PD-AAR-396

UNCLASSIFIED

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D. C. 20523

ROCAP

# PROJECT PAPER

TECHNICAL SUPPORT FOR FOOD

ASSISTANCE PROGRAMS

AID/LAC/P-225

Project Number: 596-0116

UNCLASSIFIED

AGENCY FOR INTERNATIONAL DEVELOPMENT

# PROJECT DATA SHEET

1. TRANSACTION CODE: A (A = Add, C = Change, D = Delete) — Amendment Number

DOCUMENT CODE: 3

2. COUNTRY/ENTITY: RDCAP

3. PROJECT NUMBER: 596-0116

4. BUREAU/OFFICE: Latin America and the Caribbean — 05

5. PROJECT TITLE (maximum 40 characters): Tech.Support for Food Assistance Progs.

6. PROJECT ASSISTANCE COMPLETION DATE (PACD): MM 03 DD 31 YY 90

7. ESTIMATED DATE OF OBLIGATION (Under 'B.' below, enter 1, 2, 3, or 4)

A. Initial FY 84 Supp. B. Quarter ☐ C. Final FY 86

8. COSTS ( $000 OR EQUIVALENT $1 = )

| A. FUNDING SOURCE | FIRST FY 84 Supp. B. FX | C. L/C | D. Total | LIFE OF PROJECT E. FX | F. L/C | G. Total |
|---|---|---|---|---|---|---|
| AID Appropriated Total | | | | | | |
| (Grant) | ( 1,700 ) | ( --- ) | ( 1,700 ) | ( 5,600 ) | ( --- ) | ( 5,600 ) |
| (Loan) | ( ) | ( ) | ( ) | ( ) | ( ) | ( ) |
| Other U.S. 1. | | | | | | |
| Other U.S. 2. | | | | | | |
| Host Country | | 280 | 280 | | 1,443 | 1,443 |
| Other Donor(s) | | | | | | |
| TOTALS | 1,700 | 280 | 1,980 | 5,600 | 1,443 | 7,043 |

9. SCHEDULE OF AID FUNDING ($000)

| A. APPROPRIATION | B. PRIMARY PURPOSE CODE | C. PRIMARY TECH. CODE 1. Grant | 2. Loan | D. OBLIGATIONS TO DATE 1. Grant | 2. Loan | E. AMOUNT APPROVED THIS ACTION 1. Grant | 2. Loan | F. LIFE OF PROJECT 1. Grant | 2. Loan |
|---|---|---|---|---|---|---|---|---|---|
| (1) PH | 380 | 330 | | --- | | 1,700 | | 5,600 | |
| (2) | | | | | | | | | |
| (3) | | | | | | | | | |
| (4) | | | | | | | | | |
| TOTALS | | | | --- | | 1,700 | | 5,600 | |

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each): 340 | 320 | 520

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

| A. Code | BR | BU | R/H | NUTR | PART | TNG | |
|---|---|---|---|---|---|---|---|
| B. Amount | | | | | | | |

13. PROJECT PURPOSE (maximum 480 characters)

To improve the effectiveness of food assistance activities in the Central America and Panama region by helping to establish effective national coordination mechanisms and strengthening the technical, managerial and evaluation capabilities of INCAP and national public and private agencies.

14. SCHEDULED EVALUATIONS

Interim MM 04 YY 86 MM 04 YY 88 Final MM 10 YY 89

15. SOURCE/ORIGIN OF GOODS AND SERVICES

☒ 000 ☐ 941 ☐ Local ☐ Other (Specify) _____

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)

17. APPROVED BY

Signature: 1. [signature] Acting 2. [signature]

Title: 1. Controller 2. Acting Director

Date Signed: MM 03 DD 28 YY 85

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY

AID 1330-4 (8-79)

# Project Authorization

Name of Entity : Nutrition Institute for Central America and Panama (INCAP).

Name of Project : Technical Support for Food Assistance Programs

Number of Project: 596-0116

1. Pursuant to Section 104 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Technical Support for Food Assistance Programs Project with the Nutrition Institute for Central America and Panama (INCAP), involving planned obligations of not to exceed Five Million Six Hundred Thousand United States Dollars ($5,600,000) in grant funds ("Grant") over a five-year period from the date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project.

2. The project ("Project") will improve the effectiveness of food assistance activities in Central America and Panama by helping to establish effective national coordination mechanisms and strengthening the technical, managerial and evaluation capabilities of INCAP and national public and private agencies.

3. The Project Agreement, which may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

a. Source and Origin of Commodities, Nationality of Services

Commodities financed by A.I.D. under the Grant shall have their source and origin in countries of Central America and Panama, or the United States, except as A.I.D. may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services shall have countries which are members of Central America, Belize, Panama or the United

States as their place of nationality, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the Grant shall be financed only on flag vessels of the United States, except as A.I.D. may otherwise agree in writing.

b. Conditions Precedent to Disbursement

(1) Prior to the disbursement, or the issuance of any commitment documents, under the Project Agreement to finance activities other than for hiring long-term personnel, INCAP shall, except as A.I.D. may otherwise agree in writing, furnish, in form and substance satisfactory to A.I.D.:

(a) a detailed time-phased plan setting forth all activities to be completed during the first year of the project;

(b) evidence that INCAP's automated data processing capability is sufficient to provide adequate reporting on project financial transactions at the subcomponent level; and

(c) evidence that INCAP has modified its disbursement and reporting formats and procedures in order to expedite the processing of expenditures by project personnel when away from INCAP headquarters.

(2) Prior to the disbursement for technical assistance to the countries beyond year one under the Grant, the issuance of any commitment document other than for support of the research and training components, INCAP shall, except as A.I.D. may otherwise agree in writing, furnish in form and substance satisfactory to A.I.D.:

(a) an analysis of the country programs, including prospects for success in improving national strategies and plans and addressing major constraints, and an explanation of INCAP's rationale for the quantity and type of technical assistance which it proposes to undertake; and

(b) a plan for developing funding mechanisms and agreements with national governments, bilateral or international food aid donors, PVOs or other international agencies to support a continuation of technical assistance and training for food assistance programs after the ROCAP/INCAP project terminates.

c. Covenants

INCAP shall covenant that, except as A.I.D. may otherwise agree in writing:

(1) Prior to undertaking project activities for each year after the first year of the project, INCAP will furnish, in form and substance satisfactory to A.I.D., a consolidated workplan and budget for activities for that year.

(2) INCAP will coordinate appropriate project activities with USAID missions in each country which participates in this project and with private voluntary agencies responsible for managing P.L. 480 Title II activities in the region as well as with other food aid donors and intermediaries.

John R. Eyre
Acting Director

TECHNICAL SUPPORT FOR FOOD ASSISTANCE PROGRAMS

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# I. PROJECT SUMMARY AND RECOMMENDATIONS

## A. Recommendation

The Project Development Committee recommends that a $5.6 million grant be authorized to implement the Technical Support for Food Assistance Programs project.

## B. Summary Description

### 1. Goal and Purpose

The goal of the project is to contribute to the reduction of infant and young child mortality and improve nutritional status among high risk populations in Central America and Panama. The purpose of the project is to improve the effectiveness of food assistance activities in the Central America and Panama (CA/P) region by helping to establish effective national coordination mechanisms and strengthening the technical, managerial and evaluation capabilities of the Nutrition Institute for Central America and Panama (INCAP) and national public and private agencies.

The purpose will be accomplished by developing a regional support network to improve the effectiveness of food assistance programs, e.g. through better planning, coordination, targetting, management, project design and evaluation and integration of food assistance programs with other related development activities. The project responds to AID's world-wide initiatives to reduce malnutrition and infant mortality and specifically to the National Bipartisan Commission on Central America (NBCCA) report's recommendations. Funds for the project were included in the Administration's request for a FY 1984 supplemental appropriation which was approved by Congress.

### 2. Background and Project Activities

Malnutrition exists in one form or another in approximately 60% of the children under age five in the region. Malnutrition not only affects children's health, but also their physical development, and it may impair learning ability. More often than not, malnutrition is an underlying factor leading to high infant mortality rates. The average diet in the region is deficient in calories and protein and many households suffer from chronic or seasonal food shortages. For mothers, this leads to health problems and infections, affects reproductive capacity and increases the incidence of low birth weight infants who are subsequently high risk candidates for contracting fatal diseases. The economic crisis of the region, with declines in per capita incomes and increases in unemployment, have increased malnutrition. Political strife has added further complications and displaced and refugee populations have increased sharply.

More than 60 separate food assistance programs being carried out in the region, as well as refugee programs run by the UN High Commission

for Refugees, constitute a very large quantity of resources and impact on over five million people or about 25% of the region's population. In 1983 over 200,000 metric tons of food were distributed by the 60 programs and the cost of food alone was in excess of $50 million. Funding planning levels in 1985 are at $90 million. Food donors, the national governments and implementing agencies agree on the need to increase the effectiveness of food assistance programs not only to handle the expansion but also in order to have a greater impact on malnutrition and infant mortality.

A regional assessment of technical and training needs for food aid assistance carried out by INCAP in 1984 and a regional seminar to review the findings led to the development of the project proposed herein and agreement on the specific activities included in the project design. INCAP will carry out the project using a three-phase implementing strategy adopted from the lactation component of the Regional Nutrition Technical Outreach project (596-0104), which demonstrated its effectiveness for promoting national participation, planning and technology transfer. The implementation strategy is also expected to facilitate donor and PVO coordination and participation as well as dissemination of program experiences and research results on specific problems where more knowledge is needed.

Phase I: Promotion and Planning - The first 12 months of the project will concentrate on project promotion and planning. Draft guidelines for improving national strategies, country action plans, and the design and implementation of individual food assistance programs will be developed and submitted to regional technical task forces. INCAP will assist national teams to develop country assessment and planning documents for improving coordination and individual food assistance programs. Related institutional analyses and case studies will be carried out as well as research to provide the technical norms for maternal child feeding programs. A regional seminar held at the end of Phase I will review these materials and country action plans will provide the basis to carry out Phase II of the project.

Phase II: Implementation - The main thrust of this phase will be to help countries implement design, management, operations and evaluation guidelines developed under the project as well as use related research and assessment information and methodologies in order to strengthen individual food programs. The extensive technical assistance, training, research and dissemination effort to be carried out in Phase II is described below under the Project Components section.

Phase III: Evaluation - This phase will take place simultaneously with the final six months of implementation under Phase II. Although project evaluation activities will take place throughout the life of the project, during this phase, national level programs will be evaluated to see if the overall purpose of the regional project to improve the effectiveness of food aid programs has been achieved. The regional approach and materials developed under the project will also be evaluated to see if they can be applied to other areas of the world receiving major food aid assistance.

Within the context of the implementation strategy, the project components will constitute a coordinated, broad-based and systematic approach to the problems of improving the effectiveness of food assistance programs and upgrading the skills of the professionals involved.

3. Project Components:

The project is composed of the following four components:

Promotion, Planning and Coordination:

This component will promote improvements in the management and effectiveness of food assistance programs, more effective national food assistance strategies and policies and stimulate national coordination mechanisms. It will also build a consensus on the technical basis for designing, implementing and evaluating food assistance strategies and programs. A scientific and technical advisory committee, which will include representatives of donor agencies, international PVOs and member country representatives, will provide overall technical guidance for project activities. Technical task forces drawn from these sources will develop regional guidelines with INCAP assistance for the major problem areas identified in the regional assessment, e.g. strategy development, program design, organization and management, technical norms and operational procedures, educational activities, preservation and storage of commodities, information and evaluation systems, targetting, assessing food and nutritional status, etc. Country teams will develop national documents describing the status of food assistance and efforts to improve strategy development, planning, coordination mechanisms, and individual food assistance programs. These teams will also develop action plans to carry out their objectives and revise them on an annual basis. Three major regional seminars as well as regional and national meetings and workshops will be used to carry out the objectives of this component and to review the regional guidelines and national efforts.

Training and Information Dissemination:

This component will improve the knowledge and skills of planners, technicians and managers responsible for food assistance and thus strengthen the institutional capacity needed for more effective programs. The component will serve as the conduit for disseminating regional guidelines, assessment methodologies and results from operations research activities. It includes workshops and short courses, observation visits and expansion of a regional clearinghouse at INCAP to include materials on food assistance. Training packages for six training courses will be developed by INCAP staff and outside consultants drawing on worldwide experience, the work of the technical task forces and operational research results. Information will also be distributed to personnel involved in food assistance through technical information packages, information sheets, bibliographic listings and newsletters.

Technical Assistance Outreach:

At the national level this component will assist counterparts in developing food assistance strategies and plans, coordination mechanisms, annual work plans and targetting mechanisms. Technical assistance will also be provided at the program level for the design and evaluation of specific projects and to resolve specific problems. In short, this component will provide the necessary follow-up to other project activities to help counterparts use technical guidelines and simplified methodologies developed and new information obtained to identify specific bottlenecks to achieving effective program operations and to develop and implement solutions to the identified constraints. In addition to substantial short term technical assistance, INCAP will station three of the project long term advisors in the individual countries.

Operations and Applied Research:

This component will be divided into two types of research: (a) improving food assistance program processes; and (b) determining food aid program impacts. Investigations will be carried out on five topics, four applicable to program processes and one on impacts. The topics were chosen on the basis of research priorities identified by food assistance program staff in INCAP's member countries as well as donors, PVOs and international technical agencies. The research results will supply information needs of technical specialists, planners and program managers.

C. Summary Financial Plan (US$000)

| | ROCAP | INCAP | Host Country Counterpart | Total |
|---|---|---|---|---|
| Planning and Coordination | 217 | -- | 33 | 250 |
| Training | 670 | -- | 217 | 887 |
| Technical Assistance | 391 | -- | 151 | 542 |
| Research | 880 | 60 | 282 | 1,222 |
| Technical Information Dissemination | 74 | -- | -- | 74 |
| Management, Review and Evaluation | 1,442 | 525 | -- | 1,967 |
| Sub-total | 3,674 | 585 | 683 | 4,942 |
| INCAP Indirect Costs 1/ | 978 | 175 | -- | 1,153 |
| Contingencies and Inflation | 388 | -- | -- | 388 |
| U.S. Technical Assistance | 560 | -- | -- | 560 |
| Total | 5,600 | 760 | 683 | 7,043 |

1/ Calculated at a rate of 30 percent of subtotal minus fellowships ($414,300).

D. Summary Findings:

The Project Committee has reviewed all aspects of the proposed Technical Support for Food Assistance Programs Project and finds that it is technically, financially, socially and economically sound, and consistant with the objectives set forth in ROCAP's CDSS strategy. The Committee has further found that INCAP is institutionally capable of administering the project.

E. Composition of Project Development Commitee:

ROCAP
Elena Brineman
Edward Nadeau
Michael Deal
Thomas Totino
Alejandro Pontaza
Julian Heriot

INCAP
María Teresa Menchú
Victor Valverde
Maarten Immink
Arnulfo Noguera
Mireya Palmieri
Mario Molina
Ricardo Sibrián
Alexandra Praun
Magda Fischer
Colbert Bruña
Julio Bejarano
Armando Paz
Santiago Broll

Consultants
Paul Thompson
Paul Stroh
Elena Gutiérrez
David Sahn
Roberto Rueda Williamson
Nicolás González
Francesca Ronchi-Proja

## II. PROJECT BACKGROUND AND RATIONALE

### A. Background

#### 1. The Health and Nutrition Situation in Central America and Panama

Although there are disparities in health and nutrition conditions among the countries in the Central America and Panama (CA/P) region (Costa Rica and Panama generally exhibit much higher and improved standards), many common problems exist. For example, poor socioeconomic conditions, inadequate health care systems and limited water and sanitation services result in infant and child mortality rates and incidence of severe malnutrition which are among the worst in Latin America and the Caribbean. (Annex 7, attachment D contains a series of tables which provide basic socioeconomic data for the region as well as information on specific indicators of health and nutrition status).

Table 1
Infant Mortality and Malnutrition
in Central America and Panama

| Country | Infant Mortality Rate | 1-4 Mortality Rate | Growth Retardation* |
|---|---|---|---|
| Costa Rica | 19 (1980) | 1.1 (1980) | 7.0 (1978) |
| El Salvador | 85 (1980) | 6.9 (1980) | 10.4 (1978) |
| Guatemala | 86 (1980) | 12.4 (1980) | 29.5 (1979/80) |
| Honduras | 87 (1981) | 4.3 (1979) | 29.5 (1966) |
| Nicaragua | 102 (1980) | 3.6 (1977) | 15.0 (1966) |
| Panama | 21 (1981) | 2.1 (1981) | 11.6 (1980) |

* 75% of median weight for age.

Throughout the region, health and nutrition problems are more severe in rural areas, yet most available services are urban oriented. Public sector health budgets tend to be low and often are consumed by maintenance and administrative costs or by institutionalized medical attention and custodial services. Adequately trained personnel in the rural areas (particularly paraprofessionals) are scarce in several countries, as are facilities with proper and sufficient supplies. Consequently, access to basic health care is limited, particularly in Honduras, Guatemala and El Salvador where 75% of Central Americans live.

Available data on infant and age 1-4 mortality rates, age 0-4 deaths as a percent of total deaths, and the probability of a rural child dying before age two suggest that the CA/P countries are divided into two

groups: those with high infant and child mortality rates (Guatemala, Honduras, Nicaragua and El Salvador) and those with lower levels (Costa Rica and Panama) as compared with other third world nations.

The data also indicate that the average diet in the region is deficient in calories and protein. An estimated 20 to 50% of households in Panama, El Salvador, Nicaragua, Guatemala and Honduras suffer from chronic or seasonal food shortages, depending upon the country. For mothers, this leads to health problems and infections, affects reproductive capacity and increases the incidence of low birth weight infants who are subsequently high risk candidates for contracting fatal diseases. For children under the age of five in CA/P, recent studies on growth retardation (an accepted indicator of nutritional status) have estimated that approximately 60% suffer from mild, moderate or severe malnutrition. The incidence of moderate and severe malnutrition -- defined as weight for age below 75% of the standard median weight for the respective age and sex -- ranges from a low of 7% in Costa Rica to a high of 29.5% in Guatemala and Honduras (see Table 1, above, and Annex 7.d., Table 4). In Panama, where recent efforts at extending health services have helped reduce infant mortality, preschool malnutrition remains a major problem affecting one third of the children.

Malnutrition not only affects children's health but also their physical development, and it may impair learning ability. It also makes a child more susceptible to infections and reduces the natural ability to fight them off. For example, gastrointestinal and respiratory illnesses (i.e., influenza and pneumonia) are the leading reported causes of death, particularly in children, in most CA/P countries (Costa Rica and Panama being the exceptions). More often than not, malnutrition is an underlying factor leading to these deaths.

Political strife in Central America over the last five years has further complicated what was already a serious situation. Planting and harvesting of basic foods as well as income generating crops have been disrupted in substantial areas of Guatemala, El Salvador and Nicaragua. Livestock, particularly dairy herds, have also been affected. Large numbers of displaced persons in El Salvador and Guatemala and refugees in Honduras and Costa Rica are dependent upon strangers, relatives and friends or government, private and international relief assistance for survival. Displaced families who are not in camps often move into marginal urban or rural communities where resources and work opportunities are already limited, making it all the more difficult for both the displaced and permanent residents of these communities to adequately fill their most basic needs.

Displaced and refugee populations have been estimated at 300-550,000 in El Salvador, 10-15,000 displaced in Guatemala, 20-30,000 refugees in Costa Rica and 33,000 Miskito refugees in Honduras. Reliable estimates of the total number of Salvadoran, Nicaraguan and Guatemalan refugees in Honduras are not available. In addition more than 250,000 Guatemalans have been affected by political violence resulting in the need for food assistance over the past two-three years.

## 2. Food Assistance as a Response to Hunger and Malnutrition

A review of the experience with maternal child supplementary feeding as a part of a primary health care package indicates that this combination of interventions can significantly reduce infant mortality and moderate to severe malnutrition. Of six quasi-experimental or pilot primary health care interventions with important maternal infant feeding components, five showed significant changes in infant mortality and malnutrition. Infant mortality fell by about one-half in a five year span in two Guatemala projects and moderate and severe malnutrition fell by one-third to one-half in projects in Haiti, Guatemala and India. In Colombia large and consistent declines in second and third degree malnutrition were achieved over a twelve year period.

Numerous studies indicate that maternal weight gain during pregnancy is clearly associated with birth weight achieved and that birth weight in turn is associated with infant mortality. While the evidence is not entirely conclusive studies carried out by INCAP in Guatemala as well as dietary supplement studies in India, Colombia and Mexico indicate that diet supplements are associated with pregnancy weight gain.

In Guatemala food supplements for lactating mothers led to improved physical growth during the first six months of life and reduced infant mortality, probably through improved breastfeeding performance. INCAP investigators involved in the Guatemala studies conclude that improved dietary intake for pregnant and lactating women, in combination with integrated primary health care services, can result in significantly improved growth and survival.

Experiences in Chile and Costa Rica with combined high coverage primary health care, improved water and sanitation, and supplementary feeding programs show that significant improvements in infant and young child mortality and malnutrition can be achieved on a national scale with this type of intervention. Milk distribution to pregnant and lactating women and children under five and additional supplementary feeding for high risk low income families have been notable elements in the Costa Rican and Chilean integrated primary health care services programs. Infant mortality rates and the prevalence of malnutrition has improved dramatically in both countries over the past fifteen years. In Chile infant mortality dropped from 79/1000 live births in 1970 to 23/1000 in 1983 while moderate to severe malnutrition has fallen from 24% in 1965 to 2% in 1980. In Costa Rica infant mortality dropped from 61.5/1000 in 1970 to 16/1000 in 1983 and the prevalence of moderate and severe malnutrition has fallen from 13.5% in 1966 to 4.1% in 1981. Severe malnutrition has been virtually eliminated in both countries and malnutrition continues to remain at low levels despite severe economic recessions in both countries over the past several years. The dramatic reductions in infant mortality and malnutrition in Chile and Costa Rica, where national budgets are used to purchase local food products and health care and water and sanitation infrastructure is extensive, have been achieved at considerable cost and both countries are now seeking more cost effective ways of maintaining their impressive gains in health and nutrition.

It is recognized that not all countries of the region will have the same level of resources available to them as Chile and Costa Rica have had in the past. However, the pilot programs carried out in Guatemala clearly suggest that by maximizing the use of the national and international resources already available to them, and improving the integration of food assistance activities with assistant primary health care systems and efforts to improve water and sanitation, very significant impacts on infant and child mortality and malnutrition could be achieved.

3. Food Assistance Programs in Central America and Panama

There are currently more than 60 separate food assistance programs being carried out in Central America, without taking into consideration refugee programs run by the UN High Commission for Refugees. These programs are run with national funds or, in the majority of the cases, with international assistance (Tables 2 and 3). In 1983 more than 200,000 metric tons of food were distributed to approximately 5.2 million people, not including refugees. This amounts to 24% of the total population of Central America. The cost of the food alone was in excess of $50 million annually. About $17 million of the $50 million dollars was for reguarly programmed PL 480 Title II commodities (Table 4). Additional U.S. commodities are distributed through emergency and Section 416 excess dairy products programs on an ad hoc basis. Since most of the food is purchased at subsidized prices, the true value of this food is substantially higher. The administrative and distribution costs add about one third more to the total costs of these programs.

Funding levels currently programmed for food purchase in 1985 have risen significantly to over $90 million dollars. Approximately 15% of this total dollar amount programmed for food will come from national budgets and the rest from international or bilateral food donors (Table 5). Annex 7 (attachments a and b) describe the major food donors and the most important food assistance activities in the region as well as listing the major food assistance programs currently operating or programmed for 1985 by program type, donor agency and executing agency.

TABLE No. 3

STUDY ON SUPPLEMENTARY AND EMERGENCY FOOD PROGRAMS
IN CENTRAL AMERICA AND PANAMA

SUPPLEMENTARY OR EMERGENCY FOOD PROGRAMS INVESTIGATED BY INCAP (1983-84)

| Type of Program | Food Donor Agency | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | WFP | AID | EEC | FRC | OTHERS EXT. | NAT. | Invest. |
| Maternal Infant | 4 | 20 | 0 | 0 | 1 | 4 | 19 |
| School Feeding | 0 | 1 | 1 | 0 | 1 | 2 | 5 |
| Food for Work | 11 | 5 | 0 | 2 | 1 | 0 | 19 |
| Food for Training | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Food for Institutions | 1 | 0 | 0 | 0 | 0 | 1 | 2 |
| Emergency/Natural Disasters | 2 | 1 | 0 | 0 | 0 | 0 | 3 |
| Emergency/Economic Problems | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| Displaced by Violence | 3 | 2 | 1 | 0 | 4 | 0 | 10 |
| Refugees | 4 | 0 | 0 | 0 | 1 | 0 | 5 |
| Total programs investigated | 26 | 19 | 2 | 2 | 8 | 8 | 65 |

TABLE No. 2

STUDY ON SUPPLEMENTARY AND EMERGENCY FOOD PROGRAMS IN CENTRAL AMERICA AND PANAMA

SUPPLEMENTARY OR EMERGENCY FOOD PROGRAMS
INVESTIGATED BY INCAP ACCORDING TO COUNTRY OR TYPE OF PROGRAM (1983-84)

| Type of Program | Guatemala | El Salvador | Honduras | Nicaragua | Costa Rica | Panama | Total |
|---|---|---|---|---|---|---|---|
| 1. Development | 13 | 5 | 11 | 4 | 8 | 5 | 46 |
| Maternal infant | 3 | 3 | 5 | 1 | 4 | 3 | 19 |
| School feeding | 1 | 0 | 1 | 1 | 1 | 1 | 5 |
| Food for work | 8 | 2 | 5 | 1 | 2 | 1 | 19 |
| Food for training | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Food for welfare institutions | 0 | 0 | 0 | 1 | 1 | 0 | 2 |
| 2. Emergency | 2 | 4 | 3 | 6 | 2 | 2 | 19 |
| Emergency/natural disaster | 1 | 0 | 0 | 1 | 0 | 1 | 3 |
| Emergency/economic problem | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| Displaced by violence | 1 | 4 | 1 | 4 | 0 | 0 | 10 |
| Refugees | 0 | 0 | 2 | 1 | 1 | 1 | 5 |
| Total programs investigated | 15 | 9 | 14 | 10 | 10 | 7 | 65 |

TABLE No. 4

STUDY ON SUPPLEMENTARY AND EMERGENCY FOOD PROGRAMS IN CENTRAL AMERICA AND PANAMA

BENEFICIARY POPULATION AND AMOUNT OF FOOD DISTRIBUTED IN THE FOOD ASSISTANCE PROGRAMS INVESTIGATED BY INCAP IN CENTRAL AMERICA AND PANAMA (1983)

| Country | No. of Programs | No. of Beneficiaries (thousands) | Beneficiary Population 1/ Total % | Mat.Inf. % | School % | Food Distribution TM | Cost (thousands) |
|---|---|---|---|---|---|---|---|
| Costa Rica | 10 | 832 | 38 | 34 | 100 | 4 273 2/ | 24 244 3/ |
| El Salvador | 9 | 1 380 | 27 | 16 | - | 29 421 | 6 189 |
| Guatemala | 14 | 1 490 | 20 | 20 | 78 | 36 917 | 8 959 2/ |
| Honduras | 11 | 1 262 | 32 | 15 | - | 30 106 | 6 679 |
| Nicaragua | 8 | 553 | 22 | 18 | - | 14 306 | 3 307 |
| Panama | 7 | 148 | 7 | 21 | 76 | 83 419 | 1 316 |
| TOTAL | 59 | 5 665 | 24 | 19 | - | 198 442 | 50 694 |

1/ Beneficiary population in terms of percentage in relation to the estimated figures of total population, maternal-infant population and registered school population.

2/ Incomplete data.

3/ 1981 data, estimated at an exchange rate of C8.60 = US$1.

TABLE No. 5

1985 FOOD ASSISTANCE PROGRAMS IN CENTRAL AMERICA AND PANAMA
(DOLLARS AND METRIC TONS PROGRAMMED)

| Country | Total US$ (000) | World Food Program US$ (000) | World Food Program MT Food | USAID PL480 T.III US$ (000) | USAID PL480 T.III MT Food | National US$ (000) | National MT Food | Others US$ (000) | Others MT Food |
|---|---|---|---|---|---|---|---|---|---|
| Costa Rica | 14,700 | 2,700 | 6,000 | - | - | 12,000 | - | - | - |
| El Salvador | 27,882 | 18,182 | 39,307 | 9,700 | 38,800 | - | - | - | - |
| Guatemala | 18,253 | 11,900 | 22,360 | 5,353 | 19,950 | 1,000 | - | N/A | N/A |
| Honduras | 20,508 | 5,264 | 14,220 | 3,344 | 10,362 | - | - | 11,900 | 9,550 |
| Nicaragua | 9,407 | 9,407 | 12,491 | - | - | - | - | N/A | N/A |
| Panama | 1,091 | 391 | 717 | - | - | 700 | - | - | - |
| Totals | 91,841 | 47,844 | 95,095 | 18,397 | 69,112 | 13,700 | - | 11,900 | 9,550 |

N/A = Information is not available.

## B. The Problem:

### 1. Constraints to Effective Use of Food Assistance

Given the number, magnitude and cost of food assistance programs already in Central America, it is not unreasonable to expect more positive effects on the region's health and nutritional status and socio-economic well being than is currently being achieved. With the recent necessity for severe economic austerity measures, several of the Central American governments are asking themselves whether investment in food assistance programs, with their apparent low level of effectiveness in most countries, is the best use of their social assistance dollars.

National planners are struggling to keep track of even the most basic information regarding food assistance programs in their countries. Until INCAP conducted a recent regional assessment and in-depth assessments in two countries, there was no one in the majority of the CA/P countries who could even provide a list of the major food assistance programs being carried out, the number of people benefitting or the amount of food being distributed. Not one country in the region has information on the actual cost of food assistance to the national budget.

In 1983-84 INCAP carried out a study of the major technical and training needs of food assistance programs in the region. This study, in conjunction with followup meetings of national program directors in each country and a regional workshop for donors and PVO intermediaries, identified the major constraints to effective planning and operation of food assistance programs in CA/P.

Major constraints to effective use of food assistance were identified at two levels, the national level and the individual program level. At the national level a lack of global information, weak overall planning, strategy formulation and coordination negatively affect optimal use of food assistance resources. At the level of individual programs inadequate institutional capacity of executing agencies and poor design, targetting, management and evaluation reduce program effectiveness. In order to improve the effectiveness of food programs, both types of major constraints, global planning and coordination and strengthening individual program design and implementation, should be addressed.

In the majority of the countries, the lack of a national strategy for food assistance has led to a proliferation of food programs with similar objectives (many of them improvised) which often do not respond to national priorities, waste available resources and do not have a positive impact on either the population groups in need of food assistance or on national development. The lack of global information on food assistance activities in the country and the lack of a national coordinating mechanism or the weakness of existing mechanisms have resulted in the duplication and overlap of efforts and activities.

For example, in Honduras there are five different maternal infant feeding programs, four of them with national coverage, executed through four different agencies with food from two different international donors. There are no established mechanisms for the exchange of beneficiary lists. Each program uses different technical norms and operational procedures, even those being run by the same executing agency, but with commodities from different donors. In other instances food for work programs using different ration sizes and remuneration criteria move into an area under-cutting existing food for work programs.

In addition to the inefficiencies which this type of duplication creates, poor information, planning and targetting at the national level often results in food not getting to those who need it most or in being provided in amounts that are too small and erratic to really help the beneficiaries. The potential which exists for extra governmental coordination has not been actively pursued by donors and intermediaries and, thus, even this option has not helped fill the planning and coordination void.

At the level of individual programs, national managers of food assistance activities are often overwhelmed with implementation difficulties involved in running their programs and with the lack of resources available to help solve their problems. Many of the implementation problems are the result of poor initial planning. Often not even program objectives have been clearly defined before the program starts. INCAP found that 48% of the major programs investigated in the region were implemented based on something less than a complete project proposal. Either a project profile, workplan or no planning document whatsoever served as the basis for obtaining program approval and funding. Twenty percent of the programs in the region had no written goals or objectives; 25% of the programming documents neglected to consider institutional organization issues and about 40% neglected to define information systems or evaluation plans. Over 55% of the programing documents had no training plans and 33% neglected to define supervision schemes.

The existing institutional capacity to handle food aid is a major constraint to effective food aid programs. In many cases technical aspects of programs such as beneficiary and discharge criteria or ration sizes have not been adequately established, are not consistant with objectives or are not implemented and manuals or guidelines on standard operating procedures are very rare. Often donor agencies, intermediate PVOs and national executing agencies have not agreed on selection criteria, commodities, and ration sizes and, at times, a single national institution may implement several programs using different criteria, depending upon the source of the commodities.

Present institutional organization of executing agencies is often inadequate, planning and management skills are weak, budget allocations to operate food assistance programs are low, personnel assigned to programs are insufficient and change frequently. Only 36% of all the programs examined by INCAP included both initial and in-service training activities while 31%

included no staff training at all. Weak logistics and commodity control systems, poor storage and food handling procedures, almost nonexistant quality control and poor choice of commodities have repeatedly resulted in large food losses, interruptions in food distribution and reduced program effectiveness.

Management information systems are generally inadequate for targetting, monitoring and evaluation activities or for conducting cost or cost-effectiveness analysis. Often the information that is collected or reported is not used for management purposes. Fully 41% of the major programs investigated by INCAP have never been reviewed or evaluated and almost none have built in process evaluation systems. Of those evaluations which have been carried out over the past ten years, only 3 or 4 have gone beyond a general qualitative review of program activities which cannot legitimately be considered evaluations to a comprehensive in-depth analysis of program process. Almost none have tried to look at program outcomes or impact. To a large extent the lack of program monitoring and evaluation stems from a lack of knowledge and understanding of how to go about designing and implementing these monitoring and evaluation systems.

Many national program directors and technicians recognize that a combination of food assistance and complimentary health, education and development acitivities are likely to have greater long term effects in solving health and nutrition problems than food assistance alone. However, they often have been frustrated in their attempts at incorporating these activities into their food assistance programs or in effectively coordinating food assistance with other on-going activities.

Food assistance programs aimed at refugees and displaced persons are new to the region, with El Salvador having accumulated the most experience in dealing with this problem over the last four years. Both host country counterparts and donors are struggling to understand and find effective ways of meeting both the immediate basic needs of the displaced and their resettlement requirements. If targeted and implemented effectively, normal maternal-child-health (MCH) and food for work assistance programs should be able to help alleviate some of the additional strain displaced persons have placed on permanent residents of marginal communmities. However, recent reviews suggest that, at least in El Salvador and Guatemala, the management and implementation of the regular feeding programs as well as those for displaced persons need to be strengthened in order to effectively fill this need.

2. Demand for Technical Support for Food Assistance Programs

The demand for technical assistance from INCAP to support food assistance activities from INCAP's member countries, the World Food Program and international PVOs has grown steadily in the past five years. Limited personnel and economic resources at INCAP have only allowed the Institute to respond to part of the existing demand each year. Table 6 shows the actual

number of in country days of technical assistance provided to each country in 1983 and 1984 and final country requests for 1985.

Initial country requests for assistance usually exceed the final request by 1/3 - 1/2. These requests are screened by INCAP and only those that promise to demonstrate results, have clear objectives and well defined counterparts and fit within the member country's and INCAP's priorities are accepted for programming. Thus, true demand exceeds programmed demand by a considerable amount.

As shown in Table 6, INCAP provided 269 in-country days of technical assistance in 1983 and 88 in 1984 which translate into approximately 17.9 and 5.9 person months of technical assistance respectively when preparation and follow-up time at INCAP headquarters is taken into consideration. The fall-off in assistance provided in 1984 was due to a large extent to the fact that the INCAP professionals who provide much of the assistance in this area spent 75 in-country days between January-May 1984 on the regional assessment of technical and training needs of food assistance programs thus diminishing their availability for other technical assistance assignments.

The programmed demand for 1985 equals 425 in country days or approximately 28 person months of assistance with preparation and follow-up time. INCAP does not currently have either the personnel or financial resources to meet this demand and final negotiations with the member countries on the provision of this assistance is pending receipt of additional resources under the proposed project.

Technical support provided by INCAP over the past two years included help in developing or reviewing and evaluating national food assistance strategies, design of new food assistance programs, review or evaluation of on-going projects, assistance with design of complementary food and nutrition education activities, and feasibility studies for local processing of foods for use in food assistance programs. In 1985, INCAP's member countries have asked for help in evaluating food assistance activities, setting up management information and control systems, national strategy formulation, development of operations manuals, carrying out cost analyses, design of new programs and redesign of existing programs, development and implementation of technical norms, development of complementary food and nutrition education activities, operations research on delivery systems for food assistance programs, development and implementation of in-service training plans, assistance in food storage and preservation and management training for food assistance program directors and staff. In both 1983 and 1984, the World Food Program contracted for INCAP assistance in designing, reviewing and evaluating WFP projects in the region. Continued assistance for WFP is projected in 1985.

TABLE 6

TECHNICAL ASSISTANCE PROVIDED BY INCAP TO FOOD ASSISTANCE PROGRAMS IN ITS MEMBER COUNTRIES IN THE YEARS 1983 - 1984 AND PROGRAMMED DEMAND FOR 1985
(Days in the countries and cost of trips)

| | Year 1983 | | Year 1984** | | Year 1985*** | |
|---|---|---|---|---|---|---|
| COUNTRY | Days | US$ | Days | US$ | Days | US$ |
| Costa Rica | 29 | 5,200 | 7 | 1,800 | 120 | 15,320 |
| El Salvador* | 87 | 6,600 | 42 | 3,130 | 95 | 5,850 |
| Guatemala | 10 | -- | 12 | -- | 30 | — |
| Honduras | 66 | 7,800 | 15 | 2,550 | 80 | 8,500 |
| Nicaragua | 30 | 4,860 | 5 | 1,050 | 50 | 6,780 |
| Panama | 47 | 8,160 | 7 | 1,550 | 50 | 9,000 |
| TOTALS | 269 | 32,620 | 88 | 10,080 | 425 | 45,450 |

* 23 days financed by WHO are included in 1983 and 14 days financed by FAO in 1984 for missions of WFP project reviews.

** 75 days of two INCAP professionals for the subregional study of Food Assistance Programs are not included (Jan.-May 1984).

*** Scholarship demands are not included.

## C. CA/P Priorities and Strategies

Under the Puente de Paz (Peace Bridge) initiative coordinated by the Pan American Health Organization (PAHO) for the Contadora Group, the countries of the region, through their Ministries of Health, have formulated a plan "Priority Health Needs for Central America and Panama". The proposed plan which has been submitted to various donors is based on the following premises:

-"Social aspects condition the solution of problems and tensions and health, because of its extraordinary general consensus in a world characterized by differences and conflicts, can be a bridge to reach solidarity, understanding, cooperation, justice and may contribute to the attainment of peace."

-"The crisis affecting the region is of such magnitude that achievements made in the social area, especially in health are proving difficult to maintain at the levels already attained."

-"The existing problems in the region and the perspective of a prolonged crisis, makes it necessary to concentrate efforts in priority areas in which international cooperation can be used to achieve immediate, short-term solutions."

-"The identified priority areas must contribute to the development of the integration of Central American countries, facilitate savings and/or generation of foreign currency, adapt to the national realities, contribute to global development, and be designed to satisfy basic needs and to ensure the predominance of social justice."

The improvement of food assistance and nutrition programs has been included among the priorities identified in the Plan as part of the overall objective of raising nutritional levels throughout the region. In developing the food assistance component for the Priority Health Needs Plan each country developed their own initial plan for improving the effectiveness of food assistance activities. INCAP was heavily involved in helping the member countries identify their priority needs in this area. In addition, INCAP carried out a study of the technical and training needs of food assistance programs in the region in 1983-84, with the collaboration of member country representatives, PVOs and donor agencies. This study led to the development of the INCAP proposal on which this project is based, as well as serving as the basis for the identification of country priorities for food assistance included in the Priority Health Needs for Central America and Panama.

A workshop held with the participation of the region's major food aid donors, PVO intermediaries and technical support agencies reviewed the results of the INCAP study and provided specific recommendations for the regional technical support program. The INCAP proposal has been reviewed, revised, and approved by the national technicians responsible for the

management of food assistance programs and by the CA/P Ministers of Health. To insure that the project will conform to national priorities, the implementation strategy calls for the development of updated country plans for improving the effectiveness of food assistance programs. The project will also promote the development of food policies, strategies and coordinating mechanisms at the national level.

Thus, the proposed project responds directly to the stated needs of the Central American governments. It is also expected that bilateral USAIDs, other donors and PVOs will join in providing support for the activities which will be developed under this project and will cooperate fully. FAO has already offered to provide technical assistance and training materials to complement INCAP efforts and CARE and CRS have agreed to budget travel funds for their staffs to participate in task force meetings and regional workshops.

D. Rationale for a Regional Project

The recent INCAP assessment (1983-84) of the major problems encountered in planning, implementing and evaluating food assistance programs in the region showed that technical support (including operations research) and training could help alleviate many of the problems encountered. Furthermore, the assessment showed that most food assistance programs were receiving very little, if any, technical assistance. Training, particularly in planning, management, monitoring, evaluation and complementary educational or development activities was also very deficient. Given the large number of programs being implemented by multiple host country agencies and supported by a variety of donors in each country, it has proven difficult to provide adequate technical support to the majority of these programs on a national basis.

The strategy of the proposed project, therefore, is to concentrate at the regional level technical assistance; the development of general technical, management and evaluation guidelines; help in adapting general guidelines to specific national programs; operations research; and the development of training programs and materials aimed at strengthening the capacity of program directors to plan, implement and evaluate food assistance activities. The project will mobilize existing knowledge and technical resources in the region and tap appropriate expertise available from the U.S. and international nutrition and food assistance communities. The project will also stimulate and promote both coordination of food assistance activities at the national level and the development of national food assistance strategies. This effort will be complemented by regional activities promoting the use of oral rehydration therapy (ORT), growth monitoring (GM) and associated health and nutrition education to be carried out under the ROCAP/INCAP ORT, GM and Education Project (596-0115).

It is clear that in order to improve the effectiveness of food assistance programs in meeting the basic needs of CA/P populations, technical and training support to program planners and managers is needed. Several

alternatives were considered before selecting the design proposed in this paper. The first was to supply technical assistance and training to projects receiving US food aid on a program by program basis. It was rejected because many of the problems encountered in planning and implementing food assistance projects are a result of overlap and duplication with projects supported by other donors or with national funds. Furthermore, much of U.S.-supplied food is distributed through the WFP in Central America. This food goes through multiple host country agencies and would thus require a whole series of small bilateral agreements in order to provide assistance on an individual basis. A more global approach to the problem is required. All of the countries of the region need technical and promotional support to improve or develop their strategies, policies and coordinating mechanisms for food assistance. There are also needs for research, evaluation and other activities which require technical assistance and financial support beyond the scope of normal food assistance projects.

The second approach examined was the possibility of a series of bilateral projects designed to help all food assistance programs in each country. The Latin American experience with national food and nutrition planning projects has shown that in most countries this approach is too bureaucratic and cumbersome. Furthermore, food assistance programs provided through private groups have been and would probably continue to be left out of this type of technical support system.

A series of bilateral projects would also suffer from:

- the loss of economies of scale in technical assistance, operations research, improved planning and management methods, development of training and educational materials and dissemination of technical information; and

- difficulty in mobilizing and utilizing the considerable technical expertise which already exists in Central America which, if used properly, could expand the region's talent pool for providing technical assistance and carrying out other follow-on activities.

The development of a series of bilateral projects would cost more and would also require a great deal more management time and effort on the part of CA/P USAIDs. In order to include necessary technical expertise, which usually entails dollar costs, full scale DA projects would have to be developed in most cases and separate technical assistance contracts executed for each project. Considerable savings can be achieved by using regional expertise to the maximum extent possible for technical assistance and training. Furthermore, because of language and cultural barriers, high quality regional expertise is often more effective than outside consultants and is usually preferred by CA/P counterparts. Concentrating technical support services under a regional project would alleviate many of these problems.

Another important factor in choosing the proposed approach is the capacity of INCAP to implement the project on a regional basis. INCAP's natural position of leadership in health and nutrition is well known and recognized by the CA/P countries and professionals, as well as by other donors. Furthermore, INCAP has been specifically requested by its member countries and by the principal food aid donors and PVO intermediaries in the region to provide the type of assistance proposed and has provided related technical assistance to the countries over the past few years.

E. Relationship of the Project to AID Policy and Projects

1. Relationship to the ROCAP CDSS and Overall U.S. Strategy for the Region.

ROCAP has consistently recognized the importance of health and nutrition in its CDSS documents. This project addresses AID's health priorities of reducing infant mortality and malnutrition through more effective use of food aid and is consistent with AID's nutrition strategy which calls for reducing severe protein/calorie malnutrition by supporting sectoral strategies which are likely to have a positive impact on the nutritional status of women and infants. It is also consistent with both AID's food aid and nutrition strategies in improving planning, targetting, delivery and evaluation of food aid, and strengthening complementary activities in order to achieve greater nutritional and development impact from food aid resources. The project involves strengthening the ability of regional institutions to develop and transfer relevant technologies to national entities and to serve as a conduit for improving the capability of national institutions and human resources to plan, manage, implement and evaluate their health, nutrition and food assistance programs. The project, thus, flows directly from both related AID sector strategies and from ROCAP's development strategy.

A new impetus for improving the effectiveness of U.S. food assistance has been provided by the report to the President of the National Bipartisan Commission for Central America (NBCCA). This report devoted a full chapter to human development and listed the reduction of malnutrition first among its objectives for the 1980s. Regarding education, it recommended that first priority be accorded to nutrition programs which can deliver children to school in normal physical and mental condition. The report also calls for increasing food aid on an emergency basis. In discussing increased levels of food aid, the NBCCA stated: "In addition, the food distribution system needs to be improved to absorb increased levels of assistance effectively." The report states further: "Management and planning for effective

use of scarce resources are at the heart of improving curative and preventive health services. In order to meet this need, we recommend that existing technical assistance programs supported by AID should be expanded."

The above and other NBCCA recommendations have been endorsed by the administration of President Reagan as part of the Jackson Plan. The LAC Bureau strategy, as described in the FY 1985 Congressional Presentation, recognizes the importance of improving the effectiveness of food aid.

The FY 1985 CP also includes initial funding for INCAP to develop a regional program to supply technical and training support for food assistance programs. Thus, the proposed project conforms directly to the Bureau's stated strategy.

2. Relationship to Bilateral USAID and ROCAP Projects

a. Bilateral USAID Projects:

Except for a USAID/Honduras OPG to expand complementary health/nutrition education which is currently under development, and an outreach grant to CARE/Honduras, there are no specific USAID projects in any of the countries which provide technical or traning support aimed at improving the effectiveness of food assistance programs. USAID Missions take advantage of training opportunities on an ad hoc basis. PVOs provide counterpart training and carry out some training programs at the community level on a sporadic basis. In general, technical assistance is provided to deal with specific problems, often of an emergency nature, and is short term without further follow-up.

USAID/Honduras manages PL-480 Title II maternal-child health (MCH), school feeding (SF) and food-for-work (FFW) programs through CARE and CRS. USAID/Guatemala has PL 480 Title II MCH and FFW programs through CARE and CRS. Guatemala also has a substantial Section 416 dairy products programs funnelled through CRS/CARITAS. USAID/El Salvador sponsors an MCH program through CARITAS and supports a government-to-government program for displaced persons. PL 480 Title II programs through CARE and CRS are being phased out in both Costa Rica and Panama and distribution of PL 480 Title II commodities should terminate completely in CY 1984 and 85 respectively. However, a Section 416 diary products program will still be operating in Panama in 1985. It is unclear at this time whether this program will continue after 1985. WFP distributes U.S. PL 480 Title II commodities in every country in the region except Nicaragua.

Although PVO managed PL 480 Title II activities are unlikely to continue in the future in Panama and Costa Rica, each of these countries will continue to have both WFP programs with U.S. commodities and substantial national food assistance programs. Because of the economic situation, Costa Rica has asked for substantial assistance in carrying out institutional analyses, process and impact evaluations of their food

assistance programs in order to make more rational decisions about the allocation of their social assistance resources. Panama will continue to require technical support as it makes the transition from international commodities to the use of local products in its food assistance programs.

Tables 2, 3 and 4 summarize the food activities in the region and Annex 7b lists the major supplementary and emergency feeding programs being carried out in Central America and Panama by country, donor agency and types of programs.

b. ROCAP Projects:

The recently approved ROCAP/INCAP Oral Rehydration Therapy (ORT), Growth Monitoring (GM) and Education project (596-0115) will complement activities planned under the proposed Technical Support for Food Assistance Programs project. Many of the counterparts who will participate in the two projects will be the same. Results of applied and operations research on growth monitoring carried out under the ORT, GM and Education project will be drawn on by the information dissemination system, technical assistance and training activities planned under the food assistance project. Work in promoting growth monitoring as an integral part of health service delivery systems in the region, a major focus of the ORT, GM and Education project, will help establish the institutional capacity for adequate beneficiary selection, monitoring and discharge decisions for maternal infant feeding programs.

The Technical Support for Food Assistance Programs project will focus its attention in health and nutrition education exclusively on promoting and developing educational activities which complement food assistance programs. For example, assistance might be provided to strengthen nutrition education in a school curriculum to take advantage of school feeding activities as a learning tool or in developing complementary educational activities for maternal infant or food for work food assistance beneficiaries. INCAP's technical support and training in this area will draw heavily on many of the materials, messages and educational methods developed under the ORT, GM and Education Project. In turn, work with agencies involved in food assistance activities will serve as an ideal mechanism for promoting and spreading use of oral rehydration therapy, growth monitoring and related health and nutrition education in the overall effort to reduce infant mortality and undernutrition in the region.

F. Other Donor Activities

The United Nations Food and Agriculture Organization (FAO) and the World Food Program (WFP) located at their headquarters in Rome provide some technical assistance directly or through consultants to the local WFP offices and to national counterparts in food aid project identification and design. Consultants are usually drawn from other UN agencies including the World

Health Organization (WHO) for these tasks. Once projects are approved, limited technical support, mostly in the form of information dissemination, is available from FAO and WHO on nutrition issues and from WFP on logistics, information and evaluation systems and related topics. Unfortunately very few of the FAO materials are in Spanish. WFP also fields project review teams at critical points during project implementation. Recently both WFP and FAO have increasingly contracted with INCAP for technical personnel to help with their technical assistance and project design and review needs.

Following the regional donor workshop on food aid programs in CA/P held by INCAP in May 1984, FAO made their training manuals for food aid programs available to INCAP and provided a grant to cover the costs of translating and adapting these manuals for use in Central and South America. It is likely that FAO/WFP will also provide funding for field testing the manuals in 1985. In addition, FAO and WFP representatives both at the May donors workshop and in subsequent meetings have expressed interest in participating in other aspects of the program and have begun exploring mechanisms for doing so with their respective headquarters.

The Pan American Health Organization (PAHO) through its technical unit for emergencies and disasters have developed or are developing manuals and training programs on management of health and food assistance activities during disasters. This unit also sponsors training programs on disaster management in the region. The unit has expressed strong interest in collaborating with INCAP on the emergency and disaster aspects of the proposed project.

CARE/New York has developed a matching grant proposal which is under consideration by AID/Washington for the establishment of regional technical support offices with technical expertise in health/nutrition, agroforestry and possibly small enterprise development. If this project is approved, consideration is being given to locating one of these offices in Central America. Again CARE has expressed interest in collaborating with INCAP on these efforts. In addition, CARE New York and CARE field offices have budgeted funds this year for CARE staff training and will continue to do so in the future. This money can be used for participating in the projects working groups, regional meetings and training activities.

The United Nations University (UNU) which has a campus at INCAP supports small research grants and fellowships on food and nutrition related topics. The UNU has expressed interest in supporting some small research activities which would complement the program process and impact evaluation research planned under the project.

The UN High Commission on Refugees (UNHCR) usually contracts with local entities to operate refugee camps and settlements under its auspices. The UNHCR has its own technical assistance network which is drawn on to support the local contractor or implementing agency as needed. Because of the politically sensitive nature of the refugee programs carried out by the UNHCR

it is doubtful that they will actively participate in or request assistance from the regional project with INCAP. However, the project will benefit food assistance programs for displaced persons which are all under the responsibility of national public or private agencies in the region. Annex 7, Technical Analysis, discusses the special provisions made for dealing with the problems of emergency and displaced persons programs.

## III. PROJECT DESCRIPTION

### A. Goal, Purpose and Beneficiaries

The goal of the project is to contribute to the reduction of infant and young child mortality and improve nutritional status among high risk populations in Central America and Panama.

The purpose of the project is to improve the effectiveness of food assistance activities in the CA/P region by helping to establish national coordination mechanisms and strengthening the technical, managerial and evaluation capabilities of INCAP and national public and private agencies in Central America and Panama.

Due to its capacity building character, the project will have direct and indirect beneficiaries. Those benefiting most directly will be managers and directors of public and private sector food assistance programs, national planners responsible for developing and implementing national food assistance strategies and national technical professionals responsible for developing and implementing technical norms for food assistance programs. The capacity of each of these groups to design, manage, implement, and evaluate food assistance activities or strategies will be strengthened. The ultimate beneficiaries will be the region's families who cannot meet their basic food requirements as well as mothers and children who suffer from moderate or severe undernutrition.

### B. Objectives

The various project activities described in the next section are designed to meet the following objectives at the national and regional levels by the end of the project:

a. Country action plans for improving food assistance programs elaborated and effectively being implemented.

b. National strategies or policies for the use of food assistance developed in at least three of the five participating countries in the region.

c. Effective national mechanisms for coordination among implementing agencies, donors and PVO intermediaries functioning in at least three countries of the region.

d. Better managed and more effective food assistance programs in the region through:

(1) the development and use of technical guidelines or methodologies for the formulation, monitoring, and evaluation of food assistance programs as well as for the development of technical and procedural norms and information systems;

(2) improved technical and managerial capacity of regional and national personnel responsible for planning, implementation and evaluation of food assistance programs;

(3) better knowledge of the costs, major constraints and alternative solutions in the design, implementation, monitoring and evaluation of food assistance programs;

(4) improved knowledge and understanding of social, economic, dietary and nutritional impacts as well as cost effectiveness of food assistance programs;

(5) improved targetting of food assistance at the national level and beneficiary selection within individual programs; and

(6) better coordination and integration of food assistance programs with other related food, nutrition, health or community development activities.

C. Overall Project Strategy and Timing

The overall strategy of this project is to develop a regional technical support network to help governmental and non-governmental agencies involved with all types of food assistance programs improve the effectiveness of these programs through promotion, planning and coordination activities, training, direct technical assistance, information dissemination and exchange and operations or applied research. The proposed activities will involve regional and national institutions in each participating country as well as PVO's, international relief agencies and other food donors working in the region.

Each type of activity planned will both build on and reinforce the other types of activities the combination working together in a dynamic way to address identified constraints to the effective use of food assistance at both the national and individual program levels. For example, direct technical assistance and planning, promotion and coordination activities such as regional scientific and technical advisory committee meetings, technical task forces, donor meetings and regional seminars will work together, drawing on existing information and operations research results to help better define the technical basis for designing, implementing and evaluating food assistance programs and national food aid strategies. Once a concensus is reached at the technical level, this information will be disseminated to national planners, national technical/normative staff, food assistance project directors and managers and food aid donors, including intermediary PVOs, in a variety of activities programmed over the life of the project.

Direct technical assistance and regional training will help national counterparts use the recommended regional guidelines and the information coming from project assessments and operations research as well as from the exchange of experiences between countries to improve individual programs and to design and promote national food assistance strategies. Technical assistance will also be used in conjunction with national donor meetings and meetings of program managers to promote the development of country action plans and national coordinating mechanisms for food assistance activities. Over the life of the project experience gained through technical assistance and feedback from training activities will in turn help to refine and adjust consensus guidelines on strategy and program design, implementation and evaluation.

Although activities are described separately, it should be understood that the interaction and dynamics between the planned activities and the reinforcing nature of the distinct activities one to the other are as important to achieving the desired results as are the individual activities. Annex 7 "Technical Analysis" Attachment C summarizes the project showing how the project components and activities are designed to work together to stimulate the desired action by each of the project's target groups in order to achieve the final project objectives.

The greatest project impact in improving the effectiveness of food assistance will be achieved by making progress on three fronts: (1) improving design, targetting and operations of individual programs; (2) developing viable coordinating mechanisms (formal and informal); and (3) development of national targetting schemes, plans and/or strategies for food assistance programs.

The project will work directly with program technicians, managers and directors and cooperating PVOs or donors in improving individual programs and at the same time will work at the national level to stimulate the development of national food assistance strategy formulation, national targetting schemes, country action plans and program coordinating mechanisms. Past experience has shown that this dual approach of working both at the national and individual program levels is mutually reinforcing and more likely to achieve maximum results in each participating country.

Using a dual approach also allows for greater flexibility in finding viable mechanisms for program coordination and targetting which will fit the particular needs and context of each country. For example, in some countries effective informal coordinating mechanisms can be achieved through regular meetings of program directors and donors while in others a single national level unit with enough power to coordinate food assistance activities in accordance with a national strategy or plan may be the desirable mechanism. With adequate national level information on a country's food, nutrition and socio-economic situation available, national targetting of food programs could also be achieved either by working with the most important individual program managers or by working through a central planning unit. To

accomplish this objective, the project will assist in sensitizing both levels to the need for and advantages of improving national targetting as well as individual program beneficiary selection procedures.

Although the project will address the problems of all types of food assistance programs including maternal child, school feeding, food for work and emergency or displaced persons to some degree, greater emphasis within the project will be given to the problems of maternal infant programs and those serving displaced persons. This decision has been made based on the size and number of these programs in the region as compared to other types of programs and because of their relatively high potential to directly affect infant mortality and nutritional status of low income or displaced mothers and children the (most vulnerable groups in the region).

The activities of this project will be carried out in roughly three phases: promotion and planning, implementation and evaluation. This methodology was developed under the regional lactation project and has been shown to be successful in maximizing national level participation and widespread dissemination of research results and program experiences.

Phase 1 - Promotion and Planning: The first 12 months of the project will concentrate on project promotion and planning and will emphasize expanding the existing information base in order to develop national action plans for improving food assistance programs and to build a regional consensus on the technical basis for designing, implementing and evaluating food assistance strategies and programs. Visits to the countries by INCAP staff and initial meetings of donors, national directors and the scientific and technical advisory committee will promote project activities and program coordination. During this period draft guidelines for national strategies, country action plans and the design and implementation of individual food assistance programs will be developed and submitted to technical task forces. With INCAP technical assistance, national teams will develop country assessment and planning documents for improving food assistance programs in preparation for the first regional seminar to be held at the end of the first year of the project. Case study institutional analyses and evaluations of food aid program operations will be completed in three countries as will initial assessments of information availability and needs in each country. This information will feed into guideline and course curriculum development as well as technical assistance activities to be carried out during Phase 2. Research on defining the technical basis for maternal child feeding program norms will begin.

The first regional seminar to be held at the completion of Phase 1 will be a major turning point in the project. An evaluation of the project will also take place at that time. After the seminar, INCAP will have about six months to work with the individual countries and their donor institutions to agree on country action plans and related self-help measures that need to be taken prior to submitting annual work plans to ROCAP for approval in late 1986. It is anticipated that some of the countries (and donors within the

countries) will be more willing than others to take the self-help steps required to improve food assistance and that the INCAP work plans for the individual countries will reflect a much higher priority, particularly in terms of INCAP's technical assistance, for those countries which offer the best prospects of making the most significant improvements on a national basis. INCAP programs for those countries which do not have a strong interest in improving national strategies and policies, donor coordination mechanisms, and solving other major constraints would be at a lower level of effort and focused on improving programs at the level of the executing institutions, e.g. through participation in training programs to improve project planning, evaluation, and addressing specific constraints such as losses from poor food handling or storage practices.

Phase 2 - Implementation: This phase will last about 42 months. The planning and coordination component activities begun in Phase 1 will continue throughout the life of the project, drawing heavily from the experience gained at the technical task force and individual program level. The main thrust of Phase 2 will be to help countries implement design, management, operations and evaluation guidelines and use research and assessment information and methodologies developed during both Phases 1 and 2 in order to strengthen individual food programs. Most training and information dissemination activites, including the second regional seminar to be held in year three of the project, will take place during this Phase. Research and assessment activities begun during Phase 1 will be completed and the information used to support other activities. Research on outcome or impact evaluation and cost effectiveness will be carried out and simplified guidelines and methodologies for carrying out similar studies developed.

