

PROJECT PAPER

Regional: Near East Private Sector Regional Nutrition Project  
( 298 - 0334)

NUTRITION & AGRIBUSINESS GROUP

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I. Project Summary and Recommendations

- A. Project Title : Private Sector Regional Nutrition Project
- B. Project Number : 298-0334
- C. Source of Funds : Agriculture, Rural Development and Nutrition
- D. Total Project Amount : \_\_\_\_\_
- E. Terms : Grant
- F. Grantee : Funds will be made available to a U.S. grantee
- G. Coordinating Entities : ANE Bureau and Near East Missions
- H. Implementing Entities : ANE Bureau, Near East Missions, U.S. grantee and Near East private sector entities
- I. Life of Project : Three years
- J. Goal/Purpose and Outputs

The long term goal of this project, in conjunction with other public and private programs, is to improve the nutritional status of the Near East population and especially of infants, young children and mothers. The purpose of the project is to address the nutritional problems of Near East countries by fostering the development of the private sector food industry and by assuring that food processing, marketing and nutrition education are addressing these nutritional problems.

In order to achieve the stated purpose, links between the U.S. food industry and Near East private sector firms which import or process food and other nutrition-related products such as vitamins, minerals and pharmaceuticals will be established. Technical and managerial assistance, primarily from the U.S. food industry will be provided to accomplish the following project outputs:

- Private sector food and pharmaceutical companies sensitized to the contribution of their products to nutritional levels and their appropriate marketing and use;

- Nutrition/health films, tapes and other educational materials produced;
- Identification of investment opportunities, potential for needed food fortification accomplished:
- Dialogue established on the role of private sector food industry in development and need for appropriate host country trade and investment policies.

#### K. Major Pre-Authorization Achievement

As a result of a food and nutrition sector review in Yemen, USAID/Yemen requested the development of this private sector food and nutrition initiative. Interest on the part of Yemeni business firms and Chamber of Commerce has been expressed. Various private sector firms and coordinating organizations in the U.S. have been contacted and have expressed interest in undertaking such an endeavor. In addition, initial analyses of food and nutrition private sector opportunities in other Near East countries have been conducted and Missions have been informed of the private sector nutrition initiative.

#### L. Recommendation

The ANE Bureau's Office of Technical Support recommends authorization of a grant in the amount of \$

## II. Background, Project Rationale and Program Factors

### A. Nutrition Problems in the Near East Region

The major nutritional problems in the Near East region are insufficient calories and protein, iron deficiency anemia and Vitamin D deficiency, especially among infants, young children and and mothers. Various national/region-specific nutrition surveys have documented high rates of second and third degree undernutrition among the vulnerable pre-school population. These rates range from ten percent in Jordan to 35 percent in countries such as Morocco and Yemen. As high as 36 percent of mothers are anemic due primarily to iron deficiency. While maternal undernutrition due to overall inadequate calories and protein is less of a problem in the Near East compared to other parts of the world, there are some areas where it is believed to still be a significant problem. Even less is known about other nutritional vitamin and mineral deficiencies although marginal intakes of Vitamin A, C, B<sub>2</sub> and zinc are likely.

When combined with disease, especially excessive diarrhea in Near East countries, these nutritional deficiencies contribute to high death rates among infants, young children and mothers during childbirth. Studies available from the World Fertility Survey indicate the following high infant mortality rates in various Near East countries:

Yemen	170	per 1000 live births
Egypt	148	"
Jordan	71	"
Tunisia	72	"

4

It is difficult to generalize about the causes of malnutrition since they vary by country. For the most part, however, overall food availability is not a serious problem in the Near East. Food production, imports and government subsidies generally provide sufficient food to meet most per capita nutritional requirements. In some areas food availability is inadequate due to low disposable incomes. In many other areas, largely urban but not exclusively so, purchasing power is adequate to assure that most food requirements can be met. A key cause of malnutrition in all the Near East countries, however, is poor intrafamily food distribution and absorption of nutrients. While adequate food may be available among many families, it is frequently not fed in sufficient amounts or mixes to the most vulnerable family members, namely infants, young children and mothers. Food, in turn, is poorly absorbed due to disease and nutritionally unbalanced weaning food mixtures. The reasons for this also vary by country but high illiteracy, harmful beliefs and practices surrounding infant care, maternal undernutrition, women's heavy workloads and contaminated water and food all contribute in varying degrees.

#### B. Project Rationale

Traditionally, foreign aid donors have worked with the public sector in developing countries in their efforts to improve health and nutritional levels. While many of these projects have been successful, more often than not these activities have been hampered

by lack of trained government personnel, the low priority assigned to health and nutrition projects and the inability of weak governmental agencies to conceive and manage appropriate nutrition programs for their countries.

Donor agencies have paid little attention to the potential of both the U.S. and local private sector in addressing nutrition problems in the Third World. In the developed countries, the food processing industry has provided nutritious, sanitary and convenient foods which have contributed to the virtual elimination of vitamin and mineral deficiencies as well as assuring inexpensive sources of calories and protein.

In developing countries, particularly many of the Near East transitional societies, there is potential for better addressing infant, young child and maternal malnutrition through processed weaning foods, other fortified foods and pharmaceuticals such as vitamins, minerals and oral rehydration therapies. For example, fortified cereal based weaning foods, when prepared and fed properly, can provide all the essential nutrients for young children. In addition, processing assures that the food will be adequately digested and that mothers can prepare it quickly, saving themselves hours of time traditionally spent in grinding, soaking and cooking staple grains. The main constraint to the use of processed weaning foods has been the high cost of imported brands which have been preferred over largely unsuccessful locally processed brands. Local processing, especially through cooperative ventures which can help to assure quality, safety and appropriate marketing, can ultimately help lower

6

costs through economies of scale so that such weaning foods may be more within the reach of poor families. While the poorest segments of the population will require subsidized distribution schemes for some time, there are increasing numbers of families in Near East countries which can afford such foods as well as other consumer goods.

In addition to improving nutritional levels, the private sector food industry helps to generate employment. In 1978 UNIDO estimated that the world food processing industry employed 26.6 million people of which more than half was employed in developing countries. The industry accounts for the largest manufacturing sector in the developing countries or 22 percent of all manufacturing. The food processing industry not only provides a means for increasing foreign exchange earnings but it stimulates technological development and the growth of a broad network of support industries, e.g. transportation networks, marketing activities and storage facilities.

At present, however, the private sector food industry is underdeveloped in the Near East region. Problems include inadequate plant sanitation, quality control, packaging and constraints on obtaining and maintaining equipment. Product marketing and distribution are also problems in some countries. Finally, businessmen in developing countries are frequently unaware of the nutritional problems of the population and how their products could be improved through fortification and better marketing to help assure their

appropriate use, especially for infants and young children.

