribed guidelines. Regular audits will be made of the bakeries contracted by CRS to produce and deliver the nutribun requirements of the schools. To further ensure that the baking specifications are strictly adhered to by these contracted bakeries, nutribun samples will be submitted to qualified laboratories on a regular basis for chemical analysis to check the caloric and protein content as well as the dry weight of the nutribuns.

Annex VI:

FOOD FOR WORK PROGRAM

I. RATIONALE

Because of poverty and the associated conditions of unemployment and underemployment existing in the Philippines, any effort aimed at bringing about total development requires a medium conducive to economic development. This is basic in the Philippines where the means for economic growth in the rural areas are still minimal. This can be attributed in part to the scarcity of food necessary for maintaining health, especially considering a person's physical exertion during participation in developmental undertakings. The capability of the people to help themselves and participate in communal efforts depends largely on the food and other reserves the family has. Thus Food For Work assistance is logically seen as a viable means in the interim for bridging the subsistence gap that the people face during their efforts to help themselves.

II. GOALS AND OBJECTIVES

CRS/Philippines aims to assist poor people to improve their quality of life by offering them programs which respond to their basic needs, encourage self-reliance and provide them with opportunities for the full development of their human potential.

Along with the above, Food for Work specifically aims to:

- maximize the use of labor available (1,000 total workers/targetted for 1981) in the countryside to work directly on an estimated 500 self-help projects such as multi-purpose/nutrition centers, food production, roads and bridges, housing, etc.;
- supplement the food intake of 60,000 people, primarily those directly involved in the nutrition program;
- serve as "pump primer" in supporting local structures enabling them to carry out developmental activities on their own or with a minimum of assistance from outside.

III. BRIEF DESCRIPTION

The Food For Work Program is developed to provide support to those who work on self-help projects on a purely voluntary basis. The emphasis is on projects that are supportive of and/or complementary to other CRS-supported projects and/or other other developmental programs contributive to the socio-economic uplift of the target population. Therefore, Food For Work will be one component of these integrated developmental programs.

IV. SALIENT POINTS OF THE PROGRAM OPERATION/ACTIVITIES

The implementation of the Food For Work Program will continue during Fiscal Year 1981 through the diocesan structures.

One of the objectives of Food For Work is to encourage the formation of Food For Work committees to undertake organized developmental activities through projects. This process will provide them with good training in the development of their own communities. So they can make the Food For Work program more responsive to their community's needs. Towards this effort, Food For Work has planned on meetings with other development partners such as Ministry of Social Services & Development, the Social Action Directors, to include any other agencies involved, as well as project participants, to discuss and evaluate their participation and the supportive role of the Food For Work program. It is hoped that the meetings will provide significant data for continuous program improvement.

Food for Work shall continue the promotion of an integrated approach to development in the delivery of assistance and services for maximum impact for a given target population. We envision that this approach will result in greater self-reliance at the local level in generating development programs.

V. PRESENT RECIPIENTS (NO. OF TARGETS, ETC.) AREA OF OPERATION

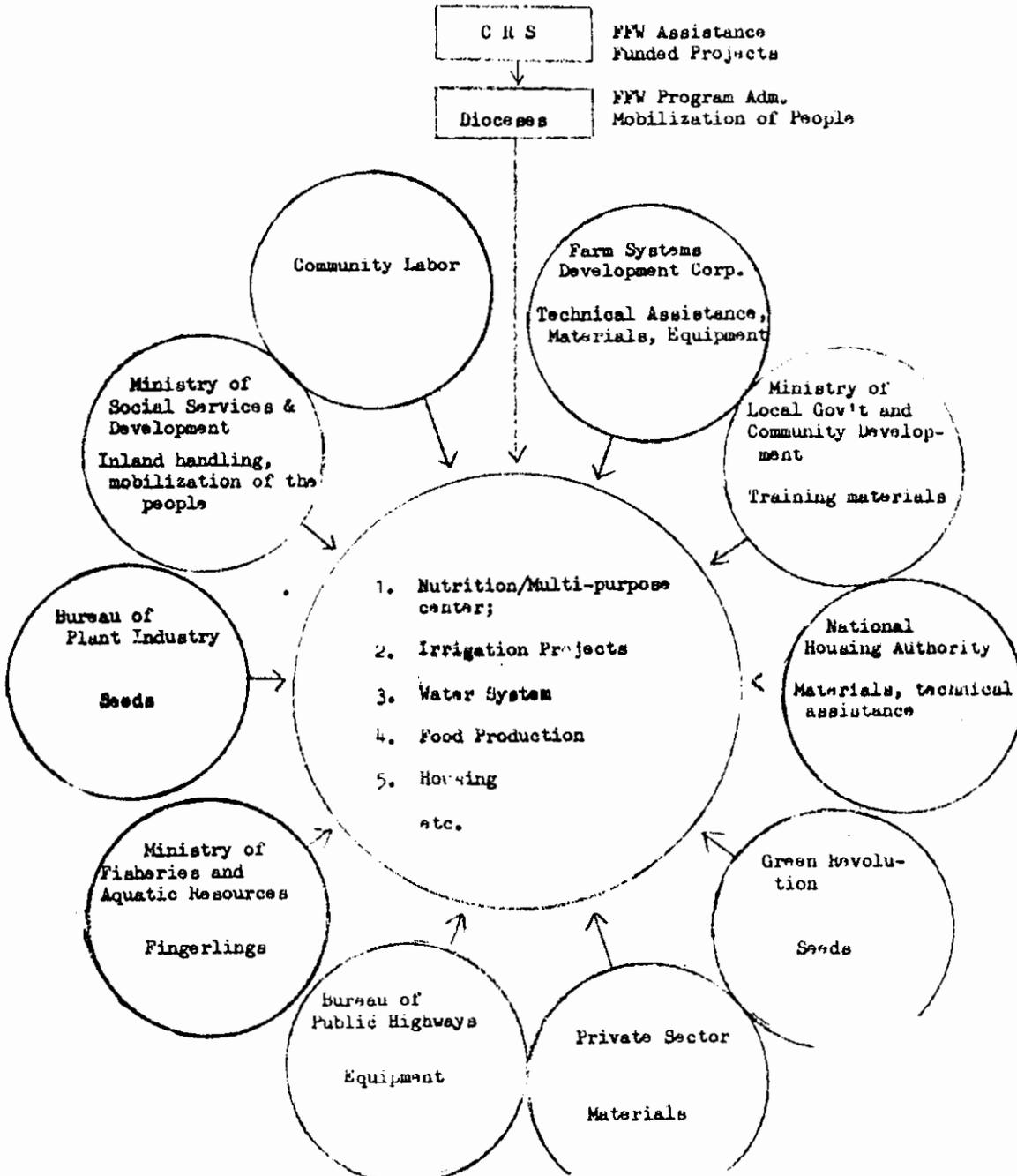
A total of 1,000* average daily workers are targeted for Fiscal Year 1981 to work 20 days a month for 12 months utilizing 1.2 Million pounds of bulgur Wheat and Corn Soya Milk (CSM - 3 lbs. or 1.36 kilograms, BW - 2 lbs. or .9 kg per worker per day).

