

**AIRGRAM**

**DEPARTMENT OF STATE**

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TO - AID/W TOAID A 99 X

FROM - GUATEMALA

SUBJECT - Noncapital Project Paper (PROP)  
P.L. 480 Title II, CARE

REFERENCE - Maternal/Child Feeding

COUNTRY: GUATEMALA PROJECT No. N/A

SUBMISSION DATE: Feb. 28, 1969 REVISION: No. 1

PROJECT TITLE: CARE - Maternal/Child Feeding

U. S. OBLIGATION SPAN: FY-61 THROUGH Indefinite

PHYSICAL IMPLEMENTATION SPAN: FY-61 THROUGH Indefinite

GROSS LIFE-OF-PROJECT FINANCIAL REQUIREMENTS: +

U.S. Dollars	\$19,111,000
Cooperating Country Cash Contribution	\$ 3,376,000
Other Donor	372,000
<b>TOTAL</b>	<b>\$22,850,000</b>

Total Tons: 51,200 MT

+ Through FY-72 only

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DRAFTED BY <i>CE Mettam</i>	OFFICE FFP	PHONE NO. X-88	DATE 3-7-69	APPROVED BY: <i>[Signature]</i> DIR: <i>W Hinton</i>
AID AND OTHER CLEARANCES AADO: <i>WE Bradford</i> <i>[Signature]</i>				PRM: <i>PT Cox</i> <i>[Signature]</i>

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## I. Summary Description

The correlation between proper nutritional levels and good health has been well established. All of the CARE sponsored projects seek to improve the general health level of certain categories of recipients by supplementing their nutritional intake. In the case of the Maternal/Child Program, involving pre-schoolers and pregnant or lactating mothers, primary school children, and other groups of children, the objectives go beyond merely trying to reduce the economic drain caused by transient disease. The program will seek, at the least, to prevent possible permanent physical and/or mental damage caused by lack of adequate diets for this critical group. The program should result in having more children entering school with physical and mental capabilities fully competent to absorb the learning offered.

CARE's School Feeding Program has the three-fold aim of: (1) improving the general health level of primary school children; (2) improving their ability to concentrate and thereby take full advantage of their schooling; (3) improving attendance. Experience has also shown that a school feeding program can markedly improve the ability of pupils to concentrate on their work. In addition, attendance levels have increased substantially where school feeding programs have been commenced. This program can be regarded as continuing the objectives of the Maternal/Child Program by carrying through to an older age group the effort to improve the "quality" of new generations coming from the poorer classes.

There exists a group which does not fit neatly into the category of the CARE Program for pre-schoolers and their mothers nor the School Feeding Program involving primary school children. These are children in non-profit, private boarding schools, orphanages, child health recuperation centers, and summer camps. The poor nutritional level of their regular diets is no better than those children being served by one of the other CARE nutritional programs. Indeed, as concerns the children in the recuperation centers, their diet has been such as to necessitate their institutionalization to recover from all degrees of malnutrition. This program can be regarded as complementing the School Feeding Program and the pre-school program.

For FY-1970 the Mother/Pre-school Program should encompass the distribution of high-protein food supplements to 105,000 pregnant or lactating mothers and their pre-school children. Future years should see further increments in the number of recipients as the

population grows and as administrative channels are opened which will allow the program to reach further into rural areas. The most immediate growth in the number of recipients is expected in the more urbanized areas. Distributions will be effected through existing health clinics, day-care centers, rural social-worker units, and other such government entities. Efforts will be made to find or create new distribution centers with emphasis on centers which provide prepared foods or full meals. Centers offering full meals will receive milk powder, CSM, Bread Flour, and Oil. Centers distributing dry rations will receive for distribution only milk and CSM.

The School Feeding Program in FY-70 will encompass the distribution of Milk powder and CSM, to more than 3,500 schools serving approximately 400,000 primary and pre-primary school children. Approximately 230,000 of these students will also receive a bun made from flour and oil. The program should grow at a rate of about 2% or 3% a year.