Despite these problems in the food industry of underdeveloped nations, the sector is developing as witnessed by the growth of processed fruits and vegetables, biscuits and even some budding dairy and dairy processing plants. With increased urbanization and disposable income in most of the Near East countries, there is a growing demand for consumer goods, including processed foods. Moreover, Near East private food sector representatives are interested in establishing links with the U.S. food industry through technical and managerial assistance, feasibility studies and cooperative ventures. The technical know how of the U.S. food industry, if shared with Near East private sector firms, could greatly improve nutritional levels in these countries.

Thus, there is a strong nutritional and economic rationale for promoting and facilitating the private sector food industry in Near East countries. The following program addresses the key nutritional problems of the Near East by developing opportunities for food processing, fortification, marketing and nutrition education in the private sector. It is an attempt to help the private sector improve what is an ongoing process in the food industry and for which a clear demand has already been established.

## C. Program Factors

### 1. Conformity with Recipient Country Program Strategy.

Private sector food processing and marketing is a nascent but growing industry in Near East countries. Private organizations <sup>as</sup> such/Chambers of Commerce and Trade Associations as well as governments have encouraged trade and investment conferences in the manufacturing sector of which food processing is a significant part.

Nutrition and nutrition-related education in the Near East has been primarily financed by the public sector through investments in health care infrastructure and government health personnel. There is a growing recognition of the limits of public finance to sustain even a minimally acceptable health and nutrition infrastructure. At an A.I.D.-sponsored meeting on Expanding the Role of the Private Sector in Middle East Health, various government officials agreed upon the importance of using the private sector as a viable policy option to achieve goals in health status and health care delivery.

### 2. Relationship to A.I.D. Strategy

A.I.D.'s recently completed "Blueprint for Development" sets as the ultimate goal for A.I.D. strategic planning, the achievement of self-sustaining economic growth and development. Agency efforts will focus on five problem areas of which three are addressed by this project: 1) hunger; 2) health deficiencies, especially infant and child mortality; and, 3) inadequate income growth.

In addition, the four programmatic areas in A.I.D.'s reoriented approach are also integral components of the Near East Private Sector Nutritional Project. These include economic policy dialogue which will be addressed through technical assistance and conferences stressing appropriate governmental policies for the encouragement of private sector food processing and health/nutrition products marketing. Second, institutional development and training will be achieved through the strengthening of such private sector organizations as Chambers of Commerce and the training of Near East businessmen and communications experts in methods to increase the consumption and appropriate use of nutritionally beneficial products. Third, technology research, development and transfer will be accomplished through the above-mentioned training as well as the linkage of U.S. private sector companies with Near East businesses in various cooperative ventures. A.I.D.'s fourth program priority area, reliance on the private sector and market forces, is the direct purpose of this project and the benefit to Near East vulnerable populations will be enhanced by focussing private sector efforts specifically on their nutritional problems.

Various other A.I.D. policy documents support the concept and rationale of this project. These include both the Agency Health and Nutrition Policy Papers which call for self-sustaining programs with creative private sector involvement. A.I.D.'s strategy for Private Enterprise Development also encourages an expanded role for the private sector in the delivery of services. As such, private payment for services for which there is existing demand should be promoted. The

strategy also states: ...."private channels ( radio, advertising media) can be used to stimulate demand for services" and ...."private sources can be used to manufacture drugs and medical supplies, and private channels employed for their distribution, thereby eliminating costly and inefficient duplication between public and private sources."

### III. Project Description

#### A. Project Goal, Purpose and Outputs

The long term goal of the Private Sector Regional Nutrition Project, in conjunction with other public and private programs, is to improve the nutritional status of the Near East population and especially of infants, young children and mothers. The purpose of the project is to address the nutritional problems of Near East countries by fostering the development of the private sector food industry and by assuring that food processing, marketing and nutrition education are addressing these nutritional problems. The logical framework matrix can found in Annex A . .

In order to achieve the stated purpose, links between the U.S. food industry and Near East private sector firms which import or process food and other nutrition-related products such as vitamins, minerals and pharmaceuticals will be established. Technical and managerial assistance, primarily from the U.S. food industry will be provided to accomplish the following project outputs:

- Private sector food and pharmaceutical companies sensitized to the contribution of their products to nutritional levels and their appropriate marketing and use;
- Nutrition/health films, tapes and other educational materials produced;
- Identification of investment opportunities, potential for needed food fortification accomplished;
- Cooperative ventures established between U.S. food and pharmaceutical companies and similar Near East private sector entities;

- Dialogue established on the role of private sector food industry in development and need for appropriate host country trade and investment policies.

## B. Project Outline and How It Will Work

Phase I of the project will consist of two main activities.

The first is a private sector food and nutrition program which will be implemented in the Yemen Arab Republic (YARG). The second activity includes pre-assessment visits to at least two additional Near East countries to ascertain interest in a private sector food initiative and to identify a counterpart institution in these countries. In addition a regional workshop will be held to review progress of the initial YARG program. Depending on this and availability of Phase II A.I.D. funds, nutrition and private sector food industry assessments and operational programs will be conducted in the two additional countries.

### Phase I

#### 1. Private Sector Food and Nutrition Program in the YARG

As a result of a previous A.I.D. food and nutrition sector review and an overall private sector study in the YARG, a preliminary assessment has already been made of the private sector food industry and the potential for this project to support food and nutrition-related importing and processing firms to improve nutritional levels in Yemen ("Food and Nutrition in Yemen" by Adelman and Cassam and "Private Sector Assessment in Yemen" by Cassam and Miller).

The Yemen Chamber of Commerce has been identified as an interested and appropriate collaborative institution to work with the U.S.

project grantee in implementing the program. A variety of factors

combine to make the program in Yemen a promising endeavor:

- relatively high disposable incomes even among rural populations
- availability and demand for nutritious processed infant and young child foods;
- well-developed private sector distribution networks:
- interest of Yemeni businessmen in increasing appropriate use of their products and in establishing links with the U.S. food industry for product improvement ( fortification, marketing, joint investment opportunities);
- high ownership or access to T.V.'s, videocassette machines and radios providing great potential for nutrition education and appropriate marketing of products in a largely illiterate society.

Despite availability and demand for safe and nutritious food products, education and marketing is needed to assure their appropriate use. For example, the feeding of processed weaning foods to infants and young children is too little, too late and sometimes fed inappropriately in bottles. Due to the poor nutritional status of mothers and a tradition of early mixed feeding, there is little exclusive breastfeeding with infant formulas and powdered milks introduced as early as two months of age. While water appears to be boiled when mixed with these milks, proper bottle hygiene is not observed. Most of the imported foods are nutritionally balanced and fortified with vitamins and minerals. Other food products consumed by children and mothers are not. These include locally-grown staple crops of sorghum and millet, locally processed juices and milks and imported wheat flour.

The project will focus on nutritionally vulnerable groups in Yemen as identified by the Ministry of Health. The YARG National Nutrition

Survey identified serious undernutrition in infants and young children 0 - 5 years old. The highest levels of both wasting and stunting were found in the 12 - 18 month old age group. The following table shows by regional and urban/rural locations the percentages of malnourished children according to three measures of nutritional status.