A total of 300 self-help projects are projected for the year, such as multi-purpose/nutrition centers, food production, housing, roads, bridges, etc. These will be implemented on a country-wide basis, primarily in those dioceses in which integrated approach to development has been adopted.

* Figuring family size and an average of 5 members, the program will directly benefit 5,000 people each month or 60,000 people/year.

VI. AGENCIES INVOLVED AND HOW INVOLVED

Hereunder is the illustration of some of the agencies involved where CRS is adopting an integrated approach to development. The said approach encourages not only the submission of better planned projects, but also ensures that they will be more responsively implemented in view of the contributory inputs of other assistance groups and resources.



VII. EVALUATION, MONITORING AND AUDITING

Before the implementation of each Food For Work project, a dialogue on the program is held, followed up the signing of a written agreement between CRS and the diocese. Each consignee also signs an agreement with CRS which in effect holds said individual/organization fully responsible for the proper utilization of PL 480 commodities in accordance with Philippine Law, USAID PL 480 regulations, and the CRS FFW guidelines.

Food For Work project proposals are initially processed by the diocese, before forwarding them to CRS for final evaluation and approval by the Food for Work Evaluation Panel consisting of CRS, USAID, and NSDA. Regular field visits are conducted for the purpose of getting better background information on proposed projects and to follow-up ongoing and/or completed projects. Every effort is made to encourage dialogue among the project proponents, the local Food For Work committee (if any), the various agencies involved and the recipients themselves. CRS recognizes the significance of continuous feedback from these towards a more responsive assistance scheme with Food For Work as a supportive resource.

Monthly progress and completion reports are required from the proponents for each project supported.

Annex VII

PL 480 TITLE II REQUIREMENTS IN FY'80

I. Sponsor's Name: Catholic Relief Services/Philippines

A. Targeted Maternal & Child Health - - - - - Total Recipients - 620,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Kilogram (000)</u>	<u>Dollars (000)</u>
550,000*	Corn Soya Milk	22,861,289	\$11,156,727
200,000*	NF Dry Milk	1,088,633	1,908,500
Total TMCHP		23,949,922	\$13,065,217
		~~~~~	~~~~~

B. Targeted School Feeding Program - - - - - Total Recipients - 200,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Kilogram (000)</u>	<u>Dollars (000)</u>
140,000	Soy Fortified Flour (12%)	1,310.4	\$ 452,756
<b>Total TSFP</b>		<b>1,310.4</b>	<b>\$ 452,756</b>
		~~~~~	~~~~~

C. Other Child Feeding - - - - - Total Recipients - 18,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Kilogram (000)</u>	<u>Dollars (000)</u>
18,000	Corn Soya Milk	583.2	\$ 286,000
18,000	Non Fat Dry Milk	194.40	343,200
Total OCFP		777.6	\$ 629,200
		~~~~~	~~~~~

D. Food for Work - - - - - Total Recipients - 5,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Kilogram (000)</u>	<u>Dollars (000)</u>
5,000	Corn Soya Milk	326.4	\$ 158,400
5,000	Bulgar Wheat	216.0	61,600
<b>Total FFW</b>		<b>542.4</b>	<b>\$ 220,000</b>
		~~~~~	~~~~~

E. Adult Feeding - - - - - Total Recipients - 2,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Kilogram (000)</u>	<u>Dollars (000)</u>
2,000	Corn Soya Milk	64.8	\$ 31,900
2,000	Non Fat Dry Milk	21.6	38,500
Total AFP		86.4	\$ 70,400
		~~~~~	~~~~~

F. Snack Food Project - - - - - Total Recipients - 17,500

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Kilogram (000)</u>	<u>Dollars (000)</u>
17,500	SF Sorghum Grits	113.4	\$ 41,800
		~~~~~	~~~~~

GRAND TOTALS 23,952,752 \$14,479,373

* 450,000 TMCHP recipients receive 3.63 kg of CSM per month. 200,000 receive 1.36 kg. of CSM and .45 kg. of Milk each month.

