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PERU SCHOOL LUNCH TITLE II PROGRAM  
PAE PROGRAM ADMINISTRATION

Survey and Recommendations Summary

PD-AAB-360-E1

Summary of Survey

The administrative structure of the national school lunch program is somewhat complex as it involves three ministries. Nevertheless, it functions well and is likely to remain as is. Regional variation hinders model description, but in general administrative, logistic and reporting methods appear adequate, but GOP funding constraints are seriously restricting necessary field supervisor outside of metropolitan Lima. One result of this is diluted rationing and restricted feeding schedules.

During the current year overall estimated food sources would seem to be in the following approximate proportion: a) PAE/Title II: 60%; b) local community: 32%; c) GOP central funding: 8%. The present financial economic crisis noted hereunder precludes increased inputs from source "c" for at least through FY 78; there remains a considerable potential to step-up local inputs; this however will require enlarging the corps of monitor-promoter cadre at the regional level, who have demonstrated excellent results in stimulating community (fathers clubs) contributions.

During the past three years there has been no specific GOP schedule to progressively phase in Peruvian-resource foods. This is contrary the stipulations of Clause I of TA 6652. Annual central funding has permitted regional purchases of sugar and little else. Global totals of local contributions are unknown. For mobilizing efforts for greater community inputs, PAE must commence tabulation of present levels, classify types of schools and establish norms as a basis for increased levels. This will require both time and added staff. Meanwhile, to continue as a national program, 6002 additional metric tons are required for FY 78. This amount, coupled with additional carry over shipments from TA 6652 totaling 3190 m.t. now arriving, will provide PAE with the 9200 metric tons as requested by the GOP.

Recommendations

It is recommended that a one year TA in the amount of 6012 MT of specified commodities be signed a.s.a.p. to carry the program through the 1978 school year. This, however,

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provided that: a) The PAE undertake immediate steps to classify regional schools and establish local committee norms to achieve maximum food support; (b) that the PAE commence tabulating totals of such support as a basis for further PAE intervention as appropriate; c) that the PAE increase its corps of monitor-promoter cadre at the regional level by at least two per region with the specific responsibility of furthering and scoring local committee progress; d) that the PAE take steps to hold U.S. food inputs to the stated number of 500,000 beneficiaries; e) that a NFDM allocation in the TA be designated for Metropolitan Lima.

To assist the GOP in achieving these needs during the period of exceptional budgetary restraints, it is recommended that in the new TA that the present host country requirement of paying 50% of ocean freight be reduced to 35%, provided however, that such funds so saved by the GOP be allocated to the PAE to assure attainment of its staff needs, including necessary per diem and transport support.

Continuation of Title II support beyond, i.e. FY 79/81 will depend upon performance of the GOP as recommended above, progressive results, and the development of a specific schedule by the GOP which commits the latter to specific food inputs by type and source. This should be subject to annual review, with the schedule progressively reducing the need of Title II commodities to nil.

For this purpose it is recommended that a further review of GOP progress be made during FY 78, preferably not later than August, 1978.

I. Economic Situation

Peru's current financial-economic crisis is described by the Mission Economist (R. Adler) as "Close to Bankruptcy". Three Finance Ministers have resigned during the past year with inflation running better than 45% p.a. Some immediate aspects may be noted.

Foremost is the Public Debt Sector, currently lacking adequate financing support from the IMF or Foreign Banks. Foreign resources have dropped from 250 million dollars to less than 50 in the past 4 months. Credit-Tightening policies of 1976 have greatly curtailed private investment. The export sector has undergone hard luck with a cyclical low price level on the London copper market and the disappearance of the off shore anchovies and profitable fish meat production. These losses are estimated to be at least 350 million dollars per year. While these circumstances may soon change, with anchovy fishing scheduled to recommence next spring, the public sector debt requires 40% of export earnings. Imports are difficult to reduce since fully 45% are necessary for the manufacturing sector, with the balance largely for vital food stuffs, especially wheat, importations which have risen 217% in 4 years. The internal Banking Debt exceeds 1.3 billion dollars. Much of the Public Debt can be traced to Public Projects undertaken in 1971-72, when optimism towards massive oil exports governed the Budget. Although Peru will be self-sufficient in oil next year, it is not likely to expand production sufficiently to meet the present crisis. Government Budget cuts in the face of a deteriorating tax base are inevitable and will further undermine employment. While the Government has promised to protect health and education outlays, the unstable Sol - (falling 119 to 131=US\$ 1 in the two weeks (Nov. 29-Dec. 10), will especially hurt the lower-middle and middle-class salaried earners.