Regions	Wasting ( 80% Wt/Ht)	Stunting ( 90% Ht/Age)	II & III ( 75% Wt/Age)
Tihama	15.9 %	31.9 %	51.2 %
Southern Highlands	5.4 %	39.4 %	45.5 %
Northern Highlands	<u>3.9 %</u>	<u>50.6%</u>	<u>47.1 %</u>
Combined Rural	6.7 %	42.1 %	47.0 %
Urban Sana'a	2.1 %	33.0 %	22.8 %

While less is known about maternal protein energy malnutrition, it is quite possible that undernutrition among mothers is playing a key role in low birthweight babies, inadequate breastmilk production and subsequent infant malnutrition and death.

Anemia is highly prevalent among children 0 - 5 years old and mothers. The problem is most serious among children 6 - 24 months old and in rural versus urban areas. The National Nutrition Survey reported moderate prevalence of clinical signs of Vitamin D deficiency in children 0 - 60 months old with highest rates in rural areas. There is no adequate data for women, however, osteomalacia and difficulties during childbirth due to contracted pelvis have been reported.

The private sector nutrition project in Yemen will undertake three types of activities to address these main nutritional problems:

a) Documents analysis, Interviews and Refinement Project Planning

- From available sources in the United States, collect and review existing documents on Yemen pertaining to major nutritional problems of vulnerable groups and their causes, economic and social conditions which bear upon food production, distribution and use and the actual trade, production and marketing of foods for infants and young children. The documents review will be supplemented by interviews with public and private sector specialists in these areas and by familiarization with available A.I.D. , donor and private sector funding sources.
- While the project concept and general activities have been preliminarily discussed with USAID/Saana and Yemeni business firms, it will be necessary, as a first step in project implementation, for the U.S. grantee to visit Yemen for first-hand familiarization with the Chamber of Commerce and its member companies as well as further development of project activities. Since the project concept of linking the U.S. food industry with the Yemeni private sector in addressing key nutritional problems is a new approach in A.I.D. programming it is important that the grantee be allowed maximum flexibility in shaping the course of action to achieve project objectives. An integral part of this project is generating new and innovative private sector approaches to achieving improved nutritional status. As such, potential bidders will be evaluated on their creative ideas for project implementation. (See Annex B for Criteria for Evaluation of Potential Grant Recipients and Evaluation Factors for the Technical Proposal). The final scope of work will be developed jointly by the grantee, A.I.D. and Yemeni counterparts during the initial visit. Any such refinements and revisions will be approved by both the A.I.D. Washington and USAID/Saana project officers.

b) Analysis of Nutrition Problems, Sensitization, Education & Marketing

- Further assessments in-country of the nutritional problems of Yemen's vulnerable groups will be conducted. Such analysis will include additional literature reviews if necessary and appropriate interviews, observation and field research to determine the nature of the problems ( e.g. inadequate weaning practices such as late introduction and infrequent feeding of weaning foods) and how the key problems can be addressed through appropriate marketing, distribution systems, education

and training. In addition to infant/young child feeding practices, food availability and distribution ( types, quantity and marketing) should be assessed through appropriate surveys of commercial and non-commercial infant and young child foods in Yemen.

- Based on an analysis of the nutrition problems, likely causes and potential for improving nutritional practices, the grantee will conduct meetings, seminars or conferences with Yemeni food importers and producers and other key Yemeni private and public sector experts to discuss the nutritional problems of vulnerable groups and the role of food processing, marketing and education in the improvement of nutritional status. While the emphasis of this sensitization component will be on the role that the private sector food industry plays in improving nutritional status, the responsibilities of the public sector in food safety and quality control and providing incentives for trade, investment and competition will be addressed.
- Educational materials including films, videocassettes and radio tapes on the key nutritional problems of vulnerable groups will be produced. Such production will involve the necessary audience survey tasks. In developing these materials, the grantee will work with Yemeni and other Arab experts in such areas as linguistics, education, anthropology, health, marketing as well as creative and technical production talent so as to insure that high quality films will be relevant to the Yemeni culture and effective in improving the nutritional problems identified. The Yemen Chamber of Commerce and its individual firms will assist in the dissemination of these educational materials through their own private distribution networks as well as ensuring the broadcasting of mass media films and tapes on national television and radio. Evaluation of the nutrition education efforts will be conducted.

c) Food Processing, Fortification, Trade and Investment Promotion

- A survey will be conducted of the current food processing enterprises and marketing and distribution systems in Yemen with the focus on those foods relevant to Yemen's key nutritional problems. Assistance needs will be identified in food processing, marketing and distribution as well as the potential for fortification of foods consumed by nutritionally vulnerable groups. While the main focus of this project is on the private sector food industry, pharmaceutical needs and distribution as they relate to nutritional problems should also be surveyed. For example, severe iron deficiency anemia among mothers could be addressed through

mass media promotion of iron supplements and the assurance of their widespread availability in commercial outlets. Similarly, the treatment of diarrhea disease through oral rehydration therapy could be promoted through mass media and the provision of oral rehydration salts, pre-mixes or newly developed and marketed rehydration solutions through the private sector.

- Based on the identified needs, the grantee, through project resources and other A.I.D. and U.S. government assistance programs, will provide short-term technical and managerial assistance to Yemeni firms in food processing, fortification, marketing and distribution directed towards Yemen's main nutritional problems.

- The grantee will identify, promote and facilitate investment opportunities and cooperative ventures between U.S. and Yemeni firms in food processing and other nutrition-related products. After initial identification through surveys and promotion through devices such as investor conferences, the grantee will refer prospective U.S. and Yemeni firms to various existing and planned private sector trade and investment programs for possible funding. These include such projects as A.I.D.'s Near East Bureau Regional Private Enterprise Development Project, the Market and Technology Access Project, the USAID private sector project with the Yemen Chamber of Commerce for funding of feasibility studies and other private sector trade and investment promotion programs through the A.I.D. Bureau for Private Enterprise. Other U.S. government programs dealing with the private sector include - the Trade and Development Program (TDP), the Overseas Private Investment Corporation (OPIC), the Export-Import Bank, the Foreign Commercial Service and the Foreign Agricultural Service.

While funds under this project may be used for necessary in-country and overseas training of Yemenis in specific areas related to the project objectives, there are private sector training funds available under a separate planned USAID/Saana Development Training Project. The grantee should assist in identifying food and nutrition training needs in the private sector and refer Yemeni food companies to resources available under this separate A.I.D. project.

## 2. Regional Workshop and Pre-Assessment Visits to Other Near East Countries

The second main activity of the Private Sector Regional Nutrition Project consists of pre-assessment visits to at least two additional Near East countries. The purpose of these exploratory missions is to present the concept of the new private sector food and nutrition initiative to USAIDs and the public and private sector food and nutrition sectors. Experience and results from the Yemen program will be discussed and interest among business firms and appropriate collaborative institutions will be ascertained. While Chambers of Commerce will be contacted as likely counterparts, other groups such as trade associations, private sector food and nutrition organizations and investment/financing institutions can also be considered so as to assure flexibility in selecting the appropriate implementing entity. A regional workshop will be held to discuss program results and potential in other Near East countries.