Phase 3 - Evaluation: This phase will occur during the last six to nine months of the project. Although evaluation activities will take place throughout the life of the project the objective will be to evaluate the project in terms of how well it achieved its outputs and its purpose of improving the effectiveness of food assistance programs. Activities include follow-up studies, review of documents, the convening of a final regional seminar and the preparation and publication of a final report. The final report will recommend future courses of action in dealing with problems of food assistance programs.

D. Project Activities

The project is composed of four basic components:

1. Promotion, Planning and Coordination

The objective of this component is to promote improvement in the management and effectiveness of food assistance programs, promote the development of country action plans, food assistance strategies or policies and stimulate national coordination mechanisms. The component will also build a regional consensus on the technical basis for designing, implementing and evaluating food assistance strategies and programs.

As a first step INCAP staff will make promotional visits to the member countries and meet with planners, technical normative personnel, program managers, donor agencies and international PVOs to explain the nature of the project, elicit collaboration on project activities and organize project related committees and task forces. A scientific and technical advisory committee (STAC) will be convened with representatives of donor agencies, international PVOs and member country representatives. The STAC will provide overall technical guidance and act as a consultative and review committee for project activities. It will meet twice the first year of the project and annually thereafter.

Three regional seminars planned for the first, third and fifth year of the project, will serve both planning, promotion and training purposes. Teams of seven people from each country will attend the seminars. These country teams will be responsible for the development of a country document before each seminar which will describe the status of food assistance in their countries and progress made on national strategy formulation, developent of coordinating mechanisms and improving program management and effectiveness. The document will also contain proposed country action plans for improving the effectiveness of food assistance programs to be implemented during Phase 2 of the project. The country action plans will serve the purpose of helping INCAP set priorities for direct technical assistance to be provided to national counterparts under the project.

These seminars will also serve as forums for discussion and approval of regional guidelines as well as for exchange of experiences and for introduction of new information flowing from experiences outside the region or from project operations research activities. INCAP experience with this type of regional seminar over the past five years has shown them to be effective mechanisms for helping member countries set concrete but reasonable goals, for stimulating implementation of agreed upon action plans, norms, guidelines, or methodologies and for introducing new solutions to difficult problems.

Regional and national donor meetings held each year and meetings of national program managers and directors to be held at least once every six months will help stimulate the development of national coordination mechanisms and food assistance strategies and policies. The preparation of country documents for the regional seminars and information gained from the operations research activities particularly the review of data needs and data resources and cost effectiveness analysis to be done in each country will also contribute to national food assistance strategy and policy development.

Technical task forces made up of seven to ten representatives from donor agencies, international PVOs and appropriate member country programs will be convened in the following areas: (a) national strategies and plans, (b) maternal child programs, (c) school feeding programs, (d) food for work programs, (e) emergency/displaced persons programs, (f) evaluation and information systems, and (g) food management and preservation. Drawing from

prior experience at INCAP and elsewhere and results of project operations research, INCAP project staff and outside consultants will develop draft guidelines or methodologies which will be submitted to the technical task forces for review and reworking. Each technical task force will meet several times during the life of project. The guidelines developed by the task forces will be submitted to larger forums for discussion and approval at the first, second or third regional seminars. The first regional seminar will focus on the development of national food assistance strategies and policies and the use of food assistance in socio-economic development. The second seminar will concentrate on design and management of food programs and the last on evaluation. The following regional guidelines will be developed using the described methodology over the life of the project:

a. National food assistance strategy and policy development.

b. Food assistance program design (four guidelines, one for each type of food program: maternal child, school feeding, food for work, displaced persons/ emergencies).

c. Organization and management (one for each type of food aid program).

d. The elaboration of manuals of technical norms and operational procedures for food assistance programs.

e. Planning and development of food and nutrition education activities in food assistance programs.

f. Management, preservation and storage of food commodities.

g. Information and evaluation systems for food assistance programs.

h. Beneficiary selection and monitoring in maternal child feeding programs.

i. Process and impact evaluations for MCH feeding programs.

j. Methodology for assessing food and nutrition status of displaced persons and in emergency situations.

k. Methodology for carrying out institutional and operational assessments of food assistance programs.

l. Simplified methodology for carrying out commodities use and acceptability studies.

m. Simplified methodology for carrying out cost effectiveness studies of food assistance programs.

## 2. Training and Information Dissemination

The objective of this component is to improve the knowledge and skills of planners, technicians and managers responsible for design, management and evaluation of food assistance strategies and programs and thus strengthen the institutional capacity for carrying out food assistance activities. This component will serve as a major conduit for dissemination of recommended regional guidelines, assessment methodologies and results from the project's operations research activities. It includes regional seminars, workshops and short courses, observation visits and the expansion of the information clearing house at INCAP to include materials on food assistance programs.

The three regional seminars, already described under the promotion, planning and coordination component, will serve as major tools for sensitizing and training representatives from national planning and decision making levels and technical normative levels, as well as program directors from various sectors, PVOs and donors on priority food assistance program issues. It is principally through these regional forums that all of the major parties involved in food assistance in the region will be able to exchange ideas, learn to speak a common language and bring their understanding of the priority issues up to the same level, all prerequisites for reaching a concensus on concrete actions to be taken in improving program effectiveness.

Drawing on worldwide experience, the work of the technical task forces and operations research results, INCAP staff and outside consultants will develop training packages for high priority regional courses and workshops as identified by the member country program directors, PVO intermediaries and food aid donors. The following regional courses will be conducted during phase 2 of the project:

1. Food assistance for displaced persons and for emergency situations (1 two week course). In addition, specific modules pertaining to emergency situations or food programs for displaced persons will be incorporated into the other project courses.

2. Identification and design of food assistance programs (2 two week courses).

3. Organization and management of food assistance programs (3 two week courses).

4. Food management and preservation for food assistance programs (2 two week courses).

5. Techniques and methodologies for educational activities in food assistance programs (2 six week courses).

6. Information and evaluation systems for food assistance programs (2 four week courses).

TABLE 7

SUMMARY OF MAJOR PROJECT OUTPUTS BY COMPONENT
PROMOTION, PLANNING AND COORDINATION

| Objectives | Phase I: Planning and Promotion | Phase II: Implementation | Phase III: Evaluation |
|---|---|---|---|
| a. Promote improvement in the management and effectiveness of food assistance programs, promote the development of national food assistance strategies or policies and stimulate national coordination mechanisms.<br><br>b. Build a regional consensus on the technical basis for designing, implementing and evaluating food assistance strategies and programs. | a. Project promotion and organization visits to INCAP member countries.<br><br>b. Initial STAC meeting.<br><br>c. First regional and national donor meetings.<br><br>d. Initial national food assistance program directors meetings.<br><br>e. Initial meetings of task forces on national food assistance strategies and design of food aid programs.<br><br>f. Development of draft guidelines on developing national food assistance strategies and design of food aid programs.<br><br>g. First Regional Seminar.<br><br>h. Country documents with country action plans for improving effectiveness of food assistance activities. | a. Annual STAC meetings<br><br>b. Annual regional and national donor meetings.<br><br>c. Semiannual national food assistance program directors meetings.<br><br>d. Second regional seminar and country documents.<br><br>e. Task force meetings:<br>- National Food Assistance Strategies<br>- Maternal-Child Programs<br>- School Feeding Programs<br>- Food for Work Programs<br>- Emergency/Displaced Persons Programs<br>- Evaluation and Information Systems<br>- Food Management and Preservation<br><br>f. Development of Recommended Regional Guidelines and Methodologies:<br>- Guidelines for development of food assistance strategies and policies.<br>- Guidelines for design of food assistance programs.<br>- Guidelines for organization and management of food aid programs. | a. Final STAC<br><br>b. Final Regional Seminar and country documents.<br><br>c. Final project evaluation.<br><br>d. Regional concensus on recommended guidelines and methodologies.<br><br>e. National food assistance strategies in at least three countries.<br><br>f. Effective coordinating mechanisms in at least three countries. |

Table 7
(Continued)

| Objectives | Phase I: Planning and Promotion | Phase II: Implementation | Phase III: Evaluation |
|---|---|---|---|
| | | - Guidelines for elaboration of manuals of technical norms and operational procedures.<br>- Guidelines for planning and development of food and nutrition education activities in food assistance programs.<br>- Guidelines for management, preservation and storage of food commodities.<br>- Guidelines for information and evaluation systems.<br>- Guidelines for beneficiary selection and monitoring in maternal child feeding programs.<br>- Guidelines on process and impact evaluations for MCH feeding programs.<br>- Methodology for carrying out institutional and operational assessments.<br>- Simplified methodology for commodities use and acceptability studies.<br>- Simplified methodology for cost-effectiveness studies of food aid programs. | |

Some of these course materials will also be developed into distance or self learning modules and will be disseminated through the information dissemination system for use at the national or local level. Through direct technical assistance INCAP will also help member country counterpart organizations develop their own program or country specific training plans and programs, adapt existing or develop new training materials as required and seek support from the national government or international donors for implementing program specific training activities.

As part of the training activities, INCAP will sponsor up to thirty weeks of observational trips within the region or to other parts of Latin America for planners or program managers. These trips will allow program personnel to look at innovative solutions to common coordination, management and logistics problems or the successful integration of food assistance with other education and development activities.

In 1981 INCAP created a scientific and technical information unit which, through the AID-sponsored Regional Breastfeeding Project, established an information clearinghouse on maternal infant nutrition, lactation and weaning. In 1985 this clearing house will be expanded to include information on food assistance programs and issues. In addition, at least one documentation center for food assistance programs will be established in each member country. The clearinghouse is expected to provide the following services: compilation and organization of bibliographic materials, updating of bibliographic listings on an annual basis, quarterly distribution of technical information packets, preparation and distribution of a two page sheet of technical notes on food aid issues every six months, preparation and distribution of technical materials for conferences, workshops and seminars, technical assistance to national information centers and response to ad-hoc requests. In addition, in order to facilitate information exchange between countries, one page of INCAP's quarterly newsletter, "INCAP Informa" will be devoted to food aid programs and related activities carried out by INCAP and its member countries.

TABLE 8

SUMMARY OF MAJOR PROJECT OUTPUTS BY COMPONENT
TRAINING AND INFORMATION DISSEMINATION

| Objectives | Phase I: Planning and Promotion | Phase II: Implementation | Phase III: Evaluation |
|---|---|---|---|
| a. To improve the knowledge and skills of planners, technicians and managers responsible for design, management and evaluation of food assistance strategies and programs.<br><br>b. Strengthen institutional capacity for carrying out food assistance activities.<br><br>c. Disseminate recommended regional guidelines assessment methodologies and operations research results. | a. First Regional Seminar.<br><br>b. Development of course materials and content.<br><br>c. Establishment of regional clearinghouse and national documentation centers for food assistance programs. | a. Second Regional Seminar.<br><br>b. Regional courses<br>- Food assistance for displaced persons and for emergency situations.<br>- Identification and design of food assistance programs.<br>- Organization and management of food assistance programs.<br>- Food Management and preservation for food assistance programs.<br>-Techniques and methodologies for educational activities in food assistance programs.<br>-Information and evaluation systems for food assistance programs.<br><br>c. Information dissemination:<br>-Bibliographic listing updates.<br>-Technical information packets.<br>-Technical information sheets.<br>-Newsletters. | a. Final Regional Seminar.<br><br>b. Final project evaluation.<br><br>c. Improved technical and managerial capacity of regional and national personnel responsible for food assistance activities.<br><br>d. Improved targetting of food aid at the national level and within individual programs.<br><br>e. Better managed and more effective food assistance programs in the region. |

3. Technical Assistance

This component will provide the necessary follow-up to other project activities required to help counterparts use the recommended technical guidelines and simplified methodologies developed and new information obtained to identify specific bottlenecks to achieving effective program operations and to develop and implement solutions to the identified constraints. The component will also assist counterparts in developing national food assistance strategies and national targetting schemes.

Direct technical assistance will be provided to member country government and PVO programs by INCAP staff and a cadre of short term Central American or international consultants with special expertise in specific areas as needed. Technical assistance will focus on helping planners, technicians and program managers in each country: (a) design national food assistance strategies and policies and country action plans; (b) create effective mechanisms for coordination of food programs; (c) develop technical norms; (d) carry out institutional studies and analyses; (e) prepare manuals of standards and procedures for individual food programs; (f) improve targetting; (g) develop in-service training programs; (h) improve program management and operations, including management and evaluation information systems, logistics systems, food handling and storage, and supervision; (i) design and conduct process or impact evaluations; (j) design and implement effective complementary food and nutrition education activities for food programs; (k) integrate food programs with other complementary health, education or community development activities; (l) design new programs or redesign existing activities; and (m) identify resource needs for improving the institutional capacity of agencies involved in feeding programs and help prepare proposals for eventual presentation to donor agencies on a bilateral basis. A minimum of 360 weeks of in-country technical assistance will be made available over the life of project.

In addition to the short-term technical assistance, INCAP will assign three of the project's long term advisors to member countries. The skills of the long term advisor will be matched with the predominate technical assistance needs of the member countries and the interest of the counterpart agency in having a long term advisor. Two of these assignments will be in Honduras and El Salvador and the third either in Guatemala, Costa Rica or Panama. The advisors will spend approximately 40 - 60% of their time in their resident country and will spend the rest of the time serving the technical assistance needs of other member countries on a short term basis.

TABLE 9

SUMMARY OF MAJOR PROJECT OUTPUTS BY COMPONENT
TECHNICAL ASSISTANCE

| Objectives | Phase I: Planning and Promotion | Phase II: Implementation | Phase III: Evaluation |
|---|---|---|---|
| a. To provide the necessary followup to other project activities required to help counterparts use the recommended guidelines and simplified methodologies developed and new information obtained to identify specific bottlenecks to achieving effective program operations and to develop and implement solutions to the identified constraints.<br><br>b. To assist counterparts in developing national food assistance strategies and national targetting schemes. | a. Technical assistance in project planning, development of country documents, national strategy formulation, development of coordinating mechanisms and carrying out operations research and assessments. | a. Technical Assistance for the following:<br>-Design national food assistance strategies.<br>-Create effective coordinating mechanisms.<br>-Develop technical norms.<br>-Carryout institutional analyses and studies.<br>-Prepare manuals of standards and procedures.<br>-Improve targetting.<br>-Develop in-service training programs.<br>-Improve program management and operations including management and evaluation information systems, logistics systems, food handling and storage and supervision.<br>-Design and conduct process or impact evaluations.<br>-Design and implement effective complementary food and nutrition education activities.<br>-Design or redesign food programs.<br>-Identify resource needs for improving institutional capacity and help prepare proposals for funding. | a. Final evaluation studies of project impact on national food assistance programs.<br><br>b. Improved targetting and beneficiary selection for food assistance programs.<br><br>c. Better managed and more effective food assistance programs.<br><br>d. Better coordination and integration of food assistance programs with other nutrition, related food, health and community development activities. |

## 4. Operations and Applied Research

The fourth component, operations and applied research, will supply the information needs of technical specialists, planners and program managers in improving the performance of national food assistance programs, orienting other project components and answering priority research questions of interest to the international food aid and nutrition communities.

This component will be divided into two types of research: (a) improving food assistance program processes; and (b) determining food assistance program impacts. Investigations will be carried out on five topics, four applicable to improving food assistance program process and one designed to help determine food assistance program impacts. The topics were chosen on the basis of research priorities identified by food assistance program staff in INCAP's member countries as well as donors, PVOs and international technical agencies.

### a. Evaluation of Food Assistance Programs: Operations, Institutional Capacity and Food Utilization at the Household Level

INCAP, in conjunction with host country counterparts, and sponsoring international PVOs or donors, will carry out case study evaluations of four programs in each of two countries of the region, Honduras and Guatemala. Every attempt will be made to include a MCH, School Feeding, Food for Work, and Emergency Program in each set of studies. In addition, a special case study will be carried out on programs for displaced persons in El Salvador. The choice of the programs for inclusion will depend upon the counterpart agencies' interest and demonstrated willingness to collaborate both in the initial diagnostic phase of the evaluation, implementation of recommended solutions and in the follow up evaluation to be held during the last year of the project.

The program assessment at the central, regional and local levels will examine such things as interinstitutional coordination; institutional organization; technical, administrative and management procedures; financing and costs; program targetting, monitoring and evaluation; supervision; in-service training programs; perceptions of service providers; accomplishments of programmed activities; operational constraints for effective program implementation; beneficiary selection and screening procedures; appropriateness of commodities and rations; integration with other development activities; and community response. Special emphasis will be given to analysis of food storage, transportation and distribution mechanisms and controls in order to identify the source and causes of principal food losses.

At the household level, the assessments will look at the perceptions and attitudes of beneficiary families regrding food assistance programs and the commodities received. The study will also look at how the program commodities are handled, preserved, prepared and consumed in the household. These studies will be carried out using household consumption surveys and anthropological methods at the community level.

b. Cost Effectiveness Analysis of Food Assistance Programs in Central America and Panama

Three types of regular food assistance programs operate in Central America: Maternal Child Feeding (MCH), School Feeding (SF) and Food for Work (FFW). The first have primarily nutritional objectives, while the sec ' often include increasing school attendance or improving scholastic perform as primary objectives. Income and employment generation are the principa 'ectives of food for work programs. Food assistance programs represent considerable costs which are borne by donating agencies, national governments and private voluntary agencies. In addition, they often absorb large numbers of trained human resources and place considerable burden on national infrastructure. Thus, it is imperative that food assistance programs are operated as efficiently as possible.

This study will undertake a cost-effectiveness analysis at the operational level, relating specific program outputs such as beneficiaries served or cash equivalent income provided per beneficiary per year to program costs. Studies on all major types of normal food assistance programs will be included. At a minimum, cost effectiveness analysis will be carried out on the eight programs included in the evaluation of food aid programs: operations, institutional capacity and food utilization at the household level study.

c. Defining the Technical Basis for Screening and Discharge Decisions and for Interpreting Growth Monitoring Data in Maternal Child Food Programs

One of the identified constraints to effective food assistance program implementation in Central America and Panama is the use of inadequate criteria for beneficiary selection, for decisions regarding duration of beneficiary participation, for discharge procedures, for establishing ration sizes and for monitoring growth of participating children. This study will provide the scientific basis for use of nutritional criteria in setting technical norms for maternal child feeding programs in the region.

The study will be divided into two parts. The first phase will use data from longitudinal food supplementation studies carried out by INCAP in Guatemala to explore the use of different criteria or methods for making beneficiary selection and discharge decisions, for choosing appropriate ration sizes and for growth monitoring.

Drawing on the results of the analysis of existing data, a prospective study will be carried out in conjunction with the investigation on food, nutrition and socio-economic impacts of maternal-child food assistance programs on participant families. The prospective study will test the results obtained through the analysis of existing data and will fill in the knowledge gaps which cannot be answered with the existing data sets. This information will be used to help establish recommended regional guidelines on beneficiary selection and discharge, growth monitoring and ration sizes.

d. Design and Testing of Simple Information and Evaluation Systems for National Food Assistance Programs

A major constraint to the effective coordination of food assistance programs operating in a country and for appropriate management of individual projects is the lack of adequately designed yet simple internal information systems which can anticipate data needs and furnish information for decision making by planners and program managers. This research project will make a contribution to the operation of food assistance programs by strengthening existing internal information systems through (a) the identification of data required for purposes of planning, monitoring and evaluation at different levels of the decision-making process by those responsible for national food assistance programs; (b) the identification of existing information systems supporting food assistance programs and other sectoral systems periodically gathering information which could potentially meet the data requirements, and (c) development and testing of simple, low-cost information systems for different types of food assistance programs operating in the region.

e. Food, Nutrition and Socio-Economic Impacts of Maternal and Child Food Assistance Programs on Participant Families

There is a lack of hard evidence available to the nutrition scientific community on the social, economic, food and nutrition impacts of food assistance programs. The scientific community, international organizations, donor and recipient countries have identified the need for this type of evaluation to orient decisions regarding investment of their social service or nutrition intervention dollar and to correctly identify the role of food assistance programs as a tool to reduce or erradicate malnutrition in third world countries.

TABLE 10

SUMMARY OF MAJOR PROJECT OUTPUTS BY COMPONENT
OPERATIONS AND APPLIED RESEARCH

| Objectives | Phase I: Planning and Promotion | Phase II: Implementation | Phase III: Evaluation |
|---|---|---|---|
| a. To supply the information needs of technical specialists, planners and program managers required to improve the performance of food assistance programs.<br><br>b. To provide the missing information required for the development of guidelines, methodologies, regional courses, and technical information dissemination materials.<br><br>c. To provide answers to priority research questions of interest to the international food aid and and nutrition communities. | a. Research protocols for 6 studies or assessments.<br><br>b. Initial results from eight evaluations of food assistance program operations: institutional capacity and food utilization at the household level.<br><br>c. Initial results of case study: analysis of the operation of food assistance programs for displaced populations.<br><br>d. Initial results from assessments of information systems for food assistance activities in five countries.<br><br>e. Initial results from study on defining technical basis for norms for maternal child food programs. | a. Results from eight evaluations of food aid programs operations: institutional capacity and food utilization at the household level.<br><br>b. Results of case study: analysis of the operation of food assistance programs, for displaced populations.<br><br>c. Results from study on designing and testing simple information and evaluation systems for food assistance programs.<br><br>d. Result from study on defining the technical basis for norms for maternal child food programs.<br><br>e. Cost effectiveness analyses of eight food aid programs.<br><br>f. Results from study on food, nutrition and socio-economic impacts of maternal child food assistance programs on participant families.<br><br>g. Information required for the development of simplified assessment and evaluation methodologies. | a. Follow-up evaluation studies on food assistance program operations: institutional capacity and food utilization at the household level.<br><br>b. Simplified assessment and evaluation methodologies developed.<br><br>c. Better knowledge of the costs, major problems and alternative solutions in the design, implementation and evaluation of food assistance programs.<br><br>d. Improved knowledge and understanding of social, economic, dietary and nutrition effects of food programs. |

Thus, this investigation will provide donor countries with basic information on the extent to which their contribution to developing nations, in the form of food aid, is worthwhile in terms of nutritional and economic consequences to deprived sectors of the population. For national planners, it will furnish information as to whether, for nutritional objectives, it is worthwhile allocating sizeable resources to the management of food assistance programs.

The study will examine social, economic, dietary and nutritional impacts of a maternal child care feeding program in one of the countries (Guatemala or Honduras) where the process evaluation of food program operations will be conducted. It will also determine the impact of the food assistance program on the utilization of health services.

E. Host Country and Other Donor Participation

There are forty-two different agencies involved in direct implementation of the 60 major food assistance programs currently functioning in the five participating countries in the region. Of these, thirty-two are host country government agencies, eight are local PVOs, one is an international PVO, (CARE/Honduras), and the last is the UN High Commission for Refugees. There are two international PVOs involved in food assistance activities, CARE and Catholic Relief Services (CRS) and four food donors; the US Agency for International Development (AID), the World Food Program (WFP), the European Economic Community (EEC) and the Government of West Germany. In addition, these are several international and bilateral agencies operating in the region which provide some technical or financial support for food assistance, emergency assistance and related activities; PAHO/WHO, UNICEF, FAO, WFP, the UN High Commission on Refugees and AID, both AID/Washington and the bilateral USAIDs.

Initial contacts have been made with each of these groups in order to define working relationships with INCAP and the project. With the exception of the UN High Commission on Refugees, each of the food aid donors and international technical support agencies have expressed an interest and willingness to participate in the project.

The project will pay travel, per diem and training costs of host country public sector and local PVO counterparts participation in project activities. Host country agencies will pay salaries of participants and will be expected to make other in-kind contributions whenever possible. INCAP has a strict policy whereby direct technical assistance is not programmed or provided unless a clearly defined counterpart is available to work with INCAP staff and clearly defined objectives and responsibilities are established for each technical assistance activity.

Specific letters of understanding will be signed with the host country agencies and sponsoring donors or PVOs agreeing to collaborate with

INCAP on operational and applied research activities. These letters will identify host country and other donor contributions to the activity and responsibilities of each party involved. Only programs where a committment has been obtained from host country and PVO counterparts to implement recommendations from initial process evaluation and to agree to follow-up studies will be included in the process evaluations of food aid programs planned under the project.

International PVOs such as CARE and CRS as well as donors and other international technical support agencies will be invited to participate in all project activities, but will be expected to pay for the costs of participating themselves. All of the agencies contacted have agreed to do so.

Since the project is designed to build the institutional capacity of host country organizations, both public and private, and stimulate coordination, direct technical assistance will be provided to any host country institution which has fulfilled INCAP's technical assistance programming requirements and been included on INCAP's annual country plan, regardless of the cooperating donor agency. However, donors or international PVOs who wish to avail themselves of INCAP technical expertise for their own program design, evaluation or management needs will be expected to continue to contract with INCAP directly for these services as they have in the past. The money obtained by INCAP from consultancies provided by personnel who are covered 100% with ROCAP project funds will go to back into the project to be used during years 4 and 5. These funds will be used to cover part or full-time salaries of the staff who are not financed by the project after the third year or to help cover the recurrent costs of maintaining a minimum technical capacity at INCAP to support food assistance programs after the fifth year of the ROCAP/INCAP project.

As soon as the proposed food assistance project is approved, INCAP will formally contact the authorities responsible for decisions on food assistance programs operating in Central America and Panama. The objective of these contacts will be to inform donors and PVO's about project approval, describe planned activities and technical and economic support at both the regional and country level desired from their organizations over the next five years. Based on these initial contacts, INCAP will prepare a letter of agreement with each international agency, donor and PVO. These documents will describe in detail the type of support which INCAP's food assistance project requires, the in-country activities likely to be strengthened with external support and the mechanisms which will need to be exercised to coordinate efforts by INCAP staff and the representatives of donor and international agencies and PVO's located at the organization's headquarters or in the member countries.

In addition to paying salaries, travel and per diem for their staff to participate in regional meetings and other project activities, INCAP will request that donors (1) contribute consultants, (2) provide pertinent written or audio visual materials which could be adapted to the CA/P context and

distributed via the information dissemination system, (3) support in country activities required to address constraints of food assistance programs, (4) support operational research on issues not contemplated in the present project and (5) look for mechanisms to continue funding for technical and training support for food programs after the ROCAP project terminates. The latter support could be in the form of contracts for services, direct grants or scholarships for participant training.

## IV. Cost Estimates and Financial Plan

The proposed budget for the project is $7,043,000, of which ROCAP's contribution will total $5,600,000 (80%), INCAP's $760,000 (11%) and host country counterpart $683,000 (9%). Table 11 contains a summary financial plan by project component and funding source and Table 12 provides a summary by objects of expense and funding source. Project funding will cover activities planned over the implementation period of five years from June 1985 through May 1990. Table 13 shows the expenditure schedule for the ROCAP contributions by components and by year. Table 14 breaks the project components down by major objects of expense. A detailed project budget is included in Annex 10.

To facilitate project financial management, all project funded long term personnel, except those dedicated exclusively to research activities are budgeted within the Project Management, Review and Evaluation line item. Long term research personnel are budgeted within the research component. Short term consultants and contractual services, amounting to $167,900 and $358,691 respectively, are budgeted in each component where their services are likely to be required.

Also for project management purposes the training and information dissemination component has been broken out into two separate budget line items. Although they will work together closely, different people within the project staff will have principal responsibilities for coordinating training and information dissemination activities.

The host country counterpart has been calculated based only on estimates of the time host country counterparts will spend directly on project activities as participants in training, technical assistance and research activities and is therefore a conservative estimate of host country contributions. INCAP experience in the past has been that host country in-kind contributions in the form of local transportation, office space, materials and supplies, use of computer and office equipment, local secretarial and administrative support and space for meetings and conferences is substantial, but cannot be adequately estimated at the beginning of a project.

In addition, it is expected that other donors, including bilateral USAIDs and international PVOs, will contribute substantially to the project by covering the cost of salaries, travel and per diem of their representatives to participate in project activities, by supporting the participation of

additional national counterparts for training activities, by supporting some in-country costs of research and technical assistance, by supplying materials for information dissemination and by providing short term consultants. Other donors have also expressed an interest in contributing to related food assistance research activities. Initial negotiations between INCAP and the other donors on their contributions are underway and will be finalized once the regional project has been launched.

TABLE 11

Summary Financial Plan
by Project Component and Funding Source
(US$ 000)

| Line Items | ROCAP | INCAP | Host Country Counterpart | Total |
|---|---|---|---|---|
| Planning and Coordination | 217 | — | 33 | 250 |
| Training | 670 | — | 217 | 887 |
| Technical Assistance | 391 | — | 151 | 542 |
| Research | 880 | 60 | 282 | 1,222 |
| Technical Information Dissemination | 74 | — | — | 74 |
| Management, Review and Evaluation | 1,442 | 525 | — | 1,967 |
| Sub-Total | 3,674 | 585 | 683 | 4,942 |
| INCAP Indirect Costs 1/ | 978 | 175 | — | 1,153 |
| Contingencies and Inflation | 388 | — | — | 388 |
| U.S. Technical Assistance | 560 | — | — | 560 |
| TOTAL | 5,600 | 760 | 683 | 7,043 |

1/ Calculated at a rate of 30 percent of sub-total minus fellowships ($414,000).

TABLE 12

Summary Financial Plan
by Objects of Expense and Source of Funding
(US$ 000)

| Objects of Expense | ROCAP | INCAP | Host Country Counterpart | Total |
|---|---|---|---|---|
| Personnel (Long-term staff) | 1,374,171 | 518,800 | 682,920 | 2,575,891 |
| Consultants | 167,900 | - | - | 167,900 |
| Travel & Perdiem | 933,033 | - | - | 933,033 |
| Contractual Services | 358,691 | - | - | 358,691 |
| Computer Services | 107,400 | 30,000 | - | 137,400 |
| Operational Expenses | 49,540 | 6,000 | | 55,540 |
| Supplies | 186,040 | - | | 186,040 |
| Visual Aids and Reproductions | 66,070 | - | | 66,070 |
| Equipment | 17,000 | 30,000 | | 47,000 |
| Training Scholarships | 414,000 | - | | 414,000 |
| Sub-Total | 3,673,845 | 584,800 | 682,920 | 4,941,565 |
| INCAP Indirect Costs | 977,955 | 175,440 | | 1,153,395 |
| Contingencies & Inflation | 388,200 | - | | 388,200 |
| U.S. Technical Assistance | 560,000 | - | | 560,000 |
| TOTAL | 5,600,000 | 760,240 | 682,920 | 7,043,160 |

TABLE 13

BUDGET SUMMARY OF ROCAP CONTRIBUTION BY COMPONENTS AND YEAR
US $

| Project components | First Year | Second Year | Third Year | Fourth Year | Fifth Year | Sub-total |
|---|---|---|---|---|---|---|
| I. PLANNING AND COORDINATION | 69,720 | 70,860 | 30,860 | 30,860 | 14,860 | 217,160 |
| A. Scientific and Technical Advisory Committee. 6 meetings | 29,720 | 14,860 | 14,860 | 14,860 | 14,860 | 89,160 |
| B. Task Forces. 16 meetings | 40,000 | 56,000 | 16,000 | 16,000 | - | 128,000 |
| II. REGIONAL TRAINING PROGRAM | 104,000 | 199,800 | 182,000 | 131,400 | 52,800 | 670,000 |
| A. Regional Seminars (3) | 49,200 | - | 49,200 | 49,200 | - | 147,600 |
| B. Workshops and courses (12) | 34,800 | 179,800 | 112,800 | 82,200 | 52,800 | 462,400 |
| 1. Feeding assistance for displaced persons and for emergency situations | - | 36,400 | - | - | - | 36,400 |
| 2. Identification and design of food aid programs | 34,800 | - | 25,200 | - | - | 60,000 |
| 3. Administrative management of programs | - | 31,200 | - | 31,200 | 26,400 | 88,800 |
| 4. Food management and preservation | - | - | 31,200 | - | 26,400 | 57,600 |
| 5. Methodologies for food and nutrition education | - | 56,400 | 56,400 | - | - | 112,800 |
| 6. Information and evaluation systems for food aid programs | - | 55,800 | - | 51,000 | - | 106,800 |
| C. Observational site visits (30) | 20,000 | 20,000 | 20,000 | - | - | 60,000 |
| III. TECHNICAL ASSISTANCE | 75,780 | 80,280 | 80,280 | 80,280 | 74,280 | 390,900 |

Table 13 -
Continued

| | Project components | First Year | Second Year | Third Year | Fourth Year | Fifth Year | Sub-total |
|---|---|---|---|---|---|---|---|
| IV. | OPERATIONS RESEARCH | 291,016 | 240,810 | 152,270 | 193,614 | 1,995 | 879,705 |
| | A.1 Analysis of institutional capability for carrying out food aid programs and food utilization at the household level | 130,400 | 72,900 | 5,000 | 124,500 | - | 332,800 |
| | A.2 Cost/effectiveness of food aid programs in Central America and Panama. | | 34,000 | 20,500 | - | - | 54,500 |
| | A.3 Definition of technical basis for establishing norms for maternal pre-school child food programs | 22,400 | 12,850 | 15,350 | - | - | 50,600 |
| | A.4 Design and testing of simple information and evaluation systems for food aid programs | 61,900 | 13,400 | - | - | - | 75,300 |
| | B.1 Food, nutrition and socioeconomic impact on participant families of maternal-child food programs | 61,316 | 107,660 | 111,420 | 69,114 | 1,995 | 351,505 |
| | C.1 Case Study: Analysis of the operation of food assistance programs for displaced persons in El Salvador | 15,000 | - | - | - | - | 15,000 |
| V. | INFORMATION DISSEMINATION | 14,876 | 14,876 | 14,876 | 14,876 | 14,876 | 74,380 |
| VI | MANAGEMENT AND EVALUATION | 313,800 | 268,750 | 319,050 | 285,750 | 254,350 | 1,441,700 |
| | SUBTOTAL | 869,192 | 875,376 | 779,336 | 736,780 | 413,161 | 3,673,845 |
| * | Indirect costs 30% | 253,198 | 215,993 | 202,841 | 197,814 | 108,109 | 977,955 |
| | Contingencies and Inflation | 31,745 | 63,717 | 73,075 | 98,449 | 121,214 | 388,200 |
| | U.S. Technical Assistance | 105,000 | 109,000 | 114,000 | 119,000 | 113,000 | 560,000 |
| | TOTAL | 1,259,135 | 1,264,086 | 1,169,252 | 1,152,043 | 755,484 | 5,600,000 |

TABLE 14

BUDGET SUMMARY OF ROCAP CONTRIBUTION BY PROJECT COMPONENTS AND CATEGORY OF EXPENDITURE
US $

| Code | Expenditure Categories | Components: Planning and Coordination | Training | Technical Assistance | Operations Research | Information and Dissemination | Management and Evaluation | Total |
|---|---|---|---|---|---|---|---|---|
| 010 | Long term staff | - | - | - | 130,071 | - | 1,244,100 | 1,374,171 |
| 040 | Consultants | - | 48,400 | - | 40,000 | - | 79,500 | 167,900 |
| 230 | Travel and per diem | 179,160 | 189,600 | 390,900 | 136,373 | - | 37,000 | 933,033 |
| 300 | Contractual services | - | - | - | 348,691 | - | 10,000 | 358,691 |
| C91 | Computer services | - | - | - | 101,300 | - | 6,100 | 107,400 |
| 400 | Operational expenses | 4,400 | 1,500 | - | 21,200 | 7,440 | 15,000 | 49,540 |
| 500 | Supplies | 24,000 | 10,500 | - | 98,070 | 33,470 | 20,000 | 186,040 |
| C96 | Visual aids - Reproduction | 9,600 | 6,000 | - | 2,000 | 33,470 | 15,000 | 66,070 |
| 600 | Equipment | - | - | - | 2,000 | - | 15,000 | 17,000 |
| 800 | Training - Scholarships | - | 414,000 | - | - | - | - | 414,000 |
| | Subtotal | 217,160 | 670,000 | 390,900 | 879,705 | 74,380 | 1,441,700 | 3,673,845 |
| C96/94 | Indirect costs 30% | 65,148 | 76,800 | 117,270 | 263,912 | 22,315 | 432,510 | 977,955 |
| | Contingencies and Inflation | - | - | - | - | - | - | 388,200 |
| | U.S. Technical Assistance | - | - | - | - | - | - | 560,000 |
| | TOTAL | 282,308 | 746,800 | 508,170 | 1,143,617 | 96,695 | 1,874,210 | 5,600,000 |

## V. SUMMARY PROJECT ANALYSES

The following summarizes the specific analyses conducted in designing the project. The complete analyses appear in Annexes 7-10.

### A. Summary Technical Analysis

The project is designed to help reduce infant and young child mortality and improve nutritional status among high risk populations in Central America by improving the effectiveness of food assistance activities in the region. This will be done by strengthening the technical, managerial and evaluation capabilities of national, public and private agencies responsible for planning, implementation and evaluation of food assistance activities.

Drawing on the results of the 1984 INCAP assessment of technical and training needs of food assistance programs; the results of the donor group workshop on the same subject and INCAP discussions with managers of food programs in each country; the project development team ascertained that to improve the effectiveness of food assistance activities the following are the key constraints to be overcome:

Lack of national food assistance strategies.

Lack of effective country level coordination mechanisms.

Poor food assistance program design.

Weak institutional capacity for management and implementation of food assistance programs.

Inadequate food storage and distribution systems and food handling and control mechanisms.

Lack of common technical and operational guidelines or norms and objectives.

Severe limitations in program information and evaluation systems.

Inadequate linkages with complementary development activities.

Limited experience in handling the growing number of displaced persons in the region.

The first two constraints must be overcome by working at the national level while the rest are applicable to individual programs. An in-depth analysis of these constraints appears in Annex 7, Technical Analysis. The mix of project activities chosen to address the identified constraints was carefully considered by the design team and others involved in

food assistance programs in the region. The project draws on the accomplishments and lessons learned over the past ten years in food and nutrition planning and on the successful planning, motivational and technical support techniques which INCAP has developed more recently for working with its member countries.

Experience with a series of food and nutrition planning seminars and technical outreach measures over the past four years under the ROCAP/INCAP Nutrition Technical Outreach Project has shown that the proposed methodology for regional seminars in which each country team prepares a country document assessing the current situation and laying out a country action plan for discussion and revision at the seminar is a good mechanism for identifying priorities and stimulating action at the national level. Focused follow-up technical assistance with well defined objectives combined with training, promotion, and information dissemination by INCAP have helped countries implement many elements of their plans.

A national level constraint to improving effectiveness of food assistance programs is the lack of national food assistance strategies. Work on food and nutrition planning and development of food and nutrition surveillance and information systems over the past ten years has raised the level of knowledge and analytic sophistication about the food and nutrition situation in most countries of the region to a point that the development of national food assistance strategies is technically feasible. Reviews of food assistance program information needs and cost benefit analysis to be done in each country as part of the project's operations research activities will help further expand the knowledge base.

In the case of food assistance, the incorporation and collaboration of donors and PVO intermediaries into the process of national strategy development as well as into efforts to improve program effectiveness and develop coordinating mechanisms is particularly critical to achieving a positive outcome. The project takes this into consideration by promoting active donor participation in the STAC, technical task forces, donor meetings, regional seminars, national program coordinating meetings, development of country documents and workplans and all other project activities. Donors and PVOs have already played an active role in project planning and development and have expressed a high level of interest in collaborating in project activities.

Effective formal or informal country level mechanisms for information exchange and coordination are needed to avoid duplication of efforts and undercutting of one program by another. The regional assessment of technical and training needs conducted by INCAP in 1983-84 led to joint meetings of all major national program managers in each of the member countries. In several countries, notably Costa Rica, Honduras and El Salvador, program managers have decided to continue these meetings on a regular basis on their own.

Meetings of national project managers and national donor meetings will continue to be promoted under the project. In addition, other project activities such as the establishment of documentation centers in each country, participation in regional seminars and courses and information dissemination activities will facilitate national coordination and information exchange. The development and application of common technical and operational guidelines and norms will help overcome coordination problems and prevent undercutting of one program by another which now exist when programs with similar objectives are carried out in the same country.

The approach selected by the project for overcoming constraints at the individual program level is to provide an integrated set of technical support services to technical/normative personnel and program managers. The package includes technical assistance, regional training courses, observational tours and technical information dissemination which will improve technical and management skills, help program directors identify specific constraints within their individual programs and develop practical solutions for overcoming barriers to effective program operations. Non-technical constraints to program operations such as infrastructure, personnel or equipment limitations will be addressed by providing help in targetting and scaling back the current program to fit available resources or in preparing proposals to seek funding for the additional resources required.

The integrated set of technical services will draw on and help apply the results of the project's operational research activities and the recommended guidelines for project design, implementation and evaluation to be developed on a regional basis. INCAP has developed effective mechanisms for providing integrated technical assistance, training and information dissemination and exchange which draw on and transmit research results and which achieve demonstrable outcomes.

Project operations research and assessments will help fill knowledge gaps and clarify existing doubts about the best technical norms to use for maternal infant feeding programs, the research activities will also help define practical operations procedures for each type of food assistance program. In addition, the research component will help define model management information and evaluation systems and develop more easily applicable methodologies for problem identification and for carrying out cost assessments, cost effectiveness analyses, institutional assessments and community studies needed for adequate program design. Process evaluations to be carried out on nine programs will provide direct problem solving assistance to these programs and at the same time will provide the region with a better understanding of the operational problems of food assistance programs and alternative solutions which can be spread to other programs through technical assistance, information dissemination and training.

With the possible exception of the impact evaluaton of MCH programs, research activities planned under the project are not complex and all activities use methodologies which are well known and with which INCAP has

considerable experience. They also draw on information already available in the region saving time which would otherwise have to be used for data collection. The project team ascertained that operational answers for outstanding issues on assessment and process evaluation methodologies, targetting, beneficiary selection criteria, ration sizes, ascertaining beneficiary and community perceptions and the design of reasonable information systems can be obtained well within the time frame of the project and in sufficient time to permit dissemination of the results and their application to individual programs.

The development of recommended regional guidelines for project design, implementation and evaluation as well as for technical and procedural norms will provide program planners and managers, as well as cooperating PVOs, with a clear definitiion of what needs to be done to improve program effectiveness. The guidelines will also help minimize the confusion which now exists due to multiple criteria and opinions regarding program design, implementation and evaluation which have often been established without knowledge or understanding of the realities of the CA/P region.

The project addresses the problem of reaching a concensus on regional guidelines through the use of a highly participatory process of operations research, task forces, national meetings and regional forums. The possibility of reaching a concensus on general guidelines for program design and evaluation and for technical norms and operational procedures when dealing with multiple donors, intermediaries and executing agencies was the subject of extensive discussion at the May 1984 donor meeting held to discuss the results of INCAP's assessment of technical and training needs for food assistance programs. The conclusion of the discussions was that it was both possible and advantageous to all parties to do so and that both donors and PVO intermediaries were willing to work toward that end.

With the help of an outside consultant, the feasibility of responding to the technical assistance and training needs of both normal and emergency food assistance programs under the same project was examined. The project development team found that the technical support needs of emergency food assistance programs, including displaced persons and refugee programs, are not substantially different from those required by normal food assistance programs, i.e. the development or adaptation of guidelines or methodologies for carrying out assessments and for program design and operations, technical assistance, information dissemination, regional training and operations research. The two types of programs can be accommodated under a single project with the addition of some special personnel and activities focused on emergency situations. Furthermore, many of the national counterparts who are responsible for normal feeding programs are also in charge of food assistance activities during emergency situations. Therefore, special training in handling emergencies and displaced persons needs to be provided for both normal and emergency feeding program personnel. This can best be done through a combined program.

The project will address the special needs of emergency situations and displaced persons programs by including a specialist in emergency programs among the long term project personnel. This person will be responsible for development of special guidelines, assessment methodologies, and training activities for emergency and displaced persons programs, for carrying out a case study on the displaced persons programs in El Salvador and for providing direct technical assistance on this subject.

As designed, therefore, the project takes into consideration known technological and institutional constraints to improving food assistance programs. After reviewing the constraints the project committee has determined that the proposed design is technically responsive to the problem identified and that no technical constraints exist to inhibit successful project implementation.

B. Summary Institutional Analysis

1. Background

The project will be implemented by INCAP which serves as the region's principal source of technical expertise in the areas of health, nutrition and supplementary feeding. INCAP has recent experience in managing AID projects similar to the proposed project (Regional Breastfeeding Promotion, Regional Nutrition Technical Outreach and Panama Breastfeeding Promotion) and, overall, producing high quality technical information, carrying out a high volume of technical assistance and maintaining excellent relationships with clients, especially ministries of health.

2. Coopers and Lybrand Report

To respond to AID/W queries regarding the technical capacity of INCAP and how its clients perceive the value of its work and services, ROCAP financed an institutional analysis of INCAP which was carried out by Coopers and Lybrand. The final report, which was presented to AID/W in February 1984, reviews the institution's research, training and technical assistance activities and the linkages it has with national and international organizations. The report states that the "technical capacities of the institute's staff are appropriate for many of AID's program policies and strategies such as nutrition, health assistance, food and agriculture, transfer of technology and institutional development. Therefore, in the future, AID should continue to consider INCAP as a capable project implementator."

On the question of client perceptions, the report states that INCAP "is highly regarded by the international scientific community. The services it provides, in the view of the national authorities and recipients of its services we spoke with, are of high quality."

3. INCAP's Experience with Food Assistance

INCAP's relevant experience to carry out the general types of activities proposed under the project has been discussed in connection with the AID financed projects described in the previous section. The INCAP project proposal details the specific type of experience that INCAP has had directly related to food aid programs. In general, INCAP has had relevant experience in program design and evaluation, institutional studies, revision of technical norms, information systems, macro/policy studies, nutritional impact studies, improving the nutritional aspects of food, regional studies, and in preparing technical publications. A description of each type of relevant experience is included in Annex 8, Institutional Analysis.

4. INCAP's Capacity to Carry out Two Major AID Projects Simultaneously

In the PID review, issues were raised concerning INCAP's ability to carry out the proposed project along with the Oral Rehydration Therapy, Growth Monitoring and Nutrition Evaluation project (596-0115) which was recently approved. INCAP's specific technical and administrative capacity to carry out the proposed project activities was thus reviewed in depth during project paper development by INCAP and ROCAP with the assistance of outside consultants.

Current INCAP staff levels will need to be reinforced in order to undertake the number and breadth of tasks required to help the countries improve the effectiveness of their food programs. An optional combination of expanded INCAP staff, collaborative agreements with other institutions, use of Central American short term contractors and U.S. technical assistance has been developed to insure that INCAP has the institutional capacity to effectively implement the project.

a. Technical Capacity

INCAP has carefully planned the use of its core professional staff to provide a balance between the two projects, as well as to provide adequate time to maintain the schedules of other ongoing projects and programs of the Institute. The following table summarizes the percentage allocation of INCAP counterpart professionals and tallies their combined input in support of the ORT and Food Assistance projects:

## INCAP Counterpart Professionals

| Position | Name | % Time Dedicated to ORT | Food Assistance | Combined |
|---|---|---|---|---|
| 1. INCAP Director | L.O. Angel | 10% | 10% | 20% |
| 2. Project Coordinator | H. Delgado | 100 | - | 100 |
| 3. Project Coordinator | M. T. Menchú | - | 100 | 100 |
| 4. INCAP Administration | J. Bajarano | 15 | 15 | 30 |
| 5. Chief F&N Plan | M. Immink | 10 | 20 | 30 |
| 6. T.A. Coordinator | A. Noguera | 20 | 20 | 40 |
| 7. Chief, Food & Economics Program: Project Research Coordinator | V. Valverde | 20 | 20 | 40 |
| 8. Principal Investigator: | M. Molina | 25 | 20 | 45 |
| 9. Principal Investigator: | R. Sibrian | - | 20 | 20 |
| 10. Principal Investigator: | C. Dárdano | 25 | - | 25 |
| 11. Principal Investigator: | J. Cruz | 25 | 10 | 35 |
| 12. Education & Training | A. Praun | 75 | 15 | 90 |
| 13. Education & Training | C. Bruña | - | 10 | 10 |
| 14. School of Nutrition | M.E.de Robles | 20 | - | 20 |
| 15. Nutritionist | B. Torún | 10 | - | 10 |
| 16. Biochemist | L. Mejía | - | 10 | 10 |
| 17. Food Biochemist | L. Elías | - | 10 | 10 |
| 18. Infor. Dissemination | M. Fischer | 50 | 25 | 75 |
| 19. Nutritionist | F. Chew | 20 | | 20 |
| 20. Education & Training | F. Castillo | 20 | | 20 |
| Total Average | | 30 | 22 | 38 |

With the exception of the two full-time project coordinators, the median amount of time per professional dedicated to both projects is about one-third of total time available, which allows a reasonable proportion of time left for other INCAP activities.

In addition to the core INCAP professionals assigned to this project, a total of nine additional experts will be added, with grant funding, to the INCAP staff on a full time basis, as follows:

1. Management Expert - Regular Food Programs
2. Management Expert - Emergency Food Programs
3. Logistics Expert
4. Education and Training Expert
5. Management Information Systems Expert
6. Epidemologist
7. Food Management Expert
8. Technical Information Expert
9. Project Management Logistics

At least three of these nine will be based in member states away from headquarters and will be principally involved in the provision of technical assistance both to the central governments and to the individual food assistance programs, and will be responsible for the overall coordination of project activities in the field. Provision has also been made for substantial support from a variety of Central American experts to be contracted on a short-term, as needed, basis.

Table 1 of Annex 8 presents a complete listing of both INCAP core staff and Central American experts to be contracted under the project. This listing presents, on an integrated basis, the full component of professional services required for the project and describes the principal responsibilities of each person, their input in terms of person-months and source of funding.

The project will also finance substantial technical assistance to help INCAP carry out the project. During the five year implementation period, a total of 125 weeks of U.S. and Central American technical assistance will be used to support the various subcomponents of the project. The details of the types of technical assistance by subcomponents, number of weeks and years are summarized in Annex 8, Table 3. Table 2 of the same Annex includes a level of effort analysis of all project personnel, both long and short term, which shows that a total of 807.5 man-months will be available to carry on project activities. The Project Development Team considers this level of effort to be adequate for the task.

Institutional linkages between INCAP and the Instituto Centroamericano para Administración Pública (ICAP) and the Instituto Centroamericano para Administración de Empresas (INCAE) are also being explored as a way to broaden INCAP's perspective on organization review and development in the public sector.

b. Administrative Capacity

A review of the INCAP's administrative capacity to carry out the ORT project was carried out in mid-1984. The basic conclusion of that review was that the INCAP administrative structure and service centers are underutilized and could absorb the additional workload to be generated by the ORT project. The one exception to this condition was the need to provide additional secretarial support and administrative and budget control assistance within the technical divisions. The approved ORT project has incorporated the extra secretarial help and two administrative positions which will be added to the Administrative Services Division in 1985, to be funded as part of INCAP's indirect costs.

The proposed Food Assistance project will create similar demands. Additional secretarial support will be project funded and an additional administrative/accounting position will be funded from INCAP overhead. The workload associated with these positions is in direct

proportion to the expected increase in administrative and technical paperwork as well as more complex budget control during execution and financial reporting to ROCAP. The additional administrative staff (two positions ORT and one Food Assistance) will work on a team basis in supporting both projects. This team of three should be adequate to handle both the functions of document processing and monitoring of obligations and expense and budgetary report generation and analysis for internal project management and outside reporting. Other normal administrative support functions such as recruitment, contracting, procurement, travel and transportation can be handled adequately for both the ORT and Food Assistance projects with the current installed capacity of the central support administrative divisions of INCAP. Annex 8, Figure 1 gives INCAP's organizational chart showing the relationship between administrative and technical divisions and program coordinators.

5. INCAP's Capacity to Continue to Provide Assistance at the End of the Project

The Food Assistance Project, (expected to run through mid 1990), will affect hundreds of food aid program managers and staff throughout the region of Central America and Panama, both at the national coordination level and the individual program/project level. National strategies will have been clearly defined by the end of the project in at least three of the participating countries and substantial progress will have been made towards implementing action plans in line with those strategies.

After 1990, INCAP plans on continuing its traditional services of training, investigation and technical assistance to the member states and that part of INCAP's core personnel resources will be directed towards maintaining food aid technical assistance. INCAP has also estimated the need for about $265,000 in recurrent costs on an annual basis to maintain the technical assistance arm of the program at an optimal level (See Annex 8). This represents approximately 25% of the average annual effort programmed during the project. Ideally, two key staff positions beyond INCAP core personnel would be maintained, a full time INCAP expert on training and a full time expert on management who would focus all of their efforts on technical assistance and training activities. Travel and per diem will also be needed to allow the INCAP staff to be mobile in the region for the provision of ongoing technical assistance in food aid program management. Finally, two annual short courses and one workshop are planned to give the individuals in the participating institutions an opportunity to share ideas and experiences as well as upgrade their knowledge on the latest developments in food assistance programs worldwide.

The funding for such activities will need to be programmed in advance. INCAP's successful experience to date in being able to sell professional services to both multilateral and private agencies involved in food aid programs is a good beginning in attracting non-traditional funding sources. Over the next five years, INCAP should be able to expand this type of consultancy on a fee-for-service basis. It is also expected that as the

member states develop and refine their national strategies, they would naturally seek funding on a concessional basis from donors and that INCAP would be in a prime position to serve as an executing contractor to provide advisory services and technical assistance.

Based on the guidance cable received after the PID review, ROCAP has explored bilateral funding possibilities with the Central American USAIDs which could be used to augment the project and serve as a source of funds for INCAP to continue providing assistance after the project ends. In general, the USAIDs, both at the management and technical levels, have been supportive and recognize the need to find funding mechanisms to provide technical assistance on an on-going basis. These funding mechanisms could include local currency programming using the counterpart generated by PL-480 Title I programs and ESF balance of payments assistance as well as AID DA financed mechanisms such as OPGs. During initial discussions with each of the USAIDs (except Panama which has no local currency reflows and is trying to phase out of PL 480 Title II and 416 activities) radically different potential mechanisms have been suggested. These potential mechanisms are dictated by the structure of the government, the placement of food assistance activities within that structure, Mission portfolios and the nature of current AID/host country agreements.

During 1985, ROCAP will work closely with the USAIDs to develop appropriate mechanisms for each country with the idea of having initial bilateral funding begin in the second year of project implementation, i.e. in 1986. Efforts will be made to set up mechanisms which will allow governments and sponsoring PVOs to purchase training and technical assistance from INCAP. It is expected that these funding mechanisms will be well established prior to the end of the project and governments, PVOs and INCAP will be accustomed to using them. As the funding requirements to continue a relatively high level of INCAP services, as outlined above, is only on the order of $50,000-$75,000 per year, per country, and includes AID, other donors and at least some host country contributions, ROCAP believes that there are reasonable prospects that INCAP will be able to continue to provide assistance in helping the countries with food aid programs after the Food Assistance project ends.

C. Summary Economic Analysis

For most development projects economic evaluation involves the application of standard benefit-cost methods. The streams of adjusted project costs and benefits over time are compared by calculation of the present value of net benefits or the internal rate of return. Ideally, these methods should be applied in the economic analysis of this project. However, such methodologies have only limited utility for this project analysis since many of the project benefits are nonquantifiable.

The project is aimed at achieving reductions in malnutrition and decreased levels of mortality, morbidity, and disability among children

through the improved performance of food assistance programs in the region. The theory of benefit-cost analysis is difficult to apply to these expected project outcomes. While the intervention has well-defined costs, the value of improved performance and productivity which result from averted malnutrition and illness are difficult to estimate given present methods. The pure utility values of reduced mortality, morbidity, and disability are equally difficult to quantify.

While the most beneficial impacts of the project, i.e. reduced mortality, morbidity, and disability, are not easily measured, a limited analysis of intermediate benefits can be carried out. It is possible to identify and quantify improvements in program performance which are considered to be necessary prerequisites for achieving these benefits. Technical assistance under this project is expected to produce programmatic savings by reducing food losses. Reduction of losses will in turn produce a decrease in program costs or an improvement in program productivity resulting in either a larger number of participants effectively served with an equivalent amount of resources, or a greater impact per project participant.

The technical assistance activities connected with this project are expected to generate measurable economic benefits in two ways: reducing food losses due to waste, pilferage, and damage; and, reducing food losses due to misdirection of commodities to non-vulnerable groups. For purposes of the economic analysis, assumptions were made that food losses due to waste, pilferage and damage are at least 3% of total program costs and that food loss due to the failure to target commodities to vulnerable groups is estimated conservatively at 40% of total food program costs.

The 3% figure for food losses used in the analysis is drawn from food loss reports compiled by managing PVOs or WFP representatives. Anecdotal data strongly suggest that these reports grossly underestimates the actual percent of food lost through either pilferage, waste or damage. An evaluation carried out in Panama in 1982, where food assistance programs were considered to be among the best managed and controlled in the region, showed that 8.1% of the warehouse facilities were judged to have insufficient security against robbery, 18.4% and 19.5% as having unacceptable security against rats and insects respectively and 5.7% had no means of taking inventory. When local program administrators were asked if there had been instances in which food products were unfit for human consumption when received, 17.2% said there had been incidences in the last 12 months and 42% indicated the occurance of such incidences previous to that time. Annex 9, Economic Analysis, provides additional data on food losses.

The economic analysis of this project estimates the value of the reduction in food loss which can be achieved under varying assumptions regarding the impact of technical assistance. In addition, a least-cost analysis demonstrates that the regions implementation plan chosen is the least-cost alternative.

The analysis indicates that a technical assistance program that would have at least a five percent impact on reducing total program losses would produce benefits in excess of project costs. Because the technical assistance project may result in an increase in administrative costs for food programs, an analysis using a 10% increase in administrative costs was carried out. Under this assumption, a technical assistance effort would need to produce a 10% impact on losses for benefits to exceed costs. These calculations are detailed in Tables 3-12 of Annex 9.

In evaluating the regional approach for technical assistance proposed here, comparisons were made between: PVO or implementing agency vs. bilateral vs. regional approaches; and between a regional institution vs. a US contractor approach (which would use strictly US technical assistance). It was found that the regional INCAP approach accomplishes the project goals at the least cost. Compared with the bilateral and PVO/implementing agency approaches, the regional approach economizes on managerial personnel, avoids duplication of efforts, and makes more extensive use of short term technical skills. The INCAP regional approach provides technical personnel who have more extensive knowledge, and orientation to CA/P countries. In addition, INCAP personnel already have established working relationships with Ministries of Health and other institutions in the region. Also, the INCAP approach is preferable because the technical personnel will remain in place at the end of the project, while a US contractor would have only a limited tenure.

## D. Summary Financial Analysis

### 1. INCAP Budget Analysis

INCAP's 1985 budget, which includes the estimated first year expenditures of the AID ORT, Growth Monitoring and Education Project, shows a 30% increase over the 1984 total actual expenditures, while indirect common services costs are projected to increase only 12%. This disparity in growth rates is possible because of the underutilized installed administrative capacity which has existed over the past three years. With the further increase in grant (and total program) activity expected in 1986, the Institute should continue to show improvement in its administrative efficiency.

The funding of INCAP's budget, other than from grant sources, has remained rather static in absolute terms in recent years, as shown in the following table.

INCAP's Sources of Funding
1978 through 1985
($000)

| | PAHO | QUOTAS | OTHER INCOME | DONOR GRANTS |
|---|---|---|---|---|
| 1978 | - | 251 | 160 | - |
| 1979 | 822 | 242 | 176 | 3,878 |
| 1980 | 996 | 166 | 162 | 3,512 |
| 1981 | 1,144 | 188 | 180 | 3,252 |
| 1982 | 1,305 | 386 | 145 | 1,637 |
| 1983 | 1,254 | 314 | 153 | 1,593 |
| 1984 | 1,134 | 416 | 160 | 1,487 |
| 1985 | 1,033 est. | 300 est. | 200 est. | 2,650 est. |

Assessments to member states were increased from $250,000 to 9300,000 annually in 1983. Within the last three years collections have exceeded the assesed amounts, which reflects payments of member states on arrearages from previous years. PAHO's financial support to INCAP is expected to remain at a level of over $1.0 million annually for the forseeable future. The other source of direct funding, miscellaneous income, projected at $200,000 for 1985, has averaged $160,000 for the past seven years.

Under these circumstances, where regular funding sources are expected to remain at about the same levels, INCAP should maintain a constant and relatively even level of project activities funded by donor grants, so that there will be a consistent contribution to indirect support costs through percentage charges for common services. The progressive decline in grant activity from $ 3.9 million in 1979 to $1.5 million in 1984 is being reversed through increased funding in 1985 and 1986. This should provide a good degree of budget stability for the Institute as a whole.