The other Child Feeding Program will distribute in FY-70 milk powder, CSM, flour, and Vegetable Oil to some 20,000 children in non-profit private boarding schools, orphanages, child health recuperation centers and summer camps. The program will encompass 4,000 in boarding schools, 800 in orphanages, 11,400 in health recuperation centers and 22,800 in two month summer camps. ~~\*\*\*~~

The costs of all distribution and administration, including warehousing, inland freight, port charges, handling, frankage, and administrative and supervisory personnel, will be borne by the Guatemalan Government. Warehousing costs include 22 regional warehouses and a master warehouse in Guatemala City. The yearly rental value of this space is estimated at \$20,000,00. Inland freight costs in 1967 actually cost \$97,000,00. For FY-70 the inland freight bill is expected to pass \$125,000,00. Handling charges for the movement of the commodities at various stages in the distribution process are paid by both the national government and municipal governments. Handling charges come to over \$5,000 a year. Postage and telegraph frankage for administrative use in the various programs has an estimated value of \$1,300 per year. Port charges are also paid by the national government. The actual 1967 bills for port use came to \$37,380. This will increase as the programs increase. In addition, the following host government personnel are directly assigned to various functions in the Maternal/Child Feeding program.

- 80 School Supervisors
- 22 Warehousemen
- 22 Bookkeepers - dispatchers
- 2 Army bakers
- 2 Army cooks (milk liquefaction)
- 4 Army delivery men
- 216 Dry ration distributors & bookkeepers
- 3,500 Milk mizers and snack prepares
- 3,500 School teachers overseeing snack program

GAIE also programs contributions into the various Internal/Child Feeding Programs. In the past such items as baby food, vitamins, chocolate powder, enriched canned milk, applesauce, prepared desserts and plastic bags for re-bagging dr. rations have been used in one or more of the programs. Similar donations will be included in these programs in the future.

An additional contribution made to the School Feeding Program by the host country is the contribution of the children. A contribution of 1.00 for the entire school term is authorized by the Ministry of Education. It is estimated that approximately 30% of the participating children do not make this contribution for one reason or another. This leaves approximately 280,000 children contributing \$280,000.00 to the program in FY-70.

A Tabular breakdown of Financial Inputs is attached.

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Table 1

UNCLASSIFIED, PROJECT FUNDING (OPERATIONS IN \$'000)

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CASE - MATERIAL/COMMODITIES

Fiscal Year	AID-controlled Local Currency		Other Cash Contribution Cooperating Country	Other Donor Funds (\$ Equiv.)	Food for Freedom Commodities		
	U.S. Country owned	Country owned			Tetric Tons (000)	CCC value & Freight (\$'000)	World Market Price (\$'000)
Prior through Act. FY-68			\$1,551.5	\$243.	22.5	\$8,516.	\$6,013
Oper. FY-69			434.1	48.	5.1	1,944	1,657
Fudg. FY-70			447.8	27.	7.4	2,681	2,275
B + 1 FY-71			400.3	27.	7.9	2,909	2,470
B + 2 FY-72			473.3	27.	8.3	3,061	2,599
Total Site			\$3,307.0	372.	51.2	\$19,111	15,014

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## II. Setting or Environment

Precise data on the prevalence of malnutrition in Guatemala is not available. That all degrees of malnutrition are present in abundance is obvious to regular visitors to health centers, hospitals, and remote rural schools throughout the country. Every regional hospital has its full quota of infants in states of 2nd. and 3rd. degree malnutrition. A classic low-protein, high-starch diet exists among the poor of Guatemala. Indeed the nutritional problems of all of Central America are such as to warrant its own nutritional research institution, ICAI.

The need to improve the nutritional intake of Guatemalans is clear. The most immediate method of doing this is to give the needed foods to those groups which will benefit most by improved nutrition. Coupled with this must be a large scale educational effort designed to get mothers to take full advantage of the variety of foods now available to families with meagre budgets.

Since these programs' inception no noticeable impact upon the country's production and price structure has been observed.

## III. Strategy

The objectives of these programs, as previously stated, are to promote improved nutrition and education levels of Guatemalan children by supplementing their diets.

For the immediate fiscal year it is planned to reach 105,000 preschoolers and their mothers on a regular basis. This group has common association with only one set of government institutions health institutions. Therefore, it is through the health institutions, clinics, dispensaries, hospitals, sanatoriums, mobile health units, etc., that the primary effort to reach needy preschoolers and their mothers is being made. Other channels are also used; government day-care centers or nurseries, private charity groups, etc.