### Phase II

Depending on the interest and potential of the private sector food industry in these other Near East countries, the approval of A.I.D. assessment of project success in Yemen, A.I.D. Missions/and the availability of additional A.I.D. funds, at least two countries will be selected for private sector food and nutrition assessments and programs similar to activities conducted in Yemen. In addition, funds will be made available for expanded activities in Yemen if necessary. While the selection of additional countries remains open, Jordan and Morocco are cited as two illustrative examples of where such nutrition and food industry visits and assessments might be considered. Annex C summarizes the nutritional situation in these

countries and their potential for private sector food industry development.

The assessments will include a review of nutrition and economic status as well as the state of the local food industry, its potential for improving nutritional levels and the interest of local businesses, trade associations and financial institutions in promoting and facilitating U.S. food industry assistance and investment.

The assessments will be conducted in-country by a team consisting of nutrition, economic and private sector food and nutrition-related industry expertise. From available surveys, literature and discussions with local experts, the major nutritional problems and their causes will be defined. Economic and social conditions which bear upon food production, distribution and use will also be reviewed. The team will analyze the existing infant food market and identify current and promising food processing and fortification opportunities which could assist in improving nutritional levels in these countries. If there is agreement to conduct a program, the more detailed scope of work will be finalized.

Since the project concept of developing the private sector food industry in addressing nutritional problems of vulnerable groups is a new A.I.D. program approach, funds for additional activities in Yemen will be made available under Phase II to assure maximum flexibility in support of project objectives. Subject to availability of funds, additional educational materials, technical assistance in food processing and investment/fortification opportunities, workshops and training will be available.

It is estimated that an additional \$ \_\_\_\_\_ would be required to implement Phase II activities. A breakdown of these funds is as follows:

Private sector food and nutrition surveys  
in two Near East countries

Operational programs (sensitization, education programs, private sector identification of investment & food processing opportunities, workshops, training) in two Near East countries

Additional program activities in Yemen  
(educational materials, technical assistance and workshops)

Total

The total amount of Phase I and Phase II is \$ \_\_\_\_\_

### Evaluation and Reports

After the initial design activities for the nutrition education program, the grantee will submit this program and evaluation plan to A.I.D. for review and approval before implementation. The evaluation should include measures of access and exposure to nutrition messages as well as knowledge and behavioral changes among the targetted groups.

The grantee will provide quarterly progress reports, the form and content of which will be negotiated among USAID, A.I.D. and the grantee. At a minimum these reports will include progress towards achieving the purpose and outputs of the project. A.I.D. will assess the success of Phase I efforts in Yemen before proceeding to Phase II activities.

#### IV. Factors Affecting Project Selection and Further Development

##### A. Social Analysis

A regional approach to private sector food and nutrition initiatives is appropriate in the Near East context. Despite differences among countries, the region shares common ties of language, religion and culture. The trans-border flow of blue and white collar workers is a significant phenomenon in the Near East and has contributed greatly to increased revenues for the poorer Arab countries as well as increasing disposable incomes even in rural areas. There are, of course, and will continue to be areas and population segments in the Near East which will require some type of subsidized distribution schemes to improve nutritional status. For the most part, however, given improved consumer education regarding nutritional problems of vulnerable groups and a competitive food market, significant and increasing numbers of families can afford appropriate foods and medicines through the private sector.

The region also shares similar nutrition and health problems primarily due to infectious disease and inadequate intrafamily food distribution, rather than deficits in overall food availability. High illiteracy among women and similar attitudes about infant care, especially late introduction of weaning foods and swaddling of babies contributing to Vitamin D deficiency are apparent.

In the development of educational materials, Near East talent will be drawn upon to assure that concepts and messages are appropriate and effective to the specific cultural milieu. Because the project

22

will be promoting a private sector approach, market surveys will assess and respond to actual consumer preferences and results in product consumption and use as opposed to an approach which relies on centralized planning mechanisms. This orientation will help to assure the most efficient provision of goods and services to Near East populations since the views, behavior and involvement of consumers is paramount in market-oriented approaches.

With increased urbanization, rising disposable incomes and increased consumer demand in Near East Countries, private sector marketing and distribution systems have been increasing, despite many obstacles in the form of government policies on trade and investment and lack of expertise and technical know-how. Thus, the project is helping an ongoing market system, albeit imperfect, to improve and expand in line with the particular nutritional needs of the Near East population. The expansion and improvement of such a system, which is the proven basis of Western development and social improvements, has a high likelihood of success when compared to alternative public sector health and nutrition models.

#### B. Economic Considerations

The long range goal of this project is to improve the nutritional status of vulnerable groups in the Near East region. Given the modest resources and time frame of this project, measurable improvements in nutritional status are not expected by the end of the three year project time frame. Other public and private sector activities,

notably water, sanitation, infrastructure and health care investments will also be necessary to bring about sustained improvement in nutritional levels. Nevertheless, beliefs and behavior changes in infant nutritional and health care and maternal nutrient intake, can be affected. These changes are expected to ultimately lead to improved nutritional status of these groups. This nutrition/health education approach will help prevent costly curative care as well as the drains on human performance and productivity caused by malnutrition.

In addition to the efficiency of a preventive health care approach the efficiencies of private sector production, distribution and market-oriented economies will also have beneficial impacts on Near East populations. Since the project will facilitate investments and expand markets for productive enterprises, sustained growth in private sector food processing and services industries is expected. This will, in turn, contribute to sustained overall economic growth in the Near East.

Furthermore, once initial project investments in sensitization, nutrition education and joint venture promotion have been undertaken, recurrent project costs are virtually nil since the creation of new bureaucratic structures and cadres of public sector employees is not contemplated. As food and nutrition-related food importers and producers as well as consumers are sensitized to the nutritionally beneficial role of commercial products, the consumption and appropriate use of these products should increase. This will provide incentives to producers to continue the distribution and marketing of safe, convenient and fortified foods on their own

with less need for the specific assistance provided under this project.

### C. Relevant Experience with Similar Projects

The project approach of linking U.S. private sector food and nutrition expertise with Near East private sector firms to address nutritional problems of vulnerable groups is a new concept in A.I.D. programming. There are, however, various Agency and Near East projects which are designed to promote trade and investment in all sectors of the private economy. Thus, experience and resources are available for facilitating private sector conferences, trade missions, feasibility studies and cooperative ventures. In the area of mass media nutrition/health education, A.I.D. has growing experience and preliminary positive results in Egypt, the Gambia and Honduras especially. A project currently underway with the Children's Television Network which will produce an Arabic version of Sesame Street can also provide useful lessons and experience in media development in the Near East.

In addition, A.I.D.'s ongoing Project Sustain is a proven model of linking U.S. food processing firms with similar overseas firms in order to provide technical assistance in processing problems. The Near East Private Sector Regional Nutrition Project differs from Project Sustain in several respects. The Near East project will focus primarily on food and nutrition-related processing and marketing which affects the key nutritional problems of vulnerable groups.