2. Overhead

INCAP has an established procedure for allocating indirect costs to the programs and projects, based on a percentage of the direct expenditures incurred. The percentages applied over the past few years have changed from year to year based on updated analyses and calculations. In 1984 an evaluation of the criteria used in establishing these ratios was carried out by ROCAP staff in conjunction with INCAP staff. As part of the PP intensive review, a consultant was contracted to update the data base and to arrive at a clear definition of which budget elements will be included in the indirect cost pool as well as a definition of the total direct program base to which these indirect costs will be allocated.

a. Indirect Cost Pool

In order to specify the budget elements which correspond to the indirect cost pool to be allocated, an inventory of total administrative costs was established, which includes the following major categories:

i. Central Support Divisions

- Administrative Services (includes the functions of accounting, budgeting, personnel, procurement and administrative data processing).

- Library Services.

- Building and Equipment Services

ii. Documents and Information Unit.

iii. Secretarial and Administrative Assistants (attached to the various technical divisions).

iv. Management (Fifty percent of the Director's Salary and the Chief Administrative Officer position which are formally tied to the PAHO personnel system).

v. Vehicle and Equipment Replacement.

Of these five categories, it was agreed with INCAP to exclude iii. and iv. from the indirect cost pool:

b. Direct Program Base

It has been agreed that the entire administrative budget, including all five categories listed above would be excluded from the direct program base, as well as the value of fellowship programs which contribute tuition to the Institute in lieu of overhead charges.

A summary of the accepted elements for both indirect and direct costs is presented in Annex 10. A simple formula whereby the indirect costs serve as the numerator and the direct cost base as the denominator is also presented. Application of this formula using the 1985 Program Budget of INCAP results in an overhead rate of 30%. Projections for 1986 (which includes the first year budget estimate for the Food Assistance Project) result in an overhead rate of 25%.

Although, it is not possible to give an exact projection as to the mix of indirect and direct costs for either 1985 or 1986, the amounts used for calculations are very close approximations and it is not expected that the variance from the rates will be more than 4 percentage

points. A provisional rate of 25% for the Food Assistance Project was therefore agreed upon with INCAP with the understanding that this rate may vary up or down with a maximum of 30% possible (the rate used for calculation of the project budget). At the closing of INCAP's books at year-end, the actual rate will be calculated using the criteria set forth in this section and using the formula as described in Annex 10, and this rate would then become the established provisional overhead rate to be applied against the project in the following year.

3. Method of Implementation and Financing

Once the Food Assistance Project becomes fully operational, it will combine with the ORT and other AID-sponsored projects to represent about 50% of INCAP's total budget and 70% of project revenue flows. Due to this magnitude, the normal working capital advances funded by PAHO for an amount up to $600,000 will not be sufficient to meet both normal operations and increased growth activity.

Quarterly advances from ROCAP to INCAP will be required. This represents a change from the direct reimbursement financing method used previously with INCAP. INCAP will prepare an annual estimated cash flow statement for the project and submit quarterly work plans which will support its request for advances. Each quarterly advance will be cleared via the submission of quarterly expenditure reports, prior to the granting of a subsequent quarterly advance.

Direct payment procedures will be used to finance both long term and short term PSCs and/or institutional contracts for U.S. technical assistance. INCAP will not charge overhead on U.S. technical assistance when direct payment procedures are used by ROCAP to cover these project costs.

Funding involved under the two procedures outlined above is:

| | |
|---|---|
| Direct Reimbursement | $ 5,040 |
| Direct Payment | $ 560 |
| Total AID project | $ 5,600 |

The official currency of record for the Institute is the U.S. dollar. Therefore, all accounting transactions are recorded in U.S. dollars or dollar equivalents. In the case of disbursements or other entries originating in Guatemalan Quetzales, the exchange rate to be used for converting Quetzales to U.S. dollars for the accounting records will be the officially recognized floating parallel market rate. The accounting transaction resulting from such an exchange process shall be documented as to the details of conversion either in the accounting record itself or in the supporting vouchers, thus providing a clear audit trail. ROCAP disbursements will be made in U.S. dollars.

4. Audits

As INCAP is progressively obtaining a greater degree of autonomy and responsibility to manage its financial management systems, there is a need for an audit function within the Institute, separate and apart from the PAHO audits. With the improvements made in 1984 regarding the interchange of accounting transactions on a regular basis between PAHO Washington and INCAP Guatemala, INCAP accounting records are much more complete and on a current basis. As a result, they have the capability to produce their own financial statements. The three basic financial statements -- Balance Sheet, Income and Expenses, and Grant Fund Receipts and Expenses -- have been prepared (in preliminary form) as of December 31, 1984 by INCAP personnel. This ability to prepare one's own financial statements is an essential step in preparing for a meaningful external audit. INCAP will contract for an external institutional audit for the year ending December 31, 1985 and annually thereafter. The costs of this external audit will be covered by funds allocated for indirect costs.

With regard to ROCAP's particular certification needs as to the appropriateness of the charges against project funds and, in particular, the charges for indirect cost allocations, a more specific review of INCAP's records, at least in the initial two years of the ORT and Food Assistance projects will be conducted by a project funded accounting expert. The focus of this review will be on ascertaining the correctness of the overhead rate applied by INCAP, in accordance with the agreed-upon formula for defining the elements to be included both in the direct cost base and the indirect cost pool.

E. Summary Social Analysis

1. Beneficiaries

The ultimate beneficiaries of the project will be families with insufficient food to meet their basic needs and mothers and children with moderate or severe malnutrition who suffer high morbidity and mortality rates due to the combined effect of malnutrition, poor living conditions and limited health services. These groups will benefit by participating in food assistance programs which reach them in a consistent and timely fashion, are better managed, use more appropriate commodities and are better integrated with other development activities such as health and nutrition education, maternal child health services and community development projects which can have a lasting impact on improving the condition of poor families.

The immediate beneficiaries will be managers, technicians and staff of regional and national institutions (both public and private) who are responsible for planning and implementing food assistance activities. Training, direct technical assistance, information dissemination and participation in evaluations and other research activities will improve the knowledge and skills of this group so that they can carry out their work more

effectively. The project will also help them clearly identify the specific constraints in their programs and look for practical ways of overcoming those constraints.

2. Socio-Cultural Feasibility

a. Regional Dynamics and Motivation for Change

There is considerable frustration in the CA/P region on the part of national managers and staff of food assistance programs, managing PVOs and donors regarding food assistance activities. This frustration has been repeatedly expressed by INCAP's member country counterparts, both those who work at the national planning level and with individual programs, at regional food and nutrition planning forums and during national meetings on food and nutrition issues.

Much of the frustration stems from the fact that those involved recognize they cannot deal with the problems inherent in implementing effective food assistance activities alone or in isolation, but find no mechanisms which will facilitate working with other key individuals to resolve problems. The frustration also stems from what national counterparts perceive as rigidity on the part of managing PVOs and donors regarding regulations which control the use of food aid while donors and PVOs are concerned about assuring proper use of food commodities given weak national counterpart institutions. In the past, little has been done to try to confront and resolve these differences or the underlying problems giving rise to them.

With the current political and economic crises in Central America, the pressure on all parties involved to carry out larger programs more effectively is tremendous. This has led to an increased demand for solutions and motivated various national and regional groups to take action. At the same time, work within AID and the PL 480 Title II system over the past five years have introduced some innovative new mechanisms for carrying out food assistance activities and opened the doors for greater flexibility. In addition, recent changes within cooperating PVOs have made their management more responsive and interested in looking for new ways to deal with old problems.

This confluence of changes and pressures finds INCAP at an ideal time in its institutional development of technical outreach mechanisms and highly participatory methods of working with its member countries, INCAP is now in an optimal position to act as a catalyst in motivating people and bringing them together to work on common problems. The groups involved, national representatives, PVOs, donors and other international agencies have recognized the strong potential for positive change which exists in INCAP assuming a catalytic role in this process and have asked the institute to do so. The long-standing underlying frustrations and new pressures have made the interested parties eager for solutions and enhanced their interest and willingness in working with each other and INCAP

to find some. Thus, the dynamics of change and interaction in the region at this time and INCAP's position in that process are such that the chances of achieving many of the required changes in design, implementation and evaluation of food assistance activities are good.

b. Addressing Socio-Cultural Issues of Food Assistance Programs

There are social and cultural issues surrounding food assistance programs which have been discussed for years including questions of creating dependency, the appropriateness of commodities to local cultural patterns and the need to design ration sizes to fit normal intra-household food distribution patterns. The project will help address these issues through the research component which will examine the actual handling, distribution and use of the commodities at the household level in eight programs in two countries. The project will also look at the perceptions of both beneficiaries and their communities as well as those of local program staff toward food assistance activities in order to identify ways of making them more socially or culturally acceptable, to improve community participation in the programs and to look for better ways of linking food activities to other development programs which can have long-term impacts on the food and nutrition problems of program beneficiaries.

The project will use the experiences in two countries to design scaled down methodologies for carrying out household assessments which can then be implemented in other countries of the region with non-project resources. In addition, the results will be used to help program managers redesign their activities taking into consideration socio-cultural factors so that they will be more effective. At the regional level the findings will be incorporated into guidelines for project design, implementation and evaluation, thus, improving the chances that future food assistance activities will be designed with major socio-cultural issues in mind.

3. Role of Women

Women and their children constitute the principal beneficiaries of food assistance programs and thus indirectly of the project. Research components will examine the social, economic and health/nutrition impacts of these programs on women and children and their families and try to reach a better understanding of how food assistance activities can be better used to improve the situation of women in the region.

In addition, women represent a high percentage of the professionals directly involved in planning, managing and evaluating food assistance activities in CA/P. These professionals will be direct beneficiaries of the project's training, technical assistance, research and information dissemination activities, all aimed at improving their technical and managerial skills.

# VI. Implementation Arrangements

## A. Administrative Arrangements

### 1. Project Administration at INCAP

The Director of INCAP will have overall responsibility for project activities. Project coordination has been delegated to the Food Economics Unit of the Food and Nutrition Planning Division (see Annex 8 for current INCAP Organization Chart).

The project involves staff from all of INCAP's divisions and coordinating units, plus regular high level contacts with member government personnel and close collaboration with food aid donors, international and national PVOs, other international technical support agencies and with other institutions in the region. Therefore, an INCAP Project Directing Committee made up of the INCAP Director, Administrator, the Project Coordinator, Chief of the Food and Nutrition Planning Division, Head of the Food and Economics Interventions Unit and the Technical Assistance Coordinator will be responsible for overall project management and for reviewing and approving all project plans and major project decisions before they are submitted to ROCAP. The INCAP Project Directing Committee will also be responsible for contacts with high level member country counterparts and with establishing working relations with donors, PVOs, and other collaborating international agencies or regional institutions.

An internal technical support team made up of INCAP personnel having principal responsibility for carrying out project activities will also be established. The project coordinator will head up this project team and the project's long-term technical advisor will also be a member. This team will be responsible for developing detailed project plans and for day to day project implementation and management (Table 1 of Annex 8 summarizes project personnel and their responsibilities).

In addition to the INCAP project implementation committee, a regional Scientific and Technical Advisory Committee (STAC) will be convened. The STAC will include two members from each participating member country, one member will be chosen from the political/planning level of the decision making process where food aid programs are being or are expected to be coordinated and the second will be selected among technical staff operating food aid programs at the country level. A representative from each donor agency, international PVO or other intermediary involved with food assistance programs in the region will be asked to join the STAC. This Committee will meet once a year to review project activities and progress made toward meeting project goals and will provide technical guidance on project plans and implementation.

### 2. Administration at ROCAP

ROCAP's Food and Nutrition Advisor will have primary responsibility for managing the project. A long term U.S. specialist will be

assigned to the project and will function as an advisor to INCAP on all project activities and as the technical liaison between ROCAP and INCAP. Specifically, the long term advisor will be responsible for providing technical guidance and oversight for all research activities on a day to day basis; will help in setting up peer group reviews and outside technical assistance as needed and will be responsible for advising on and reviewing the technical content of all promotion, education, training, management and technical information dissemination materials. Up to 15% of the long term advisor's time will also be made available to help USAIDs in the region improve bilateral food assistance activities. The technical advisor will provide technical assistance directly to country programs in conjunction with INCAP staff as appropriate.

Within ROCAP, an implementation committee has been established with representatives from the General Development, Project Development and Controller's offices. As needed, they will assist the Food and Nutrition Officer in addressing any implementation issues that may arise.

From its experience with other ROCAP projects, INCAP is familiar with the general administrative requirements, such as progress reports and financial controls, which ROCAP establishes, and has demonstrated its capacity to comply with them. In light of this experience, no administrative problems are anticipated.

B. Implementation Plan

The schedule of all major events as they are currently planned is contained in Annex 11. This schedule reflects the combined judgement of INCAP and ROCAP as to when these events should occur within the context of the overall three phase strategy including promotion and planning, implementation and evaluation.

Regular monitoring of project progress will assure early recognition of unanticipated problems and areas where modifications are needed. Detailed work plans and budgets will be developed annually and adjusted every six months. Regular progress reports covering activities and accomplishments, factors affecting implementation, financial status and, based on these, planned activities during the next reporting period will be prepared by the project staff and quarterly reviews of project progress will be conducted with INCAP and ROCAP participation.

C. Evaluation Plan

The project evaluation plan consists of evaluation activities to be carried out by the member countries; by donors, PVO, intermediaries and international technical agencies; by peer group reviews and by ROCAP/INCAP teams.

1. Evaluations by Member Country, Donor Agency and PVO Representatives

Three subregional seminars, to be attended by technical staff responsible for food aid programs in the subregion and by representatives of donor agencies, PVO intermediaries and international technical agencies have been scheduled to take place. The first seminar will be held during the organization phase of the project and the others in the third and fifth years. The first workshop will update the information available at INCAP and in the countries on national food aid programs, country plans for improving the effectiveness of food assistance programs and the research, training and technical assistance priorities identified by member countries and donor agencies. A similar activity to review progress on the accomplishments of goals established in the first seminar and for identifying new priorities will be scheduled for the third year.

At the beginning of the last semester of the fifth year, the third seminar will take place. The subject of the third meeting will be the achievement of country and project objectives and goals laid out in the first and second seminars and the need for research, training and technical assistance activities in food aid programs in the following years. The reports from the workshops will be used by the INCAP/ROCAP evaluation teams. In addition, the STAC will serve as a standing technical review committee and will meet annually to review project accomplishments and plans.

2. Country Program Evaluations

The project contemplates a series of evaluation activities which will help the participating countries evaluate the progress and impact of their programs. These activities will also be used to evaluate the project's final results. Initial studies or assessments will serve as baseline data and subsequent information will be used for measuring program progress and impact. Information for program evaluations will be drawn from the following activities:

a. Reviews of food aid activities in each country will be conducted in preparing country documents for the first, second and final regional seminars.

b. The review of food aid activities in the region and their technical and training needs carried out by INCAP in 1983-1984 will be used as a baseline for looking at program progress over time. A similar review will be conducted during the last year of the project.

c. Case study process evaluations of eight programs to be carried out under the operations research component will provide both initial data on these programs plus a follow-up evaluation in year four of the project to look at the programs success in implementing recommended solutions to identified constraints.

d. Regular program information systems will be upgraded during the life of the project so they can eventually provide each program with the capacity for measuring program process and impact. Information systems assessments carried out in the first year of the project will serve as a baseline both for individual program evaluations and for measuring improvement in program specific management information systems or national information systems for planning purposes.

e. Technical assistance will be provided throughout the life of the project for carrying out institutional analyses, cost benefit analyses, logistics systems reviews, process evaluations, etc. During the last year of the project a sample of those programs which have received INCAP assistance in carrying out initial analyses and in identifying possible solutions for problems encountered, will be examined in a special follow-up evaluation to see what impact the project has had in improving program operations and effectiveness.

3. ROCAP/INCAP Project Evaluations

A total of three formal evaluations will be conducted jointly by ROCAP and INCAP with a team of outside consultants during critical stages of project implementation. In addition, outside consultants will be brought in to review progress of specific reasearch and training activities at key points during their planning and implementation. These mini-evaluation activities or peer group reviews will be scheduled as needed.

The first evaluation will be held at the end of Phase I approximately one year into project implementation. At this point the project staff will all be hired, the first regional seminar will have been completed, initial donor and task force meetings will have been held and work on the first sets of guidelines to be developed will be underway and the regional clearing house will have been established. In addition, most operations research activities will have begun and preparation for the first regional courses will be completed. The evaluation team will review project planning, implementation and management, INCAP and country team organization and project coordination with donors, PVOs and national planners and program managers. The team will also examine progress on operations research activities whose results will be incorporated into recommended guidelines, simplified assessment methodologies and the design of regional courses.

This first joint INCAP/ROCAP evaluation will also deal with important policy and programming considerations which will have an impact on INCAP's subsequent annual work plans for carrying out the project starting in 1987. The evaluation team will need to make judgements regarding workplans for the individual countries which will have been presented at the first regional seminar, the policy constraints which need to be overcome, the degree of commitment on the part of the individual countries and donors within the country to overcoming identified constraints and make recommendations on the country programs which seem to offer the best prospects for success in improving the effectiveness of food assistance programs.

While regional activities will be offered to all of the countries and research efforts will be based on separate criteria and counterpart agreements INCAP has considerable flexibility in programming technical assistance to the countries. The evaluation team's recommendations will be used to help INCAP establish its technical assistance priorities and the self-help measures on which progress will need to take place in the individual countries.

A second formal evaluation will be conducted approximately three years into project implementation. This evaluation will examine progress of activities under each component, project management, appropriateness of technical assistance, training, technical information dissemination and operations research activities and progress being made by the countries in improving the effectiveness of food assistance programs. The evaluation will also examine INCAP's progress in setting up self-financing mechanisms for maintaining a minimum technical support capacity for food assistance programs after the project ends. Recommendations from the first two evaluations will be used to reorient project activities.

A final evaluation will be held during the last six months of the project in conjunction with the project's evaluation phase. This evaluation will focus on the project's results and impact on country programs as well as looking at future member country needs for the type of assistance provided under the project.

D. Procurement Plan

INCAP will serve as its own agent for the procurement of all goods and services required for the project except contracting for U.S. technical assistance, which will include a long term advisor. INCAP procurement procedures have been reviewed by ROCAP on various occasions and again during intensive project review. They have been found to be consistent with AID regulations. From its experience with previous ROCAP projects, INCAP is familiar with AID procurement regulations, and has demonstrated that it has the capacity to carry out the planned procurement activities.

1. Technical Services

Long and short term technical services, a long term U. S. advisor and a limited amount of short term U. S. consultant time will be procured for the project. To satisfy the need for long term project staff and short term services, INCAP will contract individually for each position. This is its normal practice and offers a large pool of potential candidates from which to draw. It is expected that most of the project staff and short term consultants will be recruited from CA/P countries. However, it may be necessary to recruit some of the project staff from outside the CA/P region if it is found that sufficient expertise is not available in the region. If the project must recruit certain members of the long term project staff from other LAC or Code 941 countries, a request for a 941 source/origin waiver will be submitted to AID/W.

To recruit for these staff positions, INCAP will place announcements in newspapers and technical publications, utilize contacts in national and international institutions and contact the USAIDs to identify potential candidates. Scopes of work will be provided to all interested individuals. After reviewing each application, INCAP will hire the most qualified individual for each position.

ROCAP will serve as the procurement agent for the U.S. advisors. It is anticipated that personal services contracts will be used to obtain the services of a long term technical advisor and approximately six months of highly specialized short term U. S. or international consultants to participate in project evaluations, audits and peer group reviews.

The long term advisor should have substantial hands on experience with planning, design, implementation and evaluation of food assistance programs under normal and emergency situations. Ideally the long term advisor should also have some experience in carrying out operations research. Normal AID procurement procedures will be used in selecting the U. S. contractors.

2. Commodities

Project financed commodities will be purchased by INCAP following the guidance provided in Handbook 11. Most of the project commodities will be purchased in the United States. Some, however, may be bought locally in the CA/P region. Annex 12 contains a list of the commodities needed to support the research, training and technical cooperation to be provided by the project. This includes computer equipment designed to upgrade and expand the word processing and data analysis capacity at INCAP in order to meet the requirements of the project. M/SER/IRM will be asked to review and approve the specificiations of this equipment prior to its procurement.

E. Waivers

It may not be possible to recruit all of the project staff from Central America, Panama and the U.S. If so, appropriate source/origin waivers for Code 941 procurement will be submitted to AID/W for approval.

F. Conditions, Covenants and Negotiating Status

1. Conditions Precent to Disbursement

a. First Disbursement

The standard CP to initial disbursement will apply, including the designation of official INCAP representatives and submission of their authorized signatures.

b. Disbursements During Phase I of The Project

Prior to disbursement of funds for activities other than for hiring long-term personnel, INCAP will prepare and submit a detailed workplan and budget for the first year of the project (Phase I) to ROCAP for approval.

c. Disbursements During Phases II and III

Prior to the disbursement of funds for technical assistance to the countries beyond year one of the project, except in support of the research and training components, INCAP will present to AID its analysis of the country programs, the prospects for success in improving national strategies and plans, and for addressing other constraints to improving food assistance programs along with an explanation of INCAP's rationale for the quantity and type of technical assistance which it proposes to undertake.

Prior to disbursement of funds for Phase II, INCAP will also present a plan to AID for developing funding mechanisms and agreements with national governments, bilateral or international food aid donors, PVOs or other international agencies to support a continuation of technical and training assistance for food assistance programs after the ROCAP/INCAP project terminates. This support, for example, could be on a fee-for-service basis, direct grants or in the form of scholarships for participant training.

2. Covenants

a. Work Plans and Budget

INCAP will covenant that prior to undertaking activities each year after the first year of the project, it shall furnish in form and substance satisfactory to AID a consolidated work plan and buget for all project activities for that year.

b. The consolidated work plan and budget will include individual country work plans and outline the self help steps expected to be taken by the countries as well as the annual budgetary contributions of the countries to the project.

c. INCAP will convenant to coordinate appropriate project activities with USAID Missions in each country and with private voluntary agencies responsible for managing PL 480 Title II activities in the Region as well as with other food aid donors and intermediaries.

3. Negotiating Status

The design of the proposed project has been developed in close collaboration with INCAP. ROCAP believes that all issues have been discussed

and resolved with INCAP during the design process. There should be no problems in negotiating the grant agreement which can be signed shortly after the project is authorized.

UNCLASSIFIED STATE 354803

ACTION ROCP INFO AMB DCM AID ECON CHRON/5

VZCZCGT0552
PP RUEHGT
DE RUEHC #4803 3260251
ZNR UUUUU ZZH
P R 010246Z DEC 84
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TO RUEHGI/AMEMBASSY GUATEMALA PRIORITY 1240
INFO RUEHSJ/AMEMBASSY SAN JOSE 2032
RUEHTG/AMEMBASSY TEGUCIGALPA 3980
RUEHSN/AMEMBASSY SAN SALVADOR 1321
RUEHZP/AMEMBASSY PANAMA 0932
BT
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TOR: 13:16
CN: 50795
CHRG: ROCP
DIST: ROCP

ACTION: PDO
INFO: PROGRAM
DIRECTOR
GENERAL DEV

ADM AID, GUATEMALA FOR ROCAP

E.O. 12356: N/A
TAGS:
SUBJECT: SUPPLEMENTAL SUPPORT FOR FOOD ASSISTANCE PROGRAMS (596-0116), PID

NOV 33 8 56 AM '84
MAIL ROOM
USAID/GUATEMALA

1. THE DAEC REVIEWED AND APPROVED SUBJECT PID NOVEMBER 15, 1984. MISSION DIRECTOR IS HEREBY DELEGATED AUTHORITY TO APPROVE PP AND AUTHORIZE PROJECT IN THE MISSION. THE FOLLOWING IS SUBMITTED AS GUIDANCE FOR THE DEVELOPMENT OF PP.

2. PROJECT RATIONALE: THE PP SHOULD INCLUDE A THOROUGH ANALYSIS OF THE FOOD DISTRIBUTION PROGRAMS IN THE REGION IDENTIFYING CRITICAL PROBLEM AREAS AND BOTTLENECKS WHICH LIMIT THEIR EFFECTIVENESS. GREATER EMPHASIS SHOULD BE GIVEN TO THE POTENTIAL DEMAND FOR THE PROPOSED PROJECT ACTIVITIES. DESCRIBE HOW THESE ACTIVITIES WILL INCREASE THE EFFICIENCY OF THE FOOD PROGRAMS AND THEREBY HELP TO ACHIEVE THE DESIRED PROJECT GOALS. EVIDENCE, EVEN IF ANECDOTAL, OF CURRENT PROBLEMS DIRECTLY ATTIBUTABLE TO DEFICIENCIES IN TRAINING, TA, RESEARCH, AND PLANNING WOULD STRENGTHEN THE ANALYSIS. ALSO, CAREFUL COST ANALYSES OF FOOD DISTRIBUTION EFFORTS AND EXPECTED SAVINGS ATTRIBUTABLE TO PROJECT ASSISTANCE SHOULD BE INCLUDED.

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3. SEQUENCE OF ACTIVITIES: PROJECT ACTIVITIES SHOULD BE SEQUENCED IN SUCH A WAY AS TO REFLECT BOTH THE TEMPORAL AND FUNCTIONAL RELATIONSHIP BETWEEN THE VARIOUS PROJECT COMPONENTS.

4. LONG TERM VS. EMERGENCY FOOD PROGRAMS: THE PP SHOULD DISTINGUISH BETWEEN LONG TERM FOOD PROGRAM ASSISTANCE AND EMERGENCY AND REFUGEE FOOD ASSISTANCE. WHEREAS THERE IS CONSIDERABLE OVERLAP OF METHODS/MANAGEMENT OF SHORT AND LONG TERM ASSISTANCE PROGRAMS, IT SEEMS APPROPRIATE TO CLARIFY DIFFERENCES IN EMPHASIS AND APPROACH WHERE RELEVANT AND TO INDICATE HOW THE PROJECT WILL ADDRESS THESE DIFFERENCES.

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5. LENGTH OF PROJECT: THE PROJECT SHOULD RESULT IN PERMANENT SELF SUFFICIENCY IN THE MANAGEMENT OF FOOD ASSISTANCE PROGRAMS. IT SHOULD NOT LEAD TO LONG TERM DEPENDENCE BY INCAP ON GRANT ASSISTANCE FOR SUPPORT OF ADDITIONAL INSTITUTIONAL FUNCTIONS. IT SHOULD BE CLEAR IN THE PP THAT ASSISTANCE WILL END AFTER FIVE YEARS.

6. HOST GOVT. AND BILATERAL MISSION SUPPORT: THE PROJECT MUST HAVE THE SUPPORT OF ALL OF THE BILATERAL MISSIONS. FURTHER, BUREAU BELIEVES THAT THE SUPPORT OF BOTH THE BILATERAL MISSIONS AND THE HOST GOVERNMENTS CAN BE DEMONSTRATED BY ASKING GOVERNMENT AGENCIES THAT PARTICIPATE IN THE PROJECT TO REIMBURSE INCAP FOR A PORTION OF THE COST OF THEIR PARTICIPATION. TO PROVIDE FUNDS FOR THESE REIMBURSEMENTS, THE BILATERAL MISSIONS SHOULD CONSIDER ALLOCATING FOR THIS PURPOSE A PERCENTAGE OF THE LOCAL CURRENCY GENERATED BY THEIRESF OR TITLE I PROGRAMS. THIS APPROACH WILL SERVE TO MAKE THE PROJECT MORE DEMAND DRIVEN AND AT THE SAME TIME PROVIDE IMPORTANT OFFSETTING HOST COUNTRY CONTRIBUTIONS.

7. COMMON SERVICES CHARGES: THE MISSION SHOULD ATTEMPT TO NEGOTIATE WITH INCAP A LOWER QUOTE COMMON SERVICES UNQUOTE CHARGE TO THE PROJECT. THESE CHARGES SHOULD BE BASED ON A MAXIMUM OF 30 OR ACTUAL COSTS WHICH EVER AMOUNT IS LOWER. THE DRAFTERS OF THE PP SHOULD BE CERTAIN THAT THESE CHARGES DO NOT OVERLAP WITH THOSE LEVIED AGAINST OTHER A.I.D. PROJECTS.
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LOGICAL FRAMEWORK

TECHNICAL SUPPORT FOR FOOD ASSISTANCE PROGRAMS IN CENTRAL AMERICA AND PANAMA

| Narrative Summary | Objectively Verifiable Indicators | Means of Verification | Important Assumptions |
|---|---|---|---|
| Program Goal: | Measures of Goal Achievement: | | Assumptions for achieving goal targets: |
| To contribute to the reduction of infant and young child mortality and improve nutritional status among high risk populations in Central America and Panama. | Infant and young child mortality rates reduced in high risk populations in all countries, but especially in Guatemala, Honduras and El Salvador. | National vital statistics, nutrition, demographic, health and other household surveys. | Maternal infant food assistance programs are integrated with strengthened primary health care activities. |
| | Proportion of infant and preschool children with severe growth retardation decreased. | National evaluations of food assistance activities among high risk groups. | Continued national level commitments to carrying out and improving food assistance activities. |
| | Improved dietary intake among beneficiaries of food assistance programs. | Census data.<br>School height census data.<br>Information systems of national health services. | |

| Narrative Summary | Objectively Verifiable Indicators | Means of Verification | Important Assumptions |
|---|---|---|---|
| Project Purpose: | End of Project Status | | Assumption for achieving purpose: |
| To improve the effectiveness of food assistance activities in the Central America/Panama region by helping to establish effective national coordination mechanisms and strengthening the technical, managerial and evaluation capabilities of INCAP and national public and private agencies in Central America and Panama. | Country action plans for improving food assistance programs elaborated and effectively being implemented. | INCAP and national institution records. | National and donor agency interest in improving the effectiveness of food assistance programs will result in necessary resources being provided on a bilateral basis to cover in-country training, materials and equipment costs necessary to improve food assistance programs. |
| | National strategies or policies for food assistance developed in at least three of the five participating countries in the region. | Results from project evaluations.<br><br>Results from national food assistance program evaluations. | |
| | Effective national mechanisms for coordination among implementing agencies, donors and PVO intermediaries functioning in at least three countire of the region. | Results from project task forces as well as technical assistance trip reports. | |
| | Better managed and more effective food assistance programs in the region through:<br><br>- The development and use of recommended general guidelines for the formulation, monitoring and evaluation of food programs as well as for the development of technical procedural norms and information systems.<br><br>- Improved technical and managerial capacity of regional and national personnel responsible for planning, implementation and evaluation of food assistance programs. | | |

| Narrative Summary | Objectively Verifiable Indicators | Means of Verification | Important Assumptions |
|---|---|---|---|
| | - Better knowledge of the costs, major problems and alternative solutions in the design, implementation and evaluation of food assistance programs. | | |
| | - Improved knowledge and understanding of social, economic, dietary and nutritional effects of food programs. | | |
| | - Improved targetting of food aid at the national level and beneficiary selection within individual programs. | | |
| | - Better coordination and integration of food aid programs with other related food, nutrition, health and community development activities. | | |

| Narrative Summary | Objectively Verifiable Indicators | Means of Verification | Important Assumptions |
|---|---|---|---|
| Outputs: | Magnitude of Outputs: | | |
| A. Planning and Coordination | | | |
| Project Scientific and Technical Advisory Committee meetings held. | 6 STAC meetings | Proceedings of STAC meetings. | National public and private agency planners, managers and technicians available to participate in all project activities. |
| Regional promotion and planning workshops held on the role of food assistance in national socioeconomic development, design and management of food programs and evaluation and information systems. | 3 Regional Workshops (120 participants) | Proceedings of Regional Workshops. | |
| Regional and national donor meetings held. | 5 Regional donor meetings<br>1 National donor meeting/country/year. | Proceedings of regional and national donor meetings. | International PVOs and donor agencies provide resources and time necessary to allow their staff to participate in all project activities. |
| Task forces for development of recommended regional guidelines held. | 16 task force meetings:<br>3 National Strategies<br>3 Maternal-Child Programs<br>2 School Feeding Programs<br>2 Food for Work Programs<br>2 Emergency/Displaced Persons Programs<br>3 Evaluation and Information Systems<br>1 Food Management and Preservation | Proceedings of taskforce meetings.<br>Publication of guidelines. | |

| Narrative Summary | Objectively Verifiable Indicators | Means of Verification | Important Assumptions |
|---|---|---|---|
| Outputs (Continued) | | | |
| Regional guidelines and methodologies developed: | 13 Guidelines and methodologies: | Project quarterly and annual reports. | |
| - Development of national food assistance strategy and policies. | 1 Guideline | Published guidelines. | |
| - Design of food assistance programs. | 4 Guidelines (one for each type of program: MCH, FFW, School Feeding, Displaced Persons/Emergencies | Task force and regional workshop proceedings.<br>Donor meeting proceeding. | |
| - Organization and management of food assistance programs. | 4 Guidelines (one for each type of program) | | |
| - Elaboration of manuals of technical norms and operational procedures for food assistance programs. | 1 Guideline | | |
| - Planning and development of food and nutrition education activities in food assistance programs. | 1 Guideline | | |
| - Management, preservation and storage of food commodities. | 1 Guideline | | |
| - Setting up information and evaluation systems for food aid programs. | 1 Guideline | | |
| - Beneficiary selection and monitoring in maternal infant feeding programs. | 1 Guideline | | |
| - Process and impact evaluation for MCH feeding programs. | 1 Guideline | | |

| Narrative Summary | Objectively Verifiable Indicators | Means of Verification | Important Assumptions |
|---|---|---|---|
| Outputs (continued) | | | |
| - Assessing food and nutrition status of displaced persons and in emergency situations. | 1 Methodology | | |
| - Methodology for carrying out institutional and operational assessments of food aid programs. | 1 Methodology | | |
| - Simplified methodology for carrying out commodities use and acceptability studies. | 1 Methodology | | |
| - Simplified methodology for carrying out cost effectiveness studies of food aid programs. | 1 Methodology | | |
| B. Training | | | |
| Regional courses and workshops on priority food assistance issues for program directors and managers held: | 12 Regional courses<br>288 participants trained | Project quarterly and annual reports<br>Course outlines, content and training materials. | |
| - Food assistance for displaced families and for other emergency situations. | 1 Course (24 participants) | Course evaluations. | |
| - Identification and design of food aid programs | 2 courses (48 participants) | Project evaluations. | |
| - Organization and management of food aid programs | 3 courses (72 participants) | | |
| - Food management and preservation for food aid programs | 2 courses (48 participants) | | |

| Narrative Summary | Objectively Verifiable Indicators | Means of Verification | Important Assumptions |
|---|---|---|---|
| - Technniques and methodologies for food and nutrition education in food aid programs. | 2 courses (48 participants) | | |
| - Information and evaluation systems for food assistance programs | 2 courses (48 participants) | | |
| Observational site visits for food assistance program planners | 30 site visits (30 participants) | Project quarterly and annual reports and participant trip reports. | |
| C. Information Dissemination | | | |
| Regional clearinghouse on food assistance programs established. | 1 regional clearinghouse | Project quarterly and annual reports. | |
| National documentation center established. | 5 country level documentation Centers | Project evaluations and reviews. | |
| Dissemination of technical information by INCAP. | 10 packets of technical documents on design, management and evaluation of food programs<br>5 bibliographic listing updates<br>10 technical sheets<br>15 sections of INCAP Informe devoted to food assistance programs | Publications and bibliographic listings. | |
| D. Technical Assistance | | | |
| Technical assistance provided to CA/P countries. | 125 person months of technical assistance (360 weeks in country) | Project quarterly and annual reports and evaluations.<br>Technical assistance trip reports. | |

| Narrative Summary | Objectively Verifiable Indicators | Means of Verification | Important Assumptions |
|---|---|---|---|
| Outputs (continued) | | | |
| E. Operations and Applied Research | | | |
| Research to improve food aid program process completed: | 5 operations research projects to improve food aid program operations: | Project quarterly and annual reports and evaluations. | National executing agencies and cooperating international PVOs and donor agencies agree to collaborate with INCAP on operations research activities. |
| - Evaluation of Food AID Programs, Institutional Capacity and Food Utilization at the Household Level. | 8 program process evaluations carried out (two of each type) | INCAP and national institution records. | |
| - Case study: Analysis of the Operation of Food Assistance Programs for Displaced Populations. | 1 Case study. | | |
| - Cost-effectiveness Analysis of Food AID Programs in Central America and Panama. | 8-10 cost effectiveness analyses completed. | | |
| - Defining the Technical Basis for Screening and Discharge Decisions and for Interpreting Growth Monitoring Data in Maternal Child Food Programs. | 1 Study completed. | | |
| - Design and Testing of Simple Information and Evaluation Systems for National Food AID Programs. | 5 National information systems in support of food aid programs analyzed.<br><br>20 food assistance program information systems reviewed and revised.<br><br>4 model management and evaluation information systems developed and tested. | | |

| Narrative Summary | Objectively Verifiable Indicators | Means of Verification | Important Assumptions |
|---|---|---|---|
| Outputs (continued) | | | |
| Reserach to determine food aid program impact completed:<br><br>- Food, Nutrition and Socio-Economic Impacts of Maternal and Child Food Assistance Programs on Participant Families. | 1 Impact evaluation completed on a maternal infant feeding program. | | A national executing agency and cooperating PVO or donor agency agree to collaborate with INCAP on impact evaluation research activity. |

| Narrative Summary | Objectively Verifiable Indicators | Means of Verification | Important Assumptions |
|---|---|---|---|
| Inputs | Implementation Target (Type and Quantity) (US $ 000) | | |
| By Project Component: | | Review of INCAP financial records. | Funds are available in future years to be incrementally funded. |
| -Planning and Coordination | 217 | | |
| -Training | 670 | Review of ROCAP financial records. | |
| -Technical Assistance | 391 | | |
| -Research | 880 | | |
| -Technical Information Dissemination | 74 | | |
| -Management, Review and Evaluation | 1,442 | | |
| -INCAP Indirect Costs | 978 | | |
| -Contingencies and Inflation | 388 | | |
| US Technical Assistance | 560 | | |
| Total | 5,600 | | |

# Statutory Checklist

## 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 ESF.

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

## A. GENERAL CRITERIA FOR PROJECT

1. 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)?

   a) Congressional Notification Process.

   b) The project is included in the FY 1984 Supplemental request submitted to the Congress.

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

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| | (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<br>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? | 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.) | 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? | N.A. |

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| 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. | Project is a regional effort. |
| 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. | a) No<br>b) No<br>c) No<br>d) No<br>e) No<br>f) No |
| 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). | U.S. technical assistance will be utilized and commodities will be purchased from U.S. private enterprise. |

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| 9. | FAA Sec. 612(b), 636(h); 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. | INCAP and participating countries will contribute 20% of total project costs. |
| 10. | FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release? | No |
| 11. | FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? | Yes |
| 12. | FY 1982 Appropriation Act 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? | N.A. |
| 13. | FAA 118(c) and (d). Does the project comply with the environmental procedures set forth in AID Regulation 16? Does | Yes |

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| the project or program take into consideration the problem of the destruction of tropical forests? | N.A. |
| 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)? | 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 | a) The project will ultimately involve the poor in development by enabling the CA/P countries to improve the effectiveness of food assistance programs, thereby contributing to the reduction of infant and young child mortality and an improved nutritional status among high risk populations.<br><br>b) See a. above. |

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| 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? | c) CA/P countries have requested activities of this project to improve their food assistance programs.<br><br>d) Women and their children constitute the principal project beneficiaries.<br><br>e) Project is a regional effort. |
| b. FAA Sec. 103, 103A, 104, 105, 106. Does the project fit the criteria for the type of funds (functional account) being used? | Yes. |
| 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)? | N.A. |
| 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)? | N.A. Assistance is to a regional organization; however, substantial resources will be committed by each participating country to support in-country activities. |

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| 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. | N.A. |
| 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? | No impact. |
| 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 | Training, technical assistance and research needs were based on consultant's reports and interviews with INCAP and national level technicians in the region. Human resources to be utilized in undertaking project activities will be drawn heavily from the CA/P region. |

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

2. Development Assistance Project Criteria (Loans Only)

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, at a reasonable rate of interest. 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? 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)? N.A.

3. Economic Support Fund Project Criteria

a. FAA Sec. 531(a). Will this assistance promote economic or political 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? — N.A.

c. FAA Sec. 534. Will ESF 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? — 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? — N.A.

## 5C(3) - STANDARD ITEM CHECKLIST

Listed below are the statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation, or covered in the agreement by imposing limits on certain uses of funds.

These items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

A. Procurement

| | |
|---|---|
| 1. FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? | Yes |
| 2. FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him? | Yes |
| 3. FAA Sec. 604(d). If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? | Yes |
| 4. FAA Sec. 604(e); ISDCA of 1980 Sec. 705(a). If offshore procurement of agricultural commodity or product is to be | N.A. |

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| | financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.) | |
| 5. | FAA Sec. 604(g). Will construction or engineering services be procured from firms of countries otherwise eligible under Code 941, but which have attained a competitive capability in international markets in one or these areas? | N.A. |
| 6. | FAA Sec. 603. Is the shipping excluded from compliance with requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent that such vessels are available at fair and reasonable rates? | N.A. |
| 7. | FAA Sec. 621. If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? If the facilities of other | Yes |

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| | Federal agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs? | |
| 8. | International Air Transport. Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available? | Yes |
| 9. | FY 1982 Appropriation Act Sec. 504. If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States? | Yes |

B. Construction

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| 1. | FAA Sec. 601(d). If capital (e.g., construction) project, will U.S. engineering and professional services to be used? | N.A. |
| 2. | FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? | N.A. |

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| 3. FAA Sec. 620(k). If for construction of productive enterprise, will agggregate value of assistance to be furnished by the U.S. not exceed $100 million (except for productive enterprises in Egypt that were described in the CP)? | N.A. |

C. Other Restrictions

| | |
|---|---|
| 1. FAA Sec. 122(b). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter? | N.A. |
| 2. FAA SEc. 301(d). If fund is established solely by U.S. contributions and administed by an internatioal organization, does Comptroller General have audit rights? | N.A. |
| 3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? | Yes |
| 4. Will arrangements preclude use of financing: | |
| a. FAA Sec. 104(f); FY 1982 Appropriation Act Sec. 525: (1) To pay for performance of abortions as a method of family | Yes |

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| planning or to motivate or coerce persons to practice abortions; (2) to pay for performance ( involuntary sterilizati( as method of family planning, or to coerce ( provide financial incentive to any person to undergo sterilizatior (3) to pay for any biomedical research whic relates, in whole or part, to methods or the performance of abortions or involuntary sterilizations as a mean of family planning; (4) to lobby for abortion? | |
| b. FAA Sec. 620(g). To compensate owners for expropriated nationalize( property? | Yes |
| c. FAA Sec. 660. To provide training or advice or provide any financial support for police, prisons, or othe: law enforcement forces, except for narcotics programs? | Yes |
| d. FAA Sec. 662. For CIA activities? | Yes |
| e. FAA Sec. 636(i). For purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? | Yes |
| f. FY 1982 Appropriation Act, Sec. 503. To pay pensions, annuities, retirement pay, or | Yes |

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| adjusted service compensation for military personnel? | |
| g. FY 1982 Appropriation Act, Sec. 505. To pay U.N. assessments, arrearages or dues? | Yes |
| h. FY 1982 Appropriation Act, Sec. 506. To carry out provisions of FAA section 209(d) (Transfer of FAA funds to multilateral organizations for lending)? | Yes |
| i. FY 1982 Appropriation Act, Sec. 510. To finance the export of nuclear equipment, fuel, or technology or to train foreign nationals in nuclear fields? | Yes |
| j. FY 1982 Appropriation Act, Sec. 511. Will assistance be provided for the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? | Such assistance will not be provided. |
| k. FY 1982 Appropriation Act, Sec. 515. To be used for publicity or propaganda purposes within U.S. not authorized by Congress? | Yes |

ANNEX 4

ACTION COPY
TO CENTRAL
THE ACTION
ACTION TAKEN
DATE

# INSTITUTO DE NUTRICION DE CENTRO AMERICA Y PANAMA

OFICINA SANITARIA PANAMERICANA

Oficina Regional de la

ORGANIZACION MUNDIAL DE LA SALUD

Ref.: IN-112-85/PL

12 de marzo de 1985

MAR 18 10 57 AM '85
MAIL ROOM
USAID/GUATEMALA

Señor
John Eyre
Director
ROCAP/AID
8a. Calle 7-86, Zona 9
Ciudad de Guatemala

ACTION: GENERAL DEV

Estimado señor Eyre:

Como parte del informe final de la donación 596-01116 adjunto sírvase encontrar una copia de la propuesta preparada por este Instituto denominada "Apoyo Técnico a los Programas de Alimentación de Grupos existentes en Centro América y Panamá". El desarrollo de las actividades propuestas en este documento será de gran importancia para darle, a nivel de la subregión, un mejor uso a la ayuda alimentaria empleada como alimentación a grupos, sea ésta de origen externo o proveniente de fondos nacionales.

Por otra parte, el proyecto propuesto contribuirá al fortalecimiento institucional de las entidades nacionales responsables del planeamiento, desarrollo y evaluación de estos programas, y al establecimiento de mecanismos efectivos de coordinación entre los grupos nacionales responsables de los programas y entre estos y las agencias técnicas, intermediarias y donantes que apoyan el desarrollo de dichos programas en el itsmo centroamericano.

En base a lo anterior, antentamente solicito sus buenos oficios para iniciar las gestiones pertinentes dentro de ROCAP, a fin de obtener el financiamiento que requiere este esfuerzo propuesto por el INCAP, a desarrollarse en un período de cinco años. Como es de usted conocido, la solicitud oficial, según nuestros mecanismos, la hará el Señor Director de la OPS/OMS, en donde actualmente se encuentra una copia del documento adjunto para su revisión técnica.

Reiterándole nuestro agradecimiento por la colaboración que ROCAP ha dado a nuestras gestiones para poder ayuda a las unidades nacionales de alimentación y nutrición y esperando poder contar con su apoyo financiero para la realización del proyecto adjunto, me suscribo de usted.

Atentamente,

Luis Octavio Angel
Director

Anexo: lo indicado
cc: Dr. F. Viteri/HPN/OPS

Calzada Roosevelt Zona 11 – Apartado Postal 1188 – Teléfonos: 43762 al 43767 – Cable: INCAP – Telex: 5696 INCAP
Guatemala, C. A.

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Draft

Project Authorization

Name of Entity : Nutrition Institute for Central America and Panama (INCAP)

Name of Project : Technical Support for Food Assistance Programs

Number of Project: 596-0116

1. Pursuant to Section 104 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Technical Support for Food Assistance Programs Project with the Nutrition Institute for Central America and Panama (INCAP), involving planned obligations of not to exceed Five Million Six Hundred Thousand United States Dollars ($5,600,000) in grant funds ("Grant") over a five-year period from the date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project.

2. The project ("Project") will improve the effectiveness of food assistance activities in Central America and Panama by helping to establish effective national coordination mechanisms and strengthening the technical, managerial and evaluation capabilities of INCAP and national public and private agencies.

3. The Project Agreement, which may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

a. Source and Origin of Commodities, Nationality of Services

Commodities financed by A.I.D. under the Grant shall have their source and origin in countries of Central America and Panama, or the United States, except as A.I.D. may

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otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services shall have countries which are members of Central America, Belize, Panama or the United States as their place of nationality, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the Grant shall be financed only on flag vessels of the United States, except as A.I.D. may otherwise agree in writing.

b. Conditions Precedent to Disbursement

(1) Prior to the disbursement, or the issuance of any commitment documents, under the Project Agreement to finance activities other than for hiring long-term personnel, INCAP shall, except as A.I.D. may otherwise agree in writing, furnish, in form and substance satisfactory to A.I.D.:

(a) a detailed time-phased plan setting forth all activities to be completed during the first year of the project;

(b) evidence that INCAP's automated data processing capability is sufficient to provide adequate reporting on project financial transactions at the subcomponent level; and

(c) evidence that INCAP has modified its disbursement and reporting formats and procedures in order to expedite the processing of expenditures by project personnel when away from INCAP headquarters.

(2) Prior to the disbursement for technical assistance to the countries beyond year one under the Grant, the issuance of any commitment document other than for support of the research and training components, INCAP shall, except as A.I.D. may otherwise agree in writing, furnish in form and substance satisfactory to A.I.D.:

(a) an analysis of the country programs, including prospects for success in improving national strategies and plans and addressing major constraints, and an explanation of INCAP's rationale for the quantity and type of technical assistance which it proposes to undertake; and

(b) a plan for developing funding mechanisms and agreements with national governments, bilateral or international food aid donors, PVOs or other international agencies to support a continuation of technical assistance and training for food assistance programs after the ROCAP/INCAP project terminates.

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c. Covenants

INCAP shall covenant that, except as A.I.D. may otherwise agree in writing:

(1) Prior to undertaking project activities for each year after the first year of the project, INCAP will furnish, in form and substance satisfactory to A.I.D., a consolidated workplan and budget for activities for that year.

(2) INCAP will coordinate appropriate project activities with USAID missions in each country which participates in this project and with private voluntary agencies responsible for managing P.L. 480 Title II activities in the region as well as with other food aid donors and intermediaries.

John R. Eyre
Acting Director

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

LAC/DR-IEE-85-4

# ENVIRONMENTAL THRESHOLD DECISION

| | |
|---|---|
| Project Location | : ROCAP |
| Project Title and Number | : Tech Support Food Assist. 596-0116 |
| Funding | : $5,600,000 (G) |
| Life of Project | : 5 years |
| IEE Prepared by | : Frank Zadroga ROCAP/Guatemala |
| Recommended Threshold Decision | : Negative Determination |
| Bureau Threshold Decision | : Concur with Recommendation |
| Comments | : None |
| Copy to | : John R. Eyre, Director, a.i. ROCAP/Guatemala |
| Copy to | : Frank Zadroga, ROCAP/Guatemala |
| Copy to | : Lars Klasssen, LAC/DR |
| Copy to | : IEE File |

James S. Hester Date NOV 30 1984

James S. Hester
Chief Environmental Officer
Bureau for Latin America
and the Caribbean

# ENVIRONMENTAL THRESHOLD DECISION

| | |
|---|---|
| Project Location: | CAP Regional |
| Project Title and Number: | Technical Support for Food Assistance Programs in Central America and Panama Project No. 596-0116 |
| Funding: | 5.6 million |
| Life of Project: | 5 years |
| IEE Prepared by: | Frank Zadroga, REMS, ROCAP |
| Recommended Threshold Decision: | Negative determination |
| Bureau Threshold Decision: | |
| Action: | Copy to: Jack Eyre, Acting Director ROCAP, Guatemala<br>Michael Deal, ROCAP, Guatemala,<br>LAC/DR<br>IEE Files |

DATE: October 17, 1984

Frank Zadroga
Frank Zadroga
Regional Environmental
Management Specialist

DATE: _____

_____
James Hester
Environmental Officer
Bureau for Latin America
and the Caribbean

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# INITIAL ENVIRONMENTAL EXAMINATION

| | |
|---|---|
| Project Location: | CAP Regional (Central America and Panama) |
| Project Title and Number: | Technical Support for Food Assistance Programs in Central America and Panama Project No. 596-0116 |
| Funding: | $5.6 million |
| Life of Project: | 5 years |
| IEE Prepared By: | Frank Zadroga, REMS, ROCAP |
| Recommended Threshold Decision: | Negative Determination |
| Concurrence: | John R. Eyre<br>Acting Director, ROCAP<br>Date: 10/19/84 |

## I. PROJECT DESCRIPTION

The goal of this project is to reduce infant and young child mortality and improve nutritional status among high risk populations in Central America and Panama. The purpose of the project is to improve the effectiveness of food assistance activities by strengthening the technical, managerial and evaluation capabilities of INCAP and national public and private agencies in Central America and Panama.

The objective of the project is to develop a regional technical support network to help governmental and non-governmental agencies involved in supplementary, emergency and refugee feeding programs. Project activities involve regional, national and PVO institutions, as well as international relief agencies and food donors, and are basically institutional strengthening in nature. The project will result in policy studies and strategies; inter-institutional coordination; technical upgrading of staff of INCAP and national food assistance agencies; the development and better use of technical guidelines, standards and reporting systems; and consciousness raising. Project activites are organized under four basic components: planning, training, technical assistance and research (basic and operational).

## II. IDENTIFICATION AND EVALUATION OF ENVIRONMENTAL IMPACTS

The nature of the project is such that no substantial effect on the natural or physical environment are foreseeable. According to AID's Environmental Procedures (22 CFR Part 216, Section 2 (c) (2) viii) programs involving nutrition and health care, except when designed to include activities directly affecting the environment, qualify for a categorical exclusion and are not subject to the procedures set forth in Section 216.3. Such projects normally do not require further environmental assessment.

Two of the activities of this project, however, are of some concern since they may indirectly affect the environment. These are:

| Project Activity/Output | Potential Effect |
|---|---|
| 1. Development of national food aid strategy and policy. | The creation of a national food assistance dependency. This could act as a disincentive to agricultural foodstuff production and indirectly impact land use. If farmers are not encouraged and adequately remunerated for agricultural production, land use technology suffers and effects such as the more extensive use of land, soil erosion, deforestation for the establishment of grazing lands, etc. can result. |
| 2. Guidelines, technical feasibility criteria and institutional capabilities to carry out food for work programs. | Food for work programs, if not properly planned and implemented, can have environmental costs; on the other hand, they can present an excellent opportunity for reforestation, soil conservation, upland irrigation, agroforestry, and other resource conservation activities. |

Eliminating or avoiding the negative impacts (economic and otherwise) of food assistance dependancy is a major concern of this project. All of the project components have activities aimed at better understanding and avoiding the impacts of such dependancy. Environmental concerns relating to land use and the maintenance of appropriate agricultural productivity are but one aspect of this dependency issue. These environmental concerns will be taken into account in the project, especially in the formulation of national food strategies and policy.

In the designing of food for work technical guidelines and in designing and implementing food for work projects

environmental concerns need to be taken into account. Where possible, food for work programs should be used as a mechanism to promote conservation practices and assist in environmental protection. The giving of food for public works that are not a high priority and that even can produce serious environmental impacts (i.e. rural road construction) should be avoided. Environmental criteria are an important element of project feasibility determination and should be incorporated into the guidelines and technical criteria for the formulation, monitoring and evaluation of food programs. The training of the staff of INCAP and the national agencies should include basic environmental assessment criteria and point out project design opportunities that utilize resource conservation practices.

An impact identification summary is provided in Attachment I.

## III. CONCLUSION AND RECOMMENDATION

The concerns mentioned in Section II have been taken into consideration and used to strengthen the project design. Based on these considerations, therefore, no significant environmental effect will result from this project.

It is recommended that no further environmental assessment be required and that a negative determination be made.

| Impact Areas and Sub-Areas | Impact Identification & Evaluation[1] |
|---|---|
| **A. LAND USE** | |
| 1. Changing the character of the land through | |
| a. Increasing the population | L |
| b. Extracting natural resources | N |
| c. Land clearing | N |
| d. Changing soil character | N |
| 2. Altering natural defenses | N |
| 3. Foreclosing important uses | N |
| 4. Jeopardizing man or his works | N |
| 5. Other Factors | |
| | |
| | |
| | |
| **B. WATER QUALITY** | |
| 1. Physical state of water | N |
| 2. Chemical and biological states | N |
| 3. Ecological balance | N |
| 4. Other Factors | |
| | |
| | |
| | |

1/N - No environmental impact
L - Little environmental impact
M - Moderate environmental impact
H - High environmental impact
U - Unknown environmental impact

C. ATMOSPHERIC

1. Air additives..... N
2. Air pollution..... N
3. Noise pollution..... N
4. Other factors

D. NATURAL RESOURCES

1. Diversion, altered use of water..... N
2. Irreversible, inefficient commitments..... N
3. Other Factors

E. CULTURAL

1. Altering physical symbols..... N
2. Dillution of cultural traditions..... N
3. Other Factors

F. SOCIO-ECONOMIC

1. Change in economic/employment patterns..... L
2. Changes in population..... L
3. Changes in cultural patterns..... N
4. Other Factors

G. HEALTH

1. Changing a natural environment..... N
2. Eliminating an ecosystem element..... N
3. Other Factors
   Improving nutritional status N

H. GENERAL

1. International impacts..... N
2. Controversial impacts..... N
3. Larger program impacts..... N
4. Other factors

_____ _____
_____ _____
_____ _____

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## Technical Analysis

### A. Food Assistance Activities in Central America and Panama and External Agencies Supporting Food Aid Programs

There are four major food donors functioning in the region and several minor donors as well as two international PVOs and the UN High Commision on Refugees which serve as intermediaries. These donors contribute about 85% of the dollar costs of food used in food assistance activities in the region. Attachment a to this Annex describes the major food donors and the most important food assistance activities going on in each country in the region. Attachment b lists each of the major food assistance programs currently operating or programmed for 1985 in Central America and Panama as well as identifying the program type, donor agency and executing agency for each activity.

### B. Constraints Analysis and Project's Technical Feasibility

The project is designed to reduce infant and young child mortality and improve nutritional status among high risk population in Central America by improving the effectiveness of food assistance activities in the region. This will be done by strengthening the technical, managerial and evaluation capabilities of national, public and private agencies responsible for planning, implementation and evaluation of food assistance activities.

Drawing on the results of the 1984 INCAP assessment of technical and training needs of food assistance programs; the results of the donor group workshop on the same subject and INCAP discussions with managers of food programs in each country the Project Development Team ascertained that to improve the effectiveness of food assistance activities the following constraints must be overcome:

a) The lack of national food assistance strategies results in the proliferation of improvised programs having little impact whose priorities are frequently different than those of the host country and whose beneficiary population are not necessarily those who can benefit most from the assistance.

b) The lack of effective country level coordination mechanisms for food assistance programs results in duplication and overlap of efforts and activities in some parts of the country or in some population groups while food assistance is unavialable to others who could really benefit from it.

c) Food assistance program design is frequently inadequate or incomplete making subsequent program implementation monitoring and evaluation difficult and reducing program effectiveness.

d) Institutional capacity for management and implementation of food assistance programs is limited which affects both program efficiency and effectiveness.

e) Food storage and distribution systems are inadequate and food handling and control mechanisms are ineffective which leads to food deterioration and losses and program interruptions, both affecting program effectiveness.

f) Technical and operational guidelines or norms and objectives of food aid donors, intermediaries and national executing agencies often do not coincide. Many programs do not have these critical elements defined or have them only partially developed which limits effective implementation.

g) Severe limitations in program information and evaluation systems do not permit programs to be effective or to identify and overcome the obstacles which stand in the way of adequate implementation.

h) Programs are rarely adequately linked with complementary activities which would substancially increase their effectiveness such as basic health services, health nutrition education or community development activities.

i) National counterparts, PVOs and donors have relatively little experience in handling the growing number of displaced persons in the region.

National Food Assistance Strategies

National food assistance strategies explains the way in which a country chooses to use food assistance to meet its social or economic development goals. For example, almost a decade ago, Costa Rica decided to use food assistance instead of a cash transfer as part of its assistance programs. In Nicaragua, a decision has been made to use international food aid directly in food assistance programs only in cases of emergencies or disasters. Instead Nicaragua uses monitization schemes to buy local products for use in its food assistance programs in order to increase demand for local production. In other countries the development of food assistance strategies are only at the stage of creating national targetting schemes for social assistance investment including food assistance, based on health, nutrition and socio-economic status information.

As the number and size of food assistance programs grow in their countries and national budgets for administrative support and sometimes food purchases shrink, planning units and technical personnel responsible for these programs have increasingly recognized the need for developing or revising

national food assistance strategies or plans. In addition, issues such as possible disincentive effects of imported food aid or the potential stimulating effect that the use of national products in food assistance programs cound have on local food production have added to the interest in developing food assistance strategies.

Three of the countries in the region, Honduras, El Salvador and Costa Rica have specifically asked INCAP to help them develop or revise their national food assistance strategies. As an initial step toward that end each country has already reviewed the programs currently operating in their countries. In the case of Costa Rica a study to look at the relative impacts of their social assistance activities including food aid has been designed and funding has been solicited. The results of the study will allow the Costa Rican Government to make more rational decisions regarding the use of their limited social assistance dollar. In addition, INCAP is working with Panama in the development of its food and nutrition surveillance system which the Panamanians are using for national targetting of food assistance and other social services.

Work on food and nutrition planning and development of food and nutrition surveillance and information systems over the past ten years has raised the level of knowledge and analytic sophistication about the food and nutrition situation in most countries of the region to a point that the development of reasonable national food assistance strategies within the context of overall socio-economic development is technically feasible. Reviews of food assistance program information needs and availability at the national level and cost benefit analysis to be done in each country as part of the project's operations research activities will help further expand the knowledge base necessary for developing sound national strategies. Two countries in the region, Costa Rica and Nicaragua already have national strategies although rapid changes in the economic and health situation in each of the countries of the region make continual adjustments to any strategy necessary.