PL 480 TITLE II

1. Country PhilippinesSponsor's Name Catholic Relief Services/PhilippinesA. Targeted Maternal & Child Health Total Recipients 620,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>550,000</u>	<u>CSM</u>	<u>22,861,289</u>	<u>11,156,727</u>
<u>200,000</u>	<u>NFDM</u>	<u>1,088,633</u>	<u>1,908,500</u>
Total TMCHP		<u>23,949,922</u>	<u>13,065,217</u>

B. Targeted School Feeding Program Total Recipients 200,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>140,000</u>	<u>Soy Fortified</u>	<u>1,310.4</u>	<u>452,756</u>
	<u>Flour (12%)</u>		
Total TSFP		<u>1,310.4</u>	<u>452,756</u>

C. Other Child Feeding Total Recipients 18,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>18,000</u>	<u>CSM</u>	<u>583.2</u>	<u>286,000</u>
<u>18,000</u>	<u>NFDM</u>	<u>194.40</u>	<u>343,200</u>
Total Other Child Feeding		<u>777.6</u>	<u>629,200</u>

D. Food for Work Total Recipients 5,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>5,000</u>	<u>CSM</u>	<u>326.4</u>	<u>158,400</u>
<u>5,000</u>	<u>Bulgur Wheat</u>	<u>216.0</u>	<u>61,600</u>
Total Food for Work		<u>542.4</u>	<u>220,000</u>

E. Adult Feeding Total Recipients 2,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>2,000</u>	<u>CSM</u>	<u>64.8</u>	<u>31,900</u>
<u>2,000</u>	<u>NFDM</u>	<u>21.6</u>	<u>38,500</u>
Total Adult Feeding		<u>86.4</u>	<u>70,400</u>

F. Other (Snack Food Project). Total Recipients 17,500

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>17,500</u>	<u>SF Sorghum Grits</u>	<u>113.4</u>	<u>41,800</u>
Total Other		<u>113.4</u>	<u>41,800</u>

FY 1981 PROGRAM PLAN

I. ELEMENTS OF OPERATIONS

A. Identification

This Program Plan is submitted by CARE under the sponsorship of the host country counterparts as listed in Attachment #1. CARE presently has a staff of 4 international and 40 national employees to plan and monitor PL 480 Title II Commodity inputs. CARE's office is located at 1010 A. Mabini Street, Ermita, Manila. Mr. Jerry S. Lewis is Director of CARE in the Philippines, and resident at 53 Mercedes Street, Bel-Air Village, Makati, Metro Manila.

The Director is supported by the following international and national personnel.

International Personnel

2	Assistant Directors
1	Field Representative

National Personnel

1	Administrator
1	Nutritionist
1	Home Economist
1	Warehouseman
15	Field Officers
7	Accounting - Administration
14	Support Staff

B. Area, Scope and Condition of Operations

1) Categories of Beneficiaries

a. Maternal Child Health (MCH)

The MCH programs supported by CARE with Title II commodities are in cooperation with the Ministry of Health (MOH) and the Ministry of Social Services and Development (MSSD).

(1) MCH Targetted Food Assistance (TFA)/MCH Programs

There are 1.5 million 2nd and 3rd degree malnourished preschool children in the Philippines. This program addresses itself to the problems of improving the nutritional and health status of 8 percent of these children. The TFA program is comprised of four sub-programs.

(a) Malwards (Pediatric Nutrition Rehabilitation Wards)

Malwards, with an average of 2,000 recipients, are wards established in hospitals for treating and rehabilitating severely malnourished preschool

children. While children are in the hospital, they receive food, intensive medical care and treatment. The parents of the children are exposed to nutrition, health and family planning education. Pregnant, nursing and malnourished mothers of the malward children are also provided supplementary feeding. When a malward child is discharged from the hospital he/she is referred to the Rural Health Unit (RHU) for follow-up care through enrollment in the RHU-based TPA/MCH program.

- (b) Pediatrics - Third and second degree malnourished preschool children confined to pediatric wards for whatever reason are provided a one-month take-home ration upon discharge from the hospital and are referred to the Rural Health Units for enrollment in the RHU-based MCH Nutrition Program. The FY 81 target is an average of 1,000 recipients.

- (c) OB - Mothers admitted in the OB wards who are malnourished are provided a one-month supplementary ration upon discharge from the hospital and are referred to the nearest RHU so that they and any third and second degree malnourished preschool children in the family may be enrolled in the RHU-based MCH Nutrition Program. CARE projects 700 average recipients in FY 81.
- (d) RHU - The RHU program is built around the MCH concept. Malnourished expectant and nursing mothers of the third and second degree malnourished preschool children enrolled in the RHU-based program are the recipients. CARE expects to reach an average of 210,000 recipients in FY 81. Mothers and eligible children must visit the RHU at least once a month and participate in mothercraft classes and well-baby clinics. The children are weighed monthly to determine nutritional progress. If the child does

not show significant improvement in nutritional status over a six-month period, his/her enrollment is terminated, the assumption being that the mother does not have the necessary interest to justify the child's continuing enrollment. The maximum period of time that a child can participate in the program is 18 months for children aged 12-72 months, and one year for children aged 0-11 months. Once again, the assumption is that if the mother is interested in the health status of the child, the child should achieve normal nutritional status in this period of time.

- (2) MSSD TICH Program - This is another MCH program designed to improve the nutritional status of targeted 3rd and 2nd degree preschool children and malnourished pregnant and nursing mothers. Unlike the TFA program, this program is not run through medical centers. Under the guidance of the National Nutrition Council, Local Nutrition Committees, whose members come from local government, national government's local agencies and non-government organizations, are being

established throughout the Philippines. CARE is making efforts to bring all the TACH center under the umbrella of the local nutrition committees as we feel this is important to achieve the total integration of nutrition and health services envisioned under the Philippine Nutrition Program by the NNC. CARE expects to reach an average of 40,000 recipients in FY '81.