25

Project Sustain provides assistance for all types of products whether directly consumed by vulnerable groups or not. A second difference is that the Near East project will produce educational and promotional materials geared to key nutrition problems. Finally, Project Sustain assistance is distinctly short-term for specific food processing plant problems whereas this project provides long-term assistance in identification of nutrition problems, education, programs, product development, marketing and evaluation.

The bibliography in Annex D lists various A.I.D. private sector programs, particularly those in the Near East countries. Many of these are more recent projects and thus in-depth evaluations are not yet available. The refinement and progress of this project will rely on the ongoing experience of these programs through analysis of any future evaluations as well as direct contacts with other project contractors and officers.

D. Proposed Borrower/Grantee and/or Implementing Agency

Private sector grantee and implementing agencies will be primarily responsible for project execution. The U.S. managing grantee can be a private or public sector entity as long as it is a group with established links with the U.S. food industry and as long as primarily private sector processing, marketing and educational technical assistance is provided. Under provisions in Handbook 13, Chapter 6F.1, ANE/NE Bureau has approved the invitation of applications for this project from a limited number of entities with known interest

and capabilities in the private sector food and nutrition area. This determination can be found in Annex E .

In-country counterpart implementing agencies will be solely or primarily private sector groups. The project will be coordinated with public sector nutrition, health and economic entities as appropriate and required. In each country, host country approval of the project will be obtained.

The project will fund what is deemed as the necessary technical assistance, commodities, travel and other costs to accomplish project objectives. Additional contributions of U.S. and Near East private sector firms are not a requirement of the project; however, contributions in the form of such things as top-level industry expertise, materials and research and evaluation will be reviewed favorably in the grantee selection process. Given the expected benefits to U.S. and Near East firms in the form of expanded investments, markets and good will, private sector contributions which enhance the current project design or add to it in creative ways are welcomed.

E. A.I.D. Support Requirements and Capability

Project activities will be designed to minimize USAID Mission staff inputs, although comments and concurrence from USAIDs will be required before pre-assessment visits and program operations begin. Primary management and monitoring responsibilities will be undertaken by NE/TECH/HPN staff responsible for this regional project and the particular country involved.

Under the project the grantee will provide the necessary in-country management. Depending on the counterpart Near East institution selected and the specific arrangements made, the institution can provide a range of inputs including office space and conference space and staff time in coordinating logistics and meetings. It should be noted that various U.S. food and nutrition-related firms likely to be involved in this project have representatives and regional or country offices in the Near East. These existing arrangements and personnel can also be utilized to facilitate project implementation.

F. Estimated Costs and Methods of Financing

Costs for the three year life of project have been estimated through a review of existing Near East private sector and health projects. Expenditures will be generally limited to the following cost categories: 1) Salaries and short-term technical assistance - funds for U.S. and Near East country-based project management and short-term technical assistance in nutritional status analysis, market surveys, investment and product fortification identification, evaluation and audience surveys; 2) Travel and per diem - travel and per diem for project managers and short-term technical assistance; 3) Conferences and training - costs for sensitization, investment and food processing/fortification conferences and short-term training of Near East educational production talent; 4) Nutrition/health educational

materials - costs of films, tapes and other materials production for nutrition and nutrition-related education: and 5) Other costs - funds for administrative items as supplies, office equipment, communications, etc.

As previously mentioned, the estimated costs cover the operational program in Yemen, regional workshop and pre-assessment exploratory visits to at least two additional Near East countries. Additional funding for private sector food and nutrition assessment studies and programs will be required if other Near East countries are interested in participating in the project. It should be noted that the funding level of this project is considered a minimum level to initiate and implement the program in Yemen. Given the cost of high quality films, tapes and other educational materials, a limited number of these items can be produced under this project. Once the project is underway and nutritional problems identified, target groups pinpointed more accurately, media production costs better defined and progress towards project objectives demonstrated, additional funding by A.I.D. will be considered under Phase II if necessary. It is also considered useful and beneficial to the project if U.S. food industry contributions to such materials development can be made at this stage as well.

An illustrative budget for the project is as follows:

<u>Categories of Funding</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Total</u>
Salaries & Technical Assistance (78 person/months)				
Travel & Per Diem (12 trips & 10 person/months)				
Workshops & Training ( 2 workshops)				
Nutrition & Nutrition-Related Educational Materials (Films and Tapes)				
Other Costs				

Total

G. Recommended Environmental Threshold Decision

This project will have no adverse environmental impact. It does not directly finance industrial or infrastructure projects requiring engineering and construction services. If such projects result from investment identification activities under this project and A.I.D. funds from other projects are subsequently involved, then the requisite environmental analysis will be conducted under the rules and conditions of those projects. The Environmental Coordinator for the ANE/NE Bureau has reviewed the proposed project and has recommended that it be granted a "Categorical Exclusion" under the provisions of 22 CFR 216.2 (c), "AID Environmental Procedures." This determination can be found in Annex F.

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p><b>Outputs:</b></p> <ul style="list-style-type: none"> <li>-Private sector food &amp; nut. related companies sensitized to contribution of their products to nut. levels &amp; their appropriate marketing &amp; use</li> <li>-Nutrition/health films, tapes &amp; other educational materials</li> <li>-Identification of investment opportunities, potential for needed food fortification</li> <li>-Dialogue established on the role of private sector food industry in development &amp; need for appropriate host country trade &amp; investment policies</li> </ul>	<p><b>Magnitude of Outputs:</b> (Illustrative only - amount to be jointly finalized by grantee, AID/ counterpart)</p> <ul style="list-style-type: none"> <li>-conferences - nutritional sensitization, fortification, investment</li> <li>-nutrition/health films, tapes &amp; other material</li> <li>-surveys/studies - food marketing, nut.practices, fortification, evaluation, investment identification</li> </ul>	<ul style="list-style-type: none"> <li>-Annual reviews</li> <li>-Project reports</li> <li>-Mission reports</li> </ul>	<ul style="list-style-type: none"> <li>-Host country counterpart can generate/coordinate sufficient interest on part of local business firms</li> <li>-Required information &amp; clearances available for firms/host country</li> </ul>
<p><b>Inputs:</b></p> <ul style="list-style-type: none"> <li>-Technical/managerial assistance 395</li> <li>-Travel &amp; per diem 40</li> <li>-Conferences &amp; training 40</li> <li>-Nutrition Educ. mats. 200</li> <li>-Other costs 25</li> </ul> <p>(Additional inputs by private sector food industry &amp; host ct. counterpart to be determined)</p>	<p><b>Implementation Target:</b> (Illustrative - type &amp; amount to be jointly finalized by grantee/AID/counterpart)</p> <ul style="list-style-type: none"> <li>-Technical/managerial project assistance</li> <li>-Short-term technical assistance for surveys, conferences, educational mats.</li> <li>-Travel &amp; per diem for project personnel</li> <li>-Administrative &amp; logistic costs</li> </ul>	<ul style="list-style-type: none"> <li>-Program records</li> </ul>	<ul style="list-style-type: none"> <li>-Financing is sufficient for current project scope of work</li> <li>-Implementation procedure is reasonable</li> <li>-Qualified contractors available</li> <li>-SER/CM can service contracting requirements</li> </ul>