It is in this circumstance that the GOP is unable to appropriate immediate funds towards its School Lunch food purchase commitment. Meanwhile, while school population increases by 15% annually, food retail prices are leading the inflation rise. Agriculture production for the past year rose a moderate 2.35%, but effective urban demand increased 4.6. In Peru today production is hampered by poor technology, lack of fertilizer, pesticides, and certain adverse results of the Land Reform program.

In Peru during the past year, per capita income is actually declining, with two of every three Peruvians earning of less than \$100 p.a.

II. The PAE Administration (School Lunch Division) Ministry of Health

(The National School Lunch Program at the time of review was serving approximately 569,000 rations daily at some 5,460 schools located at all provinces. This is approximately 1/4 of the total primary schools in Peru and a similar proportion of total school children, nationwide.)

1. Organization

The program in Peru is unique in that 3 separate agencies participate in the school-lunch operation and all share in the delivery of the food. The National Office for Food Support - a semi-autonomous agency receives Title II food at the ports, maintains central warehouses and deliveries the food to the PAE at 9 Regional Offices (hospitalarias). PAE maintains administrative and logistic control thereafter but furnishes transport only to the "Nucleo" district offices within the Regions. Here the commodities are stored and delivered to schools through facilities provided by the Ministry of Education. However, most rural schools maintain their own transport to pick up food at the nucleos. Specific inspection/monitoring of individual school operations remains at the regional level, though designated full-time "Promoters", who also develop local food inputs. PAE Staff also includes regional nutritionists and storage technicians. Requests for new schools wishing to participate funnel through to the Regional Coordinators who approve same, based on existant "Father's Club" which undertakes the installing of kitchens, facilities and a commitment to provide local contributions of food. Additional food inputs are financed through limited funds provided by the Ministry of Health in Lima. During the CY 77 year 90% of this amount was used to purchase approximately 400 MT of sugar.

2. Overall Performance

Despite the cumbersome aspects of this structure and the reliance of PAE on other facilities to complete its tasks, overall administration appears to function surprisingly well. Relations among the associated agencies are effective. In a review of the current TA obligations of the GOP (articles F, para 1-10) the National Director was able to supply current monthly reports from all regions, and all other necessary reports such as the Tri-monthly Report to USAID, Baking Contracts, including inspections and corrective-actions taken; UNA logistical schedules and receipts were also in order. At all ten schools visited (5 in Cuzco Area) Title II food balances on hand were

recorded and commensurate with the remaining 2 week period of the school year. School Principals attested to the regularity of deliveries. Regional storage points as well as the central ONA warehouse in Lima appear adequate and properly maintained.

However, in terms of standardization of quantified rations and field supervision, there remains a great deal to be done. A significant feature of the total program is that in Metropolitan Lima there exists adequate surveillance but insufficient food contributions, whereas in the regions the reverse was true. This is taken up hereunder.

### III. Nutritional Aspects

In accordance with the total commodities available through TA 6552, PAE established a basic daily ration for all participating schools of Title II food as follows: (grams)

CSM 20; Bulgur 15; Fortified Flour 40; Veg. Oil 05.  
The most common lunch consisted of a bun (U.S. fortified flour) and a bowl of soup. (bulgur CSM)

Title II rations so consumed, — would represent a daily calories intake per student of 317 calories and 134 grams of protein. All food deliveries are based upon these quantities. However, regional norms vary. as an example, Cuzco Region: 373 calories; 14 proteins. Puno Region: 458 calories, 18 proteins. Individual ration variations are further enhanced by local school dilution of rations, or more common - the extending of the rations to additional students. Indeed PAE has plans to feed 950,000 students during FY 78. A stipulation of further U.S. assistance should be that U.S. ration component remain intact and restricted to 500,000 rations daily. Further variations have been possible at individual schools through (a) significant local inputs; (b) Central Funding for sugar;