Nutrition Centers are established by the local nutrition committees. Government agencies which are members of the Nutrition Committees have nutritionists on their staff and they are assigned to regularly visit the nutrition centers, which are under the day-to-day care of volunteer workers, to give nutrition and health education to the mothers participating in the program and to guide the volunteer workers in their day-to-day activities.

CARE supports the NCH programs with materials and equipment.

CARE plans to print at regular intervals a newsletter which hopefully would filter down nutrition tips and trends to the program recipients.

(b) Food for Work (FFW)

The FFW program addresses itself to the problem of low food production and poor infrastructure development. The cooperating Ministry is the Ministry of Social Services and Development (MSSD).

Local communities determine their own needs and submit project proposals, which are recommended by the local MSSD office to CARE. CARE field officers visit proposed project sites before final approval is given by CARE.

This project supports water resource development, watershed, other food production oriented activities, feeder roads and footbridges on a first priority basis. Infrastructure development projects such as clinics, centers and resettlement housing, also receive support.

CARE plans to cut-down to an average of 25,000 recipients in FY '81 for 365 days a year.

In the Food for Work program it is difficult to predict or determine the recipient levels because projects are based on mandays of work required to complete projects rather than numbers of laborers. Therefore in monitoring the commodity off take of Food for Work projects our major concern is mandays of work compared to project targets rather than numbers of recipients.

CARE supports the FFW program with materials and equipment. In FY '81 CARE will continue to provide basic hand tools, e.g. picks, axes, shovels, rakes, wheel barrows, etc. to selected project sites.

(c) School Feeding Program

This program is supported by CARE in cooperation with the Ministry of Education and Culture (MEC). The target recipients are undernourished and malnourished school children in grades I-IV. CARE plans on providing supplementary food for 2,000,000 recipients in FY '81.

The real nutritional payoff of the School Feeding Program comes in terms of behavioral

and mental development. The short-term effects of a calorie-protein supplement on hungry school children are well documented through research studies in many countries. From an educationist's point of view, the increased attention span and ability to absorb and retain what is taught are far more significant than height and weight growth. In a developing country, the development of human resources through education is one of the key components of change.

With the changing Title II priorities, AID did not accept the FY 76 to 80, 5-year CARE/MEC plan for 3,600,000 school recipients. CARE however requests that all due consideration be given the MEC for the maximum support possible. The Philippines is one of the few developing countries in the world where all the school teachers have a minimum of BS or BA degrees which has given the teachers the ability to effectively integrate nutrition and health education into classroom and community activities. Additionally medical and dental services are provided through departmental medical and dental

personnel and the nutritional status of children is regularly monitored through weight for age charts by the teachers. It is unlikely that funds or food resources will be available in the immediate future to completely phase over the Title II program to the MEC, the MEC still requires Title II to support its integrated services school feeding program and a program with the attributes mentioned above and below deserves maximum Title II support.

Some of the steps being taken to facilitate the phase over from Title II to local resources are:

- (1) School Garden Program - Every school that has garden space plants vegetables, rice and/or corn and fruit trees in the garden, the produce of which is used to support the supplementary feeding program at the school.

The CARE nutrihun provides 250 calories or 5 nutribuns per week provides 1,250 calories. The nutrihun is supplemented with school garden produce every day at 50 calories per serving. However, many schools serve 300 calorie nutribuns for

4 days and 250 calorie garden produce meal on the 5th day.

The School Garden Program is a giant step forward on the road to self-sufficiency but due to limited garden space it cannot completely replace Title II commodities.

(2) School Health Guardian Food Production

Program - This project addresses the national priorities of reducing child malnutrition through increased food production and decreased dependency of donated foods. It also addresses the improved health of the school child through the national school health guardian project which is an umbrella program involving various child and community health activities such as nutrition education, health and dental care, medicinal herbs production, selective food production, supplementary school feeding, community education, family planning, etc. This project has direct linkage with the MEC-CARE School (Nutribun) Feeding Project and the past CARE involvement to help MEC establish the School Guardian Project in FY '78 through support

to the training of teachers. Moreover, this is an evaluation of and improvement upon the School Nutrition Center and Agricultural Colleges Seed Bank projects that were undertaken by CARE. Evaluations by CARE staff of the previous projects identified weaknesses. Efforts were made to redesign and restructure these activities so they could make more of an impact by integrating them with existing government activities.

In this project CARE will provide the means to increase food production for the schools in the form of pumps or irrigation equipment, targeted seeds or other essential equipment. In order to prepare and serve the school garden produce, CARE may provide up to 50% of the funding necessary to construct a new multi-purpose nutrition/health center or will provide full funding for augmenting present Home Economics Building on the school grounds so it can better carry out the required functions.

- (3) Other projects funded by CARE which support the School Feeding Program are:
- a) Toned Milk - This project was conceived as a demonstration feeding conducted to stress the value of locally available and produced food items. It is envisioned to increase production, utilization and consumption of fresh milk as a means to augment the protein and energy intake of the school children and at the same time encourage farmers to develop the untapped resource of cows and carabaos for dairy purposes, with the immediate objectives of lowering the incidence of malnutrition and directly increasing their income. This is in line with the Bureau of Animal Industry's long range national dairy development program and within the First Lady's Green Revolution Project. Coupled with efforts to increase milk supply is corresponding information and an education campaign to make milk part of the daily dietary intake particularly among the vulnerable groups.

The milk feeding program consists of selling toned milk (a low fat milk which is made by mixing fresh milk, non-fat dry milk and water) at a subsidized price of P0.05 per glass to the school children of selected elementary schools within the proximity of eight (8) BAI Dairy Processing Plants in Luzon, Visayas and Mindanao.