Experience with a series of food and nutrition planning seminars over the past four years under the ROCAP/INCAP Nutrition Technical Outreach Project has shown that the proposed methodology for regional seminars in which each country team prepares a country document assessing the current situation and laying out a country action plan for discussion and revision at the seminar is a good mechanism for stimulating action at the national level. Focused follow-up technical assistance, training and promotion by INCAP have helped countries implement many elements of their plans. The first will concentrate on the use of food assistance in national development, the second on program operations and implementation and the third, on information and evaluation.

In the case of food assistance, the incorporation and collaboration of donors and PVO intermediaries into the process of national strategy development is particularly critical to achieving a positive outcome. The project takes this into consideration by promoting active donors participation in the STAC, task forces, donor meetings, regional seminars, national program coordinating meetings and all other project activities. Donors and PVOs played an active role in project planning and development and have expressed a high level of interest in collaborating in project activities.

Country Level Coordinating Mechanisms for Food Assistance

Effective formal or informal country level mechanisms for information exchange and coordination are needed to avoid duplication of efforts and undercutting of one program by another.

At present there is no single entity in any of the countries which is legally responsible for coordinating all food assistance activities although in Guatemala the National Reconstruction Committee and in El Salvador CONADES are supposed to play a coordinating role for emergency and displaced persons programs. In addition, the national planning council in Honduras, El Salvador and Costa Rica have recently tried to assume greater responsibility for coordination and planning of food assistance activities and with INCAP's help have carried out assessments of food assistance programs going on in their countries.

There is a growing realization on the part of national program managers that some sort of coordination and information exchange is needed. The regional assessment of technical and training needs conducted by INCAP in 1983-84 led to joint meetings of all major national program managers in each of the member countries, often for the first time. These meeting have periodically continued over the past year, throughout the project development process. In several countries, notably Costa Rica, Honduras and El Salvador, program managers have decided to continue these meetings on a regular basis on their own.

Meetings of national project managers and national donor meetings will continue to be promoted under the project. In addition, other project activities such as the establishment of documentation centers in each country, participation in regional seminars and courses and information dissemination activities will facilitate national coordination and information exchange. Assessment of both national level and program specific information availability, needs and systems will help provide the basis for both program coordination and strategy formulation. Food and nutrition or social planning units already exist in the planning councils or ministries of each country. These units or similar entities attached to Ministries of health in some countries can serve as foci for compiling, analyzing and disseminating this information.

The development and adaptation of regional guidelines for technical norms and project design, implementation and evaluation will help overcome coordination problems which now exist between programs with similar objectives being carried out in the same country such as multiple maternal child feeding programs. Application of similar norms and operating procedures will also help prevent undercutting of one program by another, a common occurence in food for work and MCH feeding programs where requirements for participation in one program are more stringent than another.

Improving Program Design

Poor or incomplete program designs have repeatedly led to programs with serious operational problems or which are ineffective. Often critical elements like adequate institutional analyses of implementing agencies, a clear definition of operational procedures, development of an adequate training plan, an understanding of community views and participation or plans for adequate integration of food assistance with complementary health or development activities are left out of program designs altogether. About one quarter of the programs operating in the region do not have clearly defined goals or objectives or beneficiary selection and discharge procedures. Rarely are environmental issues taken into account in the design of food-for-work programs.

The basic elements necessary for adequate design of development programs in general are known, the nature and history of food assistance programs has meant that they are often not applied. Many food assistance programs in Central America have been functioning for over fifteen to twenty years and originated at a time when international food aid was given a purely humanitarian focus and was seen as a way of legitimately using excess food supplies from stockpiled in developed countries. Since program evaluations are rare, programs have simply been left to limp along with their original design flaws which have been further complicated by changes in the operating environment overtime. Other food programs have been established during emergencies and have simply evolved into regular food assistance programs after the emergency ends. Until very recently little attention has been given to making food assistance a legitimate part of social and economic development efforts. In addition political pressures which are often linked with food assistance have meant that design short cuts are frequently taken. Lastly, since donor agencies have rarely been willing to supply any supporting resources othen than food, the pressure to carry out adequate institutional analyses of the exceuting agencies or other standard design analyses has been minimal at best.

A further constraint to adequate program design has been the delegation of major responsibility for project design to host country counterparts or

PVOs staff with little or no training or experience in even basic program design. Furthermore, these people have been given very little technical help in carrying out their tasks and for the reasons already mentioned somo donors have been willing to accept almost any design submitted to them as long as it meets their general programming guidelines in terms of type of program, ration sizes, type of commodities to be used and some basic commodity controls.

Simplified methodologies for carrying out basic program design analyses which can be applied by host country and PVO staff do not currently exist in a usable form. Furthermore, there are some technical issues which still generate a substantital debate among "international experts" in the food and nutrition field, such as the best beneficiary selection and monitoring procedures to use for MCH program, the ideal commodity or ration size for a given type of activity or the impacts which can be expected of a well run program. This debate causes chaos among the technical and non-technical staff who have to design and implement food assistance programs.

The development of agreed upon guidelines for design of each type of feeding program combined with information dissemination, training and technical assistance to assure use of the guidelines should help resolve many of the design difficulties. Operations research activities carried out under the project will help provide methodologies for doing the institutional analyses, cost assessments and community studies required for adequate program design and will help clarify beneficiary selection, monitoring and discharge procedures for maternal infant feeding programs. In addition, donor agencies and national governments will be enconraged to turn down project proposals for regular programs which have not taken into consideration the various elements required for an adequate design.

The project will also help translate and adapt existing guidelines for carrying out assessments for emergency situations and displaced persons programs. This combined with follow up training and technical assistance will help countries design better emergency programs as well.

Since the basic elements necessary for adequate program design such as the need to define objectives or carrying out adequate institutional and financial feasibility analyses are known, project activities are designed to promote and facilitate the application of good design methodologies. Operational answers for outstanding issues on assessment and evaluation methodologies, targetting, beneficiary selection criteria, ration sizes, ascertaining beneficiary and community perceptions, and the design of reasonable information systems can be obtained within the time frame of the project. The project thus contemplates multiple mechanisms for overcoming the problem of weak program design which has plagued food assistance activities in the region for years.

## Improving Institutional Capacity and Logistics and Storage Systems

Institutional capacity for management and implementation of food programs is limited both in terms of human resources and infrastructure. Management and operations programming skills are weak and the lack of functional management information systems means that the necessary information for making programing decisions is often not available even when program managers know how to use it.

The organization of executing agencies is often not adequate for the job and supervision and on the job training is limited. In many cases much of the supervision which does exist is done outside of the host country agency, by PVOs donors and thus does not really serve to strengthen institutional capacity. Organizational problems particularly in MCH and school feeding programs are further complicated by the fact that food distribution activities are often carried out as vertical programs running parallel to the rest of the agency's normal activities. This pattern has often been set up in order to respond to the donor agencies who have traditionally been more concerned with auditing and control of food commodities than in the effectiveness of the programs in meeting their final goals and objective.

In many programs there are insufficient appropriate vechicles and personnel to transport food commodities, vehicle maintenance and repair are problematic and vehicles particularly in the public sector, are used for other tasks making them unavailable when they are required. Poor logistics programming further complicates the problem and inadequate control systems during transport leaves substancial room for divergence of commodities. Poor logistics programming and transport problems frequently result in long interruptions in the program at the local level, particularly in isolated areas. These interruptions substantially reduce program effectiveness.

Storage facilities are often not adequate for food storage having poor sanitation, humidity, temperature and pest control measures. Often poor warehousing organization and control procedures results in the last food in being the first food to be moved out given rise to long storage periods for some foods under inadequate conditions. In other cases, breakdowns in logistics mean food gets stored longer than it should and fumigation and pest control procedures are not adjusted to take these problems into consideration. The lack of quality control prcedures mean that many times damaged food is moved all the way to the beneficiary before the damaged food is moved all the way to the beneficiary before the damage is noted. The beneficiary simply discards the food and thus, no remedial action can be taken along the commodity stream. All of these problems lead to substantial food losses.

Attempts to provide universal services, particularly in maternal child health, school feeding and church sponsored programs, often stretch available resources to the point of non-effectiveness. On the other hand the same resources carefully targetted to priority areas would probably be effective in reaching project objectives. A case study analysis on food losses and misdirection in the Panama programs using US PL 480 Title II donations is included as an appendix to Annex 9, Economic Analysis. At the time of the evaluation which served as the basis for the Case Study, the Panamanian Program was considered to be among the best run in the region. The case study illustrates the types and magnitude of problems that are typically found in food assistance program operations in the region.

The development of general implementation guidelines for each type of program and for food handling and storage procedures will help provide program managers with a clear understanding of what needs to be done. Process evaluations to be carried out on eight programs (one of each type in two countries) will provide direct problem solving assistance to these programs and at the same time will provide the region with a better understanding of program problems and alternative solutions which can be spread to other programs through technical assistance, information dissemination and training. A case study on displaced persons programs to be carried out in El Salvador will provide the same type of information for refugee and displaced persons programs. Evaluation and institutional assessment methodologies developed as part of the operations research activities can be applied to other programs using national or other donor support and direct technical assistance. Regional training courses and observational tours in management, food preservation and handling, emergency and displaced persons programs and management information and evaluation systems will improve the skills of program managers and operators.

Direct technical assistance will help program design and carry out institutional analyses and process evaluations, develop in-service training plans and look for support for implementing them, develop supervision systems, enhance management and operations programming skills and install adequate management information systems. Current logistics and transportation systems can be examined and recommendations for more effective alternatives using a similar level of resources can be formulated. For example, it may be more cost effective to hire a private sector transportation firm than to maintain public vehicles and personnel for distribution purposes. Where transportation, infrastructure (warehousing for example), equipment or personnel is not adequate for program operations, help will be provided in targetting and scaling back the current program to fit available resources or in preparing proposals for national, bilateral or international funding for the additional infrastructure, or other resources required.

The availability of funds for one time investments is not really the limiting factor in reinforcing infrastructure and institutional capacity for food assistance programs. More often what is lacking is a thorough analysis of the problem and the development of realistic alternatives for program operations within the context of available recurrent resources or the presentation of a well justified case for increasing program resources to cover actual operational needs. The project provides the elements necessary to carryout this problem analysis and problem solving process through its operations research, technical assistance, technical and experiencial exchange and training activities.

Technical and Procedural Norms and Guidelines

The study carried out recently by INCAP showed that in many cases programs do not have clearly established objectives or technical norms and procedures for beneficiary selection, monitoring and discharge or establishment of ration sizes. In other cases the technical norms being implemented are not the most appropriate for meeting project objectives. The fact that donor agencies, intermediate PVOs and executing agencies do not use the same criteria or guidelines for establishing technical norms and operational procedures often stands in the way of their formal establishment at the individual program level and programs have been know to continue for years with improvised and poorly applied norms and procedures. In some instances programs with similar objectives, (i.e. maternal child feeding), but different donors and consequently different norms and procedures are being implemented by the same national agency giving rise to the existence and use of two or three different norms and procedures within a single executing agency.

Donor agencies and intermediate PVOs have tended to set general criteria or guidelines at their international headquarters for establishing project objectives, technical norms, including ration sizes, and operational procedures to be applied on a worldwide basis. These guidelines have been set up in isolation from one another and they are not consistant across donors or intermediaries, although there is at least theoritically substancial room for flexibility. The way these guidelines are interpreted and applied at the local level depends upon the personal judgement and sometimes whim of the respective donor agency and/or local managerial PVOs representative. Often these judgements are made on the basis of very little technical or even practical knowledge since project evaluation are rare.

These criteria are then super imposed upon national executing agencies which have their own agendas, objectives and operating procedures which results in other completely vertical programs running parallel to one another, or more often, chaoes at the local level where a single individual must deal with a choice of multiple norms and operating procedures.

The project addresses these problems through the use of a highly participatory process of operations research, task forces, national meetings and regional forums to arrive at a consensus on recommended guidelines for norms and procedures for use in each type of food assistance program. Special emphasis will be given to the establishment of rational technical norms for beneficiary selection, monitoring and discharge in MCH programs. All of the critical players, donor agencies, intermediate PVOs or other international agencies and national executing agencies will be involved. Once concensus guidelines have been established the project will use a combination of promotion, information dissemination, technical assistance and training activities to get them applied throughout the region.

The possibility of reaching a concensus on general guidelines for technical norms and operational procedures when dealing with multiple donors, intermediaries and executing agencies was the subject of extensive discussion at the May 1984 donor meeting held to discuss the results of INCAP's assessment of technical and training needs for food assistance programs. The conclusion of the discussions was that it was both possible and advantageous to all parties to do so and that both donors and PVO intermediaries were willing to work toward that end. Since the workshop, donors and international PVOs have agreed to budget money for their participation in the task forces and other regional forums which are part of the guideline development process.

Much of the data necessary for reaching reasonable recommendations on the appropriate technical basis for beneficiary selection, monitoring and discharge procedures and ration sizes for MCH feeding programs in CA/P has already been collected under the auspices of two longitudinal supplementary feeding intervention projects carried out at INCAP over the past ten years. The data only needs to be analyzed in a way which will be useful for answering the pertinent questions. The initial conclusions will be available by the end of the first year of the project and they can be tested and refined through other project operations research and technical assistance activities. Thus the technical knowledge required, but still missing, for establishing regional recommendations on technical norms for MCH feeding programs is well within reach of the projects resources and time frame.

Program Information and Evaluation Systems

Few of the food assistance programs in the region have management information systems which are responsive to the needs of program monitoring, control and evaluation. Even fewer (3 or 4) have ever actually been formally evaluated although more than half have undergone general reviews of projects activities in order for donors to justify continuation of the project. A major constraint in this area has been the lack of a clear understanding of

how to go about establishing a reasonable information system which provides the needed data, but is not so burdensome that it becomes an end in itself or so costly that it is not applicable. Process and impact or outcome evaluations including cost effectiveness analyses are constrained by the same lack of understanding. In addition, the lack of experience in the region with evaluations results in relatively little appreciation of the usefulness of evaluations as management and design tools, thus giving evaluation a relatively low priority when it comes to the allocation of financial resources.

The project will address these constraints through information systems assessments and cost benefit analyses to be carried out in each country. Process evaluations to be carried out on eight programs in two countries and a case study to be carried out in a third, will help identify more easily applied methodologies and will provide experience on the usefulness of evaluation activities. Research on outcome or impact evaluation of maternal infant feeding programs will move the regional as well as international state-of-the-art closer to the identification of reasonable methods for doing this type of evaluation and will help define the conditions under which one would expect to have an impact by the end of the project. By defining the conditions which will result in a positive impact it is hoped that the need to do expensive impact evaluations for other MCH projects in the future will be reduced. Instead relatively inexpensive process evaluations demonstrating that the conditions under which a positive impact is highly likely will exist and the measurement of intermediate indicators should suffice.

The development of guidelines and sample methodologies for establishing information systems and carrying out evaluations, promotion, information dissemination, technical assistance and training activities will help get the results of the operations research efforts transfered to program planners and managers throughout the region. The operations research and assessment activities on information systems, cost benefit analyses and process evaluation will be completed by mid project giving sufficient time for the results of these experiences to be disseminated and in some cases newly applied before the project terminates.

Improving Linkages with Complementary Development Activities

Food assistance programs could have a far greater impact on health and nutritional status as well as socio-economic development if food were well integrated with other development activities. Food assistance is at best a palliative solution fof food gap and nutrition problems which does not by itself address the causes of the food and nutrition problem. However, food can serve as a powerful tool for achieving other development objectives while taking care of immediate needs, when it is packaged with other complementary activities. With the exception of some food-for-work programs most food

assistance programs in the region could be better integrated with other social or economic development activities. Integration of food assistance with health and nutrition education is of particular interest in trying to reduce infant mortality and child malnutrition in the region.

The project will help stimulate better integration with other development activities through the development of guidelines, technical assistance and training in program design and implementation. In addition, work on information systems and evaluation schemes will go beyond what is strictly food distribution to include appropriate complementary activities. Activities designed to promote national food assistance strategies will place heavy emphasis on the integration of food assistance activities with other social and economic development objectives and plans.

Special efforts will go to promoting integration of health and nutrition education with food assistance activities. Two regional courses on integrating food and nutrition education activities into food assistance programs will help support this end. Technical assistance and information dissemination activities will provide further support. INCAP has already done considerable work on methods for non-formal health and nutrition education which can be adapted easily to the food assistance program context. Information flowing from the household studies to be carried out as part of the operations research component will help develop educational methods and messages further. In addition, the extensive work on formal and non-formal health and nutrition education to be carried out under the ROCAP/INCAP ORT, Growth Monitoring and Education Project will be drawn on heavily for use in food assistance programs. Many of the current knowledge gaps in implementation of food and nutrition education will be filled through operations research and studies to be carried out under the ORT, Growth Monitoring and Education Project and thus do not have to be addressed under the food assistance support project.

Emergency vs. Normal Food Assistance Programs

A special review of the technical support needs of emergency food assistance programs, including displaced persons and refugee programs, during project development showed that the general types of technical and training support required were not substantially different from that required by normal food assistance programs,( i.e. the development or adaptation of guidelines or methodologies for carrying out assessments and for program design and operations, technical assistance, information dissemination, regional training and operations research) even though the content of the technical support varied, sometimes widely. It was therefore determined that the two types of programs can be accommodated under a single project with some special activities focused on emergency situations. Furthermore, it was found that

many of the national counterparts who are responsible for normal feeding programs are put in charge of food assistance activities during emergency situations. Therefore, special training in handling emergencies and displaced persons needs to be provided for both normal and emergency feeding program personnel.

The project will address the special needs of emergency situations and displaced persons programs by including a specialist in emergency programs among the long-term project personnel. This person will be responsible for development of special guidelines and training activities for emergency and displaced persons programs as well as for providing direct technical assistance on this subject.

Assessment methodologies for emergency situation and certain guidelines for program operations have been developed or are under development by INTERTEC and the Center for Disease Control for PAHO and AID's Office of Disaster Assistance. This work, already done by leaders in the field, need only be adapted to the area and translated into Spanish to be useful. Courses in disaster management developed for PAHO by the University of Wisconsin Disaster Management Center as well as the broad experience of this group and the PAHO disaster assistance unit can be drawn on for help in developing special courses for emergency and displaced persons food assistance programs planned under the project. In addition to the special course on design and management of emergency and displaced persons programs, training modules focused on the special needs of emergency programs will be added to each of the other courses planned under the project. Since substantial work has already been done in this area by others, adaptation and dissemination of existing work to these who need it in the region can be accomplished fairly quickly

Under the operations research component, two emergency or displaced persons programs will be included in order to learn more about the management and operations problems involved in carrying out this type of food assistance activity. Finally, since El Salvador has more experience in dealing with the problems of displaced persons than any other country in the region, a special case study will be conducted on the Salvadoran displaced persons programs. The case study will identify ways in which these food assistance programs could be improved and will document lessons learned which would be useful to transfer to other countries in the region.

C. Environmental Considerations

The project will have no direct impact on the environment. Indirectly however, the project could serve to encourage the use of food assistance activities to promote conservation practices and assist in environmental protection. Environmental concerns and the potential negative

affects national food production of imported food products for use in food assistance programs will be discussed in task forces and regional forums concerned with the development of national food assistance policies and strategies.

The potential use of food-for-works programs to promote soil conservation, reforestation and other activities to protect the environment will also be discussed in conjunction with development of guidelines for design, implementation and evaluation of these programs. ROCAP's regional natural resources advisor will be asked to participate in the regional seminars and task forces on strategy development and food-for-work programs to provide guidance on environmental issues.

# FOOD ASSISTANCE ACTIVITIES IN CENTRAL AMERICA AND PANAMA AND EXTERNAL AGENCIES SUPPORTING FOOD AID PROGRAMS

## A. External Agencies Supporting Food Aid Programs

The major food donors operating in Central America and Panama are as follows:

1. The United States Government, through Federal Law P.L. 480 "Food for Peace". Under this law donated foods are used for relief in cases of disasters, to combat undernutrition, promote economic development at the community level, and in support of different national development policies. The products under P.L. 480 are usually distributed through CARE and the Catholic Relief Service (CRS). CARE makes arrangements for distributing food through government institutions or, in some cases, they distribute the food directly. Usually CRS makes agreements for food distribution with CARITAS; a local voluntary agency of the Catholic Church operating in each country. There are 13 major programs using P.L. 480 Title II support in Central America plus several using US 416 dairy products. CARE operates in Guatemala, Honduras, Costa Rica and Panama, but is terminating activities in the last two countries. CRS/CARITAS is participating in food assistance programs in Guatemala, Honduras, and El Salvador. CRS/CARITAS also function in Nicaragua with commodities from other donors.

2. The United Nations Organization, through its World Food Program (WFP), created in 1962 as a multilateral organization for directring food from food surpluse countries to food deficit areas. The WFP provides assistance to meet food requirements in emergency cases, including situations of chronic malnutrition, and for supporting social and economic development programs. The WFP works through government institutions in various sectors. It usually coordinates food aid activities through the central planning offices of each country. The resident representatives of the United Nations Development Program (UNDP) represent WFP in each country. In Guatemala, Honduras, El Salvador, and Nicaragua the WFP also has Associate Representatives. There are approximately 26 food assistance programs in CA/P supported by WFP. The majority of the food being provided through WFP to Central America and Panama are US commodities.

3. The Federal Republic of Germany supports development programs through food aid, technical assistance and supply of equipment in Guatemala and Honduras. The food they use is purchased locally in the area where the program is being developed. The German assistance is a temporary resource, and operates through government institutions coordinated by the Central Planning Offices. The German Government has staff stationed in the countries where their programs are being carried out who supervise the development of activities under the projects.

4. The European Economic Community (EEC) has been collaborating with several countries of the area donating foods which may be distributed directly to the participant population through government or voluntary institutions, sold through small stores or processed to be sold as industrialized products. The funds generated as a result of these sales is invested in the country's priority development projects.

5. Several religious organizations are supporting emergency or regular feeding programs in all of the countries of the Region. Some donatios are made as food commodities while others are provided in cash to purchase food within the country.

6. The International Red Cross is also collaborating directly or through national organizations by providing food aid to displaced families and victims of other emergencies.

B. Food Assistance Programs Being Carried Out in Central America and Panama:

The following is a brief description of the most important food assistance programs being carried out in each country. The information is derived from a study conducted by INCAP on food assistance in Central America an Panama in 1983 - 1984.

1. Costa Rica. Supplementary feeding programs have been strongly supported economically by the Costa Rican Government for several decades. Most programs have been developed with national funds and locally obtained food, however, local efforts have been complemented in recent years with donated food from AID-PL 480. The WFP has also been supporting food aid programs in Costa Rica mainly through food for work schemes. As shown in Table 4 of the body there were ten major programs in Costa Rica in 1983. Of these 10 programs, 4 were oriented to the maternal-child group, 2 were food for work schemes and 2 programs were geared to school age children and social welfare institutions dealing with the extreme poverty groups. In 1983-84 the 10 programs covered approximately 886,000 persons. The total amount of food distributed is unknown since, in some programs, only the cost of the rations being distributed was recorded.

Costa Rica has expressed an interest in carrying out an institutional analysis of all food assistance programs and in conducting both process and impact evaluations of their food assistance programs.

2. El Salvador. As reflected in Annex 7 attachment b food programs are currently oriented toward maternal-child feeding, unemployed families through food for work and families displaced by the war. In addition, a school feeding program is beginning with WFP support. In 1983-1984 more than 1,375,000 persons were being assisted by 8 food assistance programs. A total of 25% of participating families were displaced groups where approximately 29,421 metric tons of food/commodities were being distributed. The number of

major projects programed for 1985 has risen to 13. The Executive Council of the National Commission for Food and Nutrition (SECONAN) of El Salvador, with the technical cooperation of INCAP, did an institutional analysis of food assistance programs carried out by government institutions to identify the steps and procedures which are required to improve the utilization of food aid. Within the SECONAN there is a Technical Committee on Food Aid, whose activities will be oriented by the results of the study described above.

3. Guatemala. The National Reconstruction Committee was designated last year as the national agency responsible for the coordination of all food assistance programs operating in Guatemala. At present, food aid is received primarily from the WFP and AID-PL 480. The government has a school snack program which is operated with national funds. The 1983-1984 study conducted by INCAP analyzed twelve programs in which 1,286,000 persons participate and about 36,917 metric tons of food are distributed each year. A large proportion of participants (68%) in food assistance programs in Guatemala are school children.

The Ministry of Public Health and Social Welfare is planning to reorganize its food assistance directed to vulnerable groups and to promote the interinstitutional coordination necessary to effectively carry out all of the maternal infant feeding programs.

4. Honduras. As shown in Annex 7 attachment b, fifteen programs are being carried out in Honduras. The study conducted by INCAP, analyzed information available on 11 programs excluding refugee programs run by the UN High Commission. Of these eleven programs, five are directed to the maternal-child group and five to socioeconomic priority groups through food for work activities. The eleven programs provide food to 1,200,000 individuals, 65% of them engaged in food for work activities.

The Hondurean Government, through its Superior Council of Economic Planning (CONSUPLANE), and technical support from INCAP is completing an institutional study on food aid programs. The purpose of the study is to gather the necessary information for setting up a national strategy on the use of food aid in national development activities. Furthermore, USAID, through CARE, is assisting the Ministries of Public Health, Social Welfare and Public Education, in improving the educational component of supplementary feeding programs.

5. Panama. Food aid programs directed to specific population groups have been developed in Panama both with national and/or external aid. The food grants provided by USAID in the past have been distributed through CARE, whose agreement with Panama expired last year.

The study carried out by INCAP collected information on seven food programs. The population covered by the seven programs amounted to 148,000 persons, and the food being distributed to approximately 85,000 metric tons. As shown in Annex 7 attachment b there are five programs scheduled to continue in 1985. There is a proposal within the Ministry of Health to

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reorient the maternal and child supplementary feeding program preferably to those districts identified by the Food and Nutrition Surveillance System as having high levels of malnutrition which are expected to receive priority for allocation of government resources within the social sectors.

SUPPLEMENTARY AND EMERGENCY FOOD PROGRAMS IN CENTRAL AMERICA AND PANAMA

PROGRAMS INVESTIGATED IN COSTA RICA

| Donor Agency | Type of Program | Name of Program | Principal Implementing Institution |
|---|---|---|---|
| National Funds (OCAF) | Maternal-infant | Supplying whole powdered milk and substitutes | Ministry of Health |
| National Funds (OCAF) | Maternal-infant | Supplying food to families with severely malnourished children | Ministry of Health |
| National Funds (OCAF) | Maternal-infant | Supplying meals served at CEN and CINAI | Ministry of Health |
| Private and religious organizations | Maternal-infant | Infant care centers | Goodwill Caravans |
| National Funds (OCAF) | School feeding | School cafeterias | Ministry of Public Education |
| World Food Program | Food-for-Work | COS-2148 Basic grain, vegetables and fruit production | Ministry of Agriculture and Livestock |
| World Food Program | Food-for-Work | COS-2524 Community development in rural and suburban areas | Joint Institute for Social Aid (IMAS) |
| National Funds (OCAF) | Welfare institutions | Food for Welfare Institutions | Family Assistance Control Office (OCAF) |
| National Funds (OCAF) | Economic disaster victims | Family feeding (ALFA) | Family Assistance Control Office (OCAF) |
| World Food Program/ UNHCR | Violence refugees | COS-1302 Food assistance for Salvadoran refugees | Joint Institute for Social Aid (IMAS) |

SUPPLEMENTARY AND EMERGENCY FOOD PROGRAMS IN CENTRAL AMERICA AND PANAMA

PROGRAMS INVESTIGATED IN EL SALVADOR

| Donor Agency | Type of Program | Name of Program | Principal Implementing Institution |
|---|---|---|---|
| AID-PL-480 II (CRS) | Maternal-infant | Maternal-Infant Health Program | CARITAS/El Salvador |
| World Food Program | Maternal-infant | ELS/2317 Nutritional Education and Supplementary Feeding to Vulnerable Groups | Ministry of Public Health and Social Welfare |
| World Food Program | School feeding | ELS/2690 Elementary School Feeding | Ministry of Public Education |
| World Food Program | Food-for-Work | ELS/776 Exp. Community Development by Cooperation | Community Development Office (DIDECO), Ministry of the Interior |
| World Food Program | Food-for-Work | ELS/2146 Small Farmer Basic Food Crop Production | Agricultural Development Bank (BFA) |
| World Food Program | Food-for-Work | ELS/2725 Rural Housing and Community Infrastructure in Agrarian Reform Areas | Community Development Office (DIDECO) |
| AID-PL-480 II | Displaced by violence | GOES/AID 3611 Health and Work for Displaced Families | Community Development Office (DIDECO), Ministry of the Interior |
| World Food Program | Displaced by violence | ELS/1405E Assistance to Displaced Persons in El Salvador | National Commission for Assistance to Displaced Persons (CONADES) |
| AID-PL-480 II, other, External resources | Displaced by violence | Social Aid to Displaced Persons | Salvadoran Evangelical Center for Aid and Development (CESAD) |

(cont.)

| Donor Agency | Type of Program | Name of Program | Principal Implementing Institution |
|---|---|---|---|
| World Food Program | Displaced by violence | Emergency Operation | National Commission for Assistance to Displaced Persons (CONADES) |
| World Food Program | Displaced by violence | 3 Fast-Action Projects to Incorporate Displaced Persons into Productive Activities | National Commission for Assistance to Displaced Persons (CONADES) |
| AID-PL-480 II | Displaced by violence | Assistance to Displaced Persons | National Commission for Assistance to Displaced Persons (CONADES) |
| EEC and CRS | Displaced by violence | Emergency Food | Social Archdiocesan Secretariat |

SUPPLEMENTARY AND EMERGENCY FOOD PROGRAMS IN CENTRAL AMERICA AND PANAMA

PROGRAMS INVESTIGATED IN GUATEMALA

| Donor Agency | Type of Program | Name of Program | Principal Implementing Institution |
|---|---|---|---|
| AID/PL-480 II (CARE) | Maternal-infant | Complementary Feeding Program, Maternal-Infant group | Ministry of Public Health and Social Welfare |
| AID/PL-480 II (CRS) | Maternal-infant | CARITAS Maternal-infant Program | CARITAS/Guatemala |
| World Food Program | Maternal-infant (displaced by violence) | GUA/2705Q Emergency Maternal-Infant | SADERCO/National Reconstruction Committee |
| National | School feeding | National School Meals Program | Student Welfare Office, Ministry of Education |
| AID/PL-480 II (CRS) | Food-for-Work | CARITAS Food for Work Program | CARITAS/Guatemala |
| AID/PL-480 II (CARE) | Food-for-Work | Forest and Soil Conservation | National Forestry Institute, Ministry of Agriculture, Livestock and Food |
| AID/PL-480 II (CARE) | Food-for-Work | Ixcan Colonization Feeding | National Institute for Agrarian Transformation, Ministry of Agriculture, Livestock and Food |
| World Food Program | Food-for-Work | GUA/2547 "Franja Transversal del Norte" Agricultural Development | USPADA, Ministry of Agriculture, Livestock and Food |

(cont.)

| Donor Agency | Type of Program | Name of Program | Principal Implementing Institution |
|---|---|---|---|
| World Food Program | Food-for-Work | GUA/2587 Small Farmer Basic Food Crop Production | DIGESA, Ministry of Agriculture, Livestock and Food |
| Government of the Federal Republic of Germany | Food-for-Work | German-Guatemalan Cooperation for Food-for-Work | Regional Planning SEGEPLAN |
| World Food Program | Food-for-Work | GUA/784 amp Environmental Sanitation Through Community Development | SADERCO/National Reconstruction Committee |
| World Food Program | Training | GUA/2581 Training Women for Community Development | Community Development, Executive Office (President) |
| World Food Program | Displaced by violence | Assistance to Areas of Conflict Project | National Reconstruction Committee |



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SUPPLEMENTARY AND EMERGENCY FOOD PROGRAMS IN CENTRAL AMERICA AND PANAMA

PROGRAMS INVESTIGATED IN HONDURAS

| Donor Agency | Type of Program | Name of Program | Principal Implementing Institution |
|---|---|---|---|
| AID-PL-480 II (CARE) | Maternal-infant | Maternal-Infant Program | Nutrition Department, Ministry of Public Health |
| AID-PL-480 II (CARE) | Maternal-infant | 601204 Maternal-Infant Program 1/ | CARE/communities |
| AID-PL-480 II (CARE) and national funds | Maternal-infant | 601204-58100 Maternal-Infant | National Social Welfare Committee (JNBS) |
| AID-PL-480 II (CRS) | Maternal-infant | Maternal-Infant | CARITAS/Honduras |
| World Food Program | Maternal-infant | HON-2523 Food for Vulnerable Groups and Promoting Productive Activities at Family Level | Ministry of Public Health |
| AID-PL-480 II (CARE) and EEC | School feeding | Honduran School Feeding Service | Ministry of Public Education |
| AID-PL-480 II (CRS) | Food-for-Work | Community Development | CARITAS/Honduras |
| World Food Program | Food-for-Work | HON-718 Rural Development and Rehabilitation Through Cooperation | National Social Welfare Committee (JNBS) |
| World Food Program | Food-for-Work | HON-2283 Amp. Basic Food Production Through Organized Farmer Groups | Ministry of Natural Resources (RRNN)/National Agrarian Institute (INA) |

1. Managed directly by the intermediate external agency.

(cont.)

| Donor Agency | Type of Program | Name of Program | Principal Implementing Institution |
|---|---|---|---|
| World Food Program | Food-for-Work | HON-2742 Forestry Development | Honduran Forestry Development Corporation (COHDEFOR) |
| Government of the Federal Republic of Germany | Food-for-Work | Honduran German Cooperation Food-for-Work | CONSUPLANE |
| Food for the Hungry<br>Church World Service<br>Reform Church<br>German Government | Food-for-Work | Emergency and Community Development | National Emergency Evangelical Committee (CEDEN) |
| World Food Program | Food-for-Training | HON/2741Q National Literacy Program (PLANALFA) | Ministry of Public Education |
| World Food Program | Violence refugees | HON-1330 Exp II. Food Assistance to Nicaraguan, Guatemalan and Salvadoran Refugees in Honduras | World Relief, CARITAS/ Honduras, UNHCR |
| World Food Program<br>UNHCR | Violence refugees | Global Project for Nicaraguan, Salvadoran and Guatemalan Refugees | UNHCR |



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SUPPLEMENTARY AND EMERGENCY FOOD PROGRAMS IN CENTRAL AMERICA AND PANAMA

PROGRAMS INVESTIGATED IN NICARAGUA

| Donor Agency | Type of Program | Name of Program | Principal Implementing Institution |
|---|---|---|---|
| World Food Program | Maternal-infant | NIC-2536 Development. Assistance for Health Actions for Pre-school Children and Pregnant and Breastfeeding Women | Ministry of Health/Ministry of Internal Commerce |
| European Economic Community | School feeding | A Glass of Milk for School Children | Ministry of Education (MED) |
| World Food Program | Food-for-Work | NIC-2593 Milk Sector Development | Ministry of Agricultural Development and Land Reform (MIDINRA) |
| World Food Program | Welfare institutions | NIC-2537 Hospital Infrastructure Improvement | Ministry of Health (MINSA) Ministry of Internal Commerce |
| Catholic Relief Services (CRS) | Displaced by violence | Assistance to Displaced Persons | CARITAS/Nicaragua |
| World Food Program | Displaced by violence | NIC-1383 Emergency Assistance to Displaced Persons | INSSBI, ENABAS (National Basic Foods Company), Ministry of Internal Commerce (MICOIN) |
| International Red Cross Societies League | Displaced by violence | Assistance to Displaced Persons | National Red Cross |
| Evangelical Church Organization | Displaced by violence | Succor 1/ | Evangelical Pro-Development Aid Committee (CEPAD) |

1. Evangelical church organizations provided funds to purchase local food.

(cont.)

| Donor Agency | Type of Program | Name of Program | Principal Implementing Institution |
|---|---|---|---|
| World Food Program | Displaced by violence | NIC-2731Q Integrating Regufees into Productive Activities | INSSBI, Ministry of Internal Commerce |
| UNHCR | Displaced by violence | Assistance to Refugees | National Social Security and Welfare Institute (INSSBI) |



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SUPPLEMENTARY AND EMERGENCY FOOD PROGRAMS IN CENTRAL AMERICA AND PANAMA

PROGRAMS INVESTIGATED IN PANAMA

| Donor Agency | Type of Program | Name of Program | Principal Implementing Institution |
|---|---|---|---|
| National Funds | Maternal-infant | Food Assistance Program | Ministry of Health |
| National Funds | School feeding | School Nutrition Program | Ministry of Education |
| World Food Program | Food-for-Work | PAN-2436 Habilitating Indian Communities through Agroforestry Projects | Renewable Natural Resources Department (RENARE) Ministry of Agricultural Development (MIDA) |
| World Food Program/ UNHCR | Violence refugees | PAN-1310 (E) Emergency Food Assistance to Salvadoran Refugees | National Refugee Office, Ministry of Government and Justice |

PROJECT SUMMARY SHOWING HOW PROJECT ACTIVITIES WILL ACHIEVE PROJECT OBJECTIVES
BY STIMULATING APPROPRIATE ACTION ON THE PART OF PROJECT TARGET GROUPS

| PROJECT OBJECTIVES | COMPONENTS/ACTIVITIES/QUANTITY | PROJECT TARGETS GROUPS | DESIRED ACTION ON THE PART OF EACH TARGET GROUP | RELATIONSHIP TO OBJECTIVES | COMPONENTS/ACTIVITIES TO ACHIEVE DESIRED ACTION |
|---|---|---|---|---|---|
| A. NATIONAL FOOD ASSISTANCE STRATEGIES | I. PLANNING AND COORDINATION<br>1. Scientific and Technical Advisory Committee (STAC) (6)<br>2. "Task Forces" (16)<br>3. Donor Coordination Meetings: Regional (5) National (50)<br>4. Meetings of National Program Directors | I. DONORS/ INTERMEDIARIES | 1. Active support in promoting national strategies. | (A) | I 1-3, II 1, IV 3, V 1-5, (results). |
| | | | 2. Active support in achieving national coordination. | (AB) | I 1-3, II 1, IV 3. |
| | | | 3. Agreement on general technical norms and guidelines for food assistance programs. | (BC) | I 1-3, II 1, IV 3, V 1, 3, 4, 5, (results). |
| | | | 4. Agreement on general guidelines for design and evaluation of food assistance programs. | (B) | I, 1-3, II 1, IV 3, V 1-5 (results). |
| B. NATIONAL COORDINATION MECHANISMS | II. TRAINING<br>1. Subregional Seminars (3)<br>2. Courses/Workshops: (12)<br>a. Workshop: Food aid programs for displaced persons/emergencies. (1)<br>b. Workshop: Identification and design of food aid programs. (2)<br>c. Courses on management of food aid programs. (3)<br>d. Courses on food management and preservation. (2)<br>e. Courses on information and evaluation systems for food aid programs. (2)<br>f. Courses on methodologies for food and nutrition education. (2)<br>3. Observational Site Visits (by national technicians and managers of food aid programs). (30) | | 5. Financial support for improving program operations and effectiveness. | (C) | I 1-3, II 1, III 2,3,5,6, 8, VI,2,3,4 (results). |
| | | | 6. Financial / or in-kind support for technical assistance and other tech. support for food programs. | (ABC) | I 1-3, II 1, IV 1, and results of project evaluations (VI). |
| | | | 7. Support identification of problems and testing and applications of solutions to improve program performance. | (C) | I 1-3, II 1, III 2-6, IV 3, V 1-5 (results) |
| C. BETTER MANAGED AND MORE EFFECTIVE FOOD ASSISTANCE PROGRAMS<br>Defined as having:<br>- Clear objectives<br>- Technical norms & operations consistent w/objectives<br>- Better targeting and beneficiary selection | | II. NATIONAL PLANNERS/ POLITICAL DECISION MAKERS | 1. Awareness and commitment to promote national food aid strategies and coordination of food aid activities. | (AB) | I 1,2, II 1,2b,3, III 1, 2,5,6,7,8, IV 2,3, V 2,3 (participants) 1,3,5 (results) |

| PROJECT OBJECTIVES | COMPONENTS/ACTIVITIES/QUANTITY | PROJECT TARGETS GROUPS | DESIRED ACTION ON THE PART OF EACH TARGET GROUP/ | RELATIONSHIP TO OBJECTIVES | COMPONENTS/ACTIVITIES TO ACHIEVE DESIRED ACTION |
|---|---|---|---|---|---|
| - Better Management<br>.Improved logistics<br>.Reduced losses<br>.In-service training<br>.Improved management information system<br>.Better control and supervision<br>- Incorporation of evaluation schemes<br>- Integration w/complementary activities; i.e. MCH, health or food and nutrition education, community development. | III.TECHNICAL ASSISTANCE<br>National Level (360 weeks)<br>1. Assistance to national groups for strategy formulation and coordination.<br>2. Assistance to national normative commissions in developing technical norms.<br>3. Development of national or program specific in-service training programs.<br>4. Improving program management and operations:<br>a. Information/evaluation<br>b. Logistics/delivery<br>c. Food handling/storage<br>d. Supervision<br>5. Support for institutional analyses, process impact evaluations.<br>6. Prepare manuals on norms and procedures for individual food programs.<br>7. Design of new projects or redesign of existing projects.<br>8. Integration w/complementary food and nutrition, education, health and other development activities. | | 2. Commitment to support improved national food aid activities.<br>3. Commitment to support regional food aid project technical support activities. | (BC)<br>(ABC) | I 1,2 II 1,1a-f,3, III 1-8 IV 2,3, V 2,4 (participants) 1,3,5, (results).<br>I 1,2 II 1,2a-f, 3, III 1-8, IV 2,3, V 1-5 (results) |
| | | III. TECHNICAL/ NORMATIVE | 1. Awareness and commitment to promote and implement national food aid strategies and coordination of food aid activities.<br>2. Review, adapt, test and implement agreed upon guidelines for technical norms and procedures.<br>3. Collaboration in planning and carrying out activities of the regional project.<br>4. Coordination and integration of food aid activities w/complementary food, nutrition and development activities. | (AB)<br>(BC)<br>(ABC)<br>(BC) | I 1,2, II 1,2a,b,3, III 1,2-5,7,8, IV 1-3, V 1,2,4 (participants) 3,5 (results)<br>I 1,2, II 1,2c,d,e,f,3, III 2-6, IV 3, V 1,3,4, (participants) 2,5, (results)<br>I 1,2, II 1-2a-f, e, III 1-8 IV 1-3, V 1-5, (participants)<br>I 2, II 1,2a,b,e,f,3 III 3-8, IV 3, V 1,3,4 (participants) 2,5, (results) |

| PROJECT OBJECTIVES | COMPONENTS/ACTIVITIES/QUANTITY | PROJECT TARGETS GROUPS | DESIRED ACTION ON THE PART OF EACH TARGET GROUP/ | RELATIONSHIP TO OBJECTIVES | COMPONENTS/ACTIVITIES TO ACHIEVE DESIRED ACTION |
|---|---|---|---|---|---|
| | 9. Identification of needs and preparation of proposals to improve institutional capacity. | IV. PROJECT DIRECTORS/ MANAGERS (OPERATIONAL LEVEL) | 1. Awareness and commitment to promote and implement national food aid strategies and coordination of food aid activities. | (AB) | I 2,4, II 1,2a-f, 3, III 1,2, 5,7,8, IV 1,3, V 1-5 (partisipants) |
| | IV. INFORMATION DISSEMINATION<br>1. Acquisition and classification of documents.<br>2. Establishment of documentation centers.<br>3. Distribution of documents. | | 2. Review, adapt, test and implement agreed upon guidelines for technical norms and procedures. | (BC) | I 1,4, II 1,2c,d,e,f,3, III 2-6, IV 3, V 1-5 (participants |
| | V. OPERATIONS RESEARCH<br>1. Evaluation of food aid programs: Operations, institutional capacity and food utilization at the household level (4 programs/2 countries).<br>2. Cost effectiveness of food aid programs (5 countries).<br>3. Defining technical basis for maternal/ child food programs, technical norms (1 country).<br>4. Design and testing of simple information and evaluation systems for food aid programs (5 countries).<br>5. Food, nutrition and socio-economic impact of maternal child care programs on participant families (1 country). | | 3. Identification of problems and application of solutions to improve program performance. | (C) | I 2,4, II 1,2,a-f,3, III 2-8 IV 3, V 1-5 (participants) |
| | | | 4. Coordination and integration of food aid activities w/complementary health and development activities. | (C) | I 2,4, II 1,2a,b,e,f,3,III 3-8 IV 1-3, V 1-5 (participants) |
| | | | 5. Collaboration in planning and carrying out activities of the regional project. | (ABC) | I 2,4, II 1,2a-f,3, III 1-8. IV 1-3, V 1-5 (participants) |

TABLE 1

SOCIO-ECONOMIC STATISTICS IN CENTRAL AMERICA AND PANAMA
LABOR FORCE AND EMPLOYMENT INDICATORS AROUND 1980

| Country | National self-perception of Rural Population % | Total Labor Force (thousand) | Employment: Proportion in | | | | Unemployed % | Under-employed % |
|---|---|---|---|---|---|---|---|---|
| | | | Traditional Sector | | Modern Sector | | | |
| | | | Traditional Rural % | Informal Urban % | Modern Rural % | Modern Urban % | | |
| Costa Rica | 54.2 | 770 | 22 | 14 | 32 | 32 | 5.9 | 7.5 |
| El Salvador | 55.6 | 1626 | 30 | 19 | 22 | 29 | 7.4 | 25.5 |
| Guatemala | 61.6 | 2193 | 34 | 22 | 29 | 15 | 3.2 | 31.4 |
| Honduras | 59.8 | 1021 | 37 | 15 | 23 | 25 | 14.3 | 27.4 |
| Nicaragua | 45.7 | 870 | 23 | 23 | 27 | 27 | 11.8 | 10.9 |
| Panama | 45.6 | 578 | 28 | 15 | 15 | 43 | 8.8 | 7.6 |

Source: Dinámica del Subempleo en América Latina. 1981. CEPAL.

TABLE 1 (Cont'd.)

SOCIO ECONOMIC STATISTICS IN CENTRAL AMERICA AND PANAMA
GROSS DOMESTIC PRODUCT AND EDUCATIONAL LEVEL

| Countries | Per capita gross domestic product (1980 US $) and average growth rates (a) | | | Education (b) | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Number enrolled in: | | | | | |
| | | | Average annual increase % | Primary school as percentage of age group | | Secondary school as percentage of age group | | Adult Literacy rate (%) | |
| | 1977 | 1980 | 1977 - 1980 | 1960 | 1977 | 1960 | 1977 | 1960 | 1975 |
| Costa Rica | 1476.3 | 1527.0 | 1.1 | 96 | 112 | 21 | 29 | 84 | 90 |
| El Salvador | 797.0 | 680.9 | -5.1 | 79 | 90 | 13 | 18 | 49 | 62 |
| Guatemala | 1147.6 | 1198.5 | 1.5 | 49 | 59 | 6 | 12 | 32 | 47 |
| Honduras | 599.1 | 639.0 | 2.2 | 61 | 91 | 6 | 10 | 45 | 57 |
| Nicaragua | 111.6 | 896.8 | -7.1 | 62 | 80 | 7 | 13 | 51 | 57 |
| Panama | 1174.9 | 1917.6 | 2.6 | 97 | 110 | 29 | 42 | 73 | 78 |

Sources: (a) Inter American Development Bank (IDB), 1981.
(b) World Development Report. The World Bank, 1980, and Wilkie, J. W. and Reich, P. (Eds.). Statistical Abstracts of Latin America, Los Angeles, U.C.L.A., 1977.

TABLE 1 (Cont'd.)

SOCIO-ECONOMIC STATISTICS IN CENTRAL AMERICAN COUNTRIES AND PANAMA
ENVIRONMENTAL SANITATION

| | Water Supply Piped Water | | Sewage Disposal Systems | |
|---|---|---|---|---|
| | Urban Population % (1978) | Rural Population % (1978) | Urban Population % (1978) | Rural Population % (1978) |
| Costa Rica | 98 | 61 | 43 | 86 |
| El Salvador | 61 | 30 | 48 | 26 |
| Guatemala | 41 | 14 | 40 | 17 |
| Honduras | 52 | 13 | 43 | 18 |
| Nicaragua | — | 11 (1973) | 22 (1973) | — |
| Panama | 95 | 64 | 98 | 80 |

Sources: Salud para Todos en el Año 2000. Estrategias, 1980. PAHO/WHO.



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TABLE 2

DEMOGRAPHIC INDICATORS IN CENTRAL AMERICAN COUNTRIES AND PANAMA

| Country | Crude Birth Rate | Crude Death Rate | Population Growth Rate (%) | Infant Mortality Rate | Probability of Rural Child Dying by Age 2 (%) | 1-4 Death Rate per 1000 Population | 0-4 Deaths as % of Total Deaths | % Newborns with Weight Less Than 2500 Grams |
|---|---|---|---|---|---|---|---|---|
| Costa Rica | 30 (1980) | 4 (1980) | 2.7 (1980) | 19 (1980) | 9 (1973) | 1.1 (1980) | 3 (1979) | 6.8 (1980) |
| El Salvador | 40 (1978) | 9 (1975-80) | 2.9 (1980) | 85 (1980) | 15 (1971) | 6.9 (1980) | 12 (1974) | 6.7 (1980) |
| Guatemala | 41 (1975-80) | 11 (1975-80) | 3.0 (1975-80) | 86 (1980) | 16 (1973) | 12.4 (1980) | 21 (1978) | 10.0 (1980) |
| Honduras | 47 (1975-80) | 12 (1975-80) | 3.5 (1975-80) | 87 (1981) | 15 (1970) | 4.3 (1979) | 13 (1978) | 9.2 (1981) |
| Nicaragua | 47 (1975-80) | 12 (1975-80) | 3.4 (1975-80) | 102 (1980) | 15 (1971) | 3.6 (1977) | 18 (1977) | N.A. |
| Panama | 31 (1975-80) | 6 (1975-80) | 2.4 (1981) | 21 (1981) | N.A. | 2.1 (1981) | 8 (1974) | 9.7 (1980) |

TABLE 3

DEATH RATES PER 100,000 FOR SPECIFIC CAUSES IN CHILDREN UNDER 1 AND 1-4 YEARS OF AGE IN CENTRAL AMERICAN COUNTRIES AND PANAMA AROUND 1980

| Country | Year | Age specific death rates | | Diahrreal Diseases | | Influenza and Pneumonic | |
|---|---|---|---|---|---|---|---|
| | | Under 1 year | 1-4 years | Under 1 year | 1-4 years | Under 1 year | 1-4 years |
| Costa Rica | 1979 | 2212.3 | 129.2 | 196.4 | 11.3 | 225.3 | 11.7 |
| El Salvador | 1974 | 5341.1 | 608.2 | 1276.1 | 182.1 | 370.3 | 32.7 |
| Guatemala | 1978 | 7226.6 | 1309.9 | 1345.4 | 408.6 | 1229.5 | 220.5 |
| Honduras | 1978 | 2689.6 | 478.6 | 519.5 | 92.8 | 179.8 | 34.8 |
| Nicaragua | 1977 | 3516.3 | 360.0 | 1229.0 | - | 251.1 | - |
| Panama | 1974 | 3158.9 | 465.7 | 293.7 | 78.8 | 403.6 | 64.1 |

Source: Health Conditions in the Americas 1977-1980. PAHO/WHO. 1982.

NUTRITIONAL STATUS OF CHILDREN UNDER 5 YEARS OF AGE AND DAILY CALORIE AND PROTEIN SUPPLY PER CAPITA IN CENTRAL AMERICAN COUNTRIES AND PANAMA

| | Nutritional Status (a) | | | | Daily calorie and protein supply per capita (b) | | |
|---|---|---|---|---|---|---|---|
| Countries | Year | Weight retardation / 75% weight for age* | Year | Weight retardation / 75% weight for age** | 1975-1977 average calories | protein (g) | As percentage of calorie requirements (1977) |
| Costa Rica | 1966 | 13.7 | 1978 | 7.0 | 2,487 | 58.1 | 116 |
| El Salvador | 1965 | 26.0 | 1978 | 10.4 | 2,071 | 54.4 | 90 |
| Guatemala | 1965 | 32.4 | 1979/80 | 29.5 | 2,023 | 53.7 | 98 |
| Honduras | 1966 | 29.5 | - | - | 2,084 | 51.5 | 89 |
| Nicaragua | 1966 | 15.0 | - | - | 2,452 | 70.4 | 109 |
| Panama | 1967 | 11.9 | 1980 | 11.6 | 2,346 | 54.8 | 101 |

(*) Standard: IOWA.

(**) Standard: WHO/NCHS.

Sources: (a) National Nutritional Surveys.

(b) Food Balance Sheets. 1980. Food and Agriculture Organization of the United Nations.

# RESEARCH COMPONENT:
# RESEARCH PROFILES AND TIME TABLE

## A.1 Evaluation of Food Assistance Programs: Operations, Institutional Capacity and Food Utilization at the Household Level

### a) Background

The presence of undernourished children in developing countries is also the result of the same factors and process determining poverty in Third World Nations. Therefore, programs such as food assistance, aimed at the satisfaction of basic food needs of poverty-stricken groups, are also of primary importance in avoiding deterioration and in improving the nutritional conditions of low-income groups.

Food assistance programs have been criticized for not achieving their proposed goals. Countries where food assistance may have contributed to improving social and nutritional conditions of deprived groups also exhibit better infrastructure and management capacity to handle food assistance programs than other countries where mortality rates and the prevalence of malnutrition are still high. INCAP's recent findings on planning and operation of food assistance programs singled out poor management and lack of aministrative capacity as the major bottlenecks limiting the efficient use of food aid at the national, regional, community and household levels. More specifically, those bottlenecks are reflected in problems in identifying and directing efforts to the most needy target populations, poor coverage and delivery systems, untrained personnel, inadequate supervision and lack of and/or inapropriate monitoring and evaluation systems. Furthermore, there are problems at the national, regional and household levels in food handling (storage, transportation and distribution) causing large-scale food losses. The constraints described above will be further investigated in this research project in order to identify, develop and test, under prevailing field circumstances (national food assistance programs), solutions aimed at improving institutional capacity and management aspects of food assistance programs and thereby improving their effectiveness.

### b) Specific objectives

- To identify the main institutional constraints affecting the efficient operation of food assistance programs and to develop practical solutions to overcome them.

- To determine the perceptions of participants and local program staff regarding food assistance and the effect that such perceptions have on the acceptance and utilization of the food commodities being distributed.

- To determine the mechanisms of food handling and utilization at the household level and to identify the constraints for attaining full utilization of food commodities.

- To develop and propose practical methods and/or procedures for planning, formulation, operation and process evaluation of food assistance programs.

- To improve the operation of food aid programs in Central America by strengthening national institutional capacity to operate this programs efficiently.

c) Methods

The research project will be carried out in Honduras and Guatemala and will include maternal and child care, school feeding, food for work and emergency programs. It is divided in three phases. An initial phase to be carried out over a 15 month period will include data collection, analysis and formulation of recommended solutions. Phase two entails the development of any preparatory materials or steps required for making program changes, the training of personnel and implementation of proposed solutions. The third phase will address the final testing and evaluation of proposed solutions. Phases one and two will overlap in time as implementation of recommended solutions for operational problems will begin as soon as each is defined.

The first type of phase one assessment will entail data collection at the political-normative and at the operational levels. At the political-normative (central) level, data will be gathered on interinstitutional coordination: organization of the institution; technical, administrative and management procedures; supervision; financing and costs; monitoring and evaluation mechanism and in service training. At the operational level (regional and local), information will be collected on service provider perceptions, accomplishment of programmed activities, major operational constraints for effective program implementation, screening procedures, supervision, community response, local costs and others.

The second type of assessment to be carried out in phase one involves the analysis of food storage, transportation and distribution mechanisms. Records on food losses (both pilferage or due to damage and deterioration) will be taken. Samples collected in different storage units will be analyzed to assess causes of deterioration. The temperature and relative humidity of the storage units will be recorded and the control of the flow of foods received and dispatched, as well as the stacking and handling practices, will be inspected and recorded. The suitability of existing transportation facilities and the packaging materials employed will also be evaluated. Furthermore, an evaluation of the hygienic procedures in food preparation at schools will be analyzed.

The third type of assessment, to be conducted in phase one, involves the identification of perceptions of food aid programs by recipientfamilies, and how the food commodities being distributed are handled, preserved, prepared and consumed at the household level. These activities will be carried out through household consumption surveys and anthropological case studies at the community level. These surveys will also look at the potential of using part of the food commodities being distributed as raw materials for promoting local food processing activities.

Necessary corrective measures on program operation, identified in phase one, will be implemented during phase two. Phase two training activities will use information derived from phase one. Training will be carried out by the national staff running the food aid programs, assisted when necessary, by INCAP staff.

Phase three, the evaluation of proposed and implemented solutions, will be carried out 15 months after the changes identified in phases one and two were implemented. Data analysis will be carried out at INCAP with participation of national staff and cooperating PVOs or donors. The major findings will be disseminated to other nationals and representatives of donors, technical and intermediary agencies through regional and national seminars and workshops.

d) Duration and costs

Phase one will be completed in 16 months, while the activities in phase two will be terminated in 12-15 months. This research project has a total cost of $332,800.

A.2 Cost-effectiveness Analysis of Food Assistance Programs in Central America and Panama

a) Background

Three types of food assistance programs operate in Central America: maternal-child feeding (MCH), school feeding (SF) and food for work (FFW) programs. The first have primarily nutritional objectives, while the second have increasing school attendance and improving school performance as primary objectives. Income and employment generation are the principal objectives of food for work programs. Food assistance programs represent considerable costs which are borne by donating agencies, national governments and private voluntary agencies. In addition, they often absorb large numbers of trained human resources and place considerable burdens on national infrastructures. Thus, it is imperative that food assistance programs are operated as efficiently as possible.

Food losses occur at different levels after food shipments arrive in the recipient country and represent a significant cost item. During storage, transporting, and repacking, substantial losses may be incurred as food items move from centralized locations to final distribution centers. Distribution to non-target group households, resale of food rations, substitution of food rations for normally consumed foods and intrahousehold sharing of food rations all represent leakages which increase program costs.

As food shipments or domestically purchased foods move through successively decentralized levels, different decision makers are involved who have an interest in the efficient operation of the programs. At the same time, as national food assistance programs usually have multiple funding sources, each funding source has an interest in understanding how its share of program costs relates to program performance.

This study will undertake a cost-effectiveness analysis (CEA) at the operational level, relating specific program outputs to program costs, including all three major types of normal food assistance programs. CEA serves to identify the more efficient programs and also as an evaluation tool to measure the impact of actions aimed at improving the operational efficiency of programs.

b) Objectives

- To implement an adequate cost accounting system at the national, regional and distribution center levels, which allows cost analyses by program activity and effective cost monitoring.

- To determine sources of food losses and measure degree of loss at different levels.

- To implement an adequate recording system which allows accurate monitoring of program outputs at different levels.

- To undertake a cost-effectiveness analysis of the three types of food assistance programs based upon actual levels of operation of the programs studied.

- To undertake a sensitivity analysis simulating different levels of resource utilization and program activities in order to make concrete recommendations for improved efficiency of food aid programs.

- To design a number of key efficiency indicators for program monitoring at different levels.

- To develop guidelines and operational procedures to perform routinely cost-effectiveness analysis to monitor program efficiency.

- To train program personnel in performing cost-effectiveness analysis.

c) Methods

This study will make extensive use of the data generated by the studies related to the design and testing of simple information and evaluation systems (A.4) and on storage, transportation, and distribution of food assistance (A.1). Data will be obtained, for a representative period on the main cost components of food assistance programs (food acquisition costs, ocean freight, warehousing, inland transportation and distribution, food preparation and repacking costs). Each of these cost components will be disaggregated by level (national, regional, distribution center), by operational activity and by resource utilization (personnel, capital costs, fuel, office supplies, etc.).

The following program output indicators will be constructed from the data: (a) number of beneficiaries served per year; (b) number of target group served per year; (c) calories provided per beneficiary per year; and (d) cash equivalent income provided per beneficiary per year.

Cost effectiveness indicators to be used in the study are: (a) the average annual program costs per beneficiary; (b) the average annual program costs per member of target-group (MCH, SF); (c) the average program costs per 1,000 calories delivered to the target group (MCH, SF), and (d) the average program costs per one dollar of cash equivalent income provided (FFW).

The programs with the lowest cost-effectiveness ratios (CER) are the most efficient, and a decreasing CER over time indicates increased operational efficiency.

d) Duration and cost

Thir research project will be completed in 18 months and its total cost amounts to $ 54,000.