The Ministry of Public Health gives its full support to preschool feeding program as well as to the institutional feeding program which involves mostly hospitals. The Ministry of Public Health's budget pays for all internal transportation costs and administrative costs of the maternal/pre-schooler program. This includes all the costs of the program. Ministry of Health personnel are responsible for the actual distribution of foods to the final

beneficiaries and for storing the foods and keeping records on the distributions. The need for these nutritional programs is well recognized at all levels of the Ministry.

During FY-70 the School Feeding Program is calculated to reach 400,000 children in this group on a regular basis eight months of the year. The food will be served to the children at their schools in prepared form. The Ministry of Education gives its full support to this program. It has made the school snack mandatory for all national schools and optional for ready private schools under the control of Ministry school supervisors. Ministry school supervisors are responsible for the proper functioning of the program in their respective districts. Many school supervisors maintain regional warehouses. All supervisors are responsible for submitting to OMB exact reports on all commodity movements within their districts.

The costs of the School Feeding Program (internal transportation, warehousing, administration, and supervision) are paid out of the Ministry of Education's budget and the Ministry of Defense's budget.

Twenty thousand children in the "Other Child" category will be served during FY-70 on a regular basis twelve months of the year. Except for summer camp children, who will be fed during a two-month period. The food will be served to the children at their institutions in prepared form. The Ministries of Education, Public Health, and Defense give their full support to this program.

The private boarding schools included in this program are approved by the Ministry of Education and Ministry of Education personnel also dispatch foods to them. The Child Health Recuperation Centers are dependencies of the Ministry of Public Health and Public Health doctors attend the children of most of the orphanages. The summer camps are supported by various Government entities including the three ministries mentioned here. The costs entailed by the program (internal transportation, warehousing, administration, and supervision) are paid out of the budgets of the Ministries of Public Health, Education, and Defense. Many school supervisors maintain regional warehouses. All supervisors are responsible for submitting to OMB exact reports on all commodity movements within their districts.

#### Amount of Funds, Results, and Outputs

Little if any food will be needed to support this program until: (1) local sources of supply for equivalent foods are sufficient as to

permit the Guatemalan Government to buy the needed foods locally, and (2) the government budget is large enough to finance such local purchases in addition to the administrative costs. It is difficult to see these conditions being met in the near future. Thus, it is thought that the present project will continue at least at current levels and most probably with yearly increases varying from 2% to 3% for the School and Other Child Feeding Program to 10% to 15% increases for several years in the Maternal/Pre-schooler feeding program.

Discussions are now in progress with the Government of Guatemala and certain entities in the private sector (private fincas and the United Fruit Company) regarding the possibility of getting locally available foods included in the School Feeding Program. On a pilot program basis, involving perhaps only a few departments or municipios at first, it is contemplated to have such things as bananas, sugar and cocoa bought or donated by local sources for use in the feeding program. Greater participation is also being sought by finca owners who are responsible for schools on their property. Where possible, an effort will be made to have the snack expanded into a full meal with meat and vegetables. While no concrete results have been achieved with through efforts yet, some success is hoped for during 1969. However, the magnitude of such additional inputs cannot be estimated at this time.

7. Course of Action

Planning on the basis of experience gained with current projects, CARE will request foods in quantities which it deems it can effectively program during the following year. The foods will be selected on the basis of their nutritional value, local acceptability, and the "shelf-life" in various climates. CARE will be responsible for the foods upon arrival at the designed Guatemalan Port.

CARE operations are carried out under a bi-lateral agreement called a "Basic Agreement" signed on December 16, 1958. An annual contract is signed between CARE and the Government of Guatemala covering the terms and conditions of that year's program. The Ministry of Health is the specific counterpart signatory responsible for the Maternal/Child Program.

The CARE/GOG agreement provides for:

- c. All expenses for the distribution of commodities received under Title II includes port charges, wharfage, inland transportation, warehousing, etc.