1/ Consisting of highly variable quantities of potatoes, vegetables, salt, fish or pork, and fruits. At the final meeting held with the N.O.H. Director responsible for PAE on Dec. 9, the PAE Director formally asked that the Title II FY 78 ration be increased as follows: (grams) CSM 25, SFF 35, Veg. Oil 05. Bulgur 20, and a special allotment of NFDM. This is included in the summary since it is well within current suggested ration levels. This will total 9200 MT, but it is strongly recommended that most of the NFDM be designated for Metropolitan Lima.

(c) Reduced Number of School Feeding Days in most part beyond local school control. In terms of food sources, Local and Title II, a 50-50 input as noted at Cuzco seems to be a regional area objective now being met in the Puno and Cuzco Regions. Thus an "average" recipient receives in the range of 600 calories daily and 25 grams of protein, 80% of which is vegetable origin. Depending on age and body weight, this could be fulfilling on an average 30 to 45% of daily requirements.

The program, in at least the two provinces visited seemed to be complying with the conducting of regional seminars and the training of cooks, teachers, and other in the proper use of the food. Field Nutritionists were active and their recent activities well-documented. However, it was evident in Cuzco region they were reaching only a small fraction of the schools.

#### IV. Surveillance and Local Food Promotion

Owing to the felt need in Lima to maintain constant vigilance of Title II foods and also the extensive baking operation, surveillance in the capital was most adequate with 32 full time inspectors, each covering an average of 3 schools a day or 60 per month. Metropolitan Lima includes 1600 schools which represents approximately 28% of the national total. In the nine regions however, involving considerable distances, there are only 28 full time "Promoters" serving 3860 schools. This indicates the physical impossibility of complete visitation to more than half of the Regional Schools, given the added obstacles of distance and transport expenses. In effect, Reports from schools are not verified, nor is there any effective method to evaluate local community food contribution.

##### A. Cuzco Area Visit

These observations are supported by the visit to the Cuzco region which included three city schools and two in the surrounding rural area. Cuzco region consists of 6 "areas hospitalarias" or sub regions, two of which are in the city proper, the remaining four cover an extensive geographic distances. Indeed some points in La Concencion (No. 4) being more than 140 miles from Cuzco. In total, the region includes 231,000 school children, of whom 150,300 are school lunch participants located in 1660 schools.

The school population is growing by 10% annually with 184 new schools opened this year. But funding support for supervision of the program, a responsibility of PAE, has remained constant despite an inflation factor currently exceeding 33% p.a. The number of observers "promotoras" who monitor and also promote the activities of the fathers committees - who make local foods purchases has been reduced from two to one. Visits this year cover approximately 34% of the total schools. Thus, despite a fundamentally good logistic system with dual control way-bills to the rural schools via "Nucleo" district centers, central monitoring and promotion of the committees at 2/3 of the school does not occur. This situation supports the comment of the National Director (PASTOR) that where funding restricts the program, its effect cripples the operation in the following order: (a) supervision, (b) administration, (c) food transport.

Sr. A Luna Valenzuela, Regional Coordinator, Cuzco, noted that he had six less persons on staff than two years ago and now needed 8 additional people. Of these, two should be full time promoters. This was a minimum which he considered to provide him with basic information of individual school progress, especially in the remote nucleo-supplied schools.

While my field visits to schools were miniscule and limited to Lima and Cuzco areas, this pattern may be seen elsewhere from a review of recent field trips made by the Mission's full time monitor. In four regions visited through the months of April to November (Iquitos, Huancaya, Huaraz, Cajamarca), 28 schools were visited of which 22 presented circumstances in which lack of supervision has stressed. Iquitos in particular reflected lack of interest and lack of staffing sufficient to maintain individual school food stocks. On the other hand, progress at Puno Region (South East Sierra) was felt to<sup>be</sup> very good with local food contributions increasing.