A.3 Defining the Technical Basis for Screening and Discharge Decisions and for Interpreting Growth Monitoring Data in Maternal and Child Food Assistance Programs.

a) Background

An identified constraint to effective food assistance program implementation in Central America and Panama, which merits further research, is the use of inadequate criteria for beneficiary selection, decisions regarding duration of beneficiary participation, discharge procedures

establishing ration sizes and for monitoring growth of participating children. Technical criteria for screening and discharge of children and for growth monitoring are based on manuals elaborated by administrative and technical staff located at the headquarters of donors and other technical agencies. These criteria seldom take into account local data sets and/or judgements and experiences of locally qualified professional staff.

Research activities using data already available in Central America and Panama and supplemental prospective data should be conducted to provide answers to the following questions on screening and discharge procedures, and growth monitoring in food assistance programs.

- How quickly can a food program be expected to have an impact on the recuperation process of a target child?

- How does the child's initial nutrition status affect his recuperation process?

- Does the impact of participating in a food assistance program on dietary intakes vary with time?

- What are the relative benefits or cost of using preventive selection criteria such as enrolling all low income children or all children between 6 months and 3 years of age from areas with a high prevalence of malnutrition vs. the enrollment of only moderately or severely malnourished children?

- What is the effect on dietary intake and nutritional status when food assistance is withdrawn from a high risk child at different stages in his recuperation process or at different points in his normal growth and development?

- What are the best methods, under normal field conditions, for monitoring a child's growth in order to make rational decisions about enrollment in feeding programs?

This investigation will provide better criteria for defining technical norms for national scale food assistance programs targeted to children under five years of age in Central America and Panama. The information will be used to help establish recommended regional guidelines on beneficiary selection and discharge decisions growth monitoring and ration sizes.

b) Research objectives

- To review existing information for revising the norms used in

screening and discharge of participant children in nutritional food assistance programs and for monitoring growth response.

- To identify the most useful indicators for screening and discharge decisions and growth monitoring available at the clinic level.

- To determine whether growth velocity of discharged children is affected by the withdrawal of the food assistance program.

- To analyze community level/nutritional impact of targeted versus non-targeted food assistance projects.

c) Materials and methods

The following three data sources will be used to explore the proposed research questions.

- The information contained in the longitudinal growth and supplementary feeding study carried out by INCAP in four rural ladino villages located in El Progreso, Eastern Guatemala from 1969 to 1976.

- The longitudinal study conducted by INCAP in eleven coffee plantations located in Patulul District of Western Guatemala, from 1977 to 1981.

- Data derived from the prospective field evaluation of "Food Nutrition and Socioeconomic Impacts of Maternal and Child Food Assistance Programs on Participating Families" to be carried out under the project (see research profile B.1.).

The data sets already available at INCAP contain longitudinal growth, morbidity, food consumption (habitual diet plus supplements) and mortality events in children. Therefore, screening and discharge criteria and interpretation of growth monitoring data can be explored in sets of children who received food supplements for varying periods vs. those who did not.

d) Duration and cost

Phase one. the analyses of available data at INCAP, will be completed in twelve months. The collection of prospective data and the final analyses will be carried out in 21 months. The total costs for this project amounts to $50,600.

## A.4 Design and Testing of Simple Information and Evaluation Systems for National Food Assistance Programs.

### a) Background

A major constraint to the effective coordination of food assistance projects operating in a country and for appropriate program management of individual projects is the lack of adequately designed yet simple internal information systems which can anticipate data needs and furnish information for decision making by planners and program managers. This project will make a contribution to the operation of food assistance programs by clearly defining the data required to support decision making and identifying data sources and mechanisms already existant within each sector which could be used or adapted to fill those needs.

The proposed activities entail the identification of data needs for decisions to improve the assessment of problems and interventions, program design, operation and coordination, monitoring of program performance, and for measuring nutritional and health status in participant communities and families as a follow-up to the feeding intervention. Moreover, this component will provide decision makers with more timely and adequate information through the design, implementation and evaluation of model information systems for different types of food assistance programs.

### b) Specific objectives

- To identify the data required for planning, monitoring and evaluation at different levels of the decision-making process by those responsible for national food assistance programs.

- To identify existing information systems supporting food assistance activities and other sectoral systems periodically gathering information which could potentially meet the data requirements.

- To develop and test simple, low-cost information systems for different types of national food assistance activities operating in Central America and Panama.

### c) Methods

The study will be carried out over a two year period and will include the entire universe of major food assistance programs (users) and data sources which operate in Central America and Panama. Three methods of data collection will be used. The first approach will be a review of documents related to the organization and operation of food and nutrition surveillence systems (FNSS). The second approach, the application of questionnaires

through formal interviews, will be complemented by group discussions with users and providers of information who will analyze the preliminary reports summarizing the findings of the investigations.

Finally, as an outcome of the study on data needs and sources, this investigation in collaboration with the Subregional Task Force on information systems and evaluation, and the local data users and providers, will define basic models of information systems for various programs. INCAP will also support the development of these models and, through the analysis of the operation and use of the implemented models, it will provide relevant recommendations for the establishment of permanent systems.

d) Duration and total costs

The proposed research project will have a duration of 24 months, and its total costs amount to $75,300.

B.1 Food, Nutrition and Socioeconomic Impacts of Maternal and Child Food Assistance Programs on Participant Families

a) Background

There is a lack of hard evidence available to the nutrition scientific community related to the social, economic, food and nutrition impacts of assistance programs. The nutrition scientific community, international organizations, donors and recipient countries have identified the need for carrying out this kind of evaluation to orient decisions regarding the investment of their social service or nutrition intervention dollar and correctly identify the role of food assistance programs as a tool to reduce or erradicate malnutrition in third world countries.

General dissatisfaction with the "State of the Art" on the evaluation of supplementary feeding programs was expressed in a workshop on methodologies for evaluation of nutrition programs held in 1981. The proceedings of the workshop have provided valuable guidance and badly needed clarifications in the area of evaluation of process and impacts of food and nutrition programs. The experiences reviewed in 1981 are known as the "first generation of evaluations of nutritional impacts of national food assistance programs".

More recently, in a workshop held at Cornell in 1984 on behalf of Food for Peace, five reports on evaluation of nutritional impacts of food aid projects were reviewed and it was agreed that it was possible to set up sound research projects for evaluating nutritional impacts of national food assistance programs in developing nations. However, the participants recognized that these were not low cost exercises.

Many opinions, based on casual observations or personal experiences, have been expressed about the impact of food assistance programs in combating malnutrition and hunger in developing nations. Arguments for and against food aid are related to program process, as well as to their true nutritional, social and economic impacts. The scientific data at hand provides only fragmentary information about the impacts of food assistance programs.

Thus, this investigation will provide donor countries with basic information on the extent to which their contribution to developing nations, in the form of food aid, is worthwhile in terms of nutritional and economic consequences for deprived sectors of the population. For national planners the research project will furnish information as to whether, for nutritional objectives, it is worthwhile allocating sizeable resources to the management of food assistance programs. For the nutrition scientific community, the present investigation will determine whether or not food assistance programs produce a nutritional or any other type of impact on target families.

b) Specific objectives

- To evaluate the social and economic impacts of donated food commodities on participating families.

- To determine the impact of the food assistance programs on the utilization of health services.

- To ascertain whether the nutritional impact of food assistance varies by seasons of the year.

- To quantify the net caloric and protein effects of food assistance on family, mothers and children's diets.

- To determine whether food assistance produces changes in the health status of participant children.

- To ascertain whether food assistance improves the nutritional status of children under five years of age.

c) Material and methods

This research will focus on determining the nutritional and other impacts of food assistance activities operating as part of maternal and child care programs.

The present proposal will have to be adjusted, once the final nutritional food assistance program to be evaluated is selected, with respect to sample size and analytical approaches. These adjustments will be the result of findings in phase one. The final adjustments to be made to the proposed research design will accomodate for imperfections of the delivery systrems (program process). For example, the latter will be accomplished through the use of larger sample sizes or by using various contrasts or comparisons and/or statistical techniques which will control for potential confounding factors of the food assistance programs under analysis.

The investigation will be divided in the following three phases:

Phase One

Phase one will be completed in a period of 9 months. The objectives are to set up the field infrastructure for the evaluation study, and to identify the future communities to be incorporated in the proposed investigation. The following activities and outputs are expected upon completion of phase one:

1) To set up in the selected country the required infrastructure for the proposed evaluation.

2) To design, test and standardize all data collection instruments.

3) To define the data collection strategy.

4) To hire and train the field personnel.

5) To describe the study area in terms of nutritional and socioeconomic characteristics. To prepare a progress report and a workplan for phase two including the detailed experimental design and analytical techniques to address objectives and hypotheses.

6) To collect cross-sectorial data on the population (72 clusters) covered by the six Rural Health Centers (RHC) from which control and treatment communities will be selected. Anthropometric data on children under five years of age will also be collected.

7) To select and match, for a quasiexperimental research design, the experimental and control communities covered by the experimental and control Rural Health Centers. The basic research design is a quasiexperimental one in that the evaluation will not be able to randomly select and allocate groups to treatment and controls.

Phase two

Phase two will last 24 months. The objective is to collect data for evaluating nutritional and socioeconomic impacts of food assistance programs. The following activities and outputs are expected from phase two:

1) To complete data collection activities on food, nutritional and other impacts of food assistance programs.

2) To initiate the data processing and recording activities.

3) To collect cross-sectorial data on the same 72 clusters, covered by the clinics measured earlier.

4) To elaborate a progress report after the first and second years of data collection activities.

Phase three

Phase three will last nine months and has as its main goal to analyze and interpret the data gathered in phases one and two. The following outputs are expected upon completion of phase three:

1) Final data processing and documentation of data files.

2) Analyses and interpretation of results.

3) Elaboration of a final report after the completion of phase three.

4) Publication of results (3 papers) in reference journals.

d) Duration and costs

The three phases will be completed in 42 months and have a total cost of $351,505.

C.1 Case Study: Analysis on the Operation of Food Assistance Programs for Displaced Populations

a) Background

Natural and man-made disasters have become an important issue in the Central American Region over the last decade. Appropriate, timely and coordinated responses by governments and aid agencies to the identified problems become central elements in reducing detrimental effects on the health

and nutritional status of affected population groups. However, present relief approaches are not achieving totally their proposed and expected goals.

The present political and socioeconomic situation affecting the Region is producing a large number of displaced families living in Guatemala, El Salvador and Nicaragua and refugees in Honduras and Costa Rica. They all depend upon international and local relief for survival. Conservative estimates for displaced and refugee families in these countries, are 400,000 and 60,000 respectively.

There is little information available regarding food assistance programs for displaced and refugee families. The investigation carried out by INCAP in 1983-1984 on food assistance programs gathered only very general information on these types of programs. Thus, in-depth studies on more specific characteristics, constraints affecting these programs and potential solutions to improve program effectiveness are identified as necessary.

Food assistance programs, directed at displaced and refugee families, are new experiences for national staff and many representatives of donor, intermediate and technical agencies operating in the Region. Thus, an effort is being made to find efficient mechanisms to meet immediate housing, health and nutritional needs as well as carryout other more complex activities such as resettlement schemes. There are more than ten food assistance programs for displaced and refugee families operating in the Region which justifies the need for an in-depth program analysis to identify present bottlenecks limiting their efficient operation and to identify and test alternatives for improving program effectiveness.

b) Objectives

- To undertake an in-depth analysis of food assistance activities for displaced populations, in order to identify the major constraints and the specific recommendations for improving program effectiveness.

- To design simplified methodologies for carrying out food and nutrition assessments in displaced populations or in other types of emergencies.

- To identify training needs of national and international staff responsible for these programs.

- To provide the basic information for preparing a guideline on planning and development of food assistance programs for displaced families.

- To identify similarities and differences in approaches for planning and development of food assistance programs for displaced populations as compared to regular and other emergency food programs.

c) Methods

All food assistance activities for displaced families carried out in El Salvador will be included in the present investigation. The information will be collected by an expert from INCAP on emergency programs located in El Salvador.

The objectives, data collection and methods to be used in this case study will be discussed with national staff responsible for food assistance programs for displaced families and with donor and intermediary agencies operating in El Salvador.

d) Duration and cost

The study will be conducted in six months. The organization phase will take approximately 2 months. Data collection will be completed in 2 months, and the remaining two months will be used for preparing the final report and discussion of results with national staff. The total cost of the study amounts to $ 15,000.

Time table

The time table to carry out the five investigations proposed in the research component is shown in Figure 1. The research subcomponent entitled "Defining technical basis for screening and discharge decisions and for interpreting growth monitoring data in maternal and child care food assistance programs" (A.3) will initiate activities three months after the authorization to spend funds from the project is sent from PAHO's headquarters. The activities to be initiated in A.3 will be those dealing with the use of prospective data gathered in longitudinal food, nutritional and health studies whose information is already available at INCAP. The prospective phase of A.3 is linked to the initiation of the longitudinal follow-up of the control and experimental communities selected for study in the subcomponent "Food, nutrition and socioeconomic impacts of maternal and child care food assistance programs on participant families" (research project B.1). Thus, the prospective phase of A.3 will be initiated in October 1986 and will be completed 21 months after the initiation date, that is to say June 1988.

Projects A.1 and A.4 entitled respectively "Evaluation of food assistance programs: operations, institutional capacity and food utilization at the household level" and "Design and testing of simple information and evaluation system for national food assistance programs" will also initiate

their activities as of September 1985. The infrastructure and some resources to be used in the selected countries for project A.1, namely Honduras and Guatemala, will be used in A.4 which is also to be conducted in the other countries of the Central American isthmus. Phase one of project A.1 will be completed in 16 months, that is to say in December 1986. Phase two will take 12 months beginning in June 1988 and ending in May 1989. Project A.4 will be completed in August 1987, 24 months after it was initiated.

Project A.2, called "Cost-effectiveness of food assistance programs in Central America and Panama" will start around September 1986, once the preliminary results of A.1 and A.4 are available. A total of 18 months are necessary to carry out A.3 and therefore the project will be terminated as of February 1987.

Project B.1, "Food, nutrition and socioeconomic impacts of maternal and child health care food assistance programs on participant families", will be developed in three phases totalling 42 months. Phase one will have a duration of 9 months beginning in January and ending in late September 1986. Phase two, to be completed in 24 months, will begin as of October 1986 and will finish in September 1988. Phase three, which is necessary to complete data analyses and report preparation, will take nine months. In other words, it will begin in October 1988 and ends in June 1989. Project B.1 will be located in one of the two countries where A.1 will be carried out: Honduras and Guatemala. Furthermore, the prospective phase of A.3 will use the infrastructure of phase two of project B.1 and therefore the field activities for A.3 and B.1 will be closely planned and coordinated. Finally, project C.1 will be carried out in El Salvador in close connection with the research project A.1.

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FIGURE 1

TIMETABLE FOR THE RESEARCH PROJECTS

| Research Project Codes | 1985 J J A S O N D | 1986 J F M A M J J A S O N D | 1987 J F M A M J J A S O N D | Termination date after 1987 |
|---|---|---|---|---|
| 1 | Phase one | | | Phase two May 1989 |
| 2 | | | | February 1988 |
| 3 | Retrospective data | Prospective data | | March 1988 |
| 4 | | | | |
| 5 | | Phase one | Phase two | September 1988<br>Phase three, June 1989 |
| 6 | | | | |

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## Institutional Analysis

### 1. Background

The project will be implemented by INCAP which serves as the region's principal source of technical expertise in the areas of health, nutrition and supplementary feeding. INCAP has recent experience in managing AID projects similar to the proposed project (Regional Breastfeeding Promotion, Regional Nutrition Technical Outreach and Panama Breastfeeding Promotion) and, overall, producing high quality technical information, carrying out a high volume of technical assistance and maintaining excellent relationships with clients, especially ministries of health.

### 2. Coopers and Lybrand Report

To respond to AID/W queries regarding the technical capacity of INCAP and how its clients perceive the value of its work and services, ROCAP financed an institutional analysis of INCAP which was carried out by Coopers and Lybrand. The final report, which was presented to AID/W in February 1984, reviews the institution's research, training and technical assistance activities and the linkages it has with national and international organizations. The report states that the "technical capacities of the institute's staff are appropriate for many of AID's program policies and strategies such as nutrition, health assistance, food and agriculture, transfer of technology and institutional development. Therefore, in the future, AID should continue to consider INCAP as a capable project implementator."

On the question of client perceptions, the report states that INCAP "is highly regarded by the international scientific community. The services it provides, in the view of the national authorities and recipients of its services we spoke with, are of high quality."

### 3. INCAP's Experience with Food Assistance

INCAP's relevant experience to carry out the general types of activities proposed under the project has been discussed in connection with the AID financed projects described in the previous section of the paper. The INCAP project proposal details the specific type of experience that INCAP has had directly related to food aid programs and is summarized below:

Program Design - INCAP has participated in the design and organization of food programs to be carried out with national funds (Panama), with the assistance of the World Food Program (El Salvador, Honduras and Guatemala) and with the assistance of CARE/Honduras.

Revision of Technical Norms - In the last few years, INCAP has collaborated in the revision of technical standards for serveral food programs, particularly those directed at maternal/infant care in Honduras, El Salvador and Nicaragua.

Evaluations - INCAP professionals have participated in international missions evaluating different types of food aid provided by WFP in Guatemala, Honduras and El Salvador and by the national government in Panama.

Institutional Studies - INCAP has provided technical assistance to the Department of Nutrition of the planning councils in Honduras and El Salvador in the design of institutional studies on their principal food aid programs and is now cooperating in the preparation of the final study reports. The results of the two studies will provide the basis for national strategies and necessary measures to improve their effectiveness.

Information Systems - INCAP assisted the Costa Rican Ministry of National Planning and Economic Policy in carrying out a macro analysis of the food assistance programs implemented from 1970-1980 in Costa Rica. The purpose of the analysis was to identify policy and operational options to serve as the basis for a reorganization of the country's food assistance programs.

Nutritional Impact Studies - INCAP has worked with various national groups, particularly in Guatemala, to determine the nutritional impact of various supplementary feeding programs.

Improving the Nutritional Aspects of Food - INCAP has been a pioneer in developing high value nutritional food mixes such as "INCAPARINA" in Guatemala and "NUTRIBIEN" in Panama, using diverse subproducts. These mixes are now used in national programs. INCAP has also carried out studies to reduce storage losses and provide more nutritious foods for family consumption.

Regional Studies - The supplementary and emergency feeding study was the first attempt to look at common problems on a regional basis and, along with the workshop where it was presented, was a key element in developing the proposed project discussed here. Many other related studies in food and nutrition have been carried out by INCAP and the list is presented in detail in its project proposal.

Technical Publications - INCAP has prepared and adapted numerous Technical Publications and manuals over the years related to nutrition subjects which are of high quality. Currently, INCAP is receiving funding from the FAO to translate training manuals for food assistance programs and to adapt these manuals to Central American and Latin American circumstances.

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4. INCAP's Capacity to Carry out Two Major AID Projects Simultaneously

In the PID review, issues were raised concerning INCAP's ability to carry out the proposed project along with the Oral Rehydration Therapy, Growth Monitoring and Nutrition Evaluation project (596-0115) which was recently approved. INCAP's specific technical and administrative capacity to carry out the proposed project activities was thus reviewed in depth during project paper development by INCAP and ROCAP with the assistance of outside consultants. Current INCAP staff levels will need to be reinforced in order to undertake the number and breadth of tasks required to help the countries improve the effectiveness of their food programs. An optional combination of expanded INCAP staff, collaborative agreements with other institutions, use of Central American short term contractors and U.S. technical assistance has been developed to insure that INCAP has the institutional capacity to effectively implement the project.

5. Use of INCAP's Counterpart Professional Staff

INCAP senior management is fully cognizant of the pressures of carrying out two major AID projects and has carefully planned the use of its professionals to provide a balance between the two undertakings, as well as to provide adequate time to maintain the schedules of other ongoing projects and programs of the Institute. The following table summarizes the percentage allocation of INCAP counterpart professionals and tallies their combined input in support of the ORT and Food Assistance Projects.

With the exception of the two full-time project coordinators, the median amount of time per professional dedicated to both projects is about one-third of total time available, which allows a reasonable proportion of time left for other INCAP activities.

## INCAP Counterpart Professionals

| Position | Name | % Time Dedicated to Food ORT | Assistance | Combined |
|---|---|---|---|---|
| 1. INCAP Director | L.O. Angel | 10% | 10% | 20% |
| 2. Project Coordinator | H. Delgado | 100 | - | 100 |
| 3. Project Coordinator | M. T. Menchú | - | 100 | 100 |
| 4. INCAP Administration | J. Bajarano | 15 | 15 | 30 |
| 5. Chief F&N Plan | M. Immink | 10 | 20 | 30 |
| 6. T.A. Coordinator | A. Noguera | 20 | 20 | 40 |
| 7. Chief, Food & Economics Program: Project Research Coordinator | V. Valverde | 20 | 20 | 40 |
| 8. Principal Investigator: | M. Molina | 25 | 20 | 45 |
| 9. Principal Investigator: | R. Sibrian | - | 20 | 20 |
| 10. Principal Investigator: | C. Dárdano | 25 | - | 25 |
| 11. Principal Investigator: | J. Cruz | 25 | 10 | 35 |
| 12. Education & Training | A. Praun | 75 | 15 | 90 |
| 13. Education & Training | C. Bruña | - | 10 | 10 |
| 14. School of Nutrition | M.E.de Robles | 20 | - | 20 |
| 15. Nutritionist | B. Torún | 10 | - | 10 |
| 16. Biochemist | L. Mejía | - | 10 | 10 |
| 17. Food Biochemist | L. Elías | - | 10 | 10 |
| 18. Infor. Dissemination | M. Fischer | 50 | 25 | 75 |
| 19. Nutritionist | F. Chew | 20 | | 20 |
| 20. Education & Training | F. Castillo | 20 | | 20 |
| Total Average | | 30 | 22 | 38 |

### 6. Additional INCAP Professional Staff Needed to Carry out the Project

In addition to the core INCAP counterpart professionals assigned to this project presented in the previous section, the project provides reinforcement of technical personnel where required. A total of nine additional experts will be added to the INCAP staff on a full time basis with grant funding, as follows:

1. Management Expert - Regular Food Programs
2. Management Expert - Emergency Food Programs
3. Logistics Expert
4. Education and Training Expert
5. Management Information Systems Expert
6. Epidemologist
7. Food Management Expert
8. Technical Information Expert
9. Project Management Logistics

At least three of these nine will be based in member states away from headquarters and will be principally involved in the provision of technical assistance both to the central governments and to the individual food assistance programs, and will be responsible for the overall coordination of project activities in the field. Provision has also been made for substantial support from a variety of experts to be contracted on a short-term, as needed, basis.

Table 1 presents a complete listing of both INCAP core staff and experts to be contracted under the project. This listing presents, on an integrated basis, the full component of professional services required for the project and describes the principal responsibilities of each person, their input in terms of person-months and source of funding. Table 2 includes a level of effort analysis of all project personnel, both long and short term, which shows that a total of 810.5 man months will be available to carry out project activities. This level of effort should be adequate for the task.

7. Institutional Arrangements to Augment INCAP's Capacity

Institutional linkages between INCAP and the Instituto Centroamericano para Administración Pública (ICAP) and the Instituto Centroamericano para Administración de Empresas (INCAE) are being explored as a way to broaden INCAP's perspective on organization review and development in the public sector. In addition, the project will fund a short term expert with broad experience in the dynamics of planned change in public institutions to act as an advisor to INCAP.

8. INCAP's Administrative Capacity to Implement the Project

A review of the INCAP capacity to administer the ORT project was carried out in mid-1984. The basic conclusion of that review was that the INCAP administrative structure and service centers are underutilized and could absorb the additional workload to be generated by the ORT project. The one exception to this condition was the need to provide additional secretarial support and administrative and budget control assistance within the technical divisions. The approved ORT project has incorporated the extra secretarial help and two administrative positions which will be added to the Administrative Services Division in 1985, to be funded through overhead charges.

The proposed Food Assistance project will create similar demands. Additional secretarial support will be project funded and an additional administrative/accounting position will be funded from INCAP overhead. The workload associated with these positions is in direct proportion to the expected increase in administrative and technical paperwork as well as more complex budgeting control during execution and financial reporting to

AID/ROCAP. The additional administrative staff (two positions ORT and one Food Assistance) will work on a team basis in supporting both projects. This team of three should be adequate to handle both the functions of document processing and monitoring of obligations and expense, and budgetary report generation and analysis for internal project management and outside reporting. Other normal administrative support functions such as recruitment, contracting, procurement, travel and transportation can be handled adequately for both the ORT and Food Assistance Projects with the current installed capacity of the central support administrative divisions of INCAP. Figure 1 gives INCAP's organizational chart showing the relationship between administrative and technical divisions and program coordinators.

The one feature of administrative support which has been less than optimal for complex multi-component projects has been the automatic report generation concerning budgetary execution. Part of the problem lies in the budgetary account structure of the computerized ledgers, which does not allow for disaggregation of projects into components, subcomponents and individual activities such as a particular research project. The budget for both the ORT and Food Assistance projects have been prepared at this level of detail and both INCAP and ROCAP would like to monitor and report on the projects at that level. The INCAP controller is currently reviewing the possibilities of modifying the computer programs to allow for such breakdowns of project detail. In the interim, using the system now in place, the projects can be disaggregated by means of assigning a project level account code to each of the major components and activities and can provide detail at the activity level which is desired.

9. Need for Outside Technical Assistance

In addition, to augmenting INCAP's Institutional capacity with additional staff, the project will finance substantial outside technical assistance to help INCAP carry out the project. During the five year implementation period, a total of 125 weeks of technical assistance will be used to support the various subcomponents of the project. The management and evaluation component will require 84 weeks of technical assistance. (A total of 72 weeks of consultants for that component are required in the first year). Twenty-two weeks of technical assistance is required in the training component for the subcomponent related to courses. The research component needs a total of 16 weeks of technical assistance which are divided in 8 weeks for the subcomponent on evaluation of program process, 4 weeks for the subcomponent on cost-effectiveness, 2 weeks for the evaluation of emergency programs and finally 2 more weeks of technical assistance on programs for displaced families. The details on the type of technical assistance by subcomponents, number of weeks and years are summarized in Table 3.

10. INCAP's Capacity to Continue to Provide Assistance at the End of the Project

The Food Assistance Project, (expected to run through mid 1990), will affect literally hundreds of food assistance program managers and staff throughout the region of Central America and Panama, both at the national coordination level and the individual program/project level. National strategies will have been clearly defined by the end of the project in at least three of the participating countries and substantial progress will have been made towards implementing action plans in line with those strategies.

After 1990, INCAP plans on continuing its traditional services of training, investigation and technical assistance to the member states and part of INCAP's core personnel resources will be directed towards maintaining food aid technical assistance. INCAP has also estimated the need for about $265,000 in recurrent costs on an annual basis to maintain the technical assistance arm of the program at an optimal level (See Table 4). This represents approximately 25% of the average annual effort programmed during the project. Ideally two key staff positions beyond INCAP core personnel would be maintaining a full time INCAP expert on training and a full time expert on management who would focus all of their efforts on technical assistance and training activities. Travel and per diem will also be needed to allow the INCAP staff to be mobile in the region for the provision of ongoing technical assistance in food aid program management. Finally, two annual short courses and one workshop are planned to give the individuals in the participating institutions an opportunity to share ideas and experiences as well as upgrade their knowledge on the latest developments in food assistance programs worldwide.

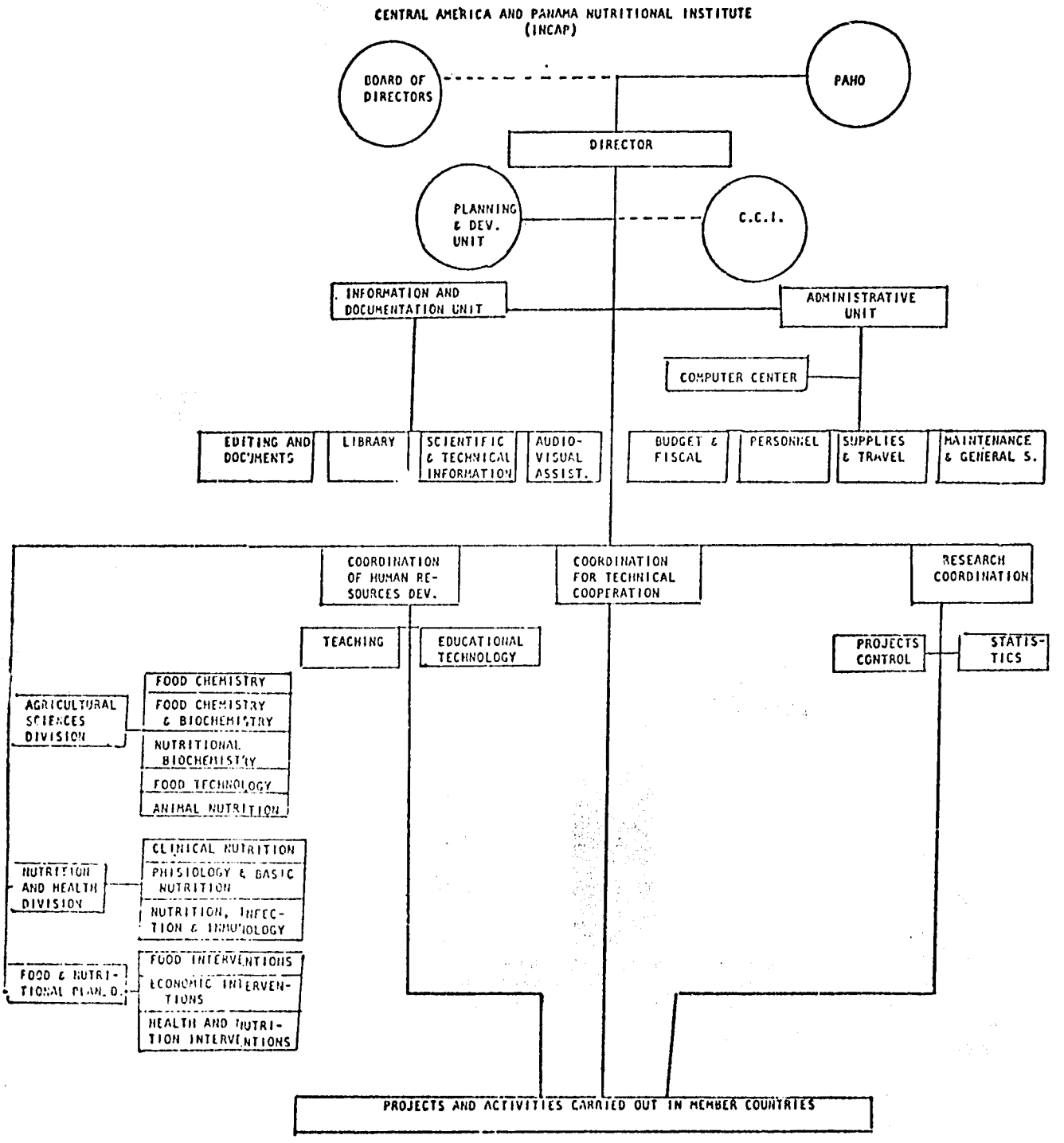
The funding for such activities will need to be programmed in advance. INCAP's successful experience to date in being able to sell professional services to both multilateral and private agencies involved in food aid programs is a good beginning in attracting non-traditional funding sources. Over the next five years, INCAP should be able to expand this type of consultancy on a fee for service basis. It is also expected that as the member countries develop and refine their national strategies, they would naturally seek funding on a concessional basis from donors and that INCAP would be in a prime position to serve as an executing contractor to provide advisory services and technical assistance.

Based on the guidance cable received after the PID review, ROCAP has explored bilateral funding possibilities with the Central American USAIDs which could be used to augment the project and serve as a source of funds for INCAP to continue providing assistance after the project ends. In

general, the USAIDs, both at the management and technical levels, have been supportive and recognize the need to find funding mechanisms to provide technical assistance on an on-going basis. These funding mechanisms could include local currency programming using the counterpart generated by PL-480 Title I programs and ESF balance of payments assistance as well as AID DA financed mechanisms such as OPGs. During initial discussions with each of the USAIDs (except Panama which has no local currency reflows and is trying to phase out of PL 480 Title II and 416 activities) radically different potential mechanisms have been suggested. These potential mechanisms are dictated by the structure of the government, the placement of food assistance activities within that structure, Mission portfolios and the nature of current AID/host country agreements.

During 1985, ROCAP will work closely with the USAIDs to develop appropriate mechanisms for each country with the idea of having initial bilateral funding begin in the second year of project implementation, i.e. in 1986. Efforts will be made to set up mechanisms which will allow governments and sponsoring PVOs to purchase training and technical assitance from INCAP. It is expected that these funding mechanisms will be well established prior to the end of the project and governments, PVOs and INCAP will be accustomed to using them. As the funding requirements to continue a relatively high level of INCAP services, as outlined above, is only on the order of $50,000-$75,000 per year, per country, and includes AID, other donors and at least some host country contributions, ROCAP believes that there are reasonable prospects that INCAP will be able to continue to provide assistance in helping the countries with food aid programs after the Food Assistance project ends.

FIGURE 1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AGRICULTURAL SCIENCES DIVISION
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FOOD CHEMISTRY & BIOCHEMISTRY
NUTRITIONAL BIOCHEMISTRY
FOOD TECHNOLOGY
ANIMAL NUTRITION
NUTRITION AND HEALTH DIVISION
CLINICAL NUTRITION
PHISIOLOGY & BASIC NUTRITION
NUTRITION, INFECTION & IMMUNOLOGY
FOOD & NUTRITIONAL PLAN. D.
FOOD INTERVENTIONS
ECONOMIC INTERVENTIONS
HEALTH AND NUTRITION INTERVENTIONS
PROJECTS AND ACTIVITIES CARRIED OUT IN MEMBER COUNTRIES

TABLE 1

Project Personnel and Responsibilities

| Position (Specialization) | Name and Location a/ | % Time/Funding Source b/ | Principal Responsibilities |
|---|---|---|---|
| **I. Directing council** | | | |
| INCAP Director | L. O. Angel | 10% INCAP | Final approval of project plans and policy decisions. Interactions with high level member country officials, collaborating institutions and donors of food aid in Central America and Panama. |
| Project Coordinator | M. T. Menchú | 100% INCAP | |
| INCAP Administrator | J. Bejarano | 15% INCAP | |
| Chief F&N Plan | M. Immink | 20% INCAP | |
| INCAP T.A. Coordinator | A. Noguera | 20% INCAP | |
| Chief Food Economics Program | V. Valverde | 20% INCAP | |
| **II. Core project staff** | | | |
| A. Professional technical staff | | | |
| 1. Project Coordinator | M. T. Menchú | 100% INCAP | Overall project coordination particularly of technical assistance and the research project entitled "Institutional capacity to handle food aid and utilization of food aid at the household level". |
| 2. Management Expert (Regular) | To be hired and probably located in Honduras | 100% ROCAP 54 months (4 1/2 years) | Analyses of institutional capacity to handle regular food aid programs. T.A./training in regular food aid program management aspects, and support to research. |
| 3. Management Expert (Emergency) | To be hired and probably located in El Salvador | 100% ROCAP 42 months (3 1/2 years) | Analyses of institutional capacity to handle emergency food aid programs. T.A./training in management aspects of emergency food aid programs. |

Table 1 (Cont.)

| Position (Specialization) | Name and Location a/ | % Time/Funding Source b/ | Principal Responsibilities |
|---|---|---|---|
| 4. Education and Training Coordinator | To be hired. | 100% ROCAP 54 months (4 1/2 years) | Coordinator of education and training component T.A./Training in Education aspects of food aid programs. |
| 5. Management Information Specialist (Systems analyst) | To be hired. | 100% ROCAP 42 months (3 1/2 years) | Coordinator food aid information systems component. T.A./Training in food aid management and evaluation information systems and research on the subject. |
| 6. Logistics Specialist | To be hired and probably located in Costa Rica | 100% ROCAP 36 months (3 years) | T.A./Training F.A. in logistics, reception, storage, distribution issues. |
| 7. Technical Information Expert | To be hired | 100% ROCAP 60 months (5 years) | Coordinator technical information dissemination component; T.A./ Training. |
| 8. Epidemiologist | To be hired | 100% ROCAP 54 months (4 1/2 years) | Responsible for coordinating and organizing the research component of the projects. Support to T.A. and Training |
| 9. Food Handling Expert | To be hired | 100% ROCAP 42 months (3 1/2 years) | Responsible for T.A./Training and research activities related to food handling and utilization of food aid at the national, community and household level. |
| 10. Events Logistic Coordinator | To be hired | 100% ROCAP 60 months (5 years) | Responsible for the logistics and arrangements derived from meetings at the STAC, workshop/courses, seminars, and others. |
| 11. P.I. Research on Information Systems | Mireya Palmieri | 20% INCAP | Organize and conduct the research project on information systems. |

ıble 1 (Cont.)

| Position (Specialization) | Name and Location a/ | % Time/Funding Source b/ | Principal Responsibilities |
|---|---|---|---|
| 12. P.I. Research on Institutional capacity to handle food aid and utilization at the local level. | M. T. Menchú | 100% INCAP | Organize and conduct research component on institutional capacity and utilization of food aid at the local level. |
| 13. P.I. Research on developing norms for food aid programs | V. Valverde | 20% INCAP | Organize and conduct research component on establishing norms for food aid programs. |
| 14. P.I. Research on Impacts of maternal child care food aid | V. Valverde | 20% INCAP | Organize and conduct research component on impacts of maternal and child care food aid programs. |
| 15. P.I. Research on Cost Effectiveness of Food Programs | M. Immink | 20% INCAP | Organize and conduct research component on cost effectiveness of alternative food aid programs. |
| 16. Co P.I. Research projects related to program process and impacts. | M. Molina<br>M. Palmieri<br>R. Sibrián<br>H. Delgado<br>V. Valverde<br>M. Immink | 20% INCAP<br>20% INCAP<br>20% INCAP<br>10% INCAP<br>20% INCAP<br>20% INCAP | Support PI's on research projects in process in their respective areas of expertise.<br>M.M. (Food technology)<br>M.P. (Social planning)<br>R.S. (Statistics)<br>H.D. (Epidemiology)<br>V.V. (Nutrition)<br>M.I. (Food Economics) |
| B. Administrative support staff | | | |
| 1. Administrative assistant | To be hired | 100% INCAP (60 months) | Support for all project administrative aspects. |
| 2. Bilingual secretary | To be hired | 100% INCAP (60 months) | Support professional, technical and administrative staff in all activities related to the different components of the project. |

Table 1 (Cont.)

| Position (Specialization) | Name and Location a/ | % Time/Funding Source b/ | Principal Responsibilities |
|---|---|---|---|
| 3. Bilingual secretary | To be hired | 100% ROCAP (60 months) | Support professional, technical and administrative staff in all activities related to the different components of the project. |
| 4. Bilingual secretary | To be hired | 50% ROCAP (60 months) | Support professional, technical and administrative staff in all activities related to the different components of the project. |
| III. Support staff (technical/ professional | | | |
| 1. INCAP Non-Formal Education and Training Program Coordinator (Nutritionist/ Education) | A. Praun | 15% INCAP | Coordination with other INCAP training activities. Assist with Nutrition Education in T.A./ Training. |
| 2. INCAP Information Dissemination | M. Fisher | 25% INCAP | Coordination with other INCAP activities. Assist with information dissemination component. T.A./Training |
| 3. INCAP Technical Assistance Coordinator (MD) | A. Noguera | 20% INCAP | Coordination with INCAP's overall T.A. Program |
| 4. Assistant to INCAP/ Coordinator of School of Nutrition (Nutritionist/ Education) | C. Bruña | 10% INCAP | Coordination with INCAP's overall training program. |

Table 1 (Cont.)

| Position (Specialization) | Name and Location a/ | % Time/Funding Source b/ | Principal Responsibilities |
|---|---|---|---|
| 5. Immunologist and Microbiologist | J. Cruz | 10% INCAP | Assist in the research component on microbiological aspects of food handling and in carrying out studies on immunological impacts of food aid. |
| 6. Biochemist | L. Mejía | 10% INCAP | Carry out studies on the impact of food aid in nutritional status of micronutrients. |
| 7. Food biochemist | L. Elías | 10% INCAP | Assist the projects in the developing of the training component in food handling. |
| IV. Research field and laboratory staff (short or medium-term consultants) | | | |
| A. Project A.1 | | | |
| 1. One Field Director | To be hired | 100% ROCAP (22 months) | Responsible for planning and monitoring all field activities. |
| 2. Ten surveyors | To be hired | 100% ROCAP (14.4 months) | Data collection and preparation for analyses |
| 3. Technical team | To be hired | 100% ROCAP (7.2 months) | Data collection and preparation for analyses |
| 4. Contractual services | To be hired | ROCAP ($12,000) | |
| B. Project A.2 | | | |
| 1. One Financial Analyst | To be hired | 50% ROCAP (12 months) | Economic analysis in cost effectiveness |

Table 1 (Cont.)

| Position (Specialization) | Name and Location a/ | % Time/Funding Source b/ | Principal Responsibilities |
|---|---|---|---|
| 2. Five surveyors | To be hired | 100% ROCAP (10 months) | Data collection and preparation for analyses. |
| 3. Contractual services | To be hired | ROCAP ($ 500) | |
| C. Project A.3 | | | |
| 1. One research analyst | To be hired | 100% ROCAP (16 months) | Data analyses at the computer |
| 2. Three surveyors | To be hired | 100% ROCAP (12 months) | Data collection and preparation for analyses |
| 3. Contractual services | To be hired | ROCAP ($4,900) | |
| D. Project A.4 | | | |
| 1. One Systems Analyst | To be hired | 100% ROCAP (6 months) | Support the senior analyst in the developing of the research component. |
| 2. Contractual services | To be hired | ROCAP ($44,800) | $40,000 for contracting groups in five countries to do the field work and $4,800 for supporting staff. |
| E. Project B.1 | | | |
| 1. Field Director | To be hired | 100% ROCAP (43 months) | Planning and monitoring the field work. |
| 2. Research analysts | To be hired | 100% ROCAP (12 months) | Data analyses at the computer Economic analysts in cost effectiveness. |

Table 1 (Cont.)

| Position (Specialization) | Name and Location a/ | % Time/Funding Source b/ | Principal Responsibilities |
|---|---|---|---|
| 3. Social Anthropologist | To be hired | 100% ROCAP (5 months) | Social impacts of the food aid. |
| 4. Thirteen surveyors | To be hired | 100% ROCAP (406 months) | Data collection and preparation for work. |
| 5. Secretary | To be hired | 100% ROCAP (41 months) | Secretarial and other support. |
| 6. Contractual services | To be hired | ROCAP ($6,941) | |

a/ Certain professional technical staff to be hired under the project is likely to be located in specific countries. This decision will be confirmed by the Coordinator of Technical Cooperation and the Director of INCAP based upon preliminary discussions and acceptances by potential selected countries. The other staff will be located at INCAP headquarters in Guatemala.

b/ The percentage of time for INCAP staff shown for the same person (i.e., M.T. Menchú) is not additive but is the total time to be dedicated to the project including the specific activity.

TABLE 2

ANALYSES OF LEVEL OF EFFORT BY TYPE OF STAFF AND PROJECT COMPONENTS IN PERSON MONTHS THROUGHOUT

THE LIFE OF THE PROJECT

| Project Personel | Percent Time | Years | Total number months | Planning & Coordination | Training | Technical Assistance | Information & Dissemination | Research | Managem & Evaluat. |
|---|---|---|---|---|---|---|---|---|---|
| 1. Total INCAP Support Staf | | | 201 | 28 | 23 | 42 | 21 | 63 | 24 |
| Luis Octavio Angel | 10 | 5 | 6 | 4 | 1 | - | - | - | 1 |
| Julio Bejarano | 15 | 5 | 9 | 4 | - | - | - | - | 5 |
| Maarten Immink | 20 | 5 | 12 | 2 | 1 | 2 | - | 6 | 1 |
| Arnulfo Noguera | 20 | 5 | 12 | 6 | - | 2 | - | - | 4 |
| Victor Valverde | 20 | 5 | 12 | 2 | 1 | 3 | - | 5 | 1 |
| María Teresa Menchú | 100 | 5 | 60 | 6 | 6 | 18 | 6 | 12 | 12 |
| Mireya Palmieri | 20 | 5 | 12 | 1 | 1 | 4 | - | 6 | - |
| Mario Molina | 20 | 5 | 12 | 1 | 2 | 3 | - | 6 | - |
| Ricardo Sibrián | 20 | 5 | 12 | 1 | 2 | 4 | - | 5 | - |
| Hernán Delgado | 10 | 5 | 6 | - | - | 1 | - | 5 | - |
| Alexandra Praun | 15 | 5 | 9 | 1 | 3 | 5 | - | - | - |
| Magda Fisher | 25 | 5 | 15 | - | - | - | 15 | - | - |
| Colbert Bruña | 10 | 5 | 6 | - | 6 | - | - | - | - |
| José R. Cruz | 10 | 5 | 6 | - | - | - | - | 6 | - |
| Luis Mejía | 10 | 5 | 6 | - | - | - | - | 6 | - |
| Luis Elías | 10 | 5 | 6 | - | - | - | - | 6 | - |
| 2. Total Core Project Staff | | | 504 | 15 | 81 | 121 | 74 | 77 | 136 |
| Management Expert (regular) | 100 | 4 1/2 | 54 | 1 | 15 | 23 | 1 | 12 | 2 |
| Management Expert (emerg) | 100 | 3 1/2 | 42 | 1 | 5 | 29 | 1 | 5 | 1 |
| Educat Train Coordin. | 100 | 4 1/2 | 54 | 5 | 29 | 10 | 5 | - | 5 |
| System Analyst | 100 | 3 1/2 | 42 | 1 | 5 | 20 | - | 15 | 1 |
| Logistics Specialist | 100 | 3 | 36 | 1 | 10 | 24 | - | - | 1 |
| Techn. Inform Specialist | 100 | 5 | 60 | - | - | - | 60 | - | - |
| Epidermiologist | 100 | 4 1/2 | 54 | 5 | 5 | 5 | 5 | 29 | 5 |
| Food Handling Expert | 100 | 3 1/2 | 42 | 1 | 12 | 10 | 2 | 16 | 1 |
| Events Logistic Coord. | 100 | 5 | 60 | - | - | - | - | - | 60 |
| Administrative Assist. | 100 | 5 | 60 | - | - | - | - | - | 60 |

Table 2
(continued)

| Project Personel | Percent Time | Years | Total number months | Planning & Coordination | Training | Technical Assistance | Information & Dissemination | Research | Managem & Evaluat. |
|---|---|---|---|---|---|---|---|---|---|
| 3. Total temporary professionals | | | 69 | - | - | - | - | 69 | - |
| System Analyst | 100 | - | 6 | - | - | - | - | 6 | - |
| Field Director | 100 | - | 34 | - | - | - | - | 34 | - |
| Social Anthropologist | 100 | - | 5 | - | - | - | - | 5 | - |
| Field Director | 100 | - | 18 | - | - | - | - | 18 | - |
| Financial Analyst | 50 | - | 6 | - | - | - | - | 6 | - |
| 4. Consultants | - | - | 36.5 | - | - | - | - | 14.5 | 22 |
| GRAND TOTAL | | | 810.5 | 43 | 104 | 163 | 95 | 223.5 | 182 |

TABLE 3

TECHNICAL ASSISTANCE PLAN

| | FIRST YEAR | SECOND YEAR | THIRD YEAR | FOURTH YEAR | FIFTH YEAR |
|---|---|---|---|---|---|
| **II. COMPONENT TRAINING** | | | | | |
| B. Courses | | | | | |
| 1. Expert on Management of FAP's for emergencies | | 2 weeks | | | |
| 2. Expert on Management of FAP's for displaced persons | | 2 weeks | | | |
| 3. (2) Experts on Formulation and designing of social development programs | 6 weeks | | | | |
| 4. Expert on Management of Food Aid Programs (FAP) | | 3 weeks | | | |
| 5. Expert on Food Handling & Food Conservation | | 3 weeks | | | 3 weeks |
| 6. Expert on Educational Methodologies | | | 3 weeks | | |
| 7. Expert on Information Systems | | 3 weeks | 3 weeks | | |
| | 6 weeks | 10 weeks | 6 weeks | - | 3 weeks |
| **IV. COMPONENT-RESEARCH** | | | | | |
| 1. Expert on Process Evaluation | 2 weeks | 2 weeks | 2 weeks | 2 weeks | |
| 2. Expert on cost-Effectiveness Determination Social Dev. Programs | | 2 weeks | 2 weeks | | |
| 3. Expert on Evaluation of Emergency Programs | 2 weeks | | | | |
| 4. Expert on Evaluation of Emergency Programs | 2 weeks | | | | |
| | 6 weeks | 4 weeks | 4 weeks | 2 weeks | - |
| **IV. MANAGEMENT AND EVALUATION** | | | | | |
| 1. Epidemiologist | 6 months | | | | |
| 2. Development Program Manager | 6 months | | | | |
| 3. In-Service Training Expert | 6 months | | | | |
| 4. Expert on Process Evaluation | | | | | 4 weeks |
| 5. Expert on FAP's Evaluation | | | | | 4 weeks |
| 6. Expert on FAP's Management | | | | | 4 weeks |
| 18 months | | | | 12 weeks | |
| | 18 months/ 12 weeks | 14 weeks | 10 weeks | 2 weeks | 15 weeks |

TABLE 4

TYPE OF EXPENDITURES AND ANNUAL COSTS* TO BE INCURRED BY INCAP FOR MAINTAINING ADDITIONAL CAPACITY** TO SUPPORT FOOD AID PROGRAMS IN CENTRAL AMERICA AND PANAMA AFTER 1990

| | Caterory of expenditure | Cost US$ |
|---|---|---|
| A) | Personnel | 67,600 |
| | 1) Expert on management | 30,000 |
| | 2) Expert on training | 30,000 |
| | 3) Secretarial support | 7,600 |
| B) | Training | 78,000 |
| | 1) Two annual short courses | 48,000 |
| | 2) Workshop | 30,000 |
| C) | Technical and scientific information | 10,000 |
| | 1) Adquisition of documents | 4,000 |
| | 2) Reproduction and distribution | 6,000 |
| D) | Travel and per diem | 48,000 |
| | 1) Tickets (48 trips at $450) | 21,600 |
| | 2) Per diem ($550 per trip) | 26,400 |
| E) | Common services (30%) | 61,080 |
| | TOTAL | $ 264,680 |

* Cost estimated at prices prevailing in 1985.

** This capacity will be in addition to the capacity to be available at INCAP financed with core funds.

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## ECONOMIC ANALYSIS

### I. INTRODUCTION

#### A. Background

1. The current serious financial crisis facing the countries of Central America and Panama necessitates cost-effective use of resources. One of the primary social expenditures is the more than 60 separate food assistance programs which are being carried out in Central America and Panama (CA/P) funded either nationally or with international assistance. Given the current level of investment, the actual impact of these programs on health, nutritional status, and socio-economic well being has been less than anticipated. The recent severe economic austerity measures taken in CA/P have prompted the governments to question whether their investment in food assistance programs with their apparent low level of effectiveness is the best use of social assistance dollars and whether food assistence monies might be more effectively expended to yield the highest benefit per dollar.

2. The prevalence of malnutrition in CA/P and the detrimental nutritional effect on the malnourished population combined with the necessity to control budget expenditures provide compelling reasons for increasing the impact of food assistance programs. In the CA/P countries, with the possible exception of Costa Rica, the prevalence of malnutrition is high despite significant amounts of food supplements available in the country. The deliterious effects of untreated malnutrition have been documented in numerous studies as resulting in high morbidity, mortality, and permanent disability, particularly for the most vulnerable populations of pregnant and lactating mothers and infants under five.

#### B. Rationale for Food Assistance Programs

3. There is substantial evidence that food assistance programs can significantly reduce the incidence of malnutrition in the population as a whole. The effect of food supplementation programs is most pronounced when targeted to that segment of the population which is considered to be most at risk of being severely affected by malnutrition. Given that the food assistance supplements in most of these countries are not adequate to supply the required nutrients for only the most at risk malnourished population, it is essential to assess the effects on program costs and outcomes of providing food supplements to other than an identified at-risk population. Comparative research indicates that higher cost food assistance alternatives are not necessarily more effective than lesser cost alternatives in reducing malnutrition, suggesting the potential benefits of careful planning and evaluation prior to implementation of food assistance programs for the financially strapped CA/P countries.

C. Need for Technical Assistance Project

4. The preponderance of research efforts on implementation of food assistance programs show that those programs which have been successful in reducing the incidence of malnutrition have specified this as a goal and have developed objectives to meet this goal. The majority of high impact programs noted in the literature reviewed for this analysis have implemented objectives that specify identification and service to a target population. The management components of planning are essential to the implementation of a high impact, low cost food assistance program. Evaluation of the CA/P food assistance programs reveals that, for the most part, these programs are substantially lacking in some or all of the components which are essential to implementation of an effective, low-cost food assistance program.

5. It has been repeatedly demonstrated that the supplementary food assistance programs implemented in CA/P are deficient in crucial aspects of both program planning and implementation resulting in either increased cost or reduced effectiveness or both. Currently most food assistance programs are receiving very little if any technical assistance. Training, particularly in planning, management, monitoring, evaluation, and complementary educational developmental activities, has been shown to be inadequate. As noted in the project paper, a 1983-84 INCAP assessment of the major problems encountered in planning, implementing and evaluating food assistance programs in the region showed that technical support, including operations research, and training could help alleviate many of the problems encountered (1-p10). Alleviation of many of the identified problems will result in higher level of program performance which in turn is expected to generate both greater effectiveness and cost savings.

D. Purpose of Proposed Technical Assistance Project

6. The goal of the proposed technical assistance project is to contribute to the reduction of infant and young child mortality and improve nutritional status among high risk populations in CA/P. The project proposes to accomplish this end by improving the effectiveness of food assistance activities by helping to establish effective national coordination mechanisms and strengthening the technical, managerial, and evaluation capabilities of INCAP and national public and private agencies responsible for food assistence programs in CA/P (1-p2). The strategy of this project is to develop and provide regional expertise in the following areas of technical assistance: development of general technical management and evaluation guidelines; assistance in adapting general guidelines to specific national programs; operations research; and development of training programs and material aimed at strengthening the capacity of program directors to plan, implement, and evaluate food assistance activities. The project will also stimulate and promote both coordination of food assistance activities at the national level

and the development of national food assistance strategies (1-p.11). The cost of the proposed project is $5.6 million, to be expended over a five year period.

E. Application of Economic Analysis

7. The purpose of this document is to provide: 1) a cost benefit analysis of the proposed techinical assistance project; and 2) a least-cost analysis of implementation alternatives for a regional vs. bilateral approach for providing technical assistance. The appplication of standard cost-benefit methods involves the calculation of project costs and benefits, adjustments for price distortions, and comparison of the streams of adjusted costs and benefits over time. An economic evaluation using the application of standard benefit-cost methods is not wholly feasible here because of the currently nonquantifible nature of the actual expected benefits of the project: reductions in malnutrition and decreased levels of mortality, morbidity, and disability among children. It is difficult to quantify the pure-utility values of reduced mortality, morbidity, disability and malnutrition. The value of improved performance and productivity is equally difficult to estimate given present methods. While a full blown cost-benefit analysis is not possible, a limited analysis of intermediate benefits can be done and nonquantifiable benefits can be identified and described. The least-cost analysis will demonstrate that the implementation plan chosen is the least-cost alternative.

II. COST/BENEFIT ANALYSIS OF PROPOSED TECHNICAL ASSISTANCE PROJECT

A. Quantifiable Benefits

8. While the expected benefits of reduced mortality, morbidity, and disability are not easily measured, it is possible to estimate programmatic savings from reduced food loss which result from the proposed technical assistance. Project activities are expected to generate measurable economic benefits in two ways. It is anticipated that the technical assistance will generate direct savings as a result of a reduction in the amount of actual commodities lost through pilgerage, waste, and damage. Additional savings are expected to result from the more effective use of commodities. Commodities presently are misdirected to a population larger than that which is identified as being "vulnerable". Therefore, commodities have no present discernable impact towards reducing malnutrition even among those agencies or countries that have identified reducing malnutrition as a programmatic priority. The analysis presented here estimates the value of reductions in food loss which can be achieved under varying assumptions regarding the impact of technical assistance and compares it to the cost of providing the technical assistance. Therefore project benefits are measured as the value of percentage reductions in: 1) food loss due to waste, pilferage, and damage; and, 2) food loss due to misdirection of commodities to non-vulnerable groups.

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9. To calculate benefits, we first estimate total program costs. Table 1 presents total program costs as the sum of total commodity costs and an estimation of administrative costs. The dollar amount of commodities distributed to each of the countries derived from INCAP documentation. Because very little documentation is available on actual administrative costs of food assistance programs in CA/P, administrative costs were estimated as 30 percent of total commodity costs. Appendix I provides a rationale for using this percentage based on: 1) known administrative costs in the region in relation to food costs; and 2) information in the literature regarding administrative costs.

TABLE 1

PROGRAM COSTS-FOOD ASSISTANCE PROGRAMS IN CA/P

| PROGRAM COSTS | FOOD $ (000) | ADM $ (000) | TOTAL $ (000) |
|---|---|---|---|
| Costa Rica | 14700 | 4410 | 19110 |
| El Salvador | 27882 | 8364.6 | 36246.6 |
| Guatemala | 18253 | 5475.9 | 23728.9 |
| Honduras | 20508 | 6152.4 | 26660.4 |
| Panama | 1091 | 327.3 | 1418.3 |
| TOTAL | 82434 | 24730.2 | 107164.2 |

10. The next step in the analysis is to estimate program losses. Program loss from both food loss and misdirected program efforts are estimated as a percent of total program costs. Table 2 estimates the dollar amount of current program losses discounted at a 12% rate over a five year period using the assumptions that food loss is at least 3% of total program costs and misdirected food commodities consume 40% of total program costs. The rationale for using these loss estimates is presented in Appendices 2-4.

11. Appendix 2 presents information on reported food losses in CA/P from several different sources and provides other qualitative information regarding food losses in the region. Appendix 3 provides the rationale and data for establishing a 40% misdirection coefficient for the region as a whole. It also provides additional qualitative information to further establish that the general lack of goals and objectives and the failure to implement targeting objectives result in a misdirection coefficient that is at least 40% of commodity amounts. Appendix 4 provides a case study detailing data extrapolated from the evaluation of the Panamanian food assistance programs.

TABLE 2

DOLLAR ESTIMATE OF PROGRAM LOSSES PRIOR TO T.A. INTERVENTION

| LOSS DISCOUNTED | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| FOOD LOSS - 3% | 3214.926 | 2870.469 | 2562.919 | 2288.320 | 2043.143 | 12979.77 |
| MISDIRECT - 40% | 46080.60 | 41143.39 | 36735.17 | 32799.26 | 29285.05 | 186043.5 |
| TOTAL - 43% | 46080.60 | 41143.39 | 36735.17 | 32799.26 | 29285.05 | 186043.5 |

12. Project benefits are calculated as percentage reductions in the estimated 43% loss of total program expenditures. These are calculated by multiplying the discounted dollar amount of food loss and misdirected commodities by different expected levels of impact of the technical assistance (5%, 10%, 20%, 30%, and 40%). Projects costs include the total overhead cost of INCAP (the proposed regional contractor) and ROCAP funds that are to be spent in support of the project spread over the five year period. Both costs and benefits are discounted over the life of the project. The sum of the discounted benefits is then divided by the sum of the discounted costs to indicate the net benefit of the effort at the varying levels of efficacy.

13. Tables 3-7 present the costs of the technical assistance project and the anticipated benefits discounted over a five year period and the cost benefit ratio for five separate assumptions regarding levels of impact of the technical assistance activities (12 % was used as the discounting figure; Appendix 5 gives the same information using a 15% discounting figure).

14. As indicated by the cost benefit ratios in Tables 3-7, a technical assistance program that had at least a five percent impact on reducing total program losses would produce benefits in excess of project costs. Alternative assumptions of technical assistance impact greater than 5% yield higher benefits.

15. There is some concern that a technical assistance project will ultimately result in higher administrative costs as a prerequisite to achieving actual improvement in the food assistance program. Tables 8-12 factor an increase of 10% in the cost stream to provide an analysis of the economic impact of the proposed project if it were to result in increased administrative costs to the CA/P governments. An assumed increase in administrative costs of 10% was used as it would be very difficult to implement any proposed solutions requiring any further increases in recurrent administrative outlays, especially in the government run programs which are affected by the general maxims of austerity which have been implemented in the

region, unless external donors are persuaded to provide more financial assistance for administrative and operational costs.