For school year 1980-81 (FY '81) the projection is to reach a target of 20,000 school children.

There are non-Title II nutrition intervention programs being supported by international and national agencies in the Philippines which are complementary to Title II goals. If any of these interventions increase the amount of food available to the Title II target group or in other ways to improve the nutritional status of the target group, then CARE will reassess the level of assistance required through out programs.

2) Program Objectives and Indicators

- a. MCH - The overall objectives and purpose of this program is to improve the nutritional and health status of the second and third degree malnourished preschool children; malnourished pregnant and nursing mothers; and malnourished mothers of preschool children enrolled in the program.

The indicator that will be used to measure progress is the increase in weight-for-age as determined from monthly weighings which are plotted quarterly on growth charts for each child.

- b. Food for Work - The indicators that will be used to measure progress in the FFW program will be determined on a project-by-project basis since the activities in the projects vary from one area to another.

c. School Feeding Program - The overall objective of this program is the improvement in the nutritional status of malnourished school children in Grades I through IV. Progress towards the achievement of this objective will be the measurement of weight-for-age gains in the individual growth charts maintained by the school teachers for each child.

3) Geographic Areas

All the above programs will be implemented throughout the Philippines.

4) Food Distribution at Project Level

a. MCH - 3 pounds of NFDM, 5 pounds of CSM, will be distributed to each recipient each month. In the Malward program the recipients are provided food during the period of confinement in the hospital, then they are referred to a RHU for follow-up enrollment in the MCH program. In the MSSD TMCH program, children enrolled in a center are provided 1-3 month feeding at the center, after which the child is shifted to a take-home distribution. In the RHU-based MCH program, children are also provided 1-2 month feeding in a center before shifted to a take-home distribution. Nutritional impact

of the food is insured through monthly weighing of the recipients.

- b. Food for Work - The Food for work recipients receive 5 pounds of Bulgur Wheat for each man/day of work. The food is normally distributed every week to two weeks based on man-days of work accomplished.
- c. School Feeding Program - Each recipient receives 2.08 ounces of Soy Fortified Flour for 165 days a year. The flour is first converted into "Nutribuns" through processing at either commercial or school bakeries.
- d. Toned Milk Feeding Program - Each recipient receives an average of 20 grams NFDM for 165 days a year. Toned milk is produced by mixing fresh milk with NFDM and water. This is distributed on a small scale basis to supplement nutribun.

5) Participation by Counterpart Ministries

The procedural basis for each of the programs which CARE supports is a contract signed with each of the counterpart ministries. Prior to establishing a program, the counterpart ministry acknowledges the term of this contract which outlines the mode of operation for the Title II programs. The contract contains the following points:

- (a) definition of eligible beneficiaries;
- (b) the quarterly food to be provided;
- (c) responsibility for commodity losses;
- (d) a statement that sufficient funds will be allocated to cover (1) transport from the port to the end-use institution; (2) storage facilities; (3) incidental expenses for food preparation including utensils; and (4) CARE personnel and operations costs.

The contract also allows duty and tax-free import of all commodities programmed by CARE.

CARE is currently negotiating the contract to cover the projects with the MSSD.

6) Avoiding Duplication of Distribution

The beneficiaries are identified through community weight-for-age measurements. The collection of this data is known as Operation Timbang (Weighing). Through Operation Timbang the second and third degree malnourished children are identified and listed. Since all the children participating in either of the MCH programs are included in the Operation Timbang list, it is possible to avoid duplication of distribution by insuring that the children selected from the list for program participation are not selected for more

than one program. This will be done by harnessing the efforts of the local barangay nutrition committee in each program site.

Since the school children are too old to participate in the NCH programs, there is no possibility of duplication in the School Feeding Program.

C. Control and Receiving-Records, Procedures and Audits

Title II commodities for CARE-assisted programs are received at the Port of Manila. CARE has a separate cell in its office which is responsible for receiving, handling and accounting of all shipments.

- 1) Records - A separate and complete file is maintained for each shipment. In addition, CARE maintains a complete set of records to properly account for the food from the time it is booked in the U.S. until it is consumed by the beneficiaries.
- 2) Procedures - CARE follows a general procedure established by CARE-New York and elaborated upon by past experience in the Philippines. CARE's Overseas Operations Manual stipulates the procedures to be followed and coupled with an experienced international and national staff, CARE is capable of handling the quantum of aid requested for the coming fiscal year.

- 3) Internal Reviews - Internal Reviews are to be conducted annually.

In order to tighten program control, the following steps are being taken:

- a) Monthly field officers' training courses to upgrade skills and to keep personnel cognizant of program goals and targets.
- b) Port personnel training courses, to upgrade skills and to keep personnel cognizant of requirements and procedures.
- c) Inventory personnel training courses to upgrade skills and to keep personnel cognizant of requirements and techniques of inventory control and monitoring.

D. Port Facilities and Practices

The existing off-loading facilities at Manila are adequate for handling the Title II commodities requested.

CARE maintains close liaison with the forwarding agent, Transport Contractors, Inc. (TRANSCON). Duty free entry of food shipments presents no problem and is in line with the terms of the contracts that CARE has with the counterpart ministries. Cargo surveys are conducted by agents appointed by the steamship company as well as by CARE's independent surveyor, Henry Hunter Bayne Adjustment Company. Both ex-tackle and ex-lighter surveys are conducted by CARE.

E. In-Country Storage and Transportation

- 1) Storage - Title II commodities enter the Philippines through Manila Port. From Manila they are dispatched by lighter to the clearing and forwarding agent's warehouse. The storage facilities of the clearing and forwarding agent, TRANSCON, are adequate for the quantity of commodities requested.