The supervision problem severely restricts accuracy of data flowing through to the National Director, and, as noted here under, has a curtailing effect on the progressive increase of local food inputs. This however has been apparently overlooked by the PAE Directors Staff in Lima, who have, anticipated, as indeed the Mission, that the main replacement of Title II foods would evolve from the progressive inputs of centrally funded food purchases.

(Nutritional Dimensions of the Program have been amplified by Mr. James Pines, Consultant of Trans. Century Corp in a separate Report)

V. GOP Central Funding Potential

The terminating TA 6652 called for specific purchases of foods on the part of the COP to permit a "phase over" of commodity requirements during the period of 1976-78. For example, in 1977 the GOP was to have purchased 9310 MT of commodities while the Title II input was to have been reduced to 1640 MT. In effect, the GOP purchased less than 400 MT- principally sugar. Original budgets sent out to the Regional MOH offices allocated in many cases larger amounts, but which were reallocated owing to inflationing factors. In Cuzco, 220 million soles designated for local food purchases were reallocated by the MOH Regional Director for urgent funding of other essentials not necessarily those of PAE. As a result no food purchases were funded by the Cuzco Regional Coordinator.

Given the current financial crisis in Peru, the likelihood of increased monies for CY-1978 was stated by the PAE director as being "nil". The 1978 budget is likely to be similar to CY-1977 (Sol 76,320,000, as noted in Annex B). The Annex also reflects that through Jan.-November, 1977 expenses exceeded the budget by some 18 million soles. It was explained this will be offset by an additional allocation to offset the CY 1977 inflation factor of 28%. However, the new budget will put further strain on the PAE administration, and probably reduce travel funds for field travel allocated to key PAE Lima-based officials. As noted in Annex B-1, the personal costs of the 28 field monitors (locally based) is 7 times that of the 32 city monitors in Lima due to per diem allowances, which according to the MOH by policy will be subject to possible further reduction.

The failure of the GOP to establish food purchase schedules by product each year has created a chronic circumstance in which priority for future purchases appears low.

It should have been abundantly clear to the Mission by 1976 that these schedules were non-existent and that appropriate Mission adjustment to this circumstance be taken then rather than a progressive extension of the individual food ration: Established realistic GOP purchase commitments should be included in any subsequent 3 year Transfer Authorization.

At least two national plans have been proposed for improving nutrition which bear directly on future School Lunch needs. These may be briefly noted here as bearing close follow-up. They are:

a. The National Agency for Nutritional Support (ONAA). This proposal outlines an in-depth format to reach significant segments of the Andean Region communities who have not benefitted from the Agrarian Reform Program. The plan embraces existing nutritional surveys for the Region and calls for a Multi-Sectoral approach to educate and train cadre at the local level in the areas of nutrition and increased agricultural production. (Taken up on the Pines report)

b. A new proposal by IIAI (Instituto de Investigacion Agro-Industriales) for the manufacture and development of a new local high protein product (Corn, Beans, Soya, Rice, Quinoa).

However, neither of these proposals are likely to have much impact on CY 1978 school lunch requirements.

#### VI. Local Food, Input and Potential

As earlier indicated, in my opinion, the greatest potential in achieving an early independence of Title II food rests with the Local Fathers Committees. A stipulation required for all new schools applying for school lunch, is the organization of the fathers club and a commitment to undertake the construction of a kitchen and facilities and thereafter the provision of substantial amounts of local food.\* In approximately 60% of the rural schools, a school garden provides vegetables and potatoes, though as yet not more than 15 to 30% of the annual need. The remainder as well as limited amounts of fish and/or meat, were purchased by the Committee.

Food contributions from the Father's Clubs make possible an adequate ration. In the Cuzco region all schools are offering daily lunches to all students, which was in contrast to Metropolitan Lima - noted hereunder. But while throughout the country Regional Offices should quantify these contributions and evaluate them in terms of schools classified with local committee norms, none have done so. The PAE Promotora, Sra. H. Obardo felt that "in general", a 50/50% balance of inputs was being met (that is 50% caloric input from the committee and the other from Title II/PAE sources). At 4 of the 5 schools visited this appeared to be the case. (1 was offered soup from the pot and found it to be especially rich and wholesome).