16. The sensitivity analysis of the cost benefit streams which include an administrative cost increase of 10% show that a technical assistance effort would need to produce a 10% impact on losses for benefits to exceed costs. It would be reasonable to anticipate that technical assistance would have a greater impact in decreasing losses if administrative funds were also provided to assist in correcting programmatic deficiencies.

## COST BENEFIT STREAMS AT 12% DISCOUNT RATE

### TABLE 3

### TA IMPACT OF 5% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 1000.00 | 892.857 | 797.193 | 711.780 | 4521.831 |
| INCAP $600.5 | 120.101 | 107.233 | 95.743 | 85.485 | 76.326 | 484.889 |
| TOTAL TA 6200.5 | 1240.101 | 1107.233 | 988.600 | 882.679 | 788.106 | 5006.720 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS - 3% | 160.746 | 143.523 | 128.145 | 114.416 | 102.157 | 648.988 |
| MISDIRECT - 40% | 2143.284 | 1913.646 | 1708.612 | 1525.547 | 1362.095 | 8653.186 |
| TOTAL - 43% | 2304.030 | 2057.169 | 1836.757 | 1639.963 | 1464.252 | 9302.175 |
| COST BENEFIT INDEX | | | | | | 1.85 |

### TABLE 4

### IMPACT OF 10% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| FOOD LOSS $5600 | 1120.00 | 1000.00 | 892.857 | 797.193 | 711.780 | 4521.831 |
| INCAP $600.5 | 120.101 | 107.233 | 95.743 | 85.485 | 76.326 | 484.889 |
| TOTAL TA 6200.5 | 1240.101 | 1107.233 | 988.600 | 882.679 | 788.106 | 5006.720 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS - 3% | 321.492 | 287.048 | 256.291 | 228.832 | 204.314 | 1297.977 |
| MISDIRECT - 40% | 4286.568 | 3827.292 | 5417.225 | 3051.094 | 2724.191 | 17306.37 |
| TOTAL - 43% | 4608.060 | 4114.339 | 3673.517 | 3279.928 | 2928.505 | 18604.35 |
| COST BENEFIT INDEX | | | | | | 3.72 |

TABLE 5

TA IMPACT OF 20% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 1000.00 | 892.857 | 797.193 | 711.780 | 4521.831 |
| INCAP $600.5 | 120.101 | 107.233 | 95.743 | 85.485 | 76.326 | 484.889 |
| TOTAL TA 6200.5 | 1240.101 | 1107.233 | 988.600 | 882.679 | 788.106 | 5006.720 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS - 3% | 642.985 | 574.093 | 512.583 | 457.664 | 408.628 | 2595.955 |
| MISDIRECT - 40% | 8573.136 | 7654.586 | 6834.451 | 6102.188 | 5448.382 | 34612.74 |
| TOTAL - 43% | 9216.121 | 8228.679 | 7347.035 | 6559.853 | 5857.011 | 37208.70 |
| COST-BENEFIT INDEX | | | | | | 7.43 |

TABLE 6

TA IMPACT OF 30% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 1000.00 | 892.857 | 797.193 | 711.780 | 4521.831 |
| INCAP $ 600.5 | 120.101 | 107.233 | 95.743 | 85.485 | 76.326 | 484.889 |
| TOTAL TA 6200.5 | 1240.101 | 1107.233 | 988.600 | 882.679 | 788.106 | 5006.720 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS -3% | 964.477 | 861.140 | 768.875 | 686.496 | 612.943 | 3893.933 |
| MISDIRECT 40% | 12859.70 | 11481.87 | 10251.67 | 9153.283 | 8172.574 | 51919.11 |
| TOTAL -43% | 13824.18 | 12343.01 | 11020.55 | 9839.779 | 8785.517 | 55813.05 |
| COST-BENEFIT INDEX | | | | | | 11.148 |

TABLE 7

TA IMPACT OF 40% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 1000.00 | 892.857 | 797.193 | 711.780 | 4521.831 |
| INCAP $ 600.5 | 120.101 | 107.233 | 95.743 | 85.485 | 76.326 | 484.889 |
| TOTAL TA 6200.5 | 1240.101 | 1107.233 | 988.600 | 882.679 | 788.106 | 5006.720 |
| LOSS REDUCTION BENEDITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS -3% | 1285.970 | 1148.187 | 1025.187 | 915.328 | 817.257 | 5191.911 |
| MISDIRECT -40% | 17146.27 | 15309.17 | 13668.90 | 12204.37 | 10896.76 | 69225.49 |
| TOTAL -43% | 18432.24 | 16457.55 | 14694.07 | 13119.70 | 11714.02 | 74417.40 |
| COST-BENEFIT INDEX | | | | | | 14.86 |

TABLE 8

TA IMPACT OF 5% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 1000.00 | 892.857 | 797.193 | 711.780 | 4521.861 |
| INCAP $ 600.5 | 120.101 | 107.233 | 95.743 | 85.485 | 76.326 | 484.889 |
| INCREASED ADM $ | 2473.02 | 2208.053 | 1971.476 | 1760.246 | 1571.648 | 9984.445 |
| TOTAL TA & ADM | 3713.121 | 3315.286 | 2960.077 | 2642.926 | 2359.755 | 14991.16 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS - 3% | 160.746 | 143.523 | 128.145 | 114.416 | 102.157 | 648.988 |
| MISDIRECT - 40% | 2143.284 | 1913.646 | 1708.612 | 1525.547 | 1362.095 | 8653.186 |
| TOTAL - 43% | 2304.030 | 2057.169 | 1836.758 | 1639.963 | 1464.252 | 9302.175 |
| COST-BENEFIT INDEX | | | | | | 0.62 |

TABLE 9

TA IMPACT OF 10% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 1000.00 | 892.857 | 797.193 | 711.780 | 4521.831 |
| INCAP $ 600.5 | 120.101 | 107.233 | 95.743 | 85.485 | 76.326 | 484.889 |
| INCREASED AD $ | 2473.02 | 2208.053 | 1971.476 | 1760.246 | 1571.648 | 9984.445 |
| TOTAL TA & ADM | 3713.121 | 3315.286 | 2960.077 | 2642.926 | 2359.755 | 14991.16 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS - 3% | 321.492 | 287.046 | 256.291 | 228.832 | 204.314 | 1297.977 |
| MISDIRECT - 40% | 4286.568 | 3827.292 | 3417.225 | 3051.094 | 2724.191 | 17306.37 |
| TOTAL - 43% | 4608.060 | 4114.339 | 3673.517 | 3279.925 | 2928.505 | 18604.35 |
| COST-BENEFIT INDEX | | | | | | 1.24 |

TABLE 10

TA IMPACT OF 20% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP % 5600 | 1120.00 | 1000.00 | 892.857 | 797.193 | 711.780 | 4521.831 |
| INCAP $ 600.5 | 120.101 | 105.233 | 95.743 | 85.485 | 76.326 | 484.889 |
| INDREASED ADM $ | 2473.02 | 2208.053 | 1971.476 | 1760.246 | 1571.648 | 9984.445 |
| TOTAL TA & ADM | 3713.121 | 3315.286 | 2960.077 | 2642.926 | 2359.755 | 14991.16 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS - 3% | 642.985 | 574.093 | 512.583 | 457.664 | 408.628 | 2595.955 |
| MISDIRECT - 40% | 8573.136 | 7654.585 | 6834.451 | 6102.188 | 5448.382 | 34612.74 |
| TOTAL - 43% | 9216.121 | 8228.679 | 7347.035 | 6559.853 | 5857.011 | 37208.70 |
| COST BENEFIT INDEX | | | | | | 2.48 |

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TABLE 11

TA IMPACT OF 30% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 1000.00 | 892.857 | 797.193 | 711.780 | 4521.831 |
| INCAP $ 600.5 | 120.101 | 107.233 | 95.743 | 85.485 | 76.326 | 484.889 |
| INCREASED ADM $ | 2473.02 | 2208.053 | 1971.476 | 1760.246 | 1571.648 | 9984.445 |
| TOTAL TA & ADM | 3713.121 | 3315.286 | 2960.077 | 2642.926 | 2359.755 | 14991.16 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS -3% | 964.477 | 861.140 | 768.875 | 686.496 | 612.943 | 3893.933 |
| MISDIRECT -40% | 12859.70 | 11481.87 | 10251.67 | 9153.283 | 8172.574 | 51919.11 |
| TOTAL -43% | 13824.18 | 12343.01 | 11020.55 | 9839.779 | 8785.517 | 55813.05 |
| COST-BENEFIT INDEX | | | | | | 3.72 |

TABLE 12

COST BENEFIT RATIO OF TA IMPACT OF 40% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 1000.00 | 892.857 | 797.193 | 711.780 | 4521.831 |
| INCAP $600.5 | 120.101 | 107.233 | 95.743 | 85.485 | 76.326 | 484.889 |
| INCREASED ADM $ | 2473.02 | 2208.053 | 1971.476 | 1760.246 | 1571.648 | 9984.445 |
| TOTAL TA & ADM | 3713.121 | 3315.286 | 2960.077 | 2642.926 | 2359.755 | 14991.18 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS -3% | 1285.970 | 1148.187 | 1025.167 | 915.328 | 812.257 | 5191.911 |
| MISDIRECT 40% | 17146.27 | 15309.17 | 13668.90 | 12204.37 | 10896.76 | 69225.49 |
| TOTAL -43% | 18432.24 | 16457.35 | 14694.07 | 13119.07 | 11714.02 | 74417.40 |
| COST-BENEFIT INDEX | | | | | | 4.96 |

B. Non-quantifiable Benefits

17. There is substantial evidence that properly designed and implemented food assistance programs can significantly reduce young child mortality and the prevalence of malnutrition (4-p.29). Malnutrition has been demonstrated to lead to lowered resistance to infection, cognitive and functional impairment, and ultimately to illness and death. The results of several projects have strengthened the relationship between nutritional status and mortality in early childhood (4-p.28). Numerous food assistance projects worldwide have shown that dramatic improvements in the prevalance of malnutrition and infant mortality rates have been achieved and sustained even amidst relative poverty (4-p.3).

18. In a review of Primary Health Care Nutrition Projects, consistent gains in coverage of the target populations were shown in at least half of the projects, reaching a range of 40-90% of the target population. Numerous nutritionally related benefits were also observed as a result of this effort. Of the six quasi-experimental projects four showed statistically significant and important declines in both infant mortality and young child malnutrition. Infant mortality fell by about one-half in a five-year span in the Guatemalan projects (4-p13). In another site, the younger sibling of mothers who attended nutritional centers that offered a strong educational component, experienced infant/child death rates 86% lower than in the non-demonstration group (4-p16). Investigators in the Guatemalan projects showed that the planned dietary change for pregnant and lactating women, as one component of the project resulted in significantly improved growth and survival. These experimental projects overall showed declines in infant mortality of the order of 25% to 50% and declines in the prevelance of malnutrition of 20% to 50% within a three to four year period (4-p19).

19. Given the experience of other successful programs, it can be concluded that the accomplishment of reductions in food losses by the proposed project will ultimately result in the actual desired outcome of reduced infant/child malnutrition, mortality, morbidity and disability. The accomplishment of these outcomes will have a significant impact on not only the level of health services expended to care for malnourished children but also the productivity level of the population. Though these benefits are unquantifiable at this time, they are still percieved as being substantial.

III LEAST COST ANALYSIS OF IMPLEMENTATION ALTERNATIVES

20. The project proposal recommends that the technical assistance be implemented using a regional approach. The regional approach is designed to develop and strengthen regional capacity for cost-effective management of food assistance programs which will be adapted to national priorities through development of food plans, strategies and coordinating mechanisms at the

national level (1-p13). The alternatives to a regional approach would be for AID to contract separately with either every management PVO or food-donor and/or national executing agency in each country or with each country. The project also recommends that the technical assistance be implemented through a regional institution, the alternative to a regional institution such as INCAP would be to use a US contrator. Table 13 provides an overview of the costs associated with each of the bilateral approaches as compared to a regional approach. Table 14 presents the costs of INCAP vs. a US contractor. Assumptions for deriving costs are detailed below.

A. Regional Vs. Bilateral Approach

1. AID COSTS-PVOs

21. There are 16 major agencies involved in food assistance programs in the Central American Region which include each of the national programs in addition to the major Private Voluntary Organizations (PVO) involved in food assistance programs. As such, the PVO national executing agency bilateral approach considers the cost of 16 bilateral agreements lasting for an average of 3 years. The AID personnel monitoring the projects would necessarily need to be placed in the individual AID Missions rather than ROCAP. The incidental costs of $ 20,000 per contract represent project development costs such as the use of outside consultants. The increased AID costs to develop, negotiate and manage a bilateral agency approach are $ 1,077,550.

2. AID COSTS - COUNTRY

22. The country bilateral approach would involve a bilateral agreement or contract with each of the five Central American Countries and Panama. On a national level it is anticipated that implementation activities to accomplish the proposed level of technical assistance would require 5 years. Again AID contract management personnel would have to be based at the AID Mission in each country. The level of personnel effort is estimated at .3FTE per year per contract. The increased AID costs to develop, negotiate and manage a bilateral national approach to managing technical assistance project are $412,500.

3. CONTRACTOR COSTS

23. The regional approach economizes on the contractor's cost to provide the level of technical assistance proposed by avoiding the duplication necessary under each of the bilateral approaches. A bilateral PVO approach would require a total of 4FTEs for 3 years per PVO or national executing agency. The bilateral national approach requires 7 FTEs per country for 5 years. The regional alternative economizes on managerial personnel and

support staff personnel by using current and proposed staff to full capacity and as such reduce the overall number of personnel required to perform the same functions as a bilateral contract. Although a total of $ 1,292,932 has been allocated to cover the cost of personnel in the project proposal which includes an AID contribution of $ 900,000, the regional vs bilateral comparison uses a salary level that would be indicated by the use of U.S. contractor on a regional basis. The increased staffing costs of the bilateral approaches are $ 9,378,000 for a bilateral agency approach and $7,779,000 for a bilateral national approach.

24. Implementation of the proposed technical assistance project on a regional basis will also result in reduced contracting costs because of economies that can be realized as a result of common or similar implementation activities and shared evaluative information and program outcomes. Once performed, implementation activities in subsequent countries should require less time because of the reduction in the staff learning curve and also because of the ability in a regional program to identify problems early on so that they are not repeated during the course of implementation in other countries. The programs and culture of the Central American countries are sufficiently similar to allow for program outcome generalizations from one program to another. Also staff of a regional effort, because of their exposure to the different countries, are more likely to know the differences between the various countries which should be taken into account to successfully transfer program experiences and information between countries. Ultimately the sharing of development and outcome information between the countries should reduce the level of effort required for operational analysis and research.

25. There are also economies of scale which can be realized as a result of program and country similarities which would be difficult to utilize in bilateral design. The regional approach can be expected to benefit from having to plan only one of the training, research, and technical information dissemination procedures and materials. For many of the programatic objectives, the major efforts of development can proceed regionally with refinement done at the local level to assure that products meet local needs. Economies of scale can also be realized through regional training sessions when appropriate and also in the purchase of supplies and materials which can be jointly utilized in the implementation activities of more than one country.

26. Ten percent is used as a numerical estimate of the economies of scale activities described in paragraph 25 and 26. The 10% efficiency gained as a result of economies of scale most probably substantially underestimates the actual dollar value of shared information, activities and supplies. In his economic analysis (8/84) of a regional vs bilateral approach of implementation of the ORT program, in CA/P, Dr. McKaninen, a PhD Economist, uses a 25% differential to represent this advantage. Ten percent

is utilized to assure that any error in estimation is on the conservative side. Using the differential of 10% of contract costs excluding personnel and travel costs, (4,387,573 = INCAP and ROCAP costs) the increased costs would be $7,020,112 for a bilateral agency approach and $ 2,193,785 for a bilateral national approach.

27. The increased cost of personnel and reduced economies of scale that would occur using a bilateral approach, would increase the total contractor costs for providing the technical assistance specified in the project proposal by $16,398,112 for the bilateral agency approach and $9,972,785 for the bilateral national approach. The total increased costs for both AID and the contractor are $ 17,475,612 for the bilateral agency approach and $10,385,285 for the bilateral National approach. Obviously a regional approach represents the least-cost alternative for implementing a technical assistance program to the current food assistance programs in CA/P.

B. REGIONAL VS U.S. CONTRACTOR

28. If the decision is made to utilize a regional approach to implement the technical assistance project, the choices for a regional contractor are to use either a local institution as the contractor or to contract with a U.S. based contractor. Table 14 presents information regarding the cost of each contracting alternative. The local contractor proposed for this contract, INCAP, has numerous advantages which ultimately result in a lower implementation cost for the amount and type of TA proposed.

1. PERSONNEL COSTS

29. The primary monetary advantage to using INCAP is the lower overall personnel costs of a regional institution as compared to U.S. contractor costs. Utilizing an equivalent level of 7.6 professional FTEs and .4 support staff FTEs, the difference in salaries due to the higher overall salaries commanded in the U.S. is estimated $1,953,068. This assumes professional salaries equivalent to the salaries and related personnel costs for AID ($85,000 per year). It should be noted that the INCAP personnel costs do not reflect any shadow pricing as this information was unavailable.

2. PROJECT ORIENTATION COSTS

30. Another important monetary advantage for using INCAP to implement a regional technical assistance is their already established network in the area of nutrition and health in the Central American countries. It is noted in the project paper that because of language and cultural barriers, high quality regional expertise is often more effective than outside consultants and is usually preferred by CA/P counterparts. Even more importantly than the fact that INCAP will not lose any implementation time due

to cultural or language differences, is the fact that because of their presence and reputation in the field of nutrition in CA/P they have already established the personal contacts and cooperation in each of these countries which is essential to rapid implementation. The development of the support and cooperation necessary for smooth implementation would easily take another less known or outside contractor 6 months to develop. The time necessary to develop these working relationships would represent a monetary loss of at least 6 months which at a total project cost per month of $103,341 equals $620,050.

31. In addition to the advantage of already established relationships with the agencies who would be receiving the TA, INCAP offers the cost saving advantage of needing very little lead time to acquaint themselves with the issues and nuances of the food assistance programs in CA/P as they have already been providing technical assistance on a sporadic basis to many of the programs. In addition, they have been involved in the planning phases of the current program since its inception and as such are well acquainted with the structure, goals and objectives of the proposed technical assistance project which again will save the time that would be required by an outside onctracting firm to acquaint themselves with the background of the project and the project itself. This time required for project orientation would require at least one month which would represent a cost of $103,341.

C. ADDITIONAL DISCUSSION

32. A distinct advantage of the regional approach is that it provides greater personnel flexibility both in terms of available skills and overall personnel assignment. The options of where and when personnel of different skills can be utilized are far more extensive in a regional program thus providing greater ability to respond to the specific timing needs of each country or program or short term emergency needs while still maximizing staff time and expertise available.

33. A concern with a bilateral AID to CA/P Country or PVO approach is that the existence of expertise to develop and implement national cost-effective food assistance programs solely within the bureaucracy of the host government or even the donor agency is much more suceptible to disruption over a period of time due to changes in government or private agency personnel. A regional approach, if designed properly, can mobilize and utilize the considerable technical expertise which already exists in Central America while simultaneously creating a stable body of expertise in the region capable of providing technical assistance and carrying out other follow-up activities without the ongoing backing of U.S. AID funds once the project has been completed. In addition to the advantage of an approximate total savings (AID & Contractor funds) estimated between $ 10 million to $17 million, the potential of creating a permanent capacity in the region to resolve the issues

of malnutrition in Central America is much greater utilizing a regional approach.

34. Although it cannot be expressed in economic terms, perhaps one of the more compelling reasons for utilizing INCAP as a contractor is the fact that they have been specifically requested by both the host countries and private agencies as the contractor for the provision of TA for the proposed project. Given that position, the food assistance agencies are more likely to internalize the project's goals and objectives resulting in more effective implementation if they have the sense that their needs will be considered in the course of project activities.

TABLE 13

| COST OF BILATERAL VS REGIONAL | PVO (16) | NATIONAL | REGIONAL |
|---|---|---|---|
| AID COSTS | | | |
| Dev. & Contracting costs | 4 DTE-1YR | 1.50.3/Missn | 125-1yr |
| Incidental contracting costs | $ 20000per cont<br>$ 320,000 | $ 50000/cont.<br>$ 250,000 | $ 50,000 |
| Contract mgmg. costs | 4 FTE-3 yrs<br>$ 1,020,000 | 1.50.3/M/5 yr<br>$ 637,500 | 1.25FTE-5yrs<br>$ 531,150 |
| TOTAL AID COSTS | $ 1,680,000 | $ 1,015,000 | $ 602,500 |
| DIFFERENCE FROM RG. APPROACH | $ 1,077,500 | $ 412,500 | |
| U.S. CONTRACTOR COSTS | | | |
| Staffing levels | 3 prof. FTEs<br>1 support FTE<br>3 yrs | 5 prof. FTEs<br>2 support FTE<br>5 yrs | 7.6 prof FT<br>4 support FTE<br>5 yrs |
| Staffing costs per contract | prof. FTEs<br>$ 765,000<br>support FTEs<br>$ 24,000<br>$ 789,000 | prof FTEs<br>$ 2,125,000<br>support FTEs<br>$ 80,000<br>$ 2,205,000 | prof FTEs<br>$ 3,230,000<br>support FTEs<br>$ 16,000<br>$ 3,246,000 |
| Total staffing costs | $ 12,624,000 | $11,025,000 | $ 3,246,000 |
| DIFFERENCE FROM RG. APPROACH | $ 9,378,000 | $ 7,779,000 | |
| econ. of scale differential | $ 7,020,112 | $ 2,193,785 | |
| DIFFERENCE FROM RG. APPROACH | $ 7,020,112 | $ 2,193,785 | |
| CONTRACTOR DIF. FROM RG. APPR. | $ 16,398,112 | $ 9,972,785 | |
| TOTAL AID & CONTRACTOR DIFFERENCE FROM RG. APPROACH | $ 17,479,612 | $10,385,285 | |

TABLE 14

US VS INCAP CONTRACTOR

| | US CONTRACTOR | INCAP CONTRACTOR |
|---|---|---|
| PERSONNEL COSTS | | |
| 7.6 prof & 4 support | $ 3,246,000 | $ 1,292,932 |
| DIFFERENCE US-REG'L | $ 1,953,068 | |
| ORIENTATION ADV. | | |
| Dev. work relations | $ 620,050 | |
| project familiarity | $ 103,341 | |
| TOT. ORIENTATION ADV | $ 723,391 | |
| DIFFERENCE US-REG'L | $ 723,391 | |
| TOTAL DIF. US-REG'L | $ 2,676,459 | |

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APPENDIX 1

ADMINISTRATIVE COSTS OF FOOD ASSISTANCE PROGRAMS

GUATEMALA - CARE (YF1985)

| | |
|---|---|
| Adm. Costs* | $ 888,590 |
| Commodity Costs | $ 8,182,000 |
| Adm. costs/Comm Cost % | .190 |

* Does not include any host country administrative expenditures.

PANAMA - CARE (FY 1982)

| | |
|---|---|
| Adm. Costs | 766,000 |
| Commodity costs | $ 2,617,055 |
| Adm costs/comm cost | .293 |

HONDURAS - CRS (FY 1985)

| | |
|---|---|
| Adm. costs | $ 292,800 |
| Commodity costs | $ 743,090 |
| Adm costs/comm. cost | .394 |

HONDURAS - CARE (FY 1985)

| | |
|---|---|
| Adm. costs | $ 590,000 |
| Commodity costs | $ 1,992,000 |
| Adm. costs/comm. cost | .30 |

PANAMA - (1985)

| | |
|---|---|
| Adm. costs | $ 100,000 |
| Commodity costs | $ 300,000 |
| Adm. cost/comm. cost | .333 |

PANAMA - (1985)

| | |
|---|---|
| Adm. costs* | $ 67,000 |
| Commodity costs | $ 400,000 |
| Adm. cost/comm. cost | .170 |

* does not include in-country transportation and warehouseing costs.

Cost analyses internationally have shown an extremely wide variation in the relative cost of administration ranging from 20% to 138% of the total cost of food commodities (2-111). Variations in cost result in part from the distribution distances and the size and method of the supplemental feeding programs, but the most important factor in determining non-commodity costs appears to be the amount of infrastructure available in the country for distribution and local program operation (2-111); A survey of five feeding programs internationally provides a narrower range of administrative costs from 30% of total food ccosts to 85% of total food costs (3-P176). The actual administrative costs for the Costa Rican program, which was part of an international survey, were 34% of total food costs (3-P117). Based on the available data for the region presented above and the known fact that infrastructre in CA/P is not well developed, administrative costs computed at 30% of food costs appears to be a conservative figure for the purpose of this analysis.

APPENDIX 2

FOOD LOSSES IN FOOD ASSISTANCE PROGRAMS

The assumption regarding the percent of food assistance commodity loss experienced overall in CA/P are based primarily on anecdotal evidence. Although available documentation from food loss reports gives loss estimates ranging from .002 of total food commodity costs to .032, an assumption of 3% food loss was thought to be very conservative. The data available regarding the current percent of commodities that do not make it to the intended program participants grossly underestimates the actual percent of food lost through either pilferage, waste or damage. The data available is compiled from actual loss reports compiled by managing PVO's or WFP representatives and experience has shown that in most food assistance programs losses are not usually reported unless they represent a significant amount of commodities or unless they are uncovered in an administrative inspection. Since each loss reported could potentially lead to a claim agains the person or institution responsible, a strong incentive exists not to report losses. Even though it would appear, with the exception of two programs that report losses in excess of 3%, that the losses are only a small percent of the amount of food distributed, an evaluation done of food assistance programs in Panama in 1982 seems to provide anecdotal evidence to the contrary.

In this evaluation, the results of an inspection of warehouse facilities for the food commodities showed that 8.1% of the warehouse facilities were judged to have insufficient security against robbery, 18.4% were judged as having unacceptable security against rats and 19.5% had inadequate security against insects. In addition, 5.7% had no means of taking inventory (5-p72). Of the 82.4% of the feeding sites sampled in the Panamanian evaluation which had experienced some type of operational problem in administering the food assistance programs, 9.5% of the problems mentioned referred to food that was damaged upon arrival and 6.8% of the problems were in regards to weevil invested commodities (5-P75). Because they were noted at the local level, the chances are high that these damages or contaminations would not have been formally reported unless the quantity of food found to be unacceptable was substantial.

When local program administrators were asked if there had been instances in which the food products were until for human consumption when received, 17.2% said there had been incidences in the last 12 months and 41.9% indicated the occurences of such incidences previous to this time. 55.2% of these incidents were caused by weevil infestation of food, 6.9% by unspecified insects, and 6.9% by rats. 13.8% were cases in which the food was ruined by wetness and 8.6% of the loss was because of damaged containers (5P80).

A 1984 Audit of the CRS/CARITAS Program in Honduras showed that less than 50% of the distribution centers kept regular records of commodities and beneficiaries. Furthermore it was found the infested foods encountered at the local level were frequently disposed of upon verbal instructions and the central office was not informed. In all warehouses, both central and regional, it was confirmed that operations are usually done under verbal authorization and in nearly all warehouses the inventories were found to be shorter than those registered in the records.

APPENDIX 2 (CONT)

FOOD LOSS STATISTICS CA/P

| | Total Value of Managed Food Commodities | Losses in US $ | Loss Coefficient |
|---|---|---|---|
| Honduras WFP | | | |
| Corn | 1200615 | 8520 | 0.007 |
| Rice | 231400 | 480 | 0.002 |
| Beans | 543000 | 1680 | 0.003 |
| Powdered Milk | 57600 | 5600 | 0.010 |
| Oil | 605440 | 5840 | 0.010 |
| Canned c/p | 1103520 | 380 | .000 |
| WSB | 43216 | 740 | 0.017 |
| Totals | 4303191 | 23240 | 0.005 |
| Guatemala WFP | | | |
| Corn | 1200000 | 225 | 0.0002 |
| Wheat Flour | 750000 | 1125 | 0.0015 |
| Beans | 280000 | 1480 | 0.0053 |
| Canned P | 1840000 | 5060 | 0.0028 |
| Soil | 720000 | 2960 | 0.0041 |
| Powdered Milk | 1280000 | 1760 | 0.0014 |
| Totals | 6070000 | 12610 | 0.0021 |
| Honduras CARE (loss report) | | | |
| Milk | | 4836.4 | |
| CSM | | 84636.4 | |
| Flour | | 138.6 | |
| bulgur | | 204.5 | |
| Soil | | 1786.4 | |
| Total | 3080000 | 91602.3 | 0.0297 |
| Hond. (CRS/84) (loss reports) | | | |

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| | Total Value of Managed Food Commodities | Losses in US $ | Loss Coefficient |
|---|---|---|---|
| Powdered Milk | 298255 | 3745.5 | 0.0126 |
| CSM | 167330 | 272.7 | 0.0016 |
| Bulgur | 122307 | 193.2 | 0.0016 |
| Soil | 155200 | 981.8 | 0.0063 |
| Totals | 743091 | 5193.2 | 0.0070 |
| El Salvador WFP | | | |
| Corn | 1164990 | 11655.0 | 0.0100 |
| Flour | 18359700 | 4675.0 | 0.0003 |
| CSM | 56475 | 3750.0 | 0.0664 |
| Oil | 5965520 | 18000.0 | 0.0030 |
| Legumes | 75680 | 3880.0 | 0.0513 |
| Powdered Milk | 2171840 | 23840.0 | 0.0110 |
| Totals | 27794205 | | 65800.0 |
| 0.0024 | | | |
| Panama (CRS/81) (loss reports) | | | |
| SFC | 11705 | 96.6 | 0.0083 |
| CSM | 13636 | 56.8 | 0.0042 |
| Wheat Flour | 5114 | 11.4 | 0.0022 |
| Powdered Milk | 10509 | 1298.2 | 0.1235 |
| Soil | 6902 | 50.4 | 0.0073 |
| Totals | 47865 | 1513.4 | 0.0316 |
| Guatemala (CRS 83-84) (Loss reports) | | | |
| Powdered Milk | 896436.4 | 4872.7 | 0.0054 |
| Flour | 251852.3 | 312.5 | 0.0012 |
| Corn | 177825.0 | 75.0 | 0.0004 |
| Soil | 524254.5 | 280.0 | 0.0005 |
| Bulgur | 246409.1 | 22.7 | 0.0001 |
| WSB | 110545.9 | 0.0 | 0.0000 |
| Totals | 2207323.0 | 5562.9 | 0.0077 |

APPENDIX 3

MISDIRECTION OF FOOD COMMODITIES

The percent of total program costs expended ineffectively was estimated at 40% for the purpose of this analysis. Unless otherwise stated by the food assistance agency or CA/P government, it is assumed that the overall goal of the food assistance programs is to decrease the prevalence and effects of malnutrition in the designated country. Given the limited resources available in the CA/P region to address social needs and the high percent of need for these programs, the expenditure of food commodities in a non-effective manner represents a loss of commodities towards the alleviation of malnutrition. Although it was generally agreed by regional officials familiar with the CA/P food assistance programs that the percent of misdirected or ineffective commodities was considerably in excess of 40%, this misdirection coefficient was deliberately set low to provide a conservative estimate of loss for computation of the cost benefit index of the different levels of technical assistance impact.

A recent evaluation of food assistance programs in Panama provides data for determining the percent of expenditures which have neglible impact towards accomplishment of goals and objectives which could otherwise be accomplished through improved program management. Data from the food assistance program in Panama is utilized here as a case study, not only because it is one of the few CA/P food assistance programs for which an in-depth evaluation is available, but also because, as one of the better run food assistance programs in the region, Panama's program provides a conservative estimate of the percent of food assistance monies which are ineffectively expended.

Based on the fact that the stated goal of the food assistance program in Panama was to reduce the prevelance of malnutrition among infants and children, the provision of rations to nonmalnourished pregnant women, children, and infants estimated at 50% of the supplemental rations distributed, did nothing to accomplish that goal and in fact detracted from that goal. In addition to that amount is the cost of the lack of impact on the malnourished target population fed diluted portions which was estimated at 2% of total program costs. The data from this evaluation detailed in Appendix 4 establishes that approximately 54% of the food assistance programmatic expenditures had neglible impact on the stated goals of the program and thus represent a loss of programmatic funds.

Given that the resources available for nutrition programs is not adequate in most CA/P countries to provide supplementation to the population that are judged to be undernourished, priorities have to be established regarding who shall participate in the food assistance programs. Obviously

any major efforts to alleviate problems of malnutrition are destined to fail if the population most suseptible to malnutrition is not the target of the program. Conversely a great deal can be done to alleviate malnutrition if the effort is appropriately directed (2-P7). The need for cost effectiveness in CA/P demands the development and implementation of targeting interventions towards those groups which can benefit most from the programs. Definition of appropriate target groups to include those most in need and most capable of responding to intervention, and the development and use of eligibility criteria to direct services to the target group, appear to be the two essential elements in providing measurably effective food assistance services (4p43).

Targeting provides the only feasible means to eliminate malnutrition in subgroups of the population. Nontargeted programs analyzed in terms of cost-effectiveness indicate costs up to ten times as much as those programs which serve only the malnourished (3p181). The failure to target feeding programs greatly reduces the cost-effectiveness of food assistance programs as an intervention for improving nutritional status of a population. The Latin American programs evaluated in an international survey (including Costa Rica, were three to ten times as expensive as they would have been if they had been targeted only to the malnourished. The increased cost reflects the low general malnutrition rates in the community served by food assistance programs and the resulting low proportion of malnourished children in the programs (3-p138). An aggregate improvement in the prevalence of malnutrition in the population as a whole due to the inclusion of a higher proportion of the malnourished at-risk population in the participant population is one of the important benefits derived from targeting (3-p85).

Various targeting strategies define the populations at-risk in different ways resulting in substantial differences in the benefits accruing from alternative targeting strategies. To satisfy cost-effective criteria, nutrition programs should be reaching only the most vulnerable groups which have been repeatedly demonstrated to be children under 36 months and pregnant and lactating woman who are nutritionally deficient or clearly at risk (3-P85). Preschool children are generally believed to be the group most susceptible to the harmful effects of malnutrition due to the high potential for mortality, morbidity and developmental retardation for malnourished children in this age group (2-p4). Also supplementary feeding is more effective in raising the net calorie intake of children younger than three years than of older children. As the one to three year olds are most nutritionally at risk due to greater caloric defficiencies, targeting to this group is justified not only on a nutritional need basis, but also on a nutritional effectiveness basis (3-p159). Pregnant and lactating mothers are also included in the at-risk population because of the identified relationship between the nutritional well-being of infants and maternal nutrition both during pregnancy and while breastfeeding (2-p4).

This particular target group represents a relatively small percent of the population. Statistics show that, based on income distribution and calorie elasticity, about 48% of the populations in Africa, Asia, the Middle East, and Latin America suffer from daily calorie deficiencies greater than 250 calories (Reutlinger and Selowsky 1976) Children under three years of age in underdeveloped countries, constitute approximately 12% of the total population, pregnant women constitute another 3% and lactating women make up an additional 2%. Of this 17% total that are biologically vulnerable to malnutrition only 48% are actually economically vulnarable, thus approximately only 8% of the population could be considered the primary target group (3-p85).

In CA/P, recent studies of children under the age of five estimate that approximately 50% suffer from mild, moderate or severe malnutrition. The incidence of moderate and severe malnutrition ranges from a low of 7% to a high of 29.5% (1-p4). The best targeting scheme overall can be defined as one that, given the explicit objectives of the programs excludes the fewest needy individual while including the fewest number of non-needy individuals (2-p24). Worldwide there are a significant number of children included in food assistance programs who probably do not need the food. This error of inclusion has been noted to be as high as 84.14 depending on the local conditions and the targeting strategy implemented (2-p7).

Food assistance programs in CA/P in many cases do not have defined goals and objectives which identify a target population. Those programs that have identified a target population often do not have sufficient or standardized eligibility criteria to determine if the program is indeed serving the target population. Even if there are acceptable criteria for defining eligibility for programming services based on a targeting strategy, that is still no guarantee that the program will be administered at the local level according to this criteria unless local personnel fully understand the reasons for implementing a targeting scheme.

An international survey showed that for Costa Rica, ab average of 73% of the participants in 20 sample sites were not malnourished and that 22% had no calorie deficits at all. The average percent of program participants that showed no malnutrition in all of the five sites surveyed was 54%. An average of 15% showed no calorie deficits indicating that the home diet was already providing sufficient amounts of required nutritient (3-p163).

There are five primary feeding programs en El Salvador and only one targets specifically to a group and utilizes criteria to determine eligibility. About 10% of the population of El Salvador receive food through the food assistance programs, yet only 2.8% of the total estimated pregnant

and only 9% of the infants with some level of malnutrition are receiving food supplements. Only 16% of the total food supplements are targeted towards this group (6-p31).

A recent descriptive evaluation of the food assistance programs in Honduras noted that although some programs had similar objectives, different criteria were used for selection of the participants. It was also noted that the criteria established for the selection of geographic areas did not necessarily yeild results that corresponded to the areas with the greatest prevalence of malnutrition (7-p5). A 1982 CARE study of their food assistance programs in Honduras indicated that the mother-child feeding program which served 80,000 beneficiaries lacked definition and focus (8-p11).

Targeting is however, only one of the many design elements which reflect goals, objectives and the contextual setting. Due to its central role in the overall design of an intervention, concentration on the targeting strategy by program designers is needed as an effective tie to program design, operational objectives and broader goals (2-p11). The nutritional impact of the feeding programs evaluated in an international study showed that their nutritional impact was limited by the absence of nutritionally based selection criteria to target the programs to the most malnourished, at-risk population but the provision of insufficient rations to cover the energy deficits of the recepients and the failure to adequately compensate for expected division of the supplement due to interfamirial sharing and substitution also affected the nutritional impact of supplemental feeding programs (3-p198). Those evaluations that have been done have all noted these same deficiencies in the CA/P food assistance programs, both through description and presentation of data where available.

The lack of development or implementation of definitive goals and objectives contributes readily to the 10% loss estimate of misdirected program activities. Further losses occur as a result of faulty logistics and inadequate controls which result in disrupted or misdirected food flows. This in turn reduces nutritional impact of the food supplements and increases program costs. Another source of effective commodity loss which can be averted with careful program design is leakages of food intended for one family member to the rest of the family either through sharing or substitution. It is estimated that only about 50% of take home rations are actually consumed by the person for whom they were intended because the commodities are shared within the family. In other cases, it was estimated that between 37%-69% of the consumed ration was substituted for the normal home diet (3-p56).

Evaluation of outcomes are obviously necessary to determine if the supplemental feeding program has achieved the desired results and to determine what changes are needed to increase program effectiveness. As previously noted there have been very few substantiave evaluations of the supplementary feeding programs in CA/P. There has not been an evaluation of the feeding program in Guatemala for the last 12-13 years. In Honduras, where a good portion of the food supplements are fed to school children regardless of their level of malnutrition, to promote school attendance, there has never been any evaluation of whether or not the food supplements result in increased school attendance.

APPENDIX 4

CASE STUDY OF MISDIRECTED FOOD SUPPLEMENTS IN PANAMANIAN FOOD ASSISTANCE PROGRAMS

1. The food assistance programs in Panama at the time of the evaluation in 1982 were administered for the most part by CARE with a small portion of assistance also being administered by CRS. The stated goal of the CARE administered food assistance program was to reduce the 50% malnutrition rate which was reported to exist in the priority recipient categories of pregnant and lactating mothers, infants, and children. The major part of their effort was to distribute a daily ration of supplementary food commodities to the following recipient categories:

| | | |
|---|---|---|
| Mothers | 20,000 | (17%) |
| Infants | 40,000 | (34%) |
| School children | 55,000 | (49%) |
| TOTAL | 115,000 | |

The CARE administration and food products associated with this program total approximately $ 3.5 million, of which approximately $ 2.5 million is actual food and food shipping costs (5-p54).

2. The fact that the number of malnourished infants in Panama is greater than the total of all the beneficiaries supposedly served through the PL480 Title II supplementary feeding program in Panama in 1982 (5-p122), gives some indication of the excess need for food assistance in the country. A considerable percentage of the respondents interviewed in the evaluation thought that the program did not reach even half of the projected beneficiaries. Program officials, both provincial and national, were also inclined to judge the percent of malnourished infants served as very low (5-p122).

3. The evaluation, done by Development Associates, Inc., sampled 47 schools from a total of 2214 schools (5-p6). Even if data had been available regarding growth, the effect of the supplemental feeding programs in the schools on actual weight gain and growth would have been for the most part unmeasurable for numerous reasons. There was a significant discrepancy between the actual number of participants served in the program and the number of authorized beneficiaries which resulted for the most part in either an apportionment of the rations over too short a period or a reduction in the size of each ration distributed. As the ration was in most cases distributed equally to all school children regardless of their nutritional need, the reduced or interrupted distribution of food had for the most part no discernable nutritional impact on their normal or malnourished children.

4. Neither the numbers on the central lists or the participants registered in the program coincided with the actual assistance rendered. Although some of the local feeding center directors were aware of the numbers on the official lists, many of them, unaware of the official numbers, were actually quite surprised to learn the extensive difference between the official numer of recipients and the actual number which they served. In many cases, the number of beneficiaries was as much as five-ten times greater than the number of participants indicated on the official distribution list resulting in an apportionment to 350-600 students of the rations intended for 50-60 students (5-p100).

5. To compensate for the discrepency in numbers, the schools utilized diverse methods to divide the products that would have been adequate for a much lower number of participants. In the majority of schools, the portion of the food supplements was adjusted to accomodate the number of students. When the number of beneficiaries increased, the amount of ration given each student was reduced and, conversely, if the number of beneficiaries decreased, the amount of ration given to each student increased (5-p76).

6. Another alternative used in some schools to stretch the supplement was to distribute the food only 2 or 3 days of the week. Other schools dealt with the shortage of food supplements engendered by the increase in participants by simply distributing the products to all participants until they ran out, at which point the program would be suspended until the next shipment of food. The alternative of providing the limited food supplements to only the malnourished children was implemented in only two schools of the 47 sampled (5-p100).

7. The insufficiency of the rations given the number of program participants was further exacerabated by the fact that the food products did not always arrive as acheduled causing interruptions in the provision of the food products (5-p121). Also many of the products arrived damaged by insects or rodents or in damaged containers which permitted food loss thus even further reducing the amount of food available for distribution (5-p121).

8. Ironically, in light of the gross food shortages that existed in a number of the food distribution centers, almost 10% of the centers in the sample actually distributed food to a lesser number of persons than noted on the official lists. In all of these cases the situation of less recipients than the number designated officially had existed for at least a year (5-p76).

9. Although programmatic goals stated otherwise, only 2.5% of the 157 interviewees offering suggestions regarding whom the program should serve felt that the malnourished should be the only beneficiaries of the program

(5-p124). Obviously for the malnourished schoolchildren the reduction in rations has a major impact on the ability of the program to have any positive impact on nutritional status (5-p102). In 11 schools that used PL480 supplements exclusively, the ration provided did not even suffice for 33% of the recommended daily nutrition for one meal. When age and sex of participants is taken into consideration, the discrepancy between need and nutritional supplements is even greater. The reduced food supplement rations also had no real impact on those children that were not malnourished. The fact that 80.5% of the children fed through the school feeding program in the third largest province were at normal level of weight and height, while in the same area there was a prevalance of 65.30% malnutrition among infants 2 to 5 years old, provides a vivid example of the skewed and ineffective implementation of the program.

10. Although it estimated that 40-60% of the preschool children were malnourished, the study noted that overall, only 20-30% of the Panamanian population in general was malnourished thus indicating that 70-80% were not. Based on this figure an assumption that at least 50% of the schoolchildren served were not malnourished is probably a conservative estimate and would account for the 4% (2/47) of the sample in which the food supplements were targeted only to malnourished children instead of all schoolchildren.

11. It was intended that the recepients of the school feeding program receive 65% of the amounts of the same commodities that were intended for participants in the maternal and infants feeding programs. As the school children comprised 49% of the total participants in the CARE program and consumed 65% of the purchased commodities, the amount of money spent in support of the school feeding program was $ 1,114,750 of which $ 796,250 was for food alone. Based on the fact that the stated goal for the distribution of the supplemental rations was to reduce the prevelance of malnutrition and that the provision of these rations to non malnourished children did nothing to accomplish the goal and in fact detracted from that goal, the actual loss to the program of the cost of those commodities is estimated conservatively at $ 398,125 (50% * $ 796,250). In addition to that amount is the cost of the lack of impact on malnourished children fed diluted portions. The number of malnourished children served less than one third of the intended portion (which had been designed to provide approximately 33% of the daily nutritional requirements), was determined by comparing participant and official lists and estimated at 2% of the total number that were "officially" supposed to be served by the program. This additional loss of impact increases the amount spent without achieveing the intended impact by an additional $16,343 (.02* $796,250). The resultant total of $ 414,468 ($16,343+398,125) represents 52% of the total commodity monies spent for the school feeding program.

12. Similar results of food supplements being distributed to a much larger number of recipients than for whom they were intended were found in both the maternal and the infant feeding programs. The evaluation noted that generally about 50% of the children being feed in the infant nutrition program were not malnourished. At the time that the evaluation was done infants being feed through the program were weighed and the results showed that over 61% were of normal weight for their height. Given the similar dilution of commodities intended to reduce malnutrition and the provision of commodities to non malnourished recipients, it is reasonable to apply the same percentage of loss to the entire $2,500,000 commodity cost of the program. The resultant loss of commodity monies is $1,300,000 and the total loss, which includes administrative costs, os $1,820,000.

APPENDIX 5

## COST BENEFIT STREAMS AT 15% DISCOUNT RATE

### TABLE 3

### TA IMPACT OF 5% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP % 5600 | 1120.00 | 973.913 | 846.880 | 736.418 | 640.363 | 4317.575 |
| INCAP $ 600.5 | 120.101 | 104.435 | 90.813 | 78.968 | 68.668 | 462.986 |
| TOTAL TA 6200.5 | 1240.101 | 1078.348 | 937.694 | 815.386 | 709.031 | 4780.562 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS -3% | 160.746 | 139.779 | 121.547 | 105.693 | 91.907 | 619.673 |
| MISDIRECT -40% | 2143.284 | 1863.725 | 1620.630 | 1409.244 | 1225.429 | 8262.313 |
| TOTAL -43% | 2304.030 | 2003.504 | 1742.177 | 1514.937 | 1317.336 | 8881.986 |
| COST-BENEFIT INDEX | | | | | | 1.85 |

### TABLE 4

### TA IMPACT OF 10% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 973.913 | 846.880 | 736.418 | 640.363 | 4317.575 |
| INCAP $ 600.5 | 120.101 | 104.435 | 90.813 | 78.968 | 68.668 | 462.986 |
| TOTAL TA 6200.5 | 1240.101 | 1078.348 | 937.6945 | 815.3865 | 709.031 | 4780.562 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS -3% | 321.492 | 279.558 | 243.094 | 211.386 | 183.814 | 1239.347 |
| MISDIRECT -40% | 4286.568 | 3727.450 | 3241.261 | 2818.488 | 2450.859 | 16524.62 |
| TOTAL -43% | 4608.060 | 4007.009 | 3484.355 | 3029.874 | 2634.673 | 17763.97 |
| COST-BENEFIT INDEX | | | | | | 3.71 |

TABLE 5

TA IMPACT OF 20% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 973.913 | 846.880 | 736.418 | 640.363 | 4317.575 |
| INCAP $ 600.5 | 120.101 | 104.435 | 90.813 | 78.968 | 68.668 | 462.986 |
| TOTAL TA 6200.5 | 1240.101 | 1078.348 | 937.694 | 815.386 | 709.031 | 4780.562 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS -3% | 642.985 | 559.117 | 486.189 | 422.773 | 367.628 | 2478.694 |
| MISDIRECT -40% | 8573.136 | 7454.900 | 6482.522 | 5636.976 | 4901.718 | 33049.25 |
| TOTAL -43% | 9216.121 | 8014.018 | 6968.711 | 6059.749 | 5269.347 | 35527.94 |
| COST-BENEFIT INDEX | | | | | | 7.43 |

TABLE 6

TA IMPACT OF 30% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 973.913 | 846.880 | 736.418 | 640.363 | 4317.575 |
| INCAP $ 600.5 | 120.101 | 104.435 | 90.813 | 78.968 | 68.668 | 462.986 |
| TOTAL TA 6200.5 | 1240.101 | 1078.348 | 937.6945 | 815.386 | 709.031 | 4780.562 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS -3% | 964.477 | 838.676 | 729.283 | 634.159 | 551.443 | 3718.041 |
| MISDIRECT -40% | 12859.70 | 11182.35 | 9723.783 | 8455.464 | 7352.577 | 49573.88 |
| TOTAL - 43% | 13824.18 | 12021.02 | 10453.06 | 9089.623 | 7904.020 | 53291.92 |
| COST-BENEFIT INDEX | | | | | | 11.14 |

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TABLE 7

TA IMPACT OF 40% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 973.913 | 846.880 | 736.418 | 640.363 | 4317.575 |
| INCAP $ 600.5 | 120.101 | 104.435 | 90.813 | 78.968 | 68.668 | 462.986 |
| TOTAL TA 6200.5 | 1240.101 | 1078.348 | 937.694 | 815.386 | 709.031 | 4780.562 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS - 3% | 1285.970 | 1118.235 | 972.378 | 845.546 | 735.257 | 4957.388 |
| MISDIRECT - 40% | 17146.27 | 14909.80 | 12965.04 | 11273.95 | 9803.436 | 66098.50 |
| TOTAL -43% | 18432.24 | 16028.03 | 13937.42 | 12119.49 | 10538.69 | 71055.89 |
| COST-BENEFIT INDEX | | | | | | 14.86 |

TABLE 8

TA IMPACT OF 5% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 973.913 | 846.880 | 736.418 | 640.363 | 4317.575 |
| INCAP $ 600.5 | 120.101 | 104.435 | 90.813 | 78.968 | 68.668 | 462.986 |
| INCREASED ADM $ | 2473.02 | 2150.452 | 1869.958 | 1626.050 | 1413.957 | 9533.438 |
| TOTAL TA & ADM | 3713.121 | 3228.800 | 2807.652 | 2441.437 | 2122.988 | 14314.00 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS - 3% | 160.746 | 139.779 | 121.547 | 105.693 | 91.907 | 619.673 |
| MISDIRECT - 40% | 2143.284 | 1863.725 | 1620.630 | 1409.244 | 1225.429 | 8262.313 |
| TOTAL - 43% | 2304.030 | 2003.504 | 1742.177 | 1514.937 | 1317.336 | 8881.986 |
| COST-BENEFIT INDEX | | | | | | 0.62 |

TABLE 9

TA IMPACT OF 10% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 973.913 | 846.880 | 736.418 | 640.363 | 4317.575 |
| INCAP $ 600.5 | 120.101 | 104.435 | 90.813 | 78.968 | 68.668 | 467.986 |
| INCREASED ADM $ | 2473.02 | 2150.452 | 1869.958 | 1626.050 | 1413.957 | 9533.438 |
| TOTAL TA & ADM | 3713.121 | 3228.800 | 2807.652 | 2441.437 | 2122.988 | 14314.00 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS -3% | 321.492 | 279.558 | 243.094 | 211.386 | 183.814 | 1239.347 |
| MISDIRECT -40% | 4286.568 | 3727.450 | 3241.781 | 2818.488 | 2450.859 | 16524.62 |
| TOTAL -43% | 4608.060 | 4007.009 | 3484.355 | 3029.874 | 2634.673 | 17763.97 |
| COST-BENEFIT INDEX | | | | | | 1.24 |

TABLE 10

TA IMPACT OF 20% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 973.913 | 846.880 | 736.418 | 640.363 | 4317.575 |
| INCAP $ 600.5 | 120.101 | 104.435 | 90.813 | 78.968 | 68.668 | 462.986 |
| INCREASED ADM$ | 2473.02 | 2150.452 | 1869.958 | 1626.050 | 1413.957 | 9533.438 |
| TOTAL TA & ADM | 3713.121 | 3228.800 | 2807.652 | 2441.437 | 2122.988 | 14314.00 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS -3% | 642.9852 | 559.117 | 486.189 | 422.773 | 367.628 | 2478.694 |
| MISDIRECT -40% | 8573.136 | 7454.900 | 6482.522 | 5636.976 | 4901.718 | 33049.25 |
| TOTAL -43% | 9216.121 | 8014.018 | 6968.711 | 6059.749 | 5269.347 | 35527.94 |
| COST-BENEFIT INDEX | | | | | | 2.48 |

TABLE 11

TA IMPACT OF 30% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 973.913 | 846.880 | 736.418 | 640.363 | 4317.575 |
| INCAP $ 600.5 | 120.101 | 104.435 | 90.813 | 78.968 | 68.668 | 462.986 |
| INCREASED ADM $ | 2473.02 | 2150.452 | 1869.958 | 1626.050 | 1413.957 | 9533.438 |
| TOTAL TA & ADM | 3713.121 | 3226.800 | 2807.652 | 2441.437 | 2122.988 | 14314.00 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS -3% | 964.4778 | 838.676 | 729.283 | 634.159 | 551.443 | 3718.041 |
| MISDIRECT -40% | 12859.70 | 11182.35 | 9723.783 | 8455.464 | 7352.577 | 49573.88 |
| TOTAL - 43% | 13824.18 | 12021.02 | 10453.06 | 9089.623 | 7904.020 | 53291.92 |
| COST-BENEFIT INDEX | | | | | | 3.72 |

TABLE 12

TA IMPACT OF 40% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 973.913 | 846.880 | 736.418 | 640.363 | 4317.575 |
| INCAP $ 600.5 | 120.101 | 104.435 | 90.813 | 78.968 | 68.668 | 462.968 |
| INCREASED ADM $ | 2473.02 | 2150.452 | 1869.958 | 1626.050 | 1413.957 | 9533.438 |
| TOTAL TA & ADM | 3713.121 | 3228.800 | 2807.652 | 2441.437 | 2122.988 | 14314.00 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS - 3% | 1285.970 | 1118.235 | 972.378 | 845.546 | 735.257 | 4957.388 |
| MISDIRECT - 40% | 17146.27 | 14909.80 | 12965.04 | 11273.95 | 9803.436 | 66098.50 |
| TOTAL - 43% | 18432.24 | 16028.03 | 13937.42 | 12119.49 | 10538.69 | 71055.89 |
| COST-BENEFIT INDEX | | | | | | 4.96 |

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## FINANCIAL ANALYSIS AND DETAILED BUDGET

### I. Financial Viability

#### B. INCAP's Equity Base

Traditionally INCAP has had strong budgetary support from the Pan American Health Organization (PAHO) to fund its core programs. In addition, PAHO has served as the Institute's banker-financier by providing the necessary working capital. INCAP has also established a Working Capital Reserve Fund. The target amount set by the Board of Directors in 1982 to strengthen this fund was $600,000. This target was realistic considering that the unrestricted balance of the Working Capital Reserve Fund stood at $162,000 on December 31, 1982. However, rather than add to this balance in years 1983-84, the reserve has gone to a slightly deficit position as shown in the following table.

Table 1
(In thousands)

| Dec. 31 | Working Capital Unrestricted Balance | Project Expend. Pending Reimb. from Donors | Reserve for Uncollectable | Balance |
|---|---|---|---|---|
| 1978 | $ 330 | N/A | N/A | N/A |
| 1979 | 244 | 1,408 | 23 | 1,385 |
| 1980 | 154 | 1,538 | 82 | 1,456 |
| 1981 | 73 | 623 | 14 | 609 |
| 1982 | 162 | 567 | 8 | 559 |
| 1983 | ( 86) | 597 | 195 | 402 |
| 1984 | ( 10) | 669 | 233 | 436 |

Although the Working Capital Reserve Fund has dropped to a slightly negative position, the principal reason for it doing so was a major write-down of accounts receivable from a donor institution for $188,000 in 1983. This adjustment to the accounting records was based on a recommendation included in the external audit of accounts for calendar year 1983. As such it can be expected that the other receivables due at that time were reviewed and deemed collectable.

As can be seen in the table above, the net unreserved balance of accounts receivable has dropped significantly over the past six years, thus reducing the potential exposure to future write-offs of this nature. Of the outstanding balance of $436,000 at December 31, 1984, approximately $365,000 is owed by AID, with miscellaneous major institutions making up the difference of $71,000. The likelihood of future write-downs against these receivables as charges to the INCAP Working Capital Reserve is unlikely. Therefore, INCAP is currently in a position to begin building reserves on a solid base.

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The Institute's goal of building such a reserve, hopefully reaching a minimum of $600,000 (from the current zero position) in the short to medium term, is based on continuing the effort to collect prior years' balances of quotas from the six member states. This plan is having some success. In 1984, payments received from member states amounted to $415,624, which is $115,624 in excess of the $300,000 assessed. This is the highest amount received from this source in the past six years as the following table indicates:

| Year | Quota Payments Received | Current Assessments | Prior Years Payments |
|---|---|---|---|
| 1979 | $ 241,957 | $300,000 | -- |
| 1980 | 166,853 | 300,000 | -- |
| 1981 | 188,031 | 300,000 | -- |
| 1982 | 385,699 | 300,000 | 85,699 |
| 1983 | 314,223 | 300,000 | 14,223 |
| 1984 | 415,624 | 300,000 | 115,624 |

As can be seen from the schedule, payments against prior years' balances have been made for the past three consecutive years for a total amount of $215,546. The member states have responded favorably to the Institute's collection campaign which indicates a certain satisfaction on their part and a sign that they will continue to make up on arrearages.

B. Financial Mechanisms with PAHO

1. Cash Advances

As stated in the previous section, in addition to strong budgetary support, PAHO provides banking and financing facilities to INCAP. Until such time as INCAP is able to accumulate adequate reserves, this relationship is vital to INCAP's solvency.

The financing facilities take the form of non-interest bearing cash advances from the PAHO Working Capital Fund to INCAP. These advances, which average in excess of one-half million dollars, provide INCAP with the capacity to bill donor agencies on a cost reimbursable basis. However, there is a limit set by PAHO as to the maximum level of advances, which is roughly equal to PAHO's annual appropriation for the Institute programs net of common service charges and the cost of the two PAHO employees on assignment at INCAP. For 1985, this net amount is $595,000 which sets the limit. If INCAP were to need additional cash during the year, it could pursue one of the following options:

- borrow on the open market;
- request that PAHO increase the limit;
- request that PAHO advance additional funds with interest
- request advances from donors.

As the Oral Rehydration Therapy Project becomes fully operational in 1985 and the Technical Support for Food Assistance Project comes on line in the second half of 1985, INCAP will need to expand its access to working cash. It is doubtful that the internal Working Capital Reserve Fund of INCAP will be sufficient to meet these needs in the short run, which are estimated to be roughly the following amounts:

| Year | Average Estimated Grant Activity | Expenses Pending Reimbursement | % |
|---|---|---|---|
| 1983 | 1,540,000 | 540,000 | 35 |
| 1984 | 1,365,000 | 500,000 | 37 |
| 1985 | 2,700,000 | 810,000 | 30 Est. |
| 1986 | 3,800,000 | 1,140,000 | 30 Est. |

Therefore, INCAP will be pressed to secure between two-hundred and five-hundred thousand dollars from one of the sources mentioned above within the next two years. This is an issue which is of concern to the leadership of the Institute and is receiving appropriate attention. The simplest and most straightforward solution would be to expand the line of credit with PAHO, interest charge or not or to request advances on the two major projects being funded by ROCAP because of its relative importance to the Institute's overall financing of activities. Borrowing from a table included on page I-21 of the Coopers & Lybrand report on INCAP dated January 1984, and updating it for the years 1983-86 (see following page), it can be seen that USAID will be increasing its relative share of total projects from about 22% in the period 1982-84 to about 70% for the period 1985-86. The relationship of USAID grants to INCAP's total budget for the same two periods also shows a dramatic increase from about 10% to about 50%.

Therefore, it is reasonable for ROCAP to respond within the limits of the total need, less the amount of $600,000 which PAHO has maintained and is apparently willing to maintain in the future. Any advances will be made on a quarterly basis based on a work plan and related estimated cash flow projections.

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2. Banking Arrangements

In addition to the provision of cash to INCAP, PAHO provides a valuable banking function. Through its facilities at Riggs National Bank of Washington, PAHO has established a checking account on behalf of INCAP, which is funded on a daily basis by PAHO to cover any and all checks drawn by INCAP and presented to Riggs for payment. Thus, the account is kept with a perpetual bank balance of zero, which eliminates the possibility of idle cash balances in bank accounts. This account is particularly useful for transferring cash from Washington to Guatemala City. INCAP writes a check to itself against the Riggs account and deposits it in a U.S. Dollar account in Guatemala, from where it can be used to convert U.S. currency into Quetzales.