Available to the voluntary agencies by Transcon in Manila are facilities composed of 14 warehouses of 58,803 cubic meters with a capacity of 51,500 metric tons. Also, adequate pallets are available and used, ventilation good, stacking done and maintained properly, and fogging and spraying is done weekly.

Storage at the points of end-use, i.e., schools, bakeries, TACH centers, etc., is found to be adequate in spaces, ventilation, stacking, etc. Storage areas are either of cement or wooden flooring and dirt floors have not been encountered by any of our field officers during their visitations.

Normally, commodities are not stored at any point between the clearing and forwarding agent's warehouse and the end-use point. At the end-use point, commodities are stored at either the place where the food is prepared, or the house or building

of a responsible person or agency. It is not felt that the storage facilities which exist at the end-use point are always adequate for prolonged storage, but at the same time it is recognized that buildings in which the commodities are stored are the best available given the present conditions of finance and mode of operations. There is one exception to the above: in the school feeding program the commodity is dispatched in some cases directly from Manila to commercial bakeries which store the commodity prior to baking the nutribuns. Generally, storage conditions are satisfactory at these bakeries for short-term storage of the commodity.

2) Inland Transportation

Inland transportation on Luzon island consist of truck movement from the clearing and forwarding agent's warehouse directly to end-use point. In some cases, the commodity is dispatched to a central end-use point from which it is taken delivery of by another end-use point in the immediate vicinity. In such cases, the commodity moves from the central end-use point to the others by a variety of methods, e.g., jeep, bus, headload, cycle and boat. In the School Feeding Program, the commodity is often dispatched to bakeries where it is converted to

Nutribuns. The nutribuns are then distributed by jeep, bus, boat, cycle or by hand.

For the islands other than Luzon, commodity is dispatched from Manila by inter-island vessel. When the commodities reach the designated port of discharge they are received by the consignee and subsequent delivery follows the pattern described above.

The main problem faced with inland transportation is that the Philippines, being a nation of over 7,000 islands, depends heavily on inter-island sea-going vessels to distribute Title II commodities. This creates two main problems, the first being that commodity distribution on inter-island vessels is very time-consuming and heavily dependent on shipping schedules and cargo space on the vessels. The second problem is that marine losses are relatively high compared to other forms of transportation and it is legally very difficult to pursue claims against ocean vessels.

3) Control of Food

The counterpart ministries accept all responsibilities for storage of and distribution of Title II foods in the Philippines. However, title to and control of the Title II commodities remain with CARE.

F. Processing - Reprocessing - Repacking

Blending and processing of Title II commodities is carried out only in the School Feeding Program. At either commercial or school bakeries Soy Fortified Flour is blended with yeast, salt, sugar, oil and water and then baked, producing a Nutribun. The nutribuns are subsequently distributed to and consumed by the school children.

G. Financing

- 1) C&R requires in its contracts with the counterpart ministries that the cost of port clearance, internal transportation, storage, distribution and administrative, as well as incidental costs involved in preparing the food at end-use institutions, or distributing the food at Food for Work sites, be borne by the counterpart ministries.

Section II shows the financial support of the counterpart ministries for the nutrition programs.

- 2) Commodity Container Sales

In the MCH and School Feeding Programs, the commodity containers are sold to the highest bidder. The proceeds of the sales are used for program purposes such as the purchase of fuel, spices, supplementary foods and minor maintenance of the nutrition centers or bakeries.

Accounts are maintained by the school teachers and nutrition center in-charges, these accounts, are audited by the CARL field officers.

H. Acceptability of Available Foods

1) Acceptability of Food

- a. Soy-Fortified Bulgur - Soy fortified bulgur is the commodity used in Food for Work. It is acceptable in the form in which it is received.
- b. Wheat Protein Concentrate/Soya - CARE was provided 5,000 pounds of wheat Protein Concentrate/Soya for testing in the MCH program. It was found to be acceptable.
- c. Corn Soya Milk - CSM is used in both the THCH and TFA programs. Its acceptability is good.
- d. NFDM - NFDM is an accepted commodity.
- e. Soy-Fortified Flour - Soy Fortified Flour is used in the School Feeding Program. Its acceptability is very good .

I. Program Publicity

Due to CARL's size, methods of operation and close cooperation with the Government of the Philippines and provincial governments there is considerable local

knowledge regarding the source of commodity supplies. CARE's primary task in the field of publicity concerns dissemination of nutrition information to beneficiaries, their parents and program counterparts.

J. Domestic Production

The importation and use of PL 480 commodities will not result in a disincentive to domestic production as wheat is not produced in the Philippines, nor are blended foods such as OSM - milk is produced only in small quantities.

II. INDIGENOUS INPUT TO THE PROGRAM

A total of \$17,061,588 in terms of financial, human resources and commodities shall be contributed by the GCF and private individuals/agencies to the program. A breakdown of these inputs by program is shown below.

A. School Feeding

The cost of PL 480 inland freight and warehousing to the GCF for a volume of approximately 43,045,200 lbs. will amount to \$1,081,979. Implementing the program of feeding 2,000,000 school children in about 6,446 schools are 50,941 school teachers administered by the entire government school machinery of Regional Directors, Nutrition Supervisors, and principals as well as NGC including CARE at an administrative costs, based on allocated time, at \$4,995,056. The cost to provide school children with a 250-300 calorie indigenous food coming either from school gardens or provided by the

community at least once a week amounts to \$1,345,108.

Parent contribution for the nutribun program is \$4,483,695.

The total counterpart cost involved in the FY '81 school feeding program amount to \$12,197,278.