At the 5th school, CE. 50482, at Hucarpay, I noted that the "Committee de Padres" were providing approximately 65% of the food for the total annual program with a large cooperative garden potential. Total costs (Annex A) for local foods procured averaged 7 sol per student and totalled 350 calories daily.

\*By National Law the PAE is committed to expand school lunches to all communities provided the qualifications noted are met. The PAE is an integral part of the Ministry of Health and a linking of health (hygiene) and nutritional education is a part of this provision.

Asked as to how such schools should be well advanced in supplying themselves, the reply was consistent: "The work of the promoters in infusing interest and follow-through at the parents committee level". In the view of Coordinator Luna, at 75% of the schools, the performance at Hucarpay could be repeated. The promoters fulfill the role of committee coordinators, and their follow-up visits are essential in maintaining committee performance. But there is another important potential role for the "promotores." They can and should, as a tool for expanding local contributions, tabulate a much-needed quantitative total of local contributions.

In Metropolitan Lima; all schools have active Fathers Committees; however, their contributions are less; being usually not more than 25% of the total ration. This is due not only to the lack of school gardens, but to the average school being in very poor areas (pueblos juvenes). In these latter schools the committee is hard pressed to establish or maintain kitchens and equipment including maintenance costs. Approximately 25% of the Lima schools are less than 5 years old and in many improvised kitchens are being slowly improved by the committees.

As a consequence, in all of the five schools visited in Lima, rations were staggered, and in two of them, the majority of pupils beyond 1st. grade were receiving one lunch per week. However, a special group of children, usually making up a hundred in number, were receiving daily lunches. Their selection was not clinically arrived at, but only the basis of family economic status, i.e. unemployed or ill parents, large family, etc. I was told by an accompanying promotora that this was fairly typical of Metropolitan schools.

It seems essential that for the capital area, PAE should reallocate total Title II foods to assure meaningful daily rations to all students. For this purpose, the GOP will request a special consignment of non-fat milk (see page 9) for the FY 76 school year. The stipulation that the milk be used for the Lima Region Schools should be required by the Mission.

#### VII. Local Food Costs

It is interesting to note, in terms of local US Title II foods provided, the local cost/benefit advantage in achieving total indigenous food supplies. Annex "A" is a summary prepared by the local Cuzco Nutritionist (Vilma). This reflects local costs per child-per day, of available commodities in the Cuzco region, as required to achieve a total replacement of Title II foods, retaining the same nutritional value. It may be seen that:

\* As requested for this Survey.

a) Total local food costs per ration is 14.17 Sol or approximately 10¢ per day.

b) The total costs of Sol 190.8 million for 150,000 students covering 160 school days, represents a recipient number equal to 30% of the total Title II recipients for 1977 in Peru.

However, since Cuzco Province is already providing an estimated 50% of these rations, an additional local outlay per student of approximately 5¢ per day would replace the current need of 2800 MT of Title II food to the same region during the coming year. The cost of the Title II daily ration (1978 request) is 4.6% Sol per student (See Annex D). If we include total allocation expenses - i.e. ocean freight, storage, handling and internal transport to Cuzco we will approximate an additional cost of Sol 263. Thus, total cost per ration is 7.36 Sol or 5.2¢. The significance here is that in contrast to the historical and general circumstance in which local duplication of Title II foods on a nutritional-value basis would cost considerably more to produce and distribute, in Cuzco Region the proposed local ration would cost slightly less per recipient. This reflects the favorable conditions for phasing out Title II food, given sufficient local impetus.

TITLE II CONTINUATION FY 78 AND BEYOND (RECOMMENDATIONS)

It seems clear that under present circumstances the National School Lunch Program is likely to rapidly deteriorate unless further US food input is maintained. As Peru's most developed vehicle in reaching large segments of targeted under-nourished children, this would be a tragic loss. Additionally, it would be a great waste of previous USAID effort to develop a viable School Lunch Program in Peru. Therefore, US assistance during the next 3 years is essential.