3

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p><b>Outputs:</b></p> <ul style="list-style-type: none"> <li>-Private sector food &amp; nut. related companies sensitized to contribution of their products to nut. levels &amp; their appropriate marketing &amp; use</li> <li>-Nutrition/health films, tapes &amp; other educational materials</li> <li>-Identification of investment opportunities, potential for needed food fortification</li> <li>-Dialogue established on the role of private sector food industry in development &amp; need for appropriate host country trade &amp; investment policies</li> </ul>	<p><b>Magnitude of Outputs:</b> (Illustrative only - amount to be jointly finalized by grantee, AID/ counterpart)</p> <ul style="list-style-type: none"> <li>-conferences - nutritional sensitization, fortification, investment</li> <li>-nutrition/health films, tapes &amp; other material</li> <li>-surveys/studies - food marketing, nut.practices, fortification, evaluation, investment identification</li> </ul>	<ul style="list-style-type: none"> <li>-Annual reviews</li> <li>-Project reports</li> <li>-Mission reports</li> </ul>	<ul style="list-style-type: none"> <li>-Host country counterpart can generate/coordinate sufficient interest on part of local business firms</li> <li>-Required information &amp; clearances available from firms/host country</li> </ul>
<p><b>Inputs:</b></p> <ul style="list-style-type: none"> <li>-Technical/managerial assistance 395</li> <li>-Travel &amp; per diem 40</li> <li>-Conferences &amp; training 40</li> <li>-Nutrition Educ. mats. 200</li> <li>-Other costs 25</li> </ul> <p>(Additional inputs by private sector food industry &amp; host ct. counterpart to be determined)</p>	<p><b>Implementation Target:</b> (Illustrative - type &amp; amount to be jointly finalized by grantee/AID/counterpart)</p> <ul style="list-style-type: none"> <li>-Technical/managerial project assistance</li> <li>-Short-term technical assistance for surveys, conferences, educational mats.</li> <li>-Travel &amp; per diem for project personnel</li> <li>-Administrative &amp; logistic costs</li> </ul>	<ul style="list-style-type: none"> <li>-Program records</li> </ul>	<ul style="list-style-type: none"> <li>-Financing is sufficient for current project scope of work</li> <li>-Implementation procedure is reasonable</li> <li>-Qualified contractors available</li> <li>-SER/CM can service contracting requirements</li> </ul>

Evaluation Factors for Award

## A. General Quality and Responsiveness of Proposal (10 pts.).

1. Clarity and logical development of the proposal presentation.
2. Overall responsiveness of proposal to A.I.D. and host country interests and offeror's understanding of issues relevant to this project, e.g.: (See Food and Nutrition in Yemen by Adelman and Cassam, Concept Paper, Regional Private Enterprise Development Project Paper, and Private Sector Assessment Yemen Arab Republic by Cassam and Miller).

## B. Technical Proposal (25 pts.).

Technical soundness of the proposed approach in:

1. Identifying the target groups (nutritionally vulnerable) and assessing their nutritional problems and causes;
2. Use of industry marketing techniques in effecting both increased product demand and appropriate behavior change for addressing nutritional problems in Yemen's vulnerable groups;
3. Identifying food processing, fortification, trade and investment opportunities which will address key nutritional problems;
4. Conveying the role of the private sector food industry in improving nutritional levels through appropriate marketing of safe, nutritious, easily prepared and affordable foods;
5. Proposing creative ideas for the development and marketing of food and nutrition-related products relevant to Yemen's nutritional problems;

## C. Managerial soundness of the proposed approach in (20 points):

1. The organizational relationships between the grantee and U.S. private sector food industry and other private sector food and nutrition resources;
2. Drawing upon existing in-country trade and investment resources for the private sector;
3. Assuring adequate identification of trade, production, processing and nutrition education opportunities in country.
4. The organizational structure of the grantee organization, i.e., lines of authority, responsibility for project activities and proposed modes of community/coordinating with USAID, ANE/TR, YARG and Yemeni private sector.

**D. Offeror's Qualifications and Experience (45 pts.)**

- 1. Established collaborative relationship with the U. S. and multinational food industry especially the infant and young child private sector food and nutrition expertise. Such relationships with potential grantee may include food company or individual memberships, working arrangement with private sector food industry or previous collaboration with private sector food industry.**
- 2. Professional competence and experience by proposed consultants team in private sector food processing, fortification and marketing schemes in developed and developing countries.**
- 3. Professional competence and experience by proposed consultant team in nutritional sciences, including nutritional status assessment, nutrition education and communications (particularly mass media), infant and young child and maternal nutritional problems.**
- 4. Experience and expertise in the design, implementation and evaluation of food and nutrition projects and/or marketing schemes in developing countries.**
- 5. Experience in working in the Near East region, i. e., in the organization of seminars, conferences and the provision of technical assistance in developing countries including Arabic and French language capabilities.**

## Morocco

Malnutrition in Morocco is primarily among infants, young children and mothers. The main nutritional problems are protein, calorie and iron deficiencies. As in other Near East countries, the causes include high disease rates and lack of knowledge concerning appropriate infant feeding and health care. In addition, per capita income is not as high in Morocco as in some other Near East countries, and the ability to purchase commercially processed infant and young child foods is more limited among Morocco's nutritionally vulnerable groups.

Morocco has a slow rate of growth and has had domestic difficulties in coping with high interest rates, a strong dollar, depressed export markets and reduced grain production due to drought. Government subsidies on certain basic foodstuffs and other consumer necessities have very likely prevented nutritional and health levels from deteriorating.

Morocco has an active private sector engaged primarily in agriculture, trading, and light industry. This is supported by government efforts to liberalize the economy and encourage investment and exports. Despite the high value of the dollar as a constraint to increasing sales of U.S. goods and services to Morocco the country is considered an attractive market because of its growing urban and cosmopolitan population. In addition, there is significant potential wealth from mineral deposits, rich agricultural resources and an extensive industrial base.

There is good investment potential in processed fruits and vegetables as well as industrial opportunities in the livestock and poultry sectors. Approximately 170 factories are involved in food processing and packaging of which roughly half process and can fish products. Other food industries include sugar refining, vegetable and fruit canning and the production of juices and vegetable oils. Information was not available on imports, production and demand for processed foods for infants and young children. The Moroccan government, however, is encouraging investments in powdered milk processing, and thus there may be opportunities for the domestic production and marketing of other foods for infants and young children.

The prevalence of moderate and severe malnutrition is relatively low in Jordan. The causes appear to be related to lack of education, harmful practices surrounding infant care, and diarrheal and respiratory diseases. These problems are amenable to private sector nutrition efforts such as mass media education and marketing, food processing and fortification and other nutrition-related product development.