B. Targetted Food Assistance

The cost of inland freight and warehousing of PL 480 II commodity to the GCF for this program amounts to \$625,108. The feeding centers for the program consist of 1,000 Rural Health Units and 89 hospitals. Implementing the program will be 1,120 doctors, 2,000 midwives, and 1,360 nurses administered by the whole machinery of the GCF's Ministry of Health as well as NGO including CARE at a manpower cost of \$1,146,146. The cost of indigenous foods subsidy from the GCF in terms of food condiments/supplements supplying about 300 calories per recipient per day amounts to \$57,065. Community contribution for other center expenses amounts to \$205,435. The total approximate counterpart cost of the program amounts to \$2,033,754.

C. TMCH

The program will consist of 700 feeding centers manned by 1,050 volunteer workers. The cost of inland freight and warehousing to the GCF amounts to \$104,065, the community contribution in terms of supplementary food condiments and maintenance cost amounts to \$58,534 while

voluntary workers labor cost is equivalent to \$58,333 in terms of prevailing minimum wage. The total GCP and community counterpart contribution to this project amounts to \$220,932.

D. Food for Work

The cost of warehousing and inland freight to the GCP amounts to \$183,405. The cost to administer and implement the program will amount to a manpower cost in terms of community workers at \$2,128,378 and at \$282,091 for GCP's Ministry of Social Services and Development. Basic construction material cost to be utilized in the different community projects is estimated at a total of \$15,750. The total counterpart cost in this project amounts to \$2,609,624.

ATTACHMENT I

HOME GOVERNMENT COUNTERPART

Ministry of Education
and Culture

Mrs. Silvina C. Laya
Director
School Health and Nutrition
Center

Ministry of Health

Dra. Trinidad A. Gomez
Director
National Nutrition Service

Ministry of Social Services
and Development

Mrs. Salome Agustin
Social Welfare Project
Supervisor
Bureau of Assistance

National Nutrition Council

Dr. Florentino S. Solon
Executive Director

It should be noted that the counterpart supervision and administration of the programs involves Provincial, Regional, Divisional and District Officials and their staff in each government Ministry extending down to school teachers and local field officers. A well defined and documented administrative system is being managed for each program.

Regular field visits are carried out to observe and supervise the programs at all management level.

ATTACHMENT II

COMPARATIVE COSTINGS
OF U.S. DONATION AND GCP CONTRIBUTION
FY 1981

I.	<u>U.S. Donation</u>	<u>Volume</u> <u>(in Kgs.)</u>	<u>CCC</u> <u>Value</u>	<u>Ocean</u> <u>Freight</u>	<u>Total</u>
a)	12% S.F. Flour	(19,500,000 kgs)	14,204,200.00	\$1,663,350.00	\$ 5,867,550.00
b)	NFDM	(4,205,998 kgs)	2,341,899.60	408,823.00	2,750,722.60
c)	CSM	(6,894,000 kgs)	2,749,327.20	623,217.60	3,372,544.80
d)	Bulgar	(2,727,000 kgs)	526,038.30	240,248.70	766,287.00
	TOTALS.....	<u>(33,326,998 kgs)</u>	<u>\$9,821,465.10</u>	<u>\$2,935,639.30</u>	<u>\$12,757,104.40</u>

II.

<u>Counterpart</u> <u>Contribution</u>	<u>MSSD</u>	<u>MCH</u>	<u>MEC</u>	<u>TOTAL</u>
Inland transportation (TRANSCON)	\$ 254,865	\$ 513,978	\$ 1,081,979	\$ 1,850,822
Inland transportation (others)	52,115	111,130	291,440	454,685
Nutribun Baking and Delivery Charges	-	-	4,483,695	4,483,695
Local food/non-food contribution from gardens/ community gardens	15,750	57,065	1,345,108	1,417,923
Voluntary labor community workers (FFW/TMCH)	2,186,711	-	-	2,186,711
Local cash contributions at \$0.0815 per recipient per month	39,024	305,435	-	344,459
Value of government & non- government personnel & operations for supervision	<u>282,091</u>	<u>1,146,146</u>	<u>4,923,056</u>	<u>6,423,293</u>
TOTALS.....	<u>\$2,830,556</u>	<u>\$2,033,754</u>	<u>\$12,197,278</u>	<u>\$17,061,588</u>

ATTACHMENT III

Country - Philippines

Sponsor's Name - USAID

A. Maternal and Child Health (Mother).....Total Recipients 25,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Kgs. (Thousands)</u>	<u>Dollars</u>
25,000	NFDM	409	\$ 676
25,000	CSM	682	266
TOTAL.		<u>1,091</u>	<u>\$ 942</u>

B. Maternal and Child Health (Child).....Total Recipients 225,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Kgs. (Thousands)</u>	<u>Dollars</u>
225,000	NFDM	3,682	\$6,087
225,000	CSM	6,130	2,397
TOTAL.		<u>9,812</u>	<u>\$8,484</u>

C. Other Child Feeding.....Total Recipients 3,000
(Mal/Pediatric Wards)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Kgs. (Thousands)</u>	<u>Dollars</u>
3,000	NFDM	49	\$ 81
3,000	CSM	82	32
TOTAL.		<u>131</u>	<u>\$ 113</u>

ATTACHMENT III (cont'd.)

