

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

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17 JUL 1985

MEMORANDUM

TO: Asia/Near East Project Advisory Committee
FROM: ANE/TR, Kenneth Sherper, Director *KL*
SUBJECT: ANPAC, Near East Private Sector Regional
Nutrition Project Paper (298-0334)

The subject project will be reviewed on Tuesday, July 23, at 10:00 a.m., in Room 4440-A, N.S.

Attachments:

1. Issues Paper
2. PP

DISTRIBUTION

AA/APC, W.A. Ford
AA/ANE, C.W. Greenleaf
DAA/ANE/ASIA, J. Norris
DAA/ANE/NE, R. Bell
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ANE/TR/HPN, P. Hartenberger
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MEMORANDUM

TO: Asia/Near East Project Advisory Committee

FROM: ANE/TR, Kenneth Sherper, Director *KS*

SUBJECT: Issues paper - Near East Private Sector Regional
Nutrition Project Paper (298-0334)

The Project Review Committee met on Friday, July 12. The PRC recognizes the project's potential in promoting a new concept in the Near East through private sector involvement in public health nutrition concerns. The project's initial focus on one country (Yemen) with regional exchange and successive country specific activities is reflective of several technical and bureaucratic considerations, including:

- the countries in the region share certain economic and social factors (significant and increasing disposable incomes from remittances; growing private sector food processing industry and marketing and distribution systems; relatively high ownership or access to televisions and radios) which will make "lessons learned" applicable to successive country endeavors;
- there is no "regional" entity in the Near East that deals with nutrition problems;
- the private sector in the Near East is not currently organized through regional institutions;
- the project's activities, successfully implemented, will feed into the S&T Market and Technical Access Project, whose purpose is to promote long term ventures between U.S. firms and private sector indigenous firms. [This project is scheduled to begin in Yemen (with the Yemen Chamber of Commerce), Tunisia and Turkey in FY 1985 and expand to Morocco and Jordan in FY 1986.]
- the risks and uncertainties of this new program will be assessed in one country (Yemen) before being undertaken in two other countries in the region; and
- private sector projects are more easily accepted and implemented on a regional, centrally funded basis than bilaterally; and
- the source of this funding is the child survival account.

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A. DECISIONS FOR THE ANPAC

The project's private sector orientation on child survival factors is innovative for the region. While prospects for success in subsequent longer term investment ventures are difficult to judge, the project's proposed activities are reasonable as a first step and worthy of exploration.

RECOMMENDATION

The PRC recommends that the ANPAC approve the project subject to resolution of the following issues.

B. PROJECT PAPER ISSUES

1. Private Sector Profit-Making Goals vs Public Sector Nutrition Concerns: The project will need to ensure that profit-making goals do not dilute the project's intent of promoting the production and distribution of a high quality, low price product to the nutritionally vulnerable women and children target group.

Recommendations:

The project analysis/assessment component should include:

- definition and location of nutritionally vulnerable groups;
- criteria by which strategies (i.e. group, nutritional problems) to be pursued are selected;
- a review of the available distribution network(s) as related to maximizing nutritional impact; and
- an assessment of the price elasticity of the target group's demand for the products proposed for development.

2. Implementation: The PP cites the Yemen Chamber of Commerce as an interested and appropriate collaborative institution to work with the U.S. project grantee in implementing the program. However, the Chamber of Commerce's long term role is unclear.

Recommendation: The project should specify the role the Yemen Chamber of Commerce is expected to assume as the counterpart agency, including institutionalization of this role for eventual longer term ventures.

3. Regulations and Standards: The project proposes to address the "...responsibilities of the public sector in food safety and quality control and providing incentives for trade, investments and competition" (p. 15). It is assumed that this implies promoting/improving the regulatory and standard-setting abilities of the Government vis-a-vis the private sector food industry.

Recommendation: The project should provide some information on how this important aspect is to be addressed and where in the Government these responsibilities might be lodged.

4. Evaluation Plan: The PP does not contain a discrete evaluation plan.

Recommendation: An evaluation plan and schedule, focusing on how the anticipated outcomes of the Yemen "pilot" will be reached and measured, should be prepared.

C. OTHER:

Project Authorization Amount: If the Phase I Yemen "pilot" activities prove successful, similar activities will be undertaken in (two) other countries in the region (Phase II). It is anticipated that additional funds will become available in FY 1986 to fund Phase II of this project.

Recommendation: The PRC recommends that this project be authorized to cover Phase I and Phase II costs, i.e. at \$2,225,000.

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Clearances:	ANE/TR/HPN:CNJohnson	(draft)	date	<u>7/17</u>
	ANE/TR/HPN:TLukas	(draft)	date	<u>7/17</u>
	ANE/TR:BTurner	(draft)	date	<u>7/17</u>
	ANE/PD:RWilliams	(draft)	date	<u>7/16</u>
	ANE/PD:RPratt	(info)	date	<u>---</u>
	ANE/GC:SNarkin	(draft)	date	<u>7/17</u>
	ST/N:CO'Gara	(draft)	date	<u>7/18</u>

cc
ANE/TR/HPN:CAdelman (Consultant)

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