However, in view of the circumstances described, such additional PL 480 grants should be related to immediate objectives to be attained in CY 78, as a precursor of continued assistance for FY 79-81.

The likelihood of additional central funding appears less favorable for a new TA than of the previous one. To assure that local contributions not only keep pace but increase, it is recommended that:

1. A one year TA be signed for school year 1978 only.

Amount 6002 MT (CSM 1147, Eulgur 966, Fort 12% F1 1089, NFDM 2400, and VegOil 400) provided that:

- a. The allotment of NFDM be allocated in total of not less than 80% for Metropolitan Lima.

- b. GOP/PAE undertake a systematic tabulation of local committee contribution nationwide and classify schools with contribution norms. To promote further incentives.

- c. GOP/PAE increase its number of field promoters by at least 2 per Region, to accomplish this task.

2. Consideration of a longer term TA be made during the latter part of CY 78, based upon performance progress proposed, and a realistic scheduling of GOP food purchases as then needed to progressively reduce Title II foods to nil.

3. To assist the GOP in achieving objectives 1, B and C above, during FY 78, that exceptionally the FY 78 TA host country ocean freight requirements be reduced from 50 to 35%, provided however, that such funds so saved be allocated directly to the PAE to assure attainment of staff needs, including per diem and transport support - a breakdown of this funding is noted in Annex C. This would be stipulated as a one-shot exceptional "largesse" to establish a sound regional supervisory base.

NUTRITIVE VALUE AND COST OF COMPLEMENTARY RATION  
WITH LOCAL FOOD

Menu

Mazamorra de Quinoa (breakfast)	Grams	Calories	Proteins	Cost per ration
Quinoa	20	70.80	2.20	1.00
Corn	10	32.10	0.80	0.50
Bread	60	174.60	5.00	2.00
Sugar	20	76.00	---	0.46
Oil	5	44.20	---	0.26
<b>TOTALS</b>	<b>115</b>	<b>397.70</b>	<b>8.08</b>	<b>4.22</b>

Scholars to be attended : 150,000  
 Days operating : 160  
 Budget needed : S. 101,280,000

Corn Cream - Lahua (Lunch)

Corn (flour)	20	69.40	1.66	0.80
Potatoes	200	194.82	4.20	6.00
bean (broad)	20	30.20	2.26	0.50
Oilucos	10	0.62	0.11	0.40
Onions	5	2.05	0.14	0.10
herb (aromatic)	5	2.30	0.05	0.05
Oil	10	88.40	---	0.50
Cheese (fresh)	15	3.45	2.36	3.60
<b>TOTALS</b>	<b>285</b>	<b>390.42</b>	<b>11.76</b>	<b>S. 9.95</b>

Scholars to be attended : 150,000  
 Days operating : 160  
 Budget needed : S/ 190,800,000

NOTE

As budget was based on data and prices of December 7th, 1977, it will experiment an increase of 30% p.a. for the next years.

The PAE Complementary Ration/at present, reaches 400 calories. This information was obtain from the Direction of Nutrition.

The above information was obtained by personal interviews obtained by phone on Dec. 15, 1977, by Mrs. Espinoza, FID/AID from Mr. Amilcar Luna, PAE Coordinator, Cuzco, Peru.

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FINNANCIAL PERIOD JANUARY - NOVEMBER 1977PROGRAM 1104 - FOOD ASSISTANCESUB- PROGRAM 1104 - 3 - PAF

	<u>BUDGETED</u>	<u>ALLOTTED</u>	<u>BALANCE</u>
01.00	45'631,260.00	68'994,372.00	(23'363,112.00)
02.00	18'604,000.00	4'986,406.00	13'617,594.00
03.00	8'989,240.00	14,695,968.00	( 5'706,728.00)
04.00	2'995,500.00	5'999,512.00	( 3'004,012.00)
09.00	100,000.00	-----	100,000.00
	<u>76'320,000.00</u>	<u>94'676,258.00</u>	<u>-(18'356,258.00)</u>

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## PAE CY1977 OPERATING BUDGET-Personel