D. School Feeding.....Total Recipients 2,000,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands) Kgs.</u>	<u>Dollars</u>
2,000,000	WF Wheat Flour	19,500	\$ 6,095
20,000	RFM	<u>66</u>	<u>109</u>
TOTAL.		<u>19,566</u>	<u>\$ 6,204</u>

E. Food for Work.....Total Recipients 25,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands) Kgs.</u>	<u>Dollars</u>
25,000	Bulgur	<u>2,727</u>	<u>\$ 300</u>
TOTAL.		<u>2,727</u>	<u>\$ 300</u>

GRAND TOTAL..... 33,327 \$ 16,043

Table XIII

PL 480 TITLE II

1. Country Philippines

Sponsor's Name CARE

A. Maternal and Child Health (Mother) Total Recipients 25,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>25,000</u>	<u>NFDM</u>	<u>409</u>	<u>676</u>
<u>25,000</u>	<u>CSM</u>	<u>682</u>	<u>266</u>
Total		<u>1,091</u>	<u>942</u>

Maternal and Child Health (Child) Total Recipients 225,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>225,000</u>	<u>NFDM</u>	<u>3,682</u>	<u>6,087</u>
<u>225,000</u>	<u>CSM</u>	<u>6,130</u>	<u>2,397</u>
Total		<u>9,812</u>	<u>8,484</u>

Total MCH 10,903 9,426

B. School Feeding Total Recipients 2,000,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>2,000,000</u>	<u>SF Wheat Flour</u>	<u>19,500</u>	<u>6,095</u>
<u>20,000</u>	<u>NFDM</u>	<u>66</u>	<u>109</u>
Total School Feeding		<u>19,566</u>	<u>6,204</u>

C. Other Child Feeding Total Recipients 3,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>3,000</u>	<u>NFDM</u>	<u>49</u>	<u>81</u>
<u>3,000</u>	<u>CSM</u>	<u>82</u>	<u>32</u>
Total Other Child Feeding		<u>131</u>	<u>113</u>

D. Food for Work Total Recipients 25,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>25,000</u>	<u>Bulgur</u>	<u>2,727</u>	<u>300</u>
Total Food for Work		<u>2,727</u>	<u>300</u>

Mission Review of Voluntary Agency Operations

Catholic Relief Services (CRS) and the Cooperative for American Relief Everywhere, Inc. (CARE) are the only U.S. Voluntary Agencies involved in distributing Title II donated foods in the Philippines. The two agencies have conducted basic human needs feeding programs in this country for many years and have contributed significantly to the development and execution of the Philippine Nutrition Program. With minor exceptions, the Mission endorses the proposed CRS and CARE Title II Programs.

There are several elements of Title II programs which should be highlighted:

a. CRS

The main focus of the CRS program is Maternal Child Health. CARE on the other hand leads in providing supplementary foods (principally the Nutribun) to school children of the lower four grades. For FY 1980 CRS has increased its MCH level to assist the Ministry of Social Services and Development (MSSD) Day Care Service Centers. The donated food support requirement is for an issue of eight pounds for 100,000 recipients. However, a possibility exists for expanding the use of this food to 200,000 recipients at a four pounds per month issue level. CRS will monitor the Day Care Center program in FY 1980 and, prior to submission of the FY 1981 AER, will conduct an evaluation to determine the future course of action. The Mission is pleased with the direction CRS is taking in this effort as it is a new and promising initiative. Over the years with minor variations the CRS feeding programs have been controlled and implemented through the diocesan church structure. Although MSSD is the primary in-country counterpart, which also budgets funds for the CRS program, this government agency receives little credit for the CRS efforts. Church-state relationships have constituted a general problem, but most differences continue to be worked out satisfactorily.

The second highest recipient level program of CRS is in school feeding. Here as in the CARE program donated food is channeled to undernourished children in grades 1 thru 4. CRS voluntarily cut the program back in FY 1980 and the Mission believes a further cut should continue in FY 1981 to a level of about 170,000 recipients. This program has been ongoing for many years and unless donated food levels are reduced it is the Mission's belief that the Ministry of Education and Culture will not take the necessary steps to motivate the Manila schools to achieve self-reliance in food production.

CRS also has a Snack Food Project for 17,500 recipients. Under this scheme soy-fortified grits will be extended, packaged, and issued or sold at subsidized prices to school children. The aim of this program is to provide school age children with a highly nutritional snack in place of the current marketed "junk food."

b. CARE

The school feeding program of this voluntary agency is recognized as being well organized and controlled. The program is implemented by the MEC utilizing the school system with teachers administering and monitoring the feeding processes. In FY 1976 the approved level was established by the ISC at 550,000 recipients. The Mission, in collaboration with the MEC and CARE, requested and obtained Washington approval to raise the program level to accommodate 1.5 million recipients. The CARE program guidelines were also effectively used by the Philippine World Food Programme (WFP) Office to obtain Rome approval for supplementary feeding of an additional 1 million school children. In schools outside the capitol city of Manila, MEC has achieved considerable success in both home and school food production. As a result most schools now feed the nutribun four days per week with the fifth day's supply coming from local resources. A number of schools have increased the local inputs to two days per week. The combined inputs of MEC, WFP, home gardening and Title II should in FY 1979 and 1980 extend outreach to the majority of needy school children. The Mission believes the inputs will now provide the GOP with the necessary time to mobilize its own forces to implement food production programs designed to achieve self-reliance and eventually negate the necessity for donated foods. Given the circumstances, it is recommended that the CARE school feeding program in FY 1981 be approved at a level of approximately 1,250,000 recipients.

CARE's Targeted Food Assistance (TFA) program has been making steady gains after a rather disastrous start in FY 1978. Funding for inland transport costs was still a problem in FY 1979 and the outreach infrastructure controlled by the Ministry of Health has still not been fully developed. As a consequence, CARE, which obtained ISC approval for 362,000 recipients in FY 1978, can accommodate only about 190,000 recipients. The design of TFA channels all approved foods to the most needy. By the end of FY 1981 the CARE evaluation of this program may justify program expansion if the GOP expresses a willingness to provide necessary funding for inland costs.

Family Planning Commodities
(To be published upon receipt of AID/W
materials)