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From all reports the private sector in Jordan is thriving and the government continues to be supportive through investment incentives and creating an appropriate entrepreneurial climate for such investment. Infrastructure is steadily improving, per capita GNP is rising and the country has good potential as a regional center for production and trade with other Arab countries. In addition, Jordan's skilled labor force and demand for these workers in neighboring countries has led to high remittance income which has helped sustain the purchasing power of the population and the country's favorable economic growth rate.

U.S. investment in Jordan is relatively small but growing, especially in the light industry sector. There is potential in this sector, as identified in a USAID Health Strategy Paper, for the development of health products such as oral rehydration salts for domestic and regional distribution. Limited information is available on either public or private sector local food processing, however, the Ministry of Supply has built a flour mill and is proposing a large poultry processing facility. Also, the Jordan Valley Authority has constructed a tomato processing plant. With improved

technology and management as well as expanded irrigation projects in Jordan, there are growing opportunities for investment in food processing projects for domestic consumption and export.

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There are existing organizations through which such food and nutrition efforts might be coordinated. A USAID Jordan private sector paper suggested the possibility of A.I.D. assistance to Jordan's major trade associations - the Chamber of Commerce and Industry, Association of Banks and the Association of Chartered Accountants. Such assistance would help to address private sector constraints in managerial skills, production techniques and industry coordination. In sum, there appear to be opportunities in Jordan to produce and improve the use of processed foods for Jordan's nutritionally vulnerable groups.

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Note: These references are available in the A.I.D. Reference Library or ANE Bureau Office of Technical Support, Health Population & Nutrition

41

AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C. 20523

PIO/T No.

24 JUN 1985

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR FOR ASIA AND NEAR EAST

FROM: ANE/NE/TECH, Kenneth Sherper *KS*

SUBJECT: Private Sector Regional Nutrition Project (298-0334):  
Limiting Invitation of Applications for Cooperative Agreement

**Problem:** Your approval is required to limit the entities that will be requested to submit proposals for the Private Sector Regional Nutrition Project Cooperative Agreement to The Agribusiness Council, the Institute of Food Technology (IFT), The League for International Food Education (LIFE), The International Life Sciences Institute - International Division (ILSI), Experience, Inc., Pyramid, Inc., and International Science & Technology Institute, Inc. (ISTI).

**Discussion:** The Child Survival Action Program (CSAP) has allocated \$700,000 in FY 1985 for a Private Sector Regional Nutrition Project. At this early stage we estimate life-of-project cost at \$2,225,000, though it will be tranching to stay within current budget availabilities of \$700,000. (Congressional action to date suggests that another Child Survival earmark may be made in FY 1986, but we cannot count on this yet.). The project will begin to address the nutrition problems of the Near East countries (initially Yemen, possibly Jordan and Morocco at a later date) and foster the development of the private sector food industry by assuring that food processing, marketing, and nutrition education are directed to these nutritional problems. The life of the project will be three years.

ANE/NE/TECH/HPN has determined that the project should be carried out through a cooperative agreement. Under the criteria set forth in Handbook 1B, Chapter 25, a cooperative agreement is the most appropriate implementation instrument for several reasons. The principal purpose of the contemplated agreement is to transfer funds to the recipient in order to accomplish the purpose of the project, i.e., to address the nutrition problems of the Near East Countries and foster the development of the private sector food industry in that region; the principal purpose of the project is not to acquire property or services for the direct benefit or use of the Federal Government. At the same time, it is anticipated that there will be substantial involvement between A.I.D. and the recipient during the performance of the planned activities. Accordingly, under the standards set forth in Handbook 1B, Chapter 25, a cooperative agreement, rather than a contract or grant, is the assistance instrument that should be used in order to carry out the project.

*42*

Under Handbook 13, Chapter 6 F.1, (which incorporates by reference Chapter 1B2e), the responsible Assistant Administrator is required to approve cooperative agreement selection processes that involve: ".inviting applications from a limited number of entities which have expressed interest or are known by the technical office to be able to undertake the effort which A.I.D. is interested in supporting or stimulating..". The following brief summary of the efforts undertaken by ANE/NE/TECH/HPN to date explains why such a procedure is appropriate in this instance.

ANE/NE/TECH/HPN originally approached two organizations - the Nutrition Foundation (NF) and the Grocery Manufacturers Association (GMA) to ascertain their interest in submitting proposals to undertake the Private Sector Regional Nutrition Project. These two organizations were contacted because the technical office deemed them the most appropriate to implement the proposed program according to the set of criteria outlined in the attached Annex. The GMA was not interested in submitting a proposal. After several months of deliberation, the Nutrition Foundation regretfully concluded that they were unable to undertake the program at this time in part because the NF had recently merged with another organization which resulted in various management and staff changes.

ANE/NE/TECH/HPN then considered various other organizations and contacted some of these to confirm their capabilities and experience. Those considered were the Betty Crocker Food and Nutrition Center, the International Chamber of Commerce, the Agribusiness Council, The Institute of Food Technology, the International Life Sciences Institute, the League for International Food Education and various contracting firms with known private sector program experience and capabilities. The latter included Experience, Inc., Pyramid, Inc., and International Science and Technology Institute, Inc. In identifying these potential candidates, ANE/NE/TECH/HPN drew upon its own knowledge of groups as well as contacting various A.I.D. and outside academic and private sector experts knowledgeable in organizations with private sector food and nutrition capabilities.

Several of the contacted organizations were subsequently excluded from further consideration because of their lack of interest and capabilities in undertaking the effort, lack of experience in the management and implementation of overseas programs or lack of adequate nutritional expertise. Accordingly the potential candidates for the cooperative agreement have been limited to the following:

The Agribusiness Council  
 The Institute of Food Technology  
 League for International Food Education  
 International Life Sciences Institute  
 Experience, Inc.  
 Pyramid, Inc.  
 International Science & Technology Institute, Inc.

By soliciting proposals from these entities, A.I.D. will generate substantial competition for the contemplated agreement and, at the same time, avoid the unnecessary effort and potentially critical delay that a fully advertised competition will inevitably entail. (It is, in fact, unlikely that a fully advertised competition could be completed before the end of FY 1985.)

**Recommendation:** That you approve limiting the entities that will be requested to submit proposals for the Private Sector Regional Nutrition Project Cooperative Agreement to The Agribusiness Council, IFT, LIFE, ILSI/International Division, Experience, Inc., Pyramid, Inc., and ISTI.

Approved: Charles W. Branly/p

Disapproved: \_\_\_\_\_

Date: July 11, 1985

Attachment: a/s

CLEARANCES:

	Orig memo	Revised memo
ANE/NE/TECH.HPN:C.N.Johnson	CNJ 6/7	CNJ Date 6/24
ANE/NE/MEUR:G.Kamens	GK 6/7	(Info) Date --
ANE/NE/NENA:J.Roberts	JR 6/7	(Info) Date --
ANE/NE/GC:G.Davidson	SN for/ 6/10	SN Date 6/24
ANE/NE/DP:P.Boughton	POS for/ 6/17	(Info) Date --
DAA/ANE:NE:R.Bell		RS Date 7/8
CM/ROD/NE:E.Thomas		RS for Date 7/2

cc: Bradshaw Langmaid, Jr.