INCAP
PROJECT REVENUE SUMMARY
AID AS PROPORTION OF TOTAL

| | (000) Project Revenues | % of Total Proj. Revenues | % of Total INCAP Budget |
|---|---|---|---|
| **1982** | | | |
| AID | $ 412 | 26% | 12% |
| EEC | 342 | 22 | 10 |
| UNU | 245 | 15 | 7 |
| Others | 592 | 37 | 17 |
| TOTAL | 1,591 | 100 | 47 |
| **1983** | | | |
| AID | 374 | 24 | 11 |
| EEC | 421 | 26 | 12 |
| UNU | 165 | 10 | 5 |
| Others | 633 | 40 | 18 |
| TOTAL | 1,593 | 100 | 46 |
| **1984** | | | |
| AID | 267 | 18 | 8 |
| EEC | 404 | 27 | 12 |
| UNU | 149 | 10 | 5 |
| Others | 667 | 45 | 20 |
| TOTAL | 1,487 | 100 | 45 |
| **1985-Budget** | | | |
| AID | 1,896 | 69 | 45 |
| EEC | 46 | 2 | 1 |
| UNU | 130 | 5 | 3 |
| Others | 665 | 24 | 16 |
| TOTAL | 2,737 | 100 | 65 |
| **1986-Projections/1** | | | |
| AID | 2,900 | 77 | 55 |
| EEC | 50 | 1 | 1 |
| UNU | 150 | 4 | 3 |
| Others | 650 | 18 | 12 |
| TOTAL | 3,750 | 100% | 71% |

1/ Assumes ROCAP Food Assistance Project fully operational, all other programs and projects remain the same.

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Another valuable service which PAHO provides at considerable savings to INCAP is to receive contributions, destined for INCAP, such as quota payments, in currencies other than U.S. Dollars. Because PAHO can use the local currency quickly in its own operations within the given country, it is possible for it to give credit to INCAP in U.S. Dollars in Washington immediately, thus avoiding the risk of devaluations and currency exchange losses. This mechanism has facilitated INCAP's drive to collect prior years' quotas due by allowing the member states to pay in local currency.

C. Impact of Parallel Market on Financial Viability

The official recognition of the Guatemalan Government in November 1984 of the parallel exchange market for foreign currency is likely to have a beneficial effect on INCAP's financial position. This is so because virtually all INCAP's resources are channeled through PAHO headquarters in Washington, D.C., and thus are in the form of U.S. dollars. To be able to convert these dollars on demand into Quetzales at a substantially higher rate (approximately 50% at the time of drafting this analysis) than the official fixed rate, obviously generates more local currency to meet local expenses in Guatemala. Until such time as the cost of goods and services in Guatemala rise to the level of this monetary devaluation of the Quetzal, INCAP will benefit from this circumstance, that is, the U.S. dollar equivalent of these expenditures will be approximately one-third lower than would be if the official rate were still in effect. Although INCAP has stated that it cannot move its conversion of U.S. dollars to the parallel market until there is an official change within the United Nations system, the Guatemalan Government has expressed no objections for it to do so, and the U.N. approval is likely to be soon forthcoming.

Because a substantial percent of INCAP's expenditures are disbursed in Quetzales, INCAP should be able to purchase an expanded quantity of goods and services for the same budget amount which is forecast in U.S. Dollars. As a point for comparison, during 1984, about 50% of the total budget was disbursed in local currency, at the rate of approximately 125,000 U.S. dollar equivalent per month. This equals $1,500,000 per year, so that there is a potential of obtaining these same services for the equivalent of U.S. $1,000,000 or a savings of U.S. $500,000 at the same level of operations. Actual apparent savings will fall somewhere between zero (if the U.N. system does not change) and the one-half million Quetzales. Non-grant funds will be used to capitalize the Working Capital Reserve Fund.

II. Financial Management/Financial Reporting

A. Personnel and Physical Facilities

With the approval of the AID grant for Oral Rehydration Therapy in December 1984, INCAP has begun to prepare for the increased burdens and pressures which will be placed on the Administrative Services Division to account for and provide timely reporting on project financial activity. The 1985 budget for Building and Equipment Services has been substantially

expanded to provide for office space adaptation to accomodate contemplated additional personnel, both technical and administrative. Two new administrative posts have been added to strengthen the current staff of seventeen within the Administrative Services Division. It is contemplated that with the inclusion of the Food Assistance Project, one additional administrative post will be added to this division. The addition of these three administrative/accounting personnel is proper and will be sufficient to support both projects once fully operational.

Finally, in relation to personnel, under the proposed budget for the Food Assistance Project, a full-time program management logistics post will be financed from the AID contribution as a direct charge to the project. This should substantially strengthen the internal management of the Food and Nutrition Planning Division, which will be responsible for project implementation, to maintain strict liaison on all budgetary matters with the Administrative Services Division and allow for ongoing verification of the accuracy and completeness of the budgetary records.

B. Automated Data Processing Capability

Paramount to being able to control and report on project financial transactions is the capacity of the currently installed automated financial data system to handle the level of disaggregation of the project's components and subcomponents in line with the structure of the budget being put forth in the Project Paper, and eventually a signed agreement. INCAP is now in the process of purchasing an IBM PC computer with its own funds to replace computer equipment currently in use in the Administrative Services Division. This computer will have more than enough capacity to handle the project budget and the desired level of disagregation.

3. Control of Expenditures Away From Headquarters

Under both the ORT and Food Assistance Projects, there will be substantial expenditures incurred by INCAP personnel in the various member States. It has been the policy of INCAP to use the administrative disbursement and reporting mechanisms of the local national PAHO resident offices in support of field activities. In recent times there has been only one major field project, executed in Panama, that has utilized these mechanisms. Expenditure activity for this project was handled by PAHO-Panama, with reporting being channeled through PAHO headquarters in Washington for posting to PAHO's main set of accounts, with subsequent transmission of information to INCAP's headquarters in Guatemala. This has proven to be a time-consuming process leaving INCAP totally dependent on PAHO-Washington reporting mechanism. A modification to these procedures will be implemented to allow for the direct control of all expenditures by INCAP.

## III. Indirect Cost Allocations

### A. Background

INCAP has an established procedure to allocate indirect costs to the programs and projects based on a percentage of the monthly direct costs. To the extent that the base is not sufficient to absorb the allocations (which are set at predetermined percentages), INCAP general funds (quotas and miscellaneous income which is principally from the royalties on INCAPARINA and tuition) must fund the difference. Using actual expenditures, the 1984 yearly results of this procedure of cost allocations can be summarized as follows:

| Funding Source | Direct Expense | Indirect Cost | Ratio Indirect of Direct |
|---|---|---|---|
| INCAP Quotas, etc. | $ 320,224 | $179,776 | 56.1% |
| PAHO (OPS, OMS) | 911,936 | 221,569 | 24.3% |
| Grants, Other | 1,407,873 | 235,921 | 16.8% |
| TOTAL | $2,640,033 | $637,266 | 24.1% |

These results show a wide variance with the budgeted amounts for 1984 which were as follows:

| Funding Source | Direct Expense | Indirect Cost | Ratio Indirect of Direct |
|---|---|---|---|
| INCAP Quotas, etc. | $ 393,432 | $106,568 | 27.1% |
| PAHO (OPS, OMS) | 918,985 | 191,365 | 20.8% |
| Grants, Other | 1,308,607 | 289,432 | 22.1% |
| TOTAL | $2,621,024 | $587,365 | 22.4% |

The indirect cost contribution generated by grant activity was $53,511 short of projections while the indirect expense exceeded the budgeted amount by $49,901. This combined shortfall in funding of $103,412 was absorbed by INCAP Quotas ($73,208) PAHO/WHO ($30,204). The $53,511 shortfall related to grant activity was not caused by lack of execution. The actual expenditures ($1,407,873) exceeded the budget amount ($1,308,607) by nearly one hundred thousand dollars. Rather the shortfall was caused by the fact that about 40% of the grant projects contributed a very low overhead rate, ranging from 0% to 14%.

This negative experience has prompted the leadership of INCAP to search for more predictable ways to fund its common service indirect costs. They have settled on two basic objectives:

1. Increase the direct program base by expanding grant funded activities;

2. Obtain agreement with donor agencies to contribute a higher fixed percentage of direct program costs to fund indirect charges.

The new ORT project has a provisional overhead rate of 30%. This rate was agreed upon based on a proposal by INCAP for a 36.5% rate and a study of INCAP indirect cost allocation procedures carried out by the ROCAP Controllers Office which suggested that recent INCAP experience of Indirect/Direct ratios settled around 31%.

At the same time, for the 1985 program budget, the proportion of grant projects which will contribute at the lower range of 0% to 14% has dropped from 40% of the total in 1984 to 15%. As the older donor agreements, which carried these lower rates (including ROCAP), come to an end, the average percentage contribution to finance indirect costs should increase.

B. Criteria for Establishing Overhead Rates at INCAP

Depending on the composition of the indirect cost centers and the size and definition of the direct cost base, the corresponding ratios can range widely. Using actual expenditure data for 1983 and 1984 and the 1985 program-budget for INCAP, the ratios range from 25% to 38%. Somewhere within this range lies an equitable rate. However, any rate will provide adequate funding of INCAP's budget only to the extent that it is applied across all funding sources. This then is the second criteria which needs to be examined.

1. Definition of Indirect Costs

In his letter to the Director of ROCAP of August 29, 1984, the Director of INCAP set forth a definition of indirect costs comprised of three elements as follows:

(a) -Central support divisions
-Building and Equipment Services
-Central Library
-Administrative Services

(b) -Administrative personnel not included in (a) above.

(c) -Equipment Replacement Fund.

There is a general consensus that the central support divisions are to be included. A summary of what they entail is as follows:

| | ($000) 1984 Expense | 1985 Budget |
|---|---|---|
| - Building and Equipment Services | | |
| Personnel (31 staff) | $133 | $142 |
| Overtime | | 3 |
| Travel | | 8 |
| Contracted Services 1/ | 2 | 150 |
| Operating Expenses 1/ | 149 | 65 |
| Supplies and Equipment | 17 | |
| Training | | 1 |
| | $301 | $369 |
| - Library | | |
| Personnel (7 staff) | 51 | 56 |
| Contracted Services | 10 | 5 |
| Operating Expense | 1 | 2 |
| Supplies and Equipment | 48 | 48 |
| | $110 | $111 |
| - Administrative Services 2/ | | |
| Personnel (17 staff) | $194 | $188 3/ |
| Travel | 2 | 5 |
| Contracted Services | - | 10 |
| Operating Expense | 16 | 17 |
| Supplies and Equipment | 18 | 16 |
| | $230 | $236 |
| - TOTAL (55 staff) | $641 | $716 |

1/ Total of operating expenses and contracted services increased by $64,000 from 1984 to 1985. This amount principally represents the cost of office remodulation to accommodate new staff to be hired under ORT project.

2/ Includes Accounting, Budgeting, Personnel, Procurement and Administrative Data Processing Units.

3/ Two new administrative posts to be added as result of expected added workload resulting from ORT Project are to be accomodated within this budgeted amount.

The second category of other administrative personnel is comprised of the following twenty-two posts:

| | | 1985 Budget |
|---|---|---|
| **Direction** | | |
| 1. | INCAP Director (50% of time) | $38,250 |
| 2. | Chief Administrator | 57,500 |
| | | $95,750 1/ |
| **Secretaries** | | |
| 1. | Director's Office | $10,000 |
| 2. | Administration Division | 8,100 |
| 3. | Information Unit | 9,900 |
| 4. | Information Unit | 9,700 |
| 5. | Planning Unit | 7,700 |
| 6. | Human Resources Division | 9,800 |
| 7. | Coordination of Technical Cooperation | 8,100 |
| 8. | Coordination of Research | 9,200 |
| 9. | Nutrition and Health Division | 8,600 |
| | | $81,100 |
| **Administrative Assistants** | | |
| 1. | Director's Office | $14,325 |
| 2. | Information Unit | 14,700 |
| 3. | Coordination of Human Resource Development | 11,900 |
| 4. | Coordination of Research | 11,400 |
| 5. | Agricultural Science Division | 11,200 |
| 6. | Nutrition and Health Division | 11,800 |
| 7. | Food and Nutrition Planning Division | 11,800 |
| 8. | Food and Nutrition Planning Division | 11,900 |
| | | $99,025 |
| **Others** | | |
| 1. | Chief, Document and Information Unit | $17,500 |
| 2. | Asst. Chief, Doc. and Information Unit | 14,900 |
| 3. | Editor/Translator, Doc. and Info. Unit | 14,200 |
| | | 46,600 |
| | T O T A L | $322,475 |

1/ PAHO Personnel

Whether or not to include this roster of administrative and support staff rests on the issue of to what degree the services they provide are common to all programs and conversely which positions are clearly identifiable with a particular program. The secretarial and administrative assistant positions located within the structure of the technical divisions and coordinating units fall within the latter category and should remain charged to their respective budgetary accounts. On the other hand, the personnel of the Information Unit, including the two secretaries and the administrative assistant provide services to all the technical divisions and therefore are more appropriately classified as part of the indirect cost pool.

The two positions of Director and Chief Administrative Officer present a special circumstance, for while their services to the Institute are surely administrative in part if not entirely, the incumbents are both members of the PAHO's staff and included on its payroll. Until such time as these two positions are converted to regular INCAP staff, under the rules, procedures and salary scales of the Institute, they will not form part of the indirect cost pool to be allocated to the programs. At the same time however, they should be classified as administrative and eliminated from the program base of providing direct services to the member states.

The third element suggested for inclusion in the indirect cost pool is an amount to fund equipment replacement. INCAP proposes to establish a separate fixed asset fund from which future acquisitions will be financed. This would be a highly desirable innovation which would provide for a planned schedule of fixed assets upgrading or replacement. This implies that cash would be physically separated from the general operating funds to assure future financing of equipment. In addition, program funding would not include line items for equipment other than very specialized equipment not usable in a general sense. Under these conditions, the equipment replacement element of indirect cost is acceptable.

2. Application of Indirect Costs to Programs and Projects

Applying the INCAP formula, the breakdown by funding source for the 1985 budget would be as follows:

## 1985 PROGRAM BUDGET

(In Thousands)

| | INCAP FUNDS | PAHO | WHO | GRANTS 1/ | TOTAL |
|---|---|---|---|---|---|
| Direct Costs | 446 | 729 | 165 | 2,154 | 3,494 |

Costs Centers

| | |
|---|---|
| Central Support (not included above) | 717 |
| Administrative Personnel - INCAP | 227 |
| Administrative Personnel -PAHO | 96 |
| Equipment Replacement (10% of current inventory) | 32 |
| | 1,072 |

| | | |
|---|---|---|
| Cost Centers | $1072 = | 30.7% |
| Program Costs | $3494 | |

As presented, there is an apparent duplication in the assignment of the "Administrative Personnel" of $227,000 and $96,000. These amounts, which are classified above in the indirect cost array, are in fact included in the Direct Costs array - $227,000 under INCAP and 96,000 under PAHO in the program budget. The same anomaly occurs in the 1986 projections presented on the following page.

1/ Includes ORT Project, excludes Food Assistance Project.

| | 1986 Estimates (In Thousands) | | | | |
|---|---|---|---|---|---|
| | INCAP FUNDS | PAHO | WHO | 1/ GRANTS | TOTAL |
| Direct Costs | 450 | 729 | 165 | 3,154 | 4,498 |

Cost Centers

| | |
|---|---|
| Central Support (12% increase over 1985) 2/ | 800 |
| Administrative Personnel - INCAP | 227 |
| Administrative Personnel - PAHO | 96 |
| Equipment Replacement | 32 |
| | 1,155 |

Cost Centers $\frac{\$1,155}{4,498} = 25.7\%$

1/ Assumes that the Food Assistance project comes on line in 1986 for an estimated $1 million and other grant activity continues at the 1985 rate.

2/ Assumes that INCAP has excess administrative capacity of physical plant and basic administrative systems.

If INCAP were to rectify this inconsistency by creating an additional cost center for these administrative personnel and purging them from the direct cost base, the formula would be more acceptable. Then, if the direct cost base was increased up to the previous dollar level through expansion of program activities the overhead rates as calculated would be appropriate. The obvious risk in such a move would be to have the entire indirect cost pool, in excess of $1 million and eighty staff members, entirely dependent on maintaining a program base in excess of $4 million. The implication to the donors of adopting this hypothetical arrangement for 1986, regarding the funding of indirect costs, would be as follows:

(In Thousands)

| Funding Source | Direct Programs | Indirect at 25.7% | Total Funding |
|---|---|---|---|
| INCAP Quotas | $ 450 | $ 115 | $ 565 |
| PAHO | 729 | 187 | 916 |
| WHO | 165 | 42 | 207 |
| Grants | 3,154 | 811 | 3,965 |
| TOTAL | $4,498 | $1,155 | $5,653 |

The weak link in this equation is the ability of INCAP to obtain agreement from all donors to contribute a standard overhead rate and their ability to cover any shortfalls with quota and miscellaneous income of their own. An inspection of experience to date will demonstrate that difficulty.

3. Overhead Rate Experience

Based on the pre-established overhead rate for projects carried out during 1984 INCAP was able to generate $235,920 of indirect cost charges on a base of $1,407,866 of direct costs, or an effective rate of 17%. Projections in the 1985 budget indicate that $523,683 will be generated on a base of $2,212,864, or an effective rate of 24%. This will materialize of course only to the extent that the programs are executed on a timely basis within 1985 and that no substantial portion is postponed to 1986. This shows improvement and indicates a hope that the effective overall rate can be increased to the minimum of 26.2% required for 1986. However, this improvement from 15% to 24% is generated almost entirely by the ROCAP-funded ORT project. If this project is removed from the schedule, the net change of the remaining projects, taken as a whole, is 1 point, a move from 17% to 18%, demonstrated as follows:

(In thousands)

| | Total Expense | Less Indirect Cost Allocation | Net Direct Charges | % of Indirect to Direct |
|---|---|---|---|---|
| Per Schedule 1 | $2,737 | $524 | $2,213 | 24% |
| Less ORT | 1,313 | 303 | 1,010 | 30% |
| Balance | $1,424 | $221 | $1,203 | 18% |

The ROCAP ORT project which carries a realistic 30% overhead rate, is a step in the right direction. However, other donors must agree to increase their proportions. The contributors with significantly lower rates are:

| | | |
|---|---|---|
| 1) | University of the United Nations | 14% |
| 2) | NAS | 16% |
| 3) | IDRC | 13% |
| 4) | Fellowship projects | 0% |

The first three should be required to raise their rates, or alternatively absorb administrative expenses equivalent to the shortfall, as direct program costs. IDRC apparently is doing so to some extent. The fourth should be charged standard rates to be funded by INCAP general funds if possible, or be dropped from the base and accounted for as a special category. The former is preferable in that all grants would be treated equally but it would require alloting regular INCAP income to these projects and the corresponding amount would not be available for INCAP-funded direct program costs. More simple and perhaps just as effective would be to drop fellowship projects from the base and account for them separately.

4. Alternative Definition of Indirect/Direct Ratio and Applications

The facts, figures and analysis presented in Section 2 above suggests that it may well be risky for INCAP to expand its indirect cost pool. By literally funding all administrative costs through indirect cost allocations,

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any future cutback in the service programs would require immediate cutbacks on the administrative side. Even though budget reductions in the technical projects may be cyclical or only temporary, the corresponding elimination of administrative posts may be very disruptive to the Institute's ability to manage its activities.

An alternative configuration is presented below which takes this concern into consideration, as well as allowing for some slippage in the consistent application of rates to all donors. There are five basic assumptions in this alternative:

a. The indirect cost pool would include:

- Central Support Divisions
- Equipment Replacement Fund
- Personnel costs of staff assigned to the Information Unit and the secretary to the Administrative Division

b. Salaries of Chief Administrative Officer and 50% of the Director continue to be funded directly by PAHO.

c. All other core administrative posts be fully funded by quota income.

d. That the costs associated in items a. to c. above be segregated from the costs of direct service to the countries by establishing an administrative fund.

e. For purposes of establishing an indirect cost rate, the direct program base will be reduced by the amount of fellowhip programs which traditionally have not been burdened with indirect costs. For illustrative purposes in the examples which appear below, this amount has been estimated to be $400,000 per annum.

5. Recommended Overhead Rate

Applying the above five criteria to the projected activity for 1985 and 1986, the resulting percentage overhead rates are 30% and 25% respectively. The rate which would result in applying the criteria to the actual figures for 1984 is 39%, which is a clear indication that INCAP in fact has had excess installed administrative capacity and by expanding its program base in 1985 and 1986 the overhead rate will drop. It is unclear as to how low this rate may drop, but excess administrative capacity will probably be all but used up once both the ORT and Food Assistance projects are fully

operational by 1986, and common service charges will rise at par, or even at an accelerated rate, compared to new program costs, and the overhead rate will probably not drop below 25%. Although, it is not possible to give an exact projection as to the mix of indirect and direct costs for either 1985 or 1986, the amounts used for calculations are very close approximations and it is not expected that the variance from the 30% overhead rate in 1985 or the 25% in 1986 will be more than 4 percentage points. The expected ranges would be as follows:

| | | | |
|---|---|---|---|
| 1985 | 26% | to | 34% |
| 1986 | 21% | to | 29% |

With reference to setting an overhead rate between ROCAP and the Institute, a provisional rate of 25% will be used for the Food Assistance Project with the understanding that this rate may vary to a maximum of 30% and a minimum of 21% during the course of project execution. The detailed Project Budget uses a 30% rate. At the closing of INCAP's books at year end, the actual rate will be calculated using the above criteria. A retroactive adjustment for indirect charges made against this ROCAP project will then be made as of December 31 of each year which will then become the provisional overhead rate in the following year.

6. Impact of Parallel Market on Overhead Rate

The Chief Administrative Officer of INCAP has stated to ROCAP that the books of record on the Institute will continue to be posted in U.S. dollars. All disbursements made in Quetzales will be converted to U.S. dollar equivalents at the current parallel market exchange rate then in effect during the month of any given transactions.

The impact of this procedure will be to record lower costs in U.S. dollar equivalents, assuming that the local inflation rate lags behind the currency devaluation rate. This is likely in the short term. Therefore, one would expect that both indirect and direct costs would be lower than currently projected, but that the relationship (overhead rate) would not substantially change. If anything, these potential savings could generate a superavit from INCAP's operations financed by quotas from the member states and serve to reinforce the Working Capital Reserve, Fund, which would be highly desirable.

## IV. Audits

As INCAP is progressively obtaining a greater degree of autonomy and responsibility to manage its financial management systems, the need for an audit function with the Institute, separate and apart from the PAHO audits, becomes greater. With the improvements made in 1984 with regards to the interchange of accounting transactions on a regular basis between PAHO Washington and INCAP Guatemala, INCAP accounting records are much more complete and have been kept on a current basis. As a result, INCAP has the capability to produce its own financial statements. In fact, the three basic financial statements -- Balance Sheet, Income and Expenses, and Grant Fund Receipts and Expenses -- have been prepared (in preliminary form) as of December 31, 1984 by INCAP personnel. This ability to prepare one's own financial statements is an essential step in preparing for a meaningful external audit.

What would be the advantage of INCAP contracting on external audit as opposed to the current PAHO arrangement? There would be two of major consequence:

1. A more detailed examination of supporting documentation would be likely, as well as an accumulation of understanding and knowledge of the Institute by the auditors as they repeated their examinations over the years.

2. A management review could (and should) be a byproduct of the strict auditing of the numbers. Such a management review would highlight deficiencies in policies and practiced procedures in a framework of internal control systems. This built-in annual review would promote further enhancements to INCAP's internal financial management.

Over time it is to be expected that INCAP will develop a set of financial statements which meet the reporting needs specific to the operations of the Institute as opposed to the general requirements of PAHO. This could include on-going monitoring statements of grant project activity so that these may be managed more closely.

INCAP will contract a local auditing firm to conduct annual financial audit and management reviews beginning with the year ending December 31, 1985 using funds allocated for indirect costs.

With regards to ROCAP's particular certification needs as to the appropriateness of the charges against AID grant funds, and in particular, the charges for indirect cost allocations, a more specific review of INCAP's records, at least in the initial two years of the ORT and Food Assistance projects, will be carried out. The focus of this review will be on

ascertaining the correctness of the overhead rate applied by INCAP, in accordance with the agreed-upon formula which will define the elements to be included both in the direct cost base and the indirect cost pool. A project funded accounting expert will be contracted to review INCAP's records in late January of each year, once the accounting records have been closed for the year. This expert will also provide an assessment of the provisional overhead rate to be used in the upcoming year based on the prior year's results and a review of the new year program budget. This task should be accomplished with approximately two to three weeks effort.

# I N C A P
## FORMULA FOR ESTABLISHING OVERHEAD RATE

A. Indirect Cost Pool

1. Administrative Services
2. Library
3. Building and Equipment Services
4. Information UNIT personnel posts as per attached list
5. Secretarial Post-Administration Division
6. Office furniture and equipment replacement at rate of 10% of inventory at historical cost.* Not to include scientific or laboratory equipment or other specific program related equipment.

B. Direct Cost Base

1. INCAP program costs defined as total budget currently at $446,000 less line 4 and 5 of indirect cost pool and less other core administrative personnel funded by quotas, principally being secretarial and administrative assistant posts in the various operational divisions.

2. PAHO total support less proportional cost of posts of two top positions occupied by PAHO employees which has been defined by INCAP to be 100% of the Chief Administrator posts, and 50% of the Director's post.

3. WHO project costs.

4. Grant and contributions less any program dedicated to fellowships.

C. Ratio

The overhead rate will be the simple percentage ratio between the Indirect Cost Pool and the Direct Cost Base as defined above.

$$\frac{\text{Indirect Cost Pool}}{\text{Direct Cost Base}} = \%\ \text{overhead rate.}$$

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* See attached representative list

# I N C A P

## OVERHEAD RATE FORMULA APPLIED TO 1985 PROGRAM BUDGET

### A. Indirect Cost Pool

| | | |
|---|---|---|
| 1. | Administrative Services | $ 236,363 |
| 2. | Library | 110,593 |
| 3. | Building Equipment Services | 369,332 |
| 4. | Information Unit | 66,000 |
| 5. | Secretarial Post Admin. | 8,100 |
| 6. | 10% x $320,000 | 32,000 |
| | | $ 822,388 |

### B. Direct Cost Base

| | | | |
|---|---|---|---|
| 1. | INCAP Program Cost | 446,110 | |
| | Less: 4 + 5 above | [74,100] | |
| | Less: Other Core Admin. Personnel (attached list) | [152,900] | 219,110 |
| 2. | PAHO Form support | 728,869 | |
| | Less: 50% Directors Post + 100% Chief Admin. Post | [96,000] | 632,869 |
| 3. | WHO - Projects | | 165,000 |
| 4. | Grants/Contributions | 2,154,526 | |
| | Less: Estimated Fellowships | (400,000 ) | 1,754,526 |
| | | | $2,771,505 |

### C. Overhead Ratio

$$\frac{\$822,388}{\$2,771,505} = 29.7\%$$

# I N C A P

## INFORMATION UNIT PERSONNEL INCLUDED IN OVERHEAD
## 1985 PROGRAM BUDGET

| Position | 1985 Budget |
|---|---|
| Chief, Document and Information unit | $ 17,500 |
| Administrative Assistant | 14,700 |
| Secretary 9,900 | |
| Secretary 9,700 | |
| Editor - Translator | 14,200 |
| TOTAL | $ 66,000 |

# I N C A P

## CORE ADMINISTRATIVE POSTS EXCLUDED FROM OVERHEAD
## 1985 PROGRAM - BUDGET

### Secretaries

| | | |
|---|---|---|
| 1. | Director's Office | $10,000 |
| 2. | Planning Unit | 7,700 |
| 3. | Human Resources Division | 9,800 |
| 4. | Coordination of Technical Cooperation | 8,100 |
| 5. | Coordination of Research | 9,200 |
| 6. | Nutrition and Health Division | 8,600 |
| | | $53,400 |

### Administrative Assistants

| | | |
|---|---|---|
| 1. | Director's Office | $14,625 |
| 2. | Coordination of Human Resource Development | 11,900 |
| 3. | Coordination of Research | 11,400 |
| 4. | Agricultural Science Division | 11,200 |
| 5. | Nutrition and Health Division | 11,800 |
| 6. | Food and Nutrition Planning Division | 11,800 |
| 7. | Food and Nutrition Planning Division | 11,900 |
| 8. | Food and Nutrition Planning Division | 14,900 |
| | | 99,525 |
| | T O T A L | $152,925 |

# I N C A P
## OFFICE FURNITURE AND EQUIPMENT INVENTORY
## REPRESENTATIVE CATEGORIES
## AT JANUARY 1, 1985

| | Estimated Quantity | Cost |
|---|---|---|
| Typewiters | 30 | 45,000 |
| Photocopiers | 8 | 25,000 |
| Vehicles 1/ | 3 | 30,000 |
| Computer Equipment | | |
| Computer Center | | |
| Administrative Compute: | | 75,000 |
| Word Processing | | 30,000 |
| Maintenance | | 25,000 |
| Basic Office Furniture | | 30,000 |
| Telephone System | | 30,000 |
| Laundry Equipment | | 15,000 |
| Maintenance Equipment | | 15,000 |
| TOTAL | | $320,000 |

1/ Total number of vehicles is 9, 6 of which replacement funding will be generated by usage charges.

## DETAILED BUDGET BY PROJECT COMPONENTS

### I. PLANNING AND COORDINATION

**A.** Subregional Technical Advisory Committee (STAC)

| | | |
|---|---|---|
| 1. | 6 meetings, 14 participants each, Travel and per diem each participant = $990 | US$ 83,160 |
| 2. | Operational expenses ($200 each meeting) | 1,200 |
| 3. | Supplies ($800 each meeting) | 4,800 |
| | Subtotal subcomponent A | US$ 89,160 |

**B.** Task forces

| | | |
|---|---|---|
| 1. | 16 meetings, 6 participants each. Travel and per diem each participant = $1,000 | US$ 96,000 |
| 2. | Operational expenses ($200 each TF) | 3,200 |
| 3. | Supplies ($1,200 each TF) | 19,200 |
| 4. | Visual aid ($600 each TF) | 9,600 |
| | Subtotal subcomponent B | 128,000 |
| | TOTAL component I | US$ 217,160 |

### II. SUBREGIONAL TRAINING

**A.** Subregional Seminars

| | | |
|---|---|---|
| 1. | 3 meetings, 40 participants each. Travel and per diem each participant =$1,080 | US$ 129,600 |
| 2. | Operational expenses ($500 each meeting) | 1,500 |
| 3. | Supplies ($3,500 each meeting) | 10,500 |
| 4. | Visual aids ($2,000 each meeting) | 6,000 |
| | Subtotal subcomponent A | US$ 147,600 |

B. Subregional Workshop and Courses

1. Food assistance for displaced persons or emergency situations (one workshop/2 weeks)

| | | |
|---|---|---|
| a. Consultants: expert on management of emergency FAP (2 weeks) and expert of management of FAP's for displaced persons (2 weeks) | US$ | 10,000 |
| b. Scholarships, 24 participants ($1,100 each) | | 26,400 |
| Subtotal activity B.1 | US$ | 36,400 |

2. Identification and design of FAP (2 courses/ 2 weeks each)

| | | |
|---|---|---|
| a. Consultants: two experts on formulation and design of social development programs (6 weeks) | US$ | 9,600 |
| b. Scholarships - 24 participants each course ($1,050 each) | | 50,400 |
| Subtotal activity B.2 | US$ | 60,000 |

3. Management of food aid programs (3 courses/ 2 weeks each)

| | | |
|---|---|---|
| a. Consultants: two experts on management of food assistance programs (6 weeks) | US$ | 9,600 |
| b. Scholarships - 24 participants each course ($1,100 each) | | 79,200 |
| Subtotal activity B.3 | US$ | 88,800 |

4. Food management and preservation in FAP (2 courses/2 weeks each)

| | | |
|---|---|---|
| a. Consultants: expert on food handling and storage (3 weeks) | US$ | 4,800 |
| b. Scholarships - 24 participants each course ($1,100 each) | | 52,800 |
| Subtotal activity B.4 | US$ | 57,600 |

| | | |
|---|---|---|
| 5. | Techniques and methodologies to FAP for food and nutrition education for food assistance programs (2 courses/6 weeks each) | |
| | a. Consultants: 2 experts on educational methodologies (6 weeks) | US$ 9,600 |
| | b. Tuition - 24 participants each course ($2,150 each) | 103,200 |
| | Subtotal activity B.5 | US$ 112,800 |
| 6. | Information and evaluation systems (2 courses/4 weeks each) | |
| | a. Consultants: expert on information systems (3 weeks) | US$ 4,800 |
| | b. Scholarships - 30 participants each course | 102,000 |
| | Subtotal activity B.6 | US$ 106,800 |
| | Subtotal subcomponent B | US$ 462,400 |
| C. | Observational site visits 30 trips, $2,000 each | US$ 60,000 |
| | Subtotal subcomponent C | 60,000 |
| | TOTAL component II | US$ 670,000 |
| III. | TECHNICAL ASSISTANCE | |
| 1. | International travel, 360 weeks, $990 each | US$ 356,400 |
| 2. | Local travel in member countries | 34,500 |
| | TOTAL component III | US$ 390,900 |
| IV. | OPERATIONS RESEARCH | |
| A.1 | Evaluation of FAP Operations Institutional Capacity and Food Utilization at the Household Level (4 prog. in each of 2 countries) | |

| | | |
|---|---|---|
| 1. Field personnel (22 months - director) | US$ | 28,800 |
| 2. Consultants: expert in process evaluation (6 weeks) | | 20,000 |
| 3. Local travel | | 71,600 |
| 4. Contractual services - country level:<br>-8 man technical team (9 months each, $600/m = $43,200)<br>-4 food loss surveyors (18 mo. each, $300/m = $21,600)<br>-6 household enumerators (12 mo. each $300/m = $21,600)<br>-Other contractual services ($12,000) | | 98,400 |
| 5. Computer services | | 35,000 |
| 6. Operational expenses | | 2,000 |
| 7. Supplies | | 77,000 |
| Subtotal subcomponent A.1 | US$ | 332,800 |

A.2 Cost Effectiveness of FAP (5 countries)

| | | |
|---|---|---|
| 1. Consultants: Expert on cost effectiveness analysis (4 weeks) | US$ | 10,000 |
| 2. International travel (6 trips) | | 6,000 |
| 3. Contractual services:<br>-1 financial analyst (12 mo. $1,250/m = $15,000)<br>-5 surveyors (10 mo. $300/m = $15,000)<br>-Other contractual services ($500) | | 30,500 |
| 4. Computer services | | 5,000 |
| 5. Operational expenses | | 1,000 |
| 6. Supplies | | 2,000 |
| Subtotal subcomponent A.2 | US$ | 54,500 |

A.3 Defining Technical Basis for MCM Feeding Programs (1 country)

| | | |
|---|---|---|
| 1. Personnel: Research analyst (16 mo. $625/m) | US$ | 10,000 |
| 2. Local travel | | 3,400 |
| 3. Contractual services<br>-3 surveyors (12 mo. $300/m = $10,800)<br>-Other contractual services ($4,900) | | 15,700 |
| 4. Computer services | | 17,500 |
| 5. Operational expenses | | 400 |
| 6. Supplies | | 3,600 |
| Subtotal subcomponent A.3 | US$ | 50,600 |
| A.4 Design and Testing of Simple Information and Evaluation Systems for National Food Aid Programs (5 countries) | | |
| 1. Local travel | US$ | 13,000 |
| 2. Contractual services | | 52,300 |
| -1 systems analyst (6 m/$1,250= $7,500) | | |
| -Other field contractual services $44,800 | | |
| 3. Computer services | | 4,000 |
| 4. Operational expenses | | 1,000 |
| 5. Supplies | | 5,000 |
| Subtotal subcomponent A.4 | US$ | 75,300 |
| B.1 Food, Nutrition and Socioeconomic Impacts of Maternal and Child Food Aid Programs Participant Families (1 country) | | |
| 1. Personnel | US$ | 91,271 |
| -Field director (43m= $65,573)<br>-Secretary (41m=$25,698) | | |
| 2. Local travel | | 42,373 |

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| | | |
|---|---|---|
| 3. | Contractual services | 151,791 |
| | -Social anthropologist (6m = $6,250)<br>-Surveyors (406m = $133,000)<br>-Research analyst (12 m = $5,600)<br>-Other contractual services $6,941 | |
| 4. | Computer services | 34,800 |
| 5. | Operational expenses | 16,800 |
| 6. | Supplies | 10,470 |
| 7. | Visual aid and reproduction | 2,000 |
| 8. | Equipment | 2,000 |
| | Subtotal subcomponent B.1 | US$ 351,505 |
| C.1 | Case Study: Analysis of the Operation of Food Assistance Progrms for Displaced Populations | |
| 1. | Consultants: expert on evaluation of emergency programs and on programs for displaced families | US$ 10,000 |
| 2. | Computer services | 5,000 |
| | Subtotal subcomponent C.1 | US$ 15,000 |
| | TOTAL component IV | US$ 879,705 |
| V. | TECHNICAL AND SCIENTIFIC INFORMATION | |
| 1. | Operational expenses | US$ 7,440 |
| 2. | Supplies | 33,470 |
| 3. | Visual aids and reproduction | 33,470 |
| | TOTAL component V | US$ 74,380 |

## VI. MANAGEMENT AND EVALUATION

### A. Management

| | | |
|---|---|---|
| 1. Personnel | US$ | 1,244,100 |
| -Management expert - regular programs (54 m/$157,100)<br>-Management expert - emergency programs (42 m/$125,400)<br>-Logistics specialist (36 m/$110,900)<br>-Education and training coordinator (54 m/ $157,100<br>-Management information specialist (42 m/ $88,200)<br>-Epidemiologist (54 m/$157,100)<br>-Food management specialist (42 m/$125,400)<br>-Technical information expert (60 m/$120,400<br>-Project management logistics (60 m/$99,500)<br>-Secretary (2 1/2) (150 m/$103,000) | | |
| 2. Consultants | | 49,500 |
| -Epidemiologist (4 m/$16,500)<br>-Expert on management of regular FAP (4 m/ $16,500)<br>-Expert on in-service training (4 m/$16,500) | | |
| 3. Travel<br>-INCAP's staff training ($5,000/year) | | 25,000 |
| 4. Operational expenses | | 15,000 |
| 5. Supplies | | 20,000 |
| 6. Visual aids and reproduction | | 15,000 |
| 7. Equipment | | 15,000 |
| Subtotal subcomponent A | US$ | 1,383,600 |

### B. Evaluation

| | | |
|---|---|---|
| 1. Consultants | US$ | 30,000 |

| | |
|---|---|
| -Expert on process evaluation (4 w/ $10,000) | |
| -Expert on evaluation of FAP (4 w/ $10,000) | |
| -Expert on management of FAP (4 w/ $10,000 | 12,000 |
| 2. Travel | |
| -Consultant's evaluation trips to Central America | |
| 3. Contractual services | 10,000 |
| 4. Computer services | 6,100 |
| Subtotal subcomponent B | US$ 58,100 |
| TOTAL component VI | US$ 1,441,700 |
| VII. Others | |
| A. INCAP Indirect Costs (30% x ($3674 - 414 in scholarships = $978,000) | US$ 978,000 |
| B. U.S. Technical Assistance | 560,000 |
| C. Contingencies and Inflation | 388,200 |
| TOTAL PROJECT | US$ 5,600,000 |

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TECHNICAL SUPPORT FOR FOOD ASSISTANCE
Calculation of Inflation Factor

| Year | Total Direct Costs | Less Core Staff 1/ | Net | Inflation Factor 2/ | Inflation Amount |
|---|---|---|---|---|---|
| 1 | $ 869,192 | $ 234,300 | $ 634,892 | 5.0% | $ 31,745 |
| 2 | 875,376 | 253,750 | 621,626 | 10.25 | 63,717 |
| 3 | 779,336 | 304,050 | 475,286 | 15.375 | 73,075 |
| 4 | 736,780 | 270,750 | 66,030 | 21.125 | 78,449 |
| 5 | 413,161 | 191,250 | 221,911 | 27.175 | 60,304 |
| TOTAL | 3,673,845 | 1,254,100 | 2,419,745 | 13.525 3/ | 327,290 |

1/ Core Staff Salaries include annual ingrade step increases plus 5% increase per year.

2/ Compounded 5% per annum.

3/ Average against 5 year total.

## INCAP'S CONTRIBUTION TO THE PROJECT TO PROVIDE TECHNICAL SUPPORT FOR FOOD ASSISTANCE PROGRAMS IN CENTRAL AMERICA AND PANAMA

| | | | |
|---|---|---|---|
| I. | PERSONNEL | | US$ 633,900 |
| | A. Direction | | US$ 67,000 |
| | 1. INCAP - Director | L.O. Angel (10% - 5y) | 38,000 |
| | 2. INCAP - Administrator | J. Bejarano (15% 5y) | 29,000 |
| | B. Technical | | US$ 455,000 |
| | 1. Project coordinator | M.T. Menchú (100% - 5y) | 151,500 |
| | 2. Operations research project component: | M. Molina (20% - 5y) | 37,000 |
| | | M. Palmieri (20% - 5y) | 16,000 |
| | | M. Immink (20% - 5y) | 40,500 |
| | | R. Sibrián (20% - 5y) | 27,500 |
| | | V. Valverde (20% - 5y) | 36,000 |
| | | H. Delgado (10% - 5y) | 17,000 |
| | 3. Program support: | | |
| | a. Education and training | C. Bruña (10% - 5y) | 11,000 |
| | b. Food and nutrition education | A. Praun (15% - 5y) | 15,000 |
| | c. Information and dissemination | M. Fischer (25% - 5y) | 20,000 |
| | d. Technical assistance coordination | A. Noguera (20% - 5y) | 37,800 |
| | e. Food biochemist | L. Elías (10% - 5y) | 16,700 |
| | f. Inmunologist/ microbiologist | J. Cruz (10% - 5y) | 14,000 |
| | g. Biochemist | L. Mejía (10% - 5y) | 15,000 |
| | C. Administrative support | | US$ 111,900 |
| | 1. Administrative assistant | (to be hired) (100% - 5y) | 99,500 |
| | 2. Secretary | M.Y. Lara (10% - 5y) | 6,600 |
| | 3. Secretary | A.B. Calderón (15% - 5y) | 5,800 |
| II. | COMPUTER SERVICES | | US$ 30,000 |
| | Data bank | | 30,000 |
| III. | OPERATIONAL EXPENSE | | US$ 6,000 |
| | Maintenance of office equipment | | 6,000 |

| | | |
|---|---|---|
| IV. | EQUIPMENT | |
| | Laboratory equipment | US$ 30,000 |
| | | 30,000 |
| | Sub-total | US$ 699,900 |
| | Common Services 30% | US$ 209,970 |
| | TOTAL | US$ 909,870 |

## COUNTRIES' COUNTERPART TO THE PROJECT DETAILED BY COMPONENTS*

| | | | |
|---|---|---|---|
| I. | PLANNING AND COORDINATION | | US$ 32,760 |
| | 6 STAC (10 p/countries) | 6 m. x 10 p. x 5 d. x $42 | 12,600 |
| | 16 TF (6 p/countries) | 16 m. x 6 p. x 5 d. x $42 | 20,160 |
| II. | TRAINING | | US$ 216,720 |
| | 3 subregional seminars (40 p/countries) | 3 s. x 40 p. x 5 d. x $42 | 25,200 |
| | 1 workshop FP/Emergency (24 p./2 s.) | 24 p. x 10 d. x $42 | 10,080 |
| | 2 courses FP Formulation (24 p./2 s.) | 2 c. x 24 p. x 10 d. x $42 | 20,160 |
| | 3 courses Management Admin. FP (24 p./2 s.) | 3 c. x 24 p. x 10 d. x $42 | 30,240 |
| | 2 courses Food Handling (24 p./2 s.) | 2 c. x 24 p. x 10 d. x $42 | 20,160 |
| | 2 courses Educational Methodologies (24 p./ 6 s.) | 2 c. x 24 p. x 30 d. x $42 | 60,480 |
| | 2 courses Information and Evaluation Systems (30 p./4 s.) | 2 c. x 30 p. x 20 d. x $42 | 50,400 |
| III. | TECHNICAL ASSISTANCE | | US$ 151,200 |
| | 360 weeks of direct technical assistance have been programmed for the participating countries; an average of 2 national technicians as counterparts is estimated for that period | 2 p. x 360 s. x 5 d. x $42 | US$ 151,200 |

* An average annual salary of $10,080/per year for national technicians and 240 working days were estimated ($42/work day)

Code: m - meetings; p. - persons; d. - days; c. - courses; s. - seminars

## BUDGET DETAIL FOR PROJECT PERSONNEL BY YEAR AND CATEGORY OF PERSONNEL

| | First Year | Second Year | Third Year | Fourth Year | Fifth Year | Total |
|---|---|---|---|---|---|---|
| 1. CORE PROJECT STAFF | 308,400 | 288,150 | 323,650 | 280,550 | 221,250 | 1,422,000 |
| A. Technical | 216,300 | 234,000 | 283,300 | 249,000 | 158,500 | 1,141,000 |
| 1. Management expert-regular programs (IN 14) | 24,100 | 29,900 | 35,400 | 31,000 | 36,700 | 157,100 |
| 2. Management expert-emergency programs (IN 14) | 24,100 | 29,900 | 35,400 | 36,000 | -- | 125,400 |
| 3. Logistics specialist (IN 14) | 24,100 | 29,900 | 35,400 | 21,500 | — | 110,900 |
| 4. Education and training coordinator (IN 14) | 24,100 | 29,900 | 35,400 | 31,000 | 36,700 | 157,100 |
| 5. Management information specialist (IN 13) | 19,000 | 19,200 | 24,700 | 25,300 | — | 88,200 |
| 6. pidemiologist (IN 14) | 24,100 | 29,900 | 35,400 | 31,000 | 36,700 | 157,100 |
| 7. Food Management expert (IN 14) | 24,100 | 29,900 | 35,400 | 36,000 | — | 125,400 |
| 8. Technical information expert (IN 13) | 28,200 | 19,700 | 25,200 | 20,800 | 26,500 | 120,400 |
| 9. Program management-logistics (IN 12) | 24,500 | 15,700 | 21,000 | 16,400 | 21,900 | 99,500 |
| B. Project Support | 18,000 | 19,750 | 20,750 | 21,750 | 32,750 | 113,000 |
| 1. 2-1/2 Secretary (IN 8) | 18,000 | 19,750 | 20,750 | 21,750 | 22,750 | 103,000 |
| 2. Contractual Services | — | — | — | — | 10,000 | 10,000 |
| C. Shorterm Consultants | 74,100 | 34,400 | 19,600 | 9,800 | 30,000 | 167,900 |
| 1. FIELD BASED RESEARCH STAFF | 161,546 | 126,100 | 95,060 | 94,461 | 1,595 | 478,762 |
| A. Project A.1 | 66,400 | 14,800 | — | 46,000 | — | 127,200 |
| 1. Field director | 12,000 | 7,200 | — | 9,600 | — | 28,800 |
| 2. Technical team (8) | 28,800 | — | — | 14,400 | — | 43,200 |
| 3. Food loss surveyors | 10,800 | 3,600 | — | 7,200 | — | 21,600 |
| 4. Household enumerators | 10,800 | — | — | 10,800 | — | 21,600 |
| 5. Contractual services | 4,000 | 4,000 | — | 4,000 | — | 12,000 |
| B. Project A. 2 | — | 23,500 | 7,000 | — | — | 30,500 |
| 1. Financial analyst | — | 11,250 | 3,750 | — | — | 15,000 |
| 2. Surveyors (5) | — | 12,000 | 3,000 | — | — | 15,000 |
| 3. Contractual services | — | 250 | 250 | — | — | 500 |

| | First Year | Second Year | Third Year | Fourth Year | Fifth Year | Total |
|---|---|---|---|---|---|---|
| Project A. 3 | 9,400 | 8,700 | 7,600 | — | — | 25,700 |
| 1. Research analyst | 7,500 | — | 2,500 | — | — | 10,000 |
| 2. Surveyors (3) | — | 7,200 | 3,600 | — | — | 10,800 |
| 3. Contractual services | 1,900 | 1,500 | 1,500 | — | — | 4,900 |
| Project A.4 | 49,900 | 2,400 | — | — | — | 52,300 |
| 1. System analyst | 7,500 | — | — | — | — | 7,500 |
| 2. Contractual services | 42,400 | 2,400 | — | — | — | 44,800 |
| Project B.1 | 35,846 | 76,700 | 80,460 | 48,461 | 1,595 | 243,062 |
| 1. Field director | 13,750 | 18,000 | 18,900 | 14,923 | — | 65,573 |
| 2. Research analyst | — | — | — | 5,600 | — | 5,600 |
| 3. Surveyors | 12,000 | 50,000 | 52,500 | 18,500 | — | 133,000 |
| 4. Social antropologist | 6,250 | — | — | — | — | 6,250 |
| 5. Contractual services | 846 | 1,500 | 1,500 | 1,500 | 1,595 | 6,941 |
| 6. Secretary | 3,000 | 7,200 | 7,560 | 7,938 | — | 25,698 |
| TOTAL | 469,946 | 414,250 | 418,710 | 375,011 | 222,845 | 1,900,762 |

# IMPLEMENTATION PLAN

| ACTIVITY | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---|---|---|---|---|---|---|
| PHASE I: PROJECT PLANNING AND PROMOTION | | | | | | |
| 1. Develop detailed first year project plan and submit to ROCAP for approval. | X | | | | | |
| 2. Organization of Project Advisory Committee (INCAP) | X | | | | | |
| 3. Discuss project with principal donors | X | | | | | |
| 4. Trips to participating countries for project promotion, organization, and planning with national institutions and donor agency representatives. | | | | | | |
| 5. Contract project short time consultants. | | | | | | |
| 6. Organization of regional clearinghouse on food aid programs. | | | | | | |
| 7. Organization of country documentation centers on food aid programs. | | | | | | |
| 8. Develop detailed operations research protocols. | | | | | | |
| 9. Organization of first task forces. | | | | | | |
| 10. Organization of first regional seminar. | | | | | | |
| 11. Organization of Scientific and Technical Advisory Committee (STAC) | | | | | | |
| 12. Develop detailed First Annual Technical Assistance Plan for participating countries. | | | | | | |

# IMPLEMENTATION PLAN

| ACTIVITY | 1985 | | 1986 | | 1987 | | 1988 | | 1989 | | 1990 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| PHASE 2: PROJECT IMPLEMENTATION (By components and principal activities) | | | | | | | | | | | |
| I. PLANNING AND COORDINATION | | | | | | | | | | | |
| A. Meetings of Scientific and Technical Advisory Committee | X | X | | X | | X | | X | | X | |
| B. Meetings of Subregional Task Forces | | | | | | | | | | | |
| 1. National food aid program strategies (July 85, 86, 88) (3) | X | | X | | | | X | | | | |
| 2. Identification and design of food aid programs (March 86) (4) | | X (4) | | | | | | | | | |
| 3. Organization and management of food aid programs (Aug. 86) (4) | | | X (4) | | | | | | | | |
| 4. Maternal child feeding program technical norms (Feb. 88) (1) | | | | | | X | | | | | |
| 5. Evaluation of food aid programs (March 87, 88, 89) (3) | | | | X | | | | | | | |
| 6. Food management in food aid programs (May 87) (1) | | | | | X | | | | | | |
| C. Meetings of Donors and Intermediary Agencies | | | | | | | | | | | |
| - Country level (2 or 3 each year) | | | | | | | | | | | |
| - Subregional level (Nov. 85, Feb. 87, 88, 89, 90) (5) | | X | | X | | X | | X | | X | |

# IMPLEMENTATION PLAN

| ACTIVITY | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---|---|---|---|---|---|---|
| II. TRAINING | | | | | | |
| A. Subregional Seminars (Oct. 85, Oct. 87, March 90) (3) | X | | X | | | X |
| B. Subregional Courses/Workshops | | | | | | |
| 1. Feeding assistance for displaced persons and for emergency situation (Feb. 87) | | | X | | | |
| 2. Identification and design of food aid programs (May 86, April 87) | | X | X | | | |
| 3. Organization and management of food aid programs (Sept.86, Sept.88, Sept.89) | | X | | X | X | |
| 4. Food management and preservation in food aid programs (Aut. 87, Aug. 89) | | | X | | X | |
| 5. Techniques and methodologies for food aid program education activities (Nov. 86, Feb. 88) | | X | | X | | |
| 6. Information and evaluation systems for food aid programs (May 87, May 89) | | | X | | X | |
| C. Observational Site Visits | | | | | | |
| 30 trips for directors and managers of food aid programs (10/year) | | | | | | |
| III. TECHNICAL ASSISTANCE | | | | | | |
| Technical assistance to member countries (360 weeks in country) | | | | | | |

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# IMPLEMENTATION PLAN

| ACTIVITY | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---|---|---|---|---|---|---|
| IV. DISSEMINATION OF SCIENTIFIC AND TECHNICAL INFORMATION | | | | | | |
| A. Acquisition and identification of bibliographic material and its classification. | | | | | | |
| B. Establishment of country clearinghouses. | | | | | | |
| C. Identification of users and elaboration of users' list | | | | | | |
| D. Provision of documentation. | | | | | | |
| V. DEVELOPMENT AND TESTING OF METHODOLOGICAL GUIDELINES | | | | | | |
| A. General guidelines for developing national strategies for use of food aid in social and economic development programs. (1) | | | | | | |
| B. Guidelines for design food aid programs (4) | | | | | | |
| C. Guidelines for organization and management of food aid programs (4) | | | | | | |
| D. Guidelines for elaboration of manuals of technical norms and procedures for food aid programs (1) | | | | | | |
| E. Guidelines for planning and development of food and nutrition education activities in food aid programs (1) | | | | | | |

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IMPLEMENTATION PLAN

| ACTIVITY | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---|---|---|---|---|---|---|
| F. Guidelines for management, preservation and storage of food commodities (1) | | | | | | |
| G. Guidelines for setting up information evaluation systems for food aid programs (1) | | | | | | |
| H. Guidelines for beneficiaries selection and monitoring in MCH feeding programs. | | | | | | |
| I. General guidelines for process and impact evaluations of MCH feeding programs. | | | | | | |
| J. Methodology for carrying out institutional and operational assessment on food aid programs (1). | | | | | | |
| K. Methodology for carrying out assessment of food and nutrition situation of displaced persons and emergencies (1). | | | | | | |
| L. Simplified methodologies for carrying out household commodities use and acceptance studies (1). | | | | | | |
| M. Simplified methodology for carrying out cost effectiveness studies of food aid programs (1). | | | | | | |

# IMPLEMENTATION PLAN

| ACTIVITY | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---|---|---|---|---|---|---|
| VI. OPERATION RESEARCH AND EVALUATION STUDIES | | | | | | |
| A. Evaluation of Food Aid Program Operations: Institutional Capacity and Food Utilization by the Household (4 prog. 2 countries) | | | | | | |
| 1. Peer group review of research protocols. | X | | | | | |
| 2. Assessment phase. | — | | | | | |
| 3. Preparation of reports and guidelines. | | | | | | |
| 4. Feedback adjustment of recommendations. | | | | | | |
| 5. Evaluation phase. | | | | | | |
| B. Cost Effectiveness of Food Aid Programs (5 countries) | | | | | | |
| 1. Peer group review of research protocols | | X | | | | |
| 2. Design phase. | | | | | | |
| 3. Data collection phase. | | | | | | |
| 4. Analysis phase. | | | | | | |
| C. Defining Technical Basis for Maternal Child Feeding Programs, Technical Norms (one country) | | | | | | |
| 1. Peer group review of research protocols. | X | | | | | |
| 2. Analyses of data files from longitudinal studies. | | | | | | |
| 3. Prospective study. | | | | | | |
| 4. Preparation of reports and guidelines. | | | | | | |

# IMPLEMENTATION PLAN

| ACTIVITY | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---|---|---|---|---|---|---|
| D. Design and Testing of Simple Information and Evaluation System for Food Aid Programs (5 countries) | | | | | | |
| 1. Peer group review of research protocols. | X | | | | | |
| 2. Review of data needed and data resources. | | | | | | |
| 3. Design, testing and monitoring of simple information models. | | | | | | |
| 4. Adjustments of models and preparation of final report. | | | | | | |
| E. Food, Nutrition and Socio-economic Impact on Participant Families of Maternal Child Care Program (one country) | | | | | | |
| 1. Peer group review research protocols. | | X | | | | |
| 2. Setting up of field infrastructure for the study. | | | | | | |
| 3. Socioeconomic and nutrition data collection. | | | | | | |
| 4. Analysis of results and preparation of final report. | | | | | | |
| F. Case Study: Analysis of Operations of the Food Assistance Programs for Displaced Persons in El Salvador | | | | | | |
| 1. Peer group review research protocol. | | X | | | | |
| 2. Data collection. | | | | | | |
| 3. Preparation report. | | | | | | |

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# IMPLEMENTATION PLAN

| ACTIVITY | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---|---|---|---|---|---|---|
| VII. PROJECT ADMINISTRATION AND CONTROL | | | | | | |
| A. Annual work plans and budget. | | | | | | |
| B. Quarterly reports. | | | | | | |
| C. Annual reports. | | | | | | |
| D. Reports of regional workshops, seminars and meetings. | | | | | | |
| E. Research reports. | | | | | | |
| F. Guideline documents. | | | | | | |
| G. Project evaluation reports. | | | | | | |
| Phase 3: PROJECT EVALUATION | | | | | | |
| I. Administration, evaluation and reports | | | | | | |
| II. Regional meetings. | | | | | | |
| III. ROCAP/INCAP Evaluations. | | X | | X | | X |
| IV. Final project evaluation study | | | | | | |
| V. Final project report. | | | | | | |

1783g - p.14-21

# PROCUREMENT PLAN: COMMODITIES LIST

1. Word Processing Equipment ($15,000):

   1 IBM PCs with appropriate software, ancilary hardware and printer.

2. Office equipment for field research center ($2,000):

   - Furniture (tables, chairs desks, etc.)
   - File cabinet
   - Office equipment (typewriters)

PD - AAR-396
ISN 40877

UNCLASSIFIED

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D. C. 20523

ROCAP

**PROJECT PAPER**

TECHNICAL SUPPORT FOR FOOD

ASSISTANCE PROGRAMS

AID/LAC/P-225

Project Number: 596-0116

UNCLASSIFIED

AGENCY FOR INTERNATIONAL DEVELOPMENT

# PROJECT DATA SHEET

1. TRANSACTION CODE: A (A = Add, C = Change, D = Delete) — Amendment Number _____

DOCUMENT CODE: 3

2. COUNTRY/ENTITY: RCCAP

3. PROJECT NUMBER: 596-0116

4. BUREAU/OFFICE: Latin America and the Caribbean — 05

5. PROJECT TITLE (maximum 40 characters): Tech.Support for Food Assistance Progs.

6. PROJECT ASSISTANCE COMPLETION DATE (PACD): MM 03 DD 31 YY 90

7. ESTIMATED DATE OF OBLIGATION (Under 'B.' below, enter 1, 2, 3, or 4)

A. Initial FY 84 Supp. B. Quarter ☐ C. Final FY 86

8. COSTS ( $000 OR EQUIVALENT $1 = )

| A. FUNDING SOURCE | FIRST FY 84 Supp. B. FX | C. L/C | D. Total | LIFE OF PROJECT E. FX | F. L/C | G. Total |
|---|---|---|---|---|---|---|
| AID Appropriated Total | | | | | | |
| (Grant) | ( 1,700 ) | ( --- ) | ( 1,700 ) | ( 5,600 ) | ( --- ) | ( 5,600 ) |
| (Loan) | ( ) | ( ) | ( ) | ( ) | ( ) | ( ) |
| Other U.S. 1. | | | | | | |
| Other U.S. 2. | | | | | | |
| Host Country | | 280 | 280 | | 1,443 | 1,443 |
| Other Donor(s) | | | | | | |
| TOTALS | 1,700 | 280 | 1,980 | 5,600 | 1,443 | 7,043 |

9. SCHEDULE OF AID FUNDING ($000)

| A. APPROPRIATION | B. PRIMARY PURPOSE CODE | C. PRIMARY TECH. CODE 1. Grant | C. 2. Loan | D. OBLIGATIONS TO DATE 1. Grant | D. 2. Loan | E. AMOUNT APPROVED THIS ACTION 1. Grant | E. 2. Loan | F. LIFE OF PROJECT 1. Grant | F. 2. Loan |
|---|---|---|---|---|---|---|---|---|---|
| (1) PH | 380 | 330 | | --- | | 1,700 | | 5,600 | |
| (2) | | | | | | | | | |
| (3) | | | | | | | | | |
| (4) | | | | | | | | | |
| TOTALS | | | | --- | | 1,700 | | 5,600 | |

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each): 340 | 320 | 520

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

| A. Code | BR | BU | R/H | NUTR | PART | TNG | |
|---|---|---|---|---|---|---|---|
| B. Amount | | | | | | | |

13. PROJECT PURPOSE (maximum 480 characters)

To improve the effectiveness of food assistance activities in the Central America and Panama region by helping to establish effective national coordination mechanisms and strengthening the technical, managerial and evaluation capabilities of INCAP and national public and private agencies.