CY 1977 OPERATING BUDGET PERSONEL

Personal Dirección de Alfabetización  
METROPOLITANA LIMA

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
PERSONAL	Nº Pers.	Días Meses	meses	Total Días	Viáticos Diario S/.	Total Viáticos S/.	Movilidad Local S/.	Pasajes S/.
de Div. Promoc. A.	1	10	4	40	900.00	36,000.00	6,000.00	24,000.00
de PAE	1	10	6	60	800.00	48,000.00	9,000.00	36,000.00
de graduador	1	5	4	20	800.00	16,000.00	0,000.00	24,000.00
de supervisores de Metro. Promoción	4	10	9	360	800.00	288,000.00	60,000.00	240,000.00
	32		9				10,000.00	
<b>Total</b>	<b>39</b>			<b>420</b>		<b>388,000.00</b>	<b>91,000.00</b>	<b>324,000.00</b>

Regional Personal de Naciones de Salud y Areas Hospitalarias

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
PERSONAL	Nº Pers.	Días Meses	meses	Total Días	Viáticos Diario S/.	Total Viáticos S/.	Movilidad Local S/.	Pasajes S/.
ordinadores Reg.	9	7	9	667	800.00	533,600.00	81,000.00	243,000.00
ord. Areas	47	7	9	2,260	800.00	1,808,000.00	164,500.00	329,000.00
motrices, Regions	28	10	9	2,520	800.00	2,016,000.00	120,000.00	252,000.00
<b>Total</b>	<b>84</b>			<b>5,147</b>		<b>5,357,600.00</b>	<b>371,500.00</b>	<b>824,000.00</b>

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Regional

Dirección de Alfabetización S/ 2,136,000.00

S/ 61243,100.00

I

Summary of PAE estimated annual costs to provide during CY-78 adequate Regional Supervision consisting of 18 additional promotoras, per-diem, transport and maintenance.

- Salaries of 18 Promoters at S/8,000 per month = \$61.54 p.m. x 18 = \$1,107.70 p.m. For 12 months at S/130.00 per US\$1.00 =	\$ 13,292.00	S/ 1,727,960
- 10 pick-ups* at \$5,000 ea. equals	50,000.00	6,500,000
- Maintenance for 10 vehicles: S/ 3,000 per day (S/90,000 p.month) S/ 90,000 per 12 months equals	8,307.00	1,079,910
- Ten sets of tires at S/ 12,000 set	923.00	119,990
- Per diem and tickets for 123 persons of the National School Lunch Program (Su- pervisors, Coordinators and Promotores)	<u>56,766.00</u>	<u>7,379,580</u>
GRAND TOTALS	US\$ 129,288.00	S/ 16,607,440

\*Exchange rate used as of 12/16/77: S/ 130.00 per US\$1.00

\* If Honda Motorbikes were procured totally in lieu of small "curriculums" - small service & school vehicles, the total vehicle equip. purchase costs would approximate US\$ 15,000 or US\$25,000 less than shown above. This aspect requires further study by the PAE and the Mission FFP Office.

II CALCULATION OF FUNDS REQUIRED FOR PAE THROUGH REDUCTION OF 50% OCEAN FREIGHT QUOTA Required to be 35%

Total commodities CY 1978 school year	G.F. Allotment per Metric Ton	Total 50% Obligation	Total 35% Obligation	Diff. Req. for P.A.E.
9200 M.T.	US\$100.	US\$960,000	US\$322,000	US\$ 118,000

FY 1978 COSTS PER PAE RATION OF TITLE II FOODS

	<u>MT US \$</u>	<u>GRAMS</u>	<u>US \$</u>
ICSM	325	25	.008
Bulgur	187	20	.003
Flour 12%	203	35	.007
Oil	562	05	.002
NFDM	551	<u>20</u>	<u>.016</u>
		115	.036

or

\$ .036 converted at \$/ 130.00 per US \$1. ----- 4.68 Sol

Summary Total allocated expense: ----- 7.36 Sol

(Total expense allocation - ocean freight, inland transport, local storage and handling have been calculated to approximately Sol 2.68 per daily ration.)