ANE/NE/TECH/HPN:P. Hartenberger:em:621-91966/6/85:Doc #0193f  
Revised GC/ANE:S. Narkin:06/21/85:632-9249:1:Doc # 0275f

*PHH*  
*S/N*

## ANNEX

1. Collaborative relationship with U.S. and multinational food industry especially infant and young child private sector food and nutrition expertise. Such relationship with potential grantee may include food company or individual memberships, working arrangement with private sector food industry or previous collaboration with private sector food industry.
2. Professional competence and experience in private sector food processing, fortification and marketing schemes in both developed and developing countries.
3. Professional competence and experience in nutritional sciences, including nutritional status assessment, nutrition education and communications (particularly mass media), infant and young child and maternal nutritional problems.
4. Experience and expertise in the design, implementation and evaluation of food and nutrition projects or marketing schemes in developing countries.
5. Knowledge of and experience in working in the Near East region including Arabic and French language capabilities.
6. Experience in the organization of seminars, conferences and the provision of technical assistance in developing countries.

Annex F

MEMORANDUM

Date: July 8, 1985

To: ANE/TR/HPN, Paul Hartenberger, Project Chairperson  
From: ANE/PD/ENV, Stephen F. Lintner, Environmental Coordinator *SLFR*  
Subject: REGIONAL - Near East Private Sector Regional Nutrition  
Project (298-0334)

I have reviewed the Project Paper for the proposed project and find that it is subject to the "Categorical Exclusion" provisions of 22 CFR 216, "A.I.D. Environmental Procedures." The project will therefore require no further environmental review.

cc:

GC/ANE, R. Johnson  
ANE/TR/HPN, U. Nadolny

## 5C(2) PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A. includes criteria applicable to all projects. Part B. applies to projects funded from specific sources only: B.1. applies to all projects funded with Development Assistance Funds, B.2. applies to projects funded with Development Assistance loans, and B.3. applies to projects funded from ESP.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT? Yes

A. GENERAL CRITERIA FOR PROJECT1. FY 1982 Appropriation Act Sec. 523; FAA Sec. 634A; Sec. 653(b).

(a) Describe how authorizing and appropriations committees of Senate and House have been or will be notified concerning the project;  
 (b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that amount)?

1.  
 (a) The appropriations committees will be notified in accordance with normal Agency procedures.

(b) Yes

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,00, will there be

2.

47

- (a) engineering, financial or other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?
- (a) Yes
- (b) Yes
3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?
3. N/A
4. FAA Sec. 611(b); FY 1982 Appropriation Act Sec. 501. If for water or water-related land resource construction, has project met the standards and criteria as set forth in the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973? (See AID Handbook 3 for new guidelines.)
4. N/A
5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project?
5. N/A

6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.
6. This is a regional project.
7. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; and (c) encourage development and use of cooperatives, and credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.
- 7.
- (a) Yes
- (b) Yes
- (c) N/A
- (d) N/A
- (e) Yes
- (f) N/A
8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).
8. U.S. technical consultants will assist in implementation of the project. U.S. universities and businesses will provide training for host country nationals.

9. FAA Sec. 612(b), 636(b); 9. N/A  
FY 1982 Appropriation  
Act Sec. 507. Describe  
steps taken to assure  
that, to the maximum  
extent possible, the  
country is contributing  
local currencies to meet  
the cost of contractual  
and other services, and  
foreign currencies owned  
by the U.S. are utilized  
in lieu of dollars.
10. FAA Sec. 612(d). Does 10. N/A  
the U.S. own excess  
foreign currency of the  
country and, if so, what  
arrangements have been  
made for its release?
11. FAA Sec. 601(e). Will 11. Yes  
the project utilize  
competitive selection  
procedures for the  
awarding of contracts,  
except where applicable  
procurement rules allow  
otherwise?
12. FY 1982 Appropriation Act 12. N/A  
Sec. 521. If assistance  
is for the production of  
any commodity for export,  
is the commodity likely  
to be in surplus on world  
markets at the time the  
resulting productive  
capacity becomes  
operative, and is such  
assistance likely to  
cause substantial injury  
to U.S. producers of the  
same, similar or  
competing commodity?
13. FAA 118(c) and (d). 13. N/A  
Does the project comply  
with the environmental  
procedures set forth in  
AID Regulation 16? Does

the project or program take into consideration the problem of the destruction of tropical forests?

14. FAA 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (dollars or local currency generated therefrom)?

14. N/A

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

a. FAA Sec. 102(b), 111, 113, 281(a). Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and

1.

a(a) The project will address the nutritional problems of Near East countries by fostering the development of the private sector food industry and by promoting an interest in addressing nutritional problems through food processing, marketing and nutrition education.

(b) N/A

otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries?

b. FAA Sec. 103, 103A, 104, 105, 106. Does the project fit the criteria for the type of funds (functional account) being used?

c. FAA Sec. 107. Is emphasis on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?

(c) N/A

(d) Infants, young children and women are the target audience of this project.

(e) The project provides for regional exchange through workshops and site visits.

b. Yes

c. N/A

d. N/A

e. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, or is the recipient country "relatively least developed"? (M.O. 1232.1 defined a capital project as "the construction, expansion, equipping or alteration of a physical facility or facilities financed by AID dollar assistance of not less than \$100,000, including related advisory, managerial and training services, and not undertaken as part of a project of a predominantly technical assistance character.

f. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

g. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage

e. No grant capital assistance will be provided under the project.

f. Yes

g. The program is focused on enhancing the nutritional impact of processed, marketed foods. Project activities will include training and technical assistance for the development of educational materials, processing requirements, marketing techniques, and investment policies.

institutional development;  
and supports civil  
education and training in  
skills required for  
effective participation in  
governmental processes  
essential to self-government.

2. Development Assistance Project  
Criteria (Loans Only) 2.
- a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, at a reasonable rate of interest. a. N/A
- b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan? b. N/A
- c. ISDCA of 1981, Sec. 724 (c) and (d). If for Nicaragua, does the loan agreement require that the funds be used to the maximum extent possible for the private sector? Does the project provide for monitoring under FAA Sec. 624(g)? c. N/A
3. Economic Support Fund  
Project Criteria 3.
- a. FAA Sec. 531(a). Will this assistance promote economic or political a. N/A

stability? To the extent possible, does it reflect the policy directions of FAA Section 102?

- b. FAA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities? b. N/A
  
- c. FAA Sec. 534. Will ESP funds be used to finance the construction of the operation or maintenance of, or the supplying of fuel for, a nuclear facility? If so, has the President certified that such use of funds is indispensable to nonproliferation objectives? c. N/A
  
- d. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made? d. N/A