- a. Duty free entry of Title II and other relief supplies.
- b. For freedom of action that will permit the distribution and recipient agencies to carry out their supervisory responsibilities.
- c. For maximum protection under the law of all commodities and acknowledgement of Government of Guatemala's ultimate responsibility to assure proper utilization of same.
- d. That expenditures for foods for needy persons made by the host government will not be reduced as a result of their receipt of Title II foods.
- e. That recipients (other than children who participate in the payment for school snacks) will not be required to pay for Title II foods.
- f. That the host government and/or the recipient agencies will permit reviews, inspection of foods in storage, examination of records relating to Title II foods, and audits and end-use checks by United States Government and distributing agency personnel concerned.
- h. For the release of adequate and appropriate program publicity as to the source of the foods.

The programs will be country-wide operating in all the departments of Guatemala.

The costs incurred by all three programs, for storage, transportation, and distribution of commodities from warehouse to schools and institutions are borne by the Government of Guatemala. CARE maintains supervision over 24 warehouses operated by the Military (Acción Cívica) and Education offices in each department of Guatemala. All commodities are transported from two ports to these warehouses via local trains in nine departments and Atlántida Truck Line (semi-governmentally operated and financed) to the other thirteen departments and to one department by Guatemalan Air Force planes. In the city of Guatemala, CARE owned and operated vehicles deliver all the foods from its central warehouse to the schools located in Guatemala City ~~and~~ department. Deliveries are also made to hospitals and institutions in these areas by CAMF, if transportation cannot be provided by these institutions.

CARE has taken steps to coordinate programming of commodities with the Catholic Relief Services in Guatemala, so as to avoid duplication of distributions. Beneficiary lists are checked in the distribution centers and requests for new programs from Catholic groups are always cleared through Catholic Relief Services before being considered by CARE. There are no other relief agencies in Guatemala which receive Title II foods.

As the commodities arrive in the ports, they are checked by a CARE representative to determine damages or shortlandings. The damaged commodities are reconstituted in the port. This count is checked with the Surveyor and Customs counts for accuracy. A verification report of commodities arrived is provided by Customs. The commodities are then shipped by commercial truck or railroad to the department warehouses. Each warehouse has a warehouse inventory book and checks arrivals against the carrier's transportation receipts.

Every dispatch made to a warehouse is authorized by a dispatch order called a "comprobante" which is made out by the CARE office. These are numbered in sequence and contain information on commodity, quantity, type of transport, licence plate, name of driver, date etc. This also serves as a delivery receipt to be signed and returned to CARE.

Every pick-up by any health center, boarding schools, health recuperation center, orphanage, or summer camp from a field warehouse must be made only on the basis of this end-receipt. Only the CARE office issues these end-receipts. Upon signing the warehousemen's copy of the receipt, the recipient takes possession of the commodities.

In the case of schools, another control form is used, called the "Recibo de Entrega de Alimentos", which acts as the end-receipt.

This allocation form is made out by Education District Supervisors and represents an order for the school director to pick-up his allocated commodities at his area warehouse. Every pick-up by any school or health institution from a field warehouse must be made only on the basis of this end-receipt. Upon signing the warehouseman's copy of the receipt, the recipient takes possession of the commodities.

Both the Government of Guatemala and CARE have permitted and will continue to permit the right to review and audit all transactions made by CARE in pursuance of its program in Guatemala. The Government

of Guatemala and CARE's auditors also make periodic checks. These audits permit the review of programs at every level of our operations, such as control records, inspection of food in storage, etc., and includes the right to audit funds collected from children participating in school lunch programs.

All losses of Title II commodities incurred from time of port of entry until final distribution are recorded in the following manner: Independent surveys are made, as well as Customs clearance reports and a count made by a CARE representative. Damages and shortlandings are then verified and documented evidence is sent to CARE's New York office for handling with the carrier, if the claim involved a marine loss. Losses incurred at Customs, or resulting from internal shipping are documented by Customs dispatch order, truck or railroad delivery receipts. Letters of protest, and all attached documents are combined to make a loss report, which is sent to CARE New York headquarters. These interior losses are collected directly from the third parties in Guatemala. All uncollectable interior losses are covered by the Guatemalan Ministry of Finance at the final accounting the end of the fiscal year.

Offloading facilities at the ports (Puerto Barrios, Champerico, and occasionally Matías de Galvez are adequate to handle foods required in the CARE proposed program. The Government of Guatemala permits the duty free entry of all Title II commodities used in the CARE programs.