14. SCHEDULED EVALUATIONS

Interim MM 04 YY 86 MM 04 YY 88 Final MM 10 YY 89

15. SOURCE/ORIGIN OF GOODS AND SERVICES: ☒ 000 ☐ 941 ☐ Local ☐ Other (Specify) _____

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)

17. APPROVED BY

Signature: 1. [signature] Acting 2. [signature]

Title: 1. Controller 2. Acting Director

Date Signed: MM 03 DD 28 YY 85

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION: MM DD YY

AID 1330-4 (8-79)

# Project Authorization

Name of Entity : Nutrition Institute for Central America and Panama (INCAP).

Name of Project : Technical Support for Food Assistance Programs

Number of Project: 596-0116

1. Pursuant to Section 104 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Technical Support for Food Assistance Programs Project with the Nutrition Institute for Central America and Panama (INCAP), involving planned obligations of not to exceed Five Million Six Hundred Thousand United States Dollars ($5,600,000) in grant funds ("Grant") over a five-year period from the date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project.

2. The project ("Project") will improve the effectiveness of food assistance activities in Central America and Panama by helping to establish effective national coordination mechanisms and strengthening the technical, managerial and evaluation capabilities of INCAP and national public and private agencies.

3. The Project Agreement, which may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

a. Source and Origin of Commodities, Nationality of Services

Commodities financed by A.I.D. under the Grant shall have their source and origin in countries of Central America and Panama, or the United States, except as A.I.D. may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services shall have countries which are members of Central America, Belize, Panama or the United

States as their place of nationality, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the Grant shall be financed only on flag vessels of the United States, except as A.I.D. may otherwise agree in writing.

b. Conditions Precedent to Disbursement

(1) Prior to the disbursement, or the issuance of any commitment documents, under the Project Agreement to finance activities other than for hiring long-term personnel, INCAP shall, except as A.I.D. may otherwise agree in writing, furnish, in form and substance satisfactory to A.I.D.:

(a) a detailed time-phased plan setting forth all activities to be completed during the first year of the project;

(b) evidence that INCAP's automated data processing capability is sufficient to provide adequate reporting on project financial transactions at the subcomponent level; and

(c) evidence that INCAP has modified its disbursement and reporting formats and procedures in order to expedite the processing of expenditures by project personnel when away from INCAP headquarters.

(2) Prior to the disbursement for technical assistance to the countries beyond year one under the Grant, the issuance of any commitment document other than for support of the research and training components, INCAP shall, except as A.I.D. may otherwise agree in writing, furnish in form and substance satisfactory to A.I.D.:

(a) an analysis of the country programs, including prospects for success in improving national strategies and plans and addressing major constraints, and an explanation of INCAP's rationale for the quantity and type of technical assistance which it proposes to undertake; and

(b) a plan for developing funding mechanisms and agreements with national governments, bilateral or international food aid donors, PVOs or other international agencies to support a continuation of technical assistance and training for food assistance programs after the ROCAP/INCAP project terminates.

c. Covenants

INCAP shall covenant that, except as A.I.D. may otherwise agree in writing:

(1) Prior to undertaking project activities for each year after the first year of the project, INCAP will furnish, in form and substance satisfactory to A.I.D., a consolidated workplan and budget for activities for that year.

(2) INCAP will coordinate appropriate project activities with USAID missions in each country which participates in this project and with private voluntary agencies responsible for managing P.L. 480 Title II activities in the region as well as with other food aid donors and intermediaries.

John R. Eyre
Acting Director

TECHNICAL SUPPORT FOR FOOD ASSISTANCE PROGRAMS

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a. Detailed Implementation Plan
b. Technical Assistance Plan

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# I. PROJECT SUMMARY AND RECOMMENDATIONS

## A. Recommendation

The Project Development Committee recommends that a $5.6 million grant be authorized to implement the Technical Support for Food Assistance Programs project.

## B. Summary Description

### 1. Goal and Purpose

The goal of the project is to contribute to the reduction of infant and young child mortality and improve nutritional status among high risk populations in Central America and Panama. The purpose of the project is to improve the effectiveness of food assistance activities in the Central America and Panama (CA/P) region by helping to establish effective national coordination mechanisms and strengthening the technical, managerial and evaluation capabilities of the Nutrition Institute for Central America and Panama (INCAP) and national public and private agencies.

The purpose will be accomplished by developing a regional support network to improve the effectiveness of food assistance programs, e.g. through better planning, coordination, targetting, management, project design and evaluation and integration of food assistance programs with other related development activities. The project responds to AID's world-wide initiatives to reduce malnutrition and infant mortality and specifically to the National Bipartisan Commission on Central America (NBCCA) report's recommendations. Funds for the project were included in the Administration's request for a FY 1984 supplemental appropriation which was approved by Congress.

### 2. Background and Project Activities

Malnutrition exists in one form or another in approximately 60% of the children under age five in the region. Malnutrition not only affects children's health, but also their physical development, and it may impair learning ability. More often than not, malnutrition is an underlying factor leading to high infant mortality rates. The average diet in the region is deficient in calories and protein and many households suffer from chronic or seasonal food shortages. For mothers, this leads to health problems and infections, affects reproductive capacity and increases the incidence of low birth weight infants who are subsequently high risk candidates for contracting fatal diseases. The economic crisis of the region, with declines in per capita incomes and increases in unemployment, have increased malnutrition. Political strife has added further complications and displaced and refugee populations have increased sharply.

More than 60 separate food assistance programs being carried out in the region, as well as refugee programs run by the UN High Commission

for Refugees, constitute a very large quantity of resources and impact on over five million people or about 25% of the region's population. In 1983 over 200,000 metric tons of food were distributed by the 60 programs and the cost of food alone was in excess of $50 million. Funding planning levels in 1985 are at $90 million. Food donors, the national governments and implementing agencies agree on the need to increase the effectiveness of food assistance programs not only to handle the expansion but also in order to have a greater impact on malnutrition and infant mortality.

A regional assessment of technical and training needs for food aid assistance carried out by INCAP in 1984 and a regional seminar to review the findings led to the development of the project proposed herein and agreement on the specific activities included in the project design. INCAP will carry out the project using a three-phase implementing strategy adopted from the lactation component of the Regional Nutrition Technical Outreach project (596-0104), which demonstrated its effectiveness for promoting national participation, planning and technology transfer. The implementation strategy is also expected to facilitate donor and PVO coordination and participation as well as dissemination of program experiences and research results on specific problems where more knowledge is needed.

Phase I: Promotion and Planning - The first 12 months of the project will concentrate on project promotion and planning. Draft guidelines for improving national strategies, country action plans, and the design and implementation of individual food assistance programs will be developed and submitted to regional technical task forces. INCAP will assist national teams to develop country assessment and planning documents for improving coordination and individual food assistance programs. Related institutional analyses and case studies will be carried out as well as research to provide the technical norms for maternal child feeding programs. A regional seminar held at the end of Phase I will review these materials and country action plans will provide the basis to carry out Phase II of the project.

Phase II: Implementation - The main thrust of this phase will be to help countries implement design, management, operations and evaluation guidelines developed under the project as well as use related research and assessment information and methodologies in order to strengthen individual food programs. The extensive technical assistance, training, research and dissemination effort to be carried out in Phase II is described below under the Project Components section.

Phase III: Evaluation - This phase will take place simultaneously with the final six months of implementation under Phase II. Although project evaluation activities will take place throughout the life of the project, during this phase, national level programs will be evaluated to see if the overall purpose of the regional project to improve the effectiveness of food aid programs has been achieved. The regional approach and materials developed under the project will also be evaluated to see if they can be applied to other areas of the world receiving major food aid assistance.

Within the context of the implementation strategy, the project components will constitute a coordinated, broad-based and systematic approach to the problems of improving the effectiveness of food assistance programs and upgrading the skills of the professionals involved.

3. Project Components:

The project is composed of the following four components:

Promotion, Planning and Coordination:

This component will promote improvements in the management and effectiveness of food assistance programs, more effective national food assistance strategies and policies and stimulate national coordination mechanisms. It will also build a consensus on the technical basis for designing, implementing and evaluating food assistance strategies and programs. A scientific and technical advisory committee, which will include representatives of donor agencies, international PVOs and member country representatives, will provide overall technical guidance for project activities. Technical task forces drawn from these sources will develop regional guidelines with INCAP assistance for the major problem areas identified in the regional assessment, e.g. strategy development, program design, organization and management, technical norms and operational procedures, educational activities, preservation and storage of commodities, information and evaluation systems, targetting, assessing food and nutritional status, etc. Country teams will develop national documents describing the status of food assistance and efforts to improve strategy development, planning, coordination mechanisms, and individual food assistance programs. These teams will also develop action plans to carry out their objectives and revise them on an annual basis. Three major regional seminars as well as regional and national meetings and workshops will be used to carry out the objectives of this component and to review the regional guidelines and national efforts.

Training and Information Dissemination:

This component will improve the knowledge and skills of planners, technicians and managers responsible for food assistance and thus strengthen the institutional capacity needed for more effective programs. The component will serve as the conduit for disseminating regional guidelines, assessment methodologies and results from operations research activities. It includes workshops and short courses, observation visits and expansion of a regional clearinghouse at INCAP to include materials on food assistance. Training packages for six training courses will be developed by INCAP staff and outside consultants drawing on worldwide experience, the work of the technical task forces and operational research results. Information will also be distributed to personnel involved in food assistance through technical information packages, information sheets, bibliographic listings and newsletters.

Technical Assistance Outreach:

At the national level this component will assist counterparts in developing food assistance strategies and plans, coordination mechanisms, annual work plans and targetting mechanisms. Technical assistance will also be provided at the program level for the design and evaluation of specific projects and to resolve specific problems. In short, this component will provide the necessary follow-up to other project activities to help counterparts use technical guidelines and simplified methodologies developed and new information obtained to identify specific bottlenecks to achieving effective program operations and to develop and implement solutions to the identified constraints. In addition to substantial short term technical assistance, INCAP will station three of the project long term advisors in the individual countries.

Operations and Applied Research:

This component will be divided into two types of research: (a) improving food assistance program processes; and (b) determining food aid program impacts. Investigations will be carried out on five topics, four applicable to program processes and one on impacts. The topics were chosen on the basis of research priorities identified by food assistance program staff in INCAP's member countries as well as donors, PVOs and international technical agencies. The research results will supply information needs of technical specialists, planners and program managers.

C. Summary Financial Plan (US$000)

| | ROCAP | INCAP | Host Country Counterpart | Total |
|---|---|---|---|---|
| Planning and Coordination | 217 | -- | 33 | 250 |
| Training | 670 | -- | 217 | 887 |
| Technical Assistance | 391 | -- | 151 | 542 |
| Research | 880 | 60 | 282 | 1,222 |
| Technical Information Dissemination | 74 | -- | -- | 74 |
| Management, Review and Evaluation | 1,442 | 525 | -- | 1,967 |
| Sub-total | 3,674 | 585 | 683 | 4,942 |
| INCAP Indirect Costs 1/ | 978 | 175 | -- | 1,153 |
| Contingencies and Inflation | 388 | -- | -- | 388 |
| U.S. Technical Assistance | 560 | -- | -- | 560 |
| Total | 5,600 | 760 | 683 | 7,043 |

1/ Calculated at a rate of 30 percent of subtotal minus fellowships ($414,300).

D. Summary Findings:

The Project Committee has reviewed all aspects of the proposed Technical Support for Food Assistance Programs Project and finds that it is technically, financially, socially and economically sound, and consistant with the objectives set forth in ROCAP's CDSS strategy. The Committee has further found that INCAP is institutionally capable of administering the project.

E. Composition of Project Development Commitee:

ROCAP
Elena Brineman
Edward Nadeau
Michael Deal
Thomas Totino
Alejandro Pontaza
Julian Heriot

INCAP
María Teresa Menchú
Victor Valverde
Maarten Immink
Arnulfo Noguera
Mireya Palmieri
Mario Molina
Ricardo Sibrián
Alexandra Praun
Magda Fischer
Colbert Bruña
Julio Bejarano
Armando Paz
Santiago Broll

Consultants
Paul Thompson
Paul Stroh
Elena Gutiérrez
David Sahn
Roberto Rueda Williamson
Nicolás González
Francesca Ronchi-Proja

## II. PROJECT BACKGROUND AND RATIONALE

### A. Background

#### 1. The Health and Nutrition Situation in Central America and Panama

Although there are disparities in health and nutrition conditions among the countries in the Central America and Panama (CA/P) region (Costa Rica and Panama generally exhibit much higher and improved standards), many common problems exist. For example, poor socioeconomic conditions, inadequate health care systems and limited water and sanitation services result in infant and child mortality rates and incidence of severe malnutrition which are among the worst in Latin America and the Caribbean. (Annex 7, attachment D contains a series of tables which provide basic socioeconomic data for the region as well as information on specific indicators of health and nutrition status).

Table 1
Infant Mortality and Malnutrition
in Central America and Panama

| Country | Infant Mortality Rate | 1-4 Mortality Rate | Growth Retardation* |
|---|---|---|---|
| Costa Rica | 19 (1980) | 1.1 (1980) | 7.0 (1978) |
| El Salvador | 85 (1980) | 6.9 (1980) | 10.4 (1978) |
| Guatemala | 86 (1980) | 12.4 (1980) | 29.5 (1979/80) |
| Honduras | 87 (1981) | 4.3 (1979) | 29.5 (1966) |
| Nicaragua | 102 (1980) | 3.6 (1977) | 15.0 (1966) |
| Panama | 21 (1981) | 2.1 (1981) | 11.6 (1980) |

* 75% of median weight for age.

Throughout the region, health and nutrition problems are more severe in rural areas, yet most available services are urban oriented. Public sector health budgets tend to be low and often are consumed by maintenance and administrative costs or by institutionalized medical attention and custodial services. Adequately trained personnel in the rural areas (particularly paraprofessionals) are scarce in several countries, as are facilities with proper and sufficient supplies. Consequently, access to basic health care is limited, particularly in Honduras, Guatemala and El Salvador where 75% of Central Americans live.

Available data on infant and age 1-4 mortality rates, age 0-4 deaths as a percent of total deaths, and the probability of a rural child dying before age two suggest that the CA/P countries are divided into two

groups: those with high infant and child mortality rates (Guatemala, Honduras, Nicaragua and El Salvador) and those with lower levels (Costa Rica and Panama) as compared with other third world nations.

The data also indicate that the average diet in the region is deficient in calories and protein. An estimated 20 to 50% of households in Panama, El Salvador, Nicaragua, Guatemala and Honduras suffer from chronic or seasonal food shortages, depending upon the country. For mothers, this leads to health problems and infections, affects reproductive capacity and increases the incidence of low birth weight infants who are subsequently high risk candidates for contracting fatal diseases. For children under the age of five in CA/P, recent studies on growth retardation (an accepted indicator of nutritional status) have estimated that approximately 60% suffer from mild, moderate or severe malnutrition. The incidence of moderate and severe malnutrition -- defined as weight for age below 75% of the standard median weight for the respective age and sex -- ranges from a low of 7% in Costa Rica to a high of 29.5% in Guatemala and Honduras (see Table 1, above, and Annex 7.d., Table 4). In Panama, where recent efforts at extending health services have helped reduce infant mortality, preschool malnutrition remains a major problem affecting one third of the children.

Malnutrition not only affects children's health but also their physical development, and it may impair learning ability. It also makes a child more susceptible to infections and reduces the natural ability to fight them off. For example, gastrointestinal and respiratory illnesses (i.e., influenza and pneumonia) are the leading reported causes of death, particularly in children, in most CA/P countries (Costa Rica and Panama being the exceptions). More often than not, malnutrition is an underlying factor leading to these deaths.

Political strife in Central America over the last five years has further complicated what was already a serious situation. Planting and harvesting of basic foods as well as income generating crops have been disrupted in substantial areas of Guatemala, El Salvador and Nicaragua. Livestock, particularly dairy herds, have also been affected. Large numbers of displaced persons in El Salvador and Guatemala and refugees in Honduras and Costa Rica are dependent upon strangers, relatives and friends or government, private and international relief assistance for survival. Displaced families who are not in camps often move into marginal urban or rural communities where resources and work opportunities are already limited, making it all the more difficult for both the displaced and permanent residents of these communities to adequately fill their most basic needs.

Displaced and refugee populations have been estimated at 300-550,000 in El Salvador, 10-15,000 displaced in Guatemala, 20-30,000 refugees in Costa Rica and 33,000 Miskito refugees in Honduras. Reliable estimates of the total number of Salvadoran, Nicaraguan and Guatemalan refugees in Honduras are not available. In addition more than 250,000 Guatemalans have been affected by political violence resulting in the need for food assistance over the past two-three years.

## 2. Food Assistance as a Response to Hunger and Malnutrition

A review of the experience with maternal child supplementary feeding as a part of a primary health care package indicates that this combination of interventions can significantly reduce infant mortality and moderate to severe malnutrition. Of six quasi-experimental or pilot primary health care interventions with important maternal infant feeding components, five showed significant changes in infant mortality and malnutrition. Infant mortality fell by about one-half in a five year span in two Guatemala projects and moderate and severe malnutrition fell by one-third to one-half in projects in Haiti, Guatemala and India. In Colombia large and consistent declines in second and third degree malnutrition were achieved over a twelve year period.

Numerous studies indicate that maternal weight gain during pregnancy is clearly associated with birth weight achieved and that birth weight in turn is associated with infant mortality. While the evidence is not entirely conclusive studies carried out by INCAP in Guatemala as well as dietary supplement studies in India, Colombia and Mexico indicate that diet supplements are associated with pregnancy weight gain.

In Guatemala food supplements for lactating mothers led to improved physical growth during the first six months of life and reduced infant mortality, probably through improved breastfeeding performance. INCAP investigators involved in the Guatemala studies conclude that improved dietary intake for pregnant and lactating women, in combination with integrated primary health care services, can result in significantly improved growth and survival.

Experiences in Chile and Costa Rica with combined high coverage primary health care, improved water and sanitation, and supplementary feeding programs show that significant improvements in infant and young child mortality and malnutrition can be achieved on a national scale with this type of intervention. Milk distribution to pregnant and lactating women and children under five and additional supplementary feeding for high risk low income families have been notable elements in the Costa Rican and Chilean integrated primary health care services programs. Infant mortality rates and the prevalence of malnutrition has improved dramatically in both countries over the past fifteen years. In Chile infant mortality dropped from 79/1000 live births in 1970 to 23/1000 in 1983 while moderate to severe malnutrition has fallen from 24% in 1965 to 2% in 1980. In Costa Rica infant mortality dropped from 61.5/1000 in 1970 to 16/1000 in 1983 and the prevalence of moderate and severe malnutrition has fallen from 13.5% in 1966 to 4.1% in 1981. Severe malnutrition has been virtually eliminated in both countries and malnutrition continues to remain at low levels despite severe economic recessions in both countries over the past several years. The dramatic reductions in infant mortality and malnutrition in Chile and Costa Rica, where national budgets are used to purchase local food products and health care and water and sanitation infrastructure is extensive, have been achieved at considerable cost and both countries are now seeking more cost effective ways of maintaining their impressive gains in health and nutrition.

It is recognized that not all countries of the region will have the same level of resources available to them as Chile and Costa Rica have had in the past. However, the pilot programs carried out in Guatemala clearly suggest that by maximizing the use of the national and international resources already available to them, and improving the integration of food assistance activities with assistant primary health care systems and efforts to improve water and sanitation, very significant impacts on infant and child mortality and malnutrition could be achieved.

3. Food Assistance Programs in Central America and Panama

There are currently more than 60 separate food assistance programs being carried out in Central America, without taking into consideration refugee programs run by the UN High Commission for Refugees. These programs are run with national funds or, in the majority of the cases, with international assistance (Tables 2 and 3). In 1983 more than 200,000 metric tons of food were distributed to approximately 5.2 million people, not including refugees. This amounts to 24% of the total population of Central America. The cost of the food alone was in excess of $50 million annually. About $17 million of the $50 million dollars was for reguarly programmed PL 480 Title II commodities (Table 4). Additional U.S. commodities are distributed through emergency and Section 416 excess dairy products programs on an ad hoc basis. Since most of the food is purchased at subsidized prices, the true value of this food is substantially higher. The administrative and distribution costs add about one third more to the total costs of these programs.

Funding levels currently programmed for food purchase in 1985 have risen significantly to over $90 million dollars. Approximately 15% of this total dollar amount programmed for food will come from national budgets and the rest from international or bilateral food donors (Table 5). Annex 7 (attachments a and b) describe the major food donors and the most important food assistance activities in the region as well as listing the major food assistance programs currently operating or programmed for 1985 by program type, donor agency and executing agency.

TABLE No. 2

STUDY ON SUPPLEMENTARY AND EMERGENCY FOOD PROGRAMS IN CENTRAL AMERICA AND PANAMA

SUPPLEMENTARY OR EMERGENCY FOOD PROGRAMS
INVESTIGATED BY INCAP ACCORDING TO COUNTRY OR TYPE OF PROGRAM (1983-84)

| Type of Program | Guatemala | El Salvador | Honduras | Nicaragua | Costa Rica | Panama | Total |
|---|---|---|---|---|---|---|---|
| 1. Development | 13 | 5 | 11 | 4 | 8 | 5 | 46 |
| Maternal infant | 3 | 3 | 5 | 1 | 4 | 3 | 19 |
| School feeding | 1 | 0 | 1 | 1 | 1 | 1 | 5 |
| Food for work | 8 | 2 | 5 | 1 | 2 | 1 | 19 |
| Food for training | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Food for welfare institutions | 0 | 0 | 0 | 1 | 1 | 0 | 2 |
| 2. Emergency | 2 | 4 | 3 | 6 | 2 | 2 | 19 |
| Emergency/natural disaster | 1 | 0 | 0 | 1 | 0 | 1 | 3 |
| Emergency/economic problem | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| Displaced by violence | 1 | 4 | 1 | 4 | 0 | 0 | 10 |
| Refugees | 0 | 0 | 2 | 1 | 1 | 1 | 5 |
| Total programs investigated | 15 | 9 | 14 | 10 | 10 | 7 | 65 |

TABLE No. 3

STUDY ON SUPPLEMENTARY AND EMERGENCY FOOD PROGRAMS
IN CENTRAL AMERICA AND PANAMA

SUPPLEMENTARY OR EMERGENCY FOOD PROGRAMS INVESTIGATED BY INCAP (1983-84)

| Type of Program | Food Donor Agency | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | WFP | AID | EEC | FRC | OTHERS EXT. | NAT. | Invest. |
| Maternal Infant | 4 | 20 | 0 | 0 | 1 | 4 | 19 |
| School Feeding | 0 | 1 | 1 | 0 | 1 | 2 | 5 |
| Food for Work | 11 | 5 | 0 | 2 | 1 | 0 | 19 |
| Food for Training | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Food for Institutions | 1 | 0 | 0 | 0 | 0 | 1 | 2 |
| Emergency/Natural Disasters | 2 | 1 | 0 | 0 | 0 | 0 | 3 |
| Emergency/Economic Problems | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| Displaced by Violence | 3 | 2 | 1 | 0 | 4 | 0 | 10 |
| Refugees | 4 | 0 | 0 | 0 | 1 | 0 | 5 |
| Total programs investigated | 26 | 19 | 2 | 2 | 8 | 8 | 65 |

TABLE No. 4

STUDY ON SUPPLEMENTARY AND EMERGENCY FOOD PROGRAMS IN CENTRAL AMERICA AND PANAMA

BENEFICIARY POPULATION AND AMOUNT OF FOOD DISTRIBUTED IN THE FOOD ASSISTANCE PROGRAMS INVESTIGATED BY INCAP IN CENTRAL AMERICA AND PANAMA (1983)

| Country | No. of Programs | No. of Beneficiaries (thousands) | Beneficiary Population 1/ Total % | Mat.Inf. % | School % | Food Distribution TM | Cost (thousands) |
|---|---|---|---|---|---|---|---|
| Costa Rica | 10 | 832 | 38 | 34 | 100 | 4 273 2/ | 24 244 3/ |
| El Salvador | 9 | 1 380 | 27 | 16 | - | 29 421 | 6 189 |
| Guatemala | 14 | 1 490 | 20 | 20 | 78 | 36 917 | 8 959 2/ |
| Honduras | 11 | 1 262 | 32 | 15 | - | 30 106 | 6 679 |
| Nicaragua | 8 | 553 | 22 | 18 | - | 14 306 | 3 307 |
| Panama | 7 | 148 | 7 | 21 | 76 | 83 419 | 1 316 |
| TOTAL | 59 | 5 665 | 24 | 19 | - | 198 442 | 50 694 |

1/ Beneficiary population in terms of percentage in relation to the estimated figures of total population, maternal-infant population and registered school population.

2/ Incomplete data.

3/ 1981 data, estimated at an exchange rate of C8.60 = US$1.

TABLE No. 5

1985 FOOD ASSISTANCE PROGRAMS IN CENTRAL AMERICA AND PANAMA
(DOLLARS AND METRIC TONS PROGRAMMED)

| Country | Total | World Food Program | | USAID PL480 T.III | | National | | Others | |
|---|---|---|---|---|---|---|---|---|---|
| | US$ (000) | US$ (000) | MT Food | US$ (000) | MT Food | US$ (000) | MT Food | US$ (000) | MT Food |
| Costa Rica | 14,700 | 2,700 | 6,000 | - | - | 12,000 | - | - | - |
| El Salvador | 27,882 | 18,182 | 39,307 | 9,700 | 38,800 | - | - | - | - |
| Guatemala | 18,253 | 11,900 | 22,360 | 5,353 | 19,950 | 1,000 | - | N/A | N/A |
| Honduras | 20,508 | 5,264 | 14,220 | 3,344 | 10,362 | - | - | 11,900 | 9,550 |
| Nicaragua | 9,407 | 9,407 | 12,491 | - | - | - | - | N/A | N/A |
| Panama | 1,091 | 391 | 717 | - | - | 700 | - | - | - |
| Totals | 91,841 | 47,844 | 95,095 | 18,397 | 69,112 | 13,700 | - | 11,900 | 9,550 |

N/A = Information is not available.

## B. The Problem:

### 1. Constraints to Effective Use of Food Assistance

Given the number, magnitude and cost of food assistance programs already in Central America, it is not unreasonable to expect more positive effects on the region's health and nutritional status and socio-economic well being than is currently being achieved. With the recent necessity for severe economic austerity measures, several of the Central American governments are asking themselves whether investment in food assistance programs, with their apparent low level of effectiveness in most countries, is the best use of their social assistance dollars.

National planners are struggling to keep track of even the most basic information regarding food assistance programs in their countries. Until INCAP conducted a recent regional assessment and in-depth assessments in two countries, there was no one in the majority of the CA/P countries who could even provide a list of the major food assistance programs being carried out, the number of people benefitting or the amount of food being distributed. Not one country in the region has information on the actual cost of food assistance to the national budget.

In 1983-84 INCAP carried out a study of the major technical and training needs of food assistance programs in the region. This study, in conjunction with followup meetings of national program directors in each country and a regional workshop for donors and PVO intermediaries, identified the major constraints to effective planning and operation of food assistance programs in CA/P.

Major constraints to effective use of food assistance were identified at two levels, the national level and the individual program level. At the national level a lack of global information, weak overall planning, strategy formulation and coordination negatively affect optimal use of food assistance resources. At the level of individual programs inadequate institutional capacity of executing agencies and poor design, targetting, management and evaluation reduce program effectiveness. In order to improve the effectiveness of food programs, both types of major constraints, global planning and coordination and strengthening individual program design and implementation, should be addressed.

In the majority of the countries, the lack of a national strategy for food assistance has led to a proliferation of food programs with similar objectives (many of them improvised) which often do not respond to national priorities, waste available resources and do not have a positive impact on either the population groups in need of food assistance or on national development. The lack of global information on food assistance activities in the country and the lack of a national coordinating mechanism or the weakness of existing mechanisms have resulted in the duplication and overlap of efforts and activities.

For example, in Honduras there are five different maternal infant feeding programs, four of them with national coverage, executed through four different agencies with food from two different international donors. There are no established mechanisms for the exchange of beneficiary lists. Each program uses different technical norms and operational procedures, even those being run by the same executing agency, but with commodities from different donors. In other instances food for work programs using different ration sizes and remuneration criteria move into an area under-cutting existing food for work programs.

In addition to the inefficiencies which this type of duplication creates, poor information, planning and targetting at the national level often results in food not getting to those who need it most or in being provided in amounts that are too small and erratic to really help the beneficiaries. The potential which exists for extra governmental coordination has not been actively pursued by donors and intermediaries and, thus, even this option has not helped fill the planning and coordination void.

At the level of individual programs, national managers of food assistance activities are often overwhelmed with implementation difficulties involved in running their programs and with the lack of resources available to help solve their problems. Many of the implementation problems are the result of poor initial planning. Often not even program objectives have been clearly defined before the program starts. INCAP found that 48% of the major programs investigated in the region were implemented based on something less than a complete project proposal. Either a project profile, workplan or no planning document whatsoever served as the basis for obtaining program approval and funding. Twenty percent of the programs in the region had no written goals or objectives; 25% of the programming documents neglected to consider institutional organization issues and about 40% neglected to define information systems or evaluation plans. Over 55% of the programing documents had no training plans and 33% neglected to define supervision schemes.

The existing institutional capacity to handle food aid is a major constraint to effective food aid programs. In many cases technical aspects of programs such as beneficiary and discharge criteria or ration sizes have not been adequately established, are not consistant with objectives or are not implemented and manuals or guidelines on standard operating procedures are very rare. Often donor agencies, intermediate PVOs and national executing agencies have not agreed on selection criteria, commodities, and ration sizes and, at times, a single national institution may implement several programs using different criteria, depending upon the source of the commodities.

Present institutional organization of executing agencies is often inadequate, planning and management skills are weak, budget allocations to operate food assistance programs are low, personnel assigned to programs are insufficient and change frequently. Only 36% of all the programs examined by INCAP included both initial and in-service training activities while 31%

included no staff training at all. Weak logistics and commodity control systems, poor storage and food handling procedures, almost nonexistant quality control and poor choice of commodities have repeatedly resulted in large food losses, interruptions in food distribution and reduced program effectiveness.

Management information systems are generally inadequate for targetting, monitoring and evaluation activities or for conducting cost or cost-effectiveness analysis. Often the information that is collected or reported is not used for management purposes. Fully 41% of the major programs investigated by INCAP have never been reviewed or evaluated and almost none have built in process evaluation systems. Of those evaluations which have been carried out over the past ten years, only 3 or 4 have gone beyond a general qualitative review of program activities which cannot legitimately be considered evaluations to a comprehensive in-depth analysis of program process. Almost none have tried to look at program outcomes or impact. To a large extent the lack of program monitoring and evaluation stems from a lack of knowledge and understanding of how to go about designing and implementing these monitoring and evaluation systems.

Many national program directors and technicians recognize that a combination of food assistance and complimentary health, education and development acitivities are likely to have greater long term effects in solving health and nutrition problems than food assistance alone. However, they often have been frustrated in their attempts at incorporating these activities into their food assistance programs or in effectively coordinating food assistance with other on-going activities.

Food assistance programs aimed at refugees and displaced persons are new to the region, with El Salvador having accumulated the most experience in dealing with this problem over the last four years. Both host country counterparts and donors are struggling to understand and find effective ways of meeting both the immediate basic needs of the displaced and their resettlement requirements. If targeted and implemented effectively, normal maternal-child-health (MCH) and food for work assistance programs should be able to help alleviate some of the additional strain displaced persons have placed on permanent residents of marginal communmities. However, recent reviews suggest that, at least in El Salvador and Guatemala, the management and implementation of the regular feeding programs as well as those for displaced persons need to be strengthened in order to effectively fill this need.

2. Demand for Technical Support for Food Assistance Programs

The demand for technical assistance from INCAP to support food assistance activities from INCAP's member countries, the World Food Program and international PVOs has grown steadily in the past five years. Limited personnel and economic resources at INCAP have only allowed the Institute to respond to part of the existing demand each year. Table 6 shows the actual

number of in country days of technical assistance provided to each country in 1983 and 1984 and final country requests for 1985.

Initial country requests for assistance usually exceed the final request by 1/3 - 1/2. These requests are screened by INCAP and only those that promise to demonstrate results, have clear objectives and well defined counterparts and fit within the member country's and INCAP's priorities are accepted for programming. Thus, true demand exceeds programmed demand by a considerable amount.

As shown in Table 6, INCAP provided 269 in-country days of technical assistance in 1983 and 88 in 1984 which translate into approximately 17.9 and 5.9 person months of technical assistance respectively when preparation and follow-up time at INCAP headquarters is taken into consideration. The fall-off in assistance provided in 1984 was due to a large extent to the fact that the INCAP professionals who provide much of the assistance in this area spent 75 in-country days between January-May 1984 on the regional assessment of technical and training needs of food assistance programs thus diminishing their availability for other technical assistance assignments.

The programmed demand for 1985 equals 425 in country days or approximately 28 person months of assistance with preparation and follow-up time. INCAP does not currently have either the personnel or financial resources to meet this demand and final negotiations with the member countries on the provision of this assistance is pending receipt of additional resources under the proposed project.

Technical support provided by INCAP over the past two years included help in developing or reviewing and evaluating national food assistance strategies, design of new food assistance programs, review or evaluation of on-going projects, assistance with design of complementary food and nutrition education activities, and feasibility studies for local processing of foods for use in food assistance programs. In 1985, INCAP's member countries have asked for help in evaluating food assistance activities, setting up management information and control systems, national strategy formulation, development of operations manuals, carrying out cost analyses, design of new programs and redesign of existing programs, development and implementation of technical norms, development of complementary food and nutrition education activities, operations research on delivery systems for food assistance programs, development and implementation of in-service training plans, assistance in food storage and preservation and management training for food assistance program directors and staff. In both 1983 and 1984, the World Food Program contracted for INCAP assistance in designing, reviewing and evaluating WFP projects in the region. Continued assistance for WFP is projected in 1985.

TABLE 6

TECHNICAL ASSISTANCE PROVIDED BY INCAP TO FOOD ASSISTANCE PROGRAMS IN ITS MEMBER COUNTRIES IN THE YEARS 1983 - 1984 AND PROGRAMMED DEMAND FOR 1985
(Days in the countries and cost of trips)

| COUNTRY | Year 1983 | | Year 1984** | | Year 1985*** | |
|---|---|---|---|---|---|---|
| | Days | US$ | Days | US$ | Days | US$ |
| Costa Rica | 29 | 5,200 | 7 | 1,800 | 120 | 15,320 |
| El Salvador* | 87 | 6,600 | 42 | 3,130 | 95 | 5,850 |
| Guatemala | 10 | -- | 12 | -- | 30 | — |
| Honduras | 66 | 7,800 | 15 | 2,550 | 80 | 8,500 |
| Nicaragua | 30 | 4,860 | 5 | 1,050 | 50 | 6,780 |
| Panama | 47 | 8,160 | 7 | 1,550 | 50 | 9,000 |
| TOTALS | 269 | 32,620 | 88 | 10,080 | 425 | 45,450 |

* 23 days financed by WHO are included in 1983 and 14 days financed by FAO in 1984 for missions of WFP project reviews.

** 75 days of two INCAP professionals for the subregional study of Food Assistance Programs are not included (Jan.-May 1984).

*** Scholarship demands are not included.

## C. CA/P Priorities and Strategies

Under the Puente de Paz (Peace Bridge) initiative coordinated by the Pan American Health Organization (PAHO) for the Contadora Group, the countries of the region, through their Ministries of Health, have formulated a plan "Priority Health Needs for Central America and Panama". The proposed plan which has been submitted to various donors is based on the following premises:

-"Social aspects condition the solution of problems and tensions and health, because of its extraordinary general consensus in a world characterized by differences and conflicts, can be a bridge to reach solidarity, understanding, cooperation, justice and may contribute to the attainment of peace."

-"The crisis affecting the region is of such magnitude that achievements made in the social area, especially in health are proving difficult to maintain at the levels already attained."

-"The existing problems in the region and the perspective of a prolonged crisis, makes it necessary to concentrate efforts in priority areas in which international cooperation can be used to achieve immediate, short-term solutions."

-"The identified priority areas must contribute to the development of the integration of Central American countries, facilitate savings and/or generation of foreign currency, adapt to the national realities, contribute to global development, and be designed to satisfy basic needs and to ensure the predominance of social justice."

The improvement of food assistance and nutrition programs has been included among the priorities identified in the Plan as part of the overall objective of raising nutritional levels throughout the region. In developing the food assistance component for the Priority Health Needs Plan each country developed their own initial plan for improving the effectiveness of food assistance activities. INCAP was heavily involved in helping the member countries identify their priority needs in this area. In addition, INCAP carried out a study of the technical and training needs of food assistance programs in the region in 1983-84, with the collaboration of member country representatives, PVOs and donor agencies. This study led to the development of the INCAP proposal on which this project is based, as well as serving as the basis for the identification of country priorities for food assistance included in the Priority Health Needs for Central America and Panama.

A workshop held with the participation of the region's major food aid donors, PVO intermediaries and technical support agencies reviewed the results of the INCAP study and provided specific recommendations for the regional technical support program. The INCAP proposal has been reviewed, revised, and approved by the national technicians responsible for the

management of food assistance programs and by the CA/P Ministers of Health. To insure that the project will conform to national priorities, the implementation strategy calls for the development of updated country plans for improving the effectiveness of food assistance programs. The project will also promote the development of food policies, strategies and coordinating mechanisms at the national level.

Thus, the proposed project responds directly to the stated needs of the Central American governments. It is also expected that bilateral USAIDs, other donors and PVOs will join in providing support for the activities which will be developed under this project and will cooperate fully. FAO has already offered to provide technical assistance and training materials to complement INCAP efforts and CARE and CRS have agreed to budget travel funds for their staffs to participate in task force meetings and regional workshops.

D. Rationale for a Regional Project

The recent INCAP assessment (1983-84) of the major problems encountered in planning, implementing and evaluating food assistance programs in the region showed that technical support (including operations research) and training could help alleviate many of the problems encountered. Furthermore, the assessment showed that most food assistance programs were receiving very little, if any, technical assistance. Training, particularly in planning, management, monitoring, evaluation and complementary educational or development activities was also very deficient. Given the large number of programs being implemented by multiple host country agencies and supported by a variety of donors in each country, it has proven difficult to provide adequate technical support to the majority of these programs on a national basis.

The strategy of the proposed project, therefore, is to concentrate at the regional level technical assistance; the development of general technical, management and evaluation guidelines; help in adapting general guidelines to specific national programs; operations research; and the development of training programs and materials aimed at strengthening the capacity of program directors to plan, implement and evaluate food assistance activities. The project will mobilize existing knowledge and technical resources in the region and tap appropriate expertise available from the U.S. and international nutrition and food assistance communities. The project will also stimulate and promote both coordination of food assistance activities at the national level and the development of national food assistance strategies. This effort will be complemented by regional activities promoting the use of oral rehydration therapy (ORT), growth monitoring (GM) and associated health and nutrition education to be carried out under the ROCAP/INCAP ORT, GM and Education Project (596-0115).

It is clear that in order to improve the effectiveness of food assistance programs in meeting the basic needs of CA/P populations, technical and training support to program planners and managers is needed. Several

alternatives were considered before selecting the design proposed in this paper. The first was to supply technical assistance and training to projects receiving US food aid on a program by program basis. It was rejected because many of the problems encountered in planning and implementing food assistance projects are a result of overlap and duplication with projects supported by other donors or with national funds. Furthermore, much of U.S.-supplied food is distributed through the WFP in Central America. This food goes through multiple host country agencies and would thus require a whole series of small bilateral agreements in order to provide assistance on an individual basis. A more global approach to the problem is required. All of the countries of the region need technical and promotional support to improve or develop their strategies, policies and coordinating mechanisms for food assistance. There are also needs for research, evaluation and other activities which require technical assistance and financial support beyond the scope of normal food assistance projects.

The second approach examined was the possibility of a series of bilateral projects designed to help all food assistance programs in each country. The Latin American experience with national food and nutrition planning projects has shown that in most countries this approach is too bureaucratic and cumbersome. Furthermore, food assistance programs provided through private groups have been and would probably continue to be left out of this type of technical support system.

A series of bilateral projects would also suffer from:

- the loss of economies of scale in technical assistance, operations research, improved planning and management methods, development of training and educational materials and dissemination of technical information; and

- difficulty in mobilizing and utilizing the considerable technical expertise which already exists in Central America which, if used properly, could expand the region's talent pool for providing technical assistance and carrying out other follow-on activities.

The development of a series of bilateral projects would cost more and would also require a great deal more management time and effort on the part of CA/P USAIDs. In order to include necessary technical expertise, which usually entails dollar costs, full scale DA projects would have to be developed in most cases and separate technical assistance contracts executed for each project. Considerable savings can be achieved by using regional expertise to the maximum extent possible for technical assistance and training. Furthermore, because of language and cultural barriers, high quality regional expertise is often more effective than outside consultants and is usually preferred by CA/P counterparts. Concentrating technical support services under a regional project would alleviate many of these problems.

Another important factor in choosing the proposed approach is the capacity of INCAP to implement the project on a regional basis. INCAP's natural position of leadership in health and nutrition is well known and recognized by the CA/P countries and professionals, as well as by other donors. Furthermore, INCAP has been specifically requested by its member countries and by the principal food aid donors and PVO intermediaries in the region to provide the type of assistance proposed and has provided related technical assistance to the countries over the past few years.

E. Relationship of the Project to AID Policy and Projects

1. Relationship to the ROCAP CDSS and Overall U.S. Strategy for the Region.

ROCAP has consistently recognized the importance of health and nutrition in its CDSS documents. This project addresses AID's health priorities of reducing infant mortality and malnutrition through more effective use of food aid and is consistent with AID's nutrition strategy which calls for reducing severe protein/calorie malnutrition by supporting sectoral strategies which are likely to have a positive impact on the nutritional status of women and infants. It is also consistent with both AID's food aid and nutrition strategies in improving planning, targetting, delivery and evaluation of food aid, and strengthening complementary activities in order to achieve greater nutritional and development impact from food aid resources. The project involves strengthening the ability of regional institutions to develop and transfer relevant technologies to national entities and to serve as a conduit for improving the capability of national institutions and human resources to plan, manage, implement and evaluate their health, nutrition and food assistance programs. The project, thus, flows directly from both related AID sector strategies and from ROCAP's development strategy.

A new impetus for improving the effectiveness of U.S. food assistance has been provided by the report to the President of the National Bipartisan Commission for Central America (NBCCA). This report devoted a full chapter to human development and listed the reduction of malnutrition first among its objectives for the 1980s. Regarding education, it recommended that first priority be accorded to nutrition programs which can deliver children to school in normal physical and mental condition. The report also calls for increasing food aid on an emergency basis. In discussing increased levels of food aid, the NBCCA stated: "In addition, the food distribution system needs to be improved to absorb increased levels of assistance effectively." The report states further: "Management and planning for effective

use of scarce resources are at the heart of improving curative and preventive health services. In order to meet this need, we recommend that existing technical assistance programs supported by AID should be expanded."

The above and other NBCCA recommendations have been endorsed by the administration of President Reagan as part of the Jackson Plan. The LAC Bureau strategy, as described in the FY 1985 Congressional Presentation, recognizes the importance of improving the effectiveness of food aid.

The FY 1985 CP also includes initial funding for INCAP to develop a regional program to supply technical and training support for food assistance programs. Thus, the proposed project conforms directly to the Bureau's stated strategy.

2. Relationship to Bilateral USAID and ROCAP Projects

a. Bilateral USAID Projects:

Except for a USAID/Honduras OPG to expand complementary health/nutrition education which is currently under development, and an outreach grant to CARE/Honduras, there are no specific USAID projects in any of the countries which provide technical or traning support aimed at improving the effectiveness of food assistance programs. USAID Missions take advantage of training opportunities on an ad hoc basis. PVOs provide counterpart training and carry out some training programs at the community level on a sporadic basis. In general, technical assistance is provided to deal with specific problems, often of an emergency nature, and is short term without further follow-up.

USAID/Honduras manages PL-480 Title II maternal-child health (MCH), school feeding (SF) and food-for-work (FFW) programs through CARE and CRS. USAID/Guatemala has PL 480 Title II MCH and FFW programs through CARE and CRS. Guatemala also has a substantial Section 416 dairy products programs funnelled through CRS/CARITAS. USAID/El Salvador sponsors an MCH program through CARITAS and supports a government-to-government program for displaced persons. PL 480 Title II programs through CARE and CRS are being phased out in both Costa Rica and Panama and distribution of PL 480 Title II commodities should terminate completely in CY 1984 and 85 respectively. However, a Section 416 diary products program will still be operating in Panama in 1985. It is unclear at this time whether this program will continue after 1985. WFP distributes U.S. PL 480 Title II commodities in every country in the region except Nicaragua.

Although PVO managed PL 480 Title II activities are unlikely to continue in the future in Panama and Costa Rica, each of these countries will continue to have both WFP programs with U.S. commodities and substantial national food assistance programs. Because of the economic situation, Costa Rica has asked for substantial assistance in carrying out institutional analyses, process and impact evaluations of their food

assistance programs in order to make more rational decisions about the allocation of their social assistance resources. Panama will continue to require technical support as it makes the transition from international commodities to the use of local products in its food assistance programs.

Tables 2, 3 and 4 summarize the food activities in the region and Annex 7b lists the major supplementary and emergency feeding programs being carried out in Central America and Panama by country, donor agency and types of programs.

b. ROCAP Projects:

The recently approved ROCAP/INCAP Oral Rehydration Therapy (ORT), Growth Monitoring (GM) and Education project (596-0115) will complement activities planned under the proposed Technical Support for Food Assistance Programs project. Many of the counterparts who will participate in the two projects will be the same. Results of applied and operations research on growth monitoring carried out under the ORT, GM and Education project will be drawn on by the information dissemination system, technical assistance and training activities planned under the food assistance project. Work in promoting growth monitoring as an integral part of health service delivery systems in the region, a major focus of the ORT, GM and Education project, will help establish the institutional capacity for adequate beneficiary selection, monitoring and discharge decisions for maternal infant feeding programs.

The Technical Support for Food Assistance Programs project will focus its attention in health and nutrition education exclusively on promoting and developing educational activities which complement food assistance programs. For example, assistance might be provided to strengthen nutrition education in a school curriculum to take advantage of school feeding activities as a learning tool or in developing complementary educational activities for maternal infant or food for work food assistance beneficiaries. INCAP's technical support and training in this area will draw heavily on many of the materials, messages and educational methods developed under the ORT, GM and Education Project. In turn, work with agencies involved in food assistance activities will serve as an ideal mechanism for promoting and spreading use of oral rehydration therapy, growth monitoring and related health and nutrition education in the overall effort to reduce infant mortality and undernutrition in the region.

F. Other Donor Activities

The United Nations Food and Agriculture Organization (FAO) and the World Food Program (WFP) located at their headquarters in Rome provide some technical assistance directly or through consultants to the local WFP offices and to national counterparts in food aid project identification and design. Consultants are usually drawn from other UN agencies including the World

Health Organization (WHO) for these tasks. Once projects are approved, limited technical support, mostly in the form of information dissemination, is available from FAO and WHO on nutrition issues and from WFP on logistics, information and evaluation systems and related topics. Unfortunately very few of the FAO materials are in Spanish. WFP also fields project review teams at critical points during project implementation. Recently both WFP and FAO have increasingly contracted with INCAP for technical personnel to help with their technical assistance and project design and review needs.

Following the regional donor workshop on food aid programs in CA/P held by INCAP in May 1984, FAO made their training manuals for food aid programs available to INCAP and provided a grant to cover the costs of translating and adapting these manuals for use in Central and South America. It is likely that FAO/WFP will also provide funding for field testing the manuals in 1985. In addition, FAO and WFP representatives both at the May donors workshop and in subsequent meetings have expressed interest in participating in other aspects of the program and have begun exploring mechanisms for doing so with their respective headquarters.

The Pan American Health Organization (PAHO) through its technical unit for emergencies and disasters have developed or are developing manuals and training programs on management of health and food assistance activities during disasters. This unit also sponsors training programs on disaster management in the region. The unit has expressed strong interest in collaborating with INCAP on the emergency and disaster aspects of the proposed project.

CARE/New York has developed a matching grant proposal which is under consideration by AID/Washington for the establishment of regional technical support offices with technical expertise in health/nutrition, agroforestry and possibly small enterprise development. If this project is approved, consideration is being given to locating one of these offices in Central America. Again CARE has expressed interest in collaborating with INCAP on these efforts. In addition, CARE New York and CARE field offices have budgeted funds this year for CARE staff training and will continue to do so in the future. This money can be used for participating in the projects working groups, regional meetings and training activities.

The United Nations University (UNU) which has a campus at INCAP supports small research grants and fellowships on food and nutrition related topics. The UNU has expressed interest in supporting some small research activities which would complement the program process and impact evaluation research planned under the project.

The UN High Commission on Refugees (UNHCR) usually contracts with local entities to operate refugee camps and settlements under its auspices. The UNHCR has its own technical assistance network which is drawn on to support the local contractor or implementing agency as needed. Because of the politically sensitive nature of the refugee programs carried out by the UNHCR

it is doubtful that they will actively participate in or request assistance from the regional project with INCAP. However, the project will benefit food assistance programs for displaced persons which are all under the responsibility of national public or private agencies in the region. Annex 7, Technical Analysis, discusses the special provisions made for dealing with the problems of emergency and displaced persons programs.

## III. PROJECT DESCRIPTION

### A. Goal, Purpose and Beneficiaries

The goal of the project is to contribute to the reduction of infant and young child mortality and improve nutritional status among high risk populations in Central America and Panama.

The purpose of the project is to improve the effectiveness of food assistance activities in the CA/P region by helping to establish national coordination mechanisms and strengthening the technical, managerial and evaluation capabilities of INCAP and national public and private agencies in Central America and Panama.

Due to its capacity building character, the project will have direct and indirect beneficiaries. Those benefiting most directly will be managers and directors of public and private sector food assistance programs, national planners responsible for developing and implementing national food assistance strategies and national technical professionals responsible for developing and implementing technical norms for food assistance programs. The capacity of each of these groups to design, manage, implement, and evaluate food assistance activities or strategies will be strengthened. The ultimate beneficiaries will be the region's families who cannot meet their basic food requirements as well as mothers and children who suffer from moderate or severe undernutrition.

### B. Objectives

The various project activities described in the next section are designed to meet the following objectives at the national and regional levels by the end of the project:

a. Country action plans for improving food assistance programs elaborated and effectively being implemented.

b. National strategies or policies for the use of food assistance developed in at least three of the five participating countries in the region.

c. Effective national mechanisms for coordination among implementing agencies, donors and PVO intermediaries functioning in at least three countries of the region.

d. Better managed and more effective food assistance programs in the region through:

(1) the development and use of technical guidelines or methodologies for the formulation, monitoring, and evaluation of food assistance programs as well as for the development of technical and procedural norms and information systems;

(2) improved technical and managerial capacity of regional and national personnel responsible for planning, implementation and evaluation of food assistance programs;

(3) better knowledge of the costs, major constraints and alternative solutions in the design, implementation, monitoring and evaluation of food assistance programs;

(4) improved knowledge and understanding of social, economic, dietary and nutritional impacts as well as cost effectiveness of food assistance programs;

(5) improved targetting of food assistance at the national level and beneficiary selection within individual programs; and

(6) better coordination and integration of food assistance programs with other related food, nutrition, health or community development activities.

C. Overall Project Strategy and Timing

The overall strategy of this project is to develop a regional technical support network to help governmental and non-governmental agencies involved with all types of food assistance programs improve the effectiveness of these programs through promotion, planning and coordination activities, training, direct technical assistance, information dissemination and exchange and operations or applied research. The proposed activities will involve regional and national institutions in each participating country as well as PVO's, international relief agencies and other food donors working in the region.

Each type of activity planned will both build on and reinforce the other types of activities the combination working together in a dynamic way to address identified constraints to the effective use of food assistance at both the national and individual program levels. For example, direct technical assistance and planning, promotion and coordination activities such as regional scientific and technical advisory committee meetings, technical task forces, donor meetings and regional seminars will work together, drawing on existing information and operations research results to help better define the technical basis for designing, implementing and evaluating food assistance programs and national food aid strategies. Once a concensus is reached at the technical level, this information will be disseminated to national planners, national technical/normative staff, food assistance project directors and managers and food aid donors, including intermediary PVOs, in a variety of activities programmed over the life of the project.

Direct technical assistance and regional training will help national counterparts use the recommended regional guidelines and the information coming from project assessments and operations research as well as from the exchange of experiences between countries to improve individual programs and to design and promote national food assistance strategies. Technical assistance will also be used in conjunction with national donor meetings and meetings of program managers to promote the development of country action plans and national coordinating mechanisms for food assistance activities. Over the life of the project experience gained through technical assistance and feedback from training activities will in turn help to refine and adjust consensus guidelines on strategy and program design, implementation and evaluation.

Although activities are described separately, it should be understood that the interaction and dynamics between the planned activities and the reinforcing nature of the distinct activities one to the other are as important to achieving the desired results as are the individual activities. Annex 7 "Technical Analysis" Attachment C summarizes the project showing how the project components and activities are designed to work together to stimulate the desired action by each of the project's target groups in order to achieve the final project objectives.

The greatest project impact in improving the effectiveness of food assistance will be achieved by making progress on three fronts: (1) improving design, targetting and operations of individual programs; (2) developing viable coordinating mechanisms (formal and informal); and (3) development of national targetting schemes, plans and/or strategies for food assistance programs.

The project will work directly with program technicians, managers and directors and cooperating PVOs or donors in improving individual programs and at the same time will work at the national level to stimulate the development of national food assistance strategy formulation, national targetting schemes, country action plans and program coordinating mechanisms. Past experience has shown that this dual approach of working both at the national and individual program levels is mutually reinforcing and more likely to achieve maximum results in each participating country.

Using a dual approach also allows for greater flexibility in finding viable mechanisms for program coordination and targetting which will fit the particular needs and context of each country. For example, in some countries effective informal coordinating mechanisms can be achieved through regular meetings of program directors and donors while in others a single national level unit with enough power to coordinate food assistance activities in accordance with a national strategy or plan may be the desirable mechanism. With adequate national level information on a country's food, nutrition and socio-economic situation available, national targetting of food programs could also be achieved either by working with the most important individual program managers or by working through a central planning unit. To

accomplish this objective, the project will assist in sensitizing both levels to the need for and advantages of improving national targetting as well as individual program beneficiary selection procedures.

Although the project will address the problems of all types of food assistance programs including maternal child, school feeding, food for work and emergency or displaced persons to some degree, greater emphasis within the project will be given to the problems of maternal infant programs and those serving displaced persons. This decision has been made based on the size and number of these programs in the region as compared to other types of programs and because of their relatively high potential to directly affect infant mortality and nutritional status of low income or displaced mothers and children the (most vulnerable groups in the region).

The activities of this project will be carried out in roughly three phases: promotion and planning, implementation and evaluation. This methodology was developed under the regional lactation project and has been shown to be successful in maximizing national level participation and widespread dissemination of research results and program experiences.

Phase 1 - Promotion and Planning: The first 12 months of the project will concentrate on project promotion and planning and will emphasize expanding the existing information base in order to develop national action plans for improving food assistance programs and to build a regional consensus on the technical basis for designing, implementing and evaluating food assistance strategies and programs. Visits to the countries by INCAP staff and initial meetings of donors, national directors and the scientific and technical advisory committee will promote project activities and program coordination. During this period draft guidelines for national strategies, country action plans and the design and implementation of individual food assistance programs will be developed and submitted to technical task forces. With INCAP technical assistance, national teams will develop country assessment and planning documents for improving food assistance programs in preparation for the first regional seminar to be held at the end of the first year of the project. Case study institutional analyses and evaluations of food aid program operations will be completed in three countries as will initial assessments of information availability and needs in each country. This information will feed into guideline and course curriculum development as well as technical assistance activities to be carried out during Phase 2. Research on defining the technical basis for maternal child feeding program norms will begin.

The first regional seminar to be held at the completion of Phase 1 will be a major turning point in the project. An evaluation of the project will also take place at that time. After the seminar, INCAP will have about six months to work with the individual countries and their donor institutions to agree on country action plans and related self-help measures that need to be taken prior to submitting annual work plans to ROCAP for approval in late 1986. It is anticipated that some of the countries (and donors within the

countries) will be more willing than others to take the self-help steps required to improve food assistance and that the INCAP work plans for the individual countries will reflect a much higher priority, particularly in terms of INCAP's technical assistance, for those countries which offer the best prospects of making the most significant improvements on a national basis. INCAP programs for those countries which do not have a strong interest in improving national strategies and policies, donor coordination mechanisms, and solving other major constraints would be at a lower level of effort and focused on improving programs at the level of the executing institutions, e.g. through participation in training programs to improve project planning, evaluation, and addressing specific constraints such as losses from poor food handling or storage practices.

Phase 2 - Implementation: This phase will last about 42 months. The planning and coordination component activities begun in Phase 1 will continue throughout the life of the project, drawing heavily from the experience gained at the technical task force and individual program level. The main thrust of Phase 2 will be to help countries implement design, management, operations and evaluation guidelines and use research and assessment information and methodologies developed during both Phases 1 and 2 in order to strengthen individual food programs. Most training and information dissemination activites, including the second regional seminar to be held in year three of the project, will take place during this Phase. Research and assessment activities begun during Phase 1 will be completed and the information used to support other activities. Research on outcome or impact evaluation and cost effectiveness will be carried out and simplified guidelines and methodologies for carrying out similar studies developed.

Phase 3 - Evaluation: This phase will occur during the last six to nine months of the project. Although evaluation activities will take place throughout the life of the project the objective will be to evaluate the project in terms of how well it achieved its outputs and its purpose of improving the effectiveness of food assistance programs. Activities include follow-up studies, review of documents, the convening of a final regional seminar and the preparation and publication of a final report. The final report will recommend future courses of action in dealing with problems of food assistance programs.

D. Project Activities

The project is composed of four basic components:

1. Promotion, Planning and Coordination

The objective of this component is to promote improvement in the management and effectiveness of food assistance programs, promote the development of country action plans, food assistance strategies or policies and stimulate national coordination mechanisms. The component will also build a regional consensus on the technical basis for designing, implementing and evaluating food assistance strategies and programs.

As a first step INCAP staff will make promotional visits to the member countries and meet with planners, technical normative personnel, program managers, donor agencies and international PVOs to explain the nature of the project, elicit collaboration on project activities and organize project related committees and task forces. A scientific and technical advisory committee (STAC) will be convened with representatives of donor agencies, international PVOs and member country representatives. The STAC will provide overall technical guidance and act as a consultative and review committee for project activities. It will meet twice the first year of the project and annually thereafter.

Three regional seminars planned for the first, third and fifth year of the project, will serve both planning, promotion and training purposes. Teams of seven people from each country will attend the seminars. These country teams will be responsible for the development of a country document before each seminar which will describe the status of food assistance in their countries and progress made on national strategy formulation, developent of coordinating mechanisms and improving program management and effectiveness. The document will also contain proposed country action plans for improving the effectiveness of food assistance programs to be implemented during Phase 2 of the project. The country action plans will serve the purpose of helping INCAP set priorities for direct technical assistance to be provided to national counterparts under the project.

These seminars will also serve as forums for discussion and approval of regional guidelines as well as for exchange of experiences and for introduction of new information flowing from experiences outside the region or from project operations research activities. INCAP experience with this type of regional seminar over the past five years has shown them to be effective mechanisms for helping member countries set concrete but reasonable goals, for stimulating implementation of agreed upon action plans, norms, guidelines, or methodologies and for introducing new solutions to difficult problems.

Regional and national donor meetings held each year and meetings of national program managers and directors to be held at least once every six months will help stimulate the development of national coordination mechanisms and food assistance strategies and policies. The preparation of country documents for the regional seminars and information gained from the operations research activities particularly the review of data needs and data resources and cost effectiveness analysis to be done in each country will also contribute to national food assistance strategy and policy development.

Technical task forces made up of seven to ten representatives from donor agencies, international PVOs and appropriate member country programs will be convened in the following areas: (a) national strategies and plans, (b) maternal child programs, (c) school feeding programs, (d) food for work programs, (e) emergency/displaced persons programs, (f) evaluation and information systems, and (g) food management and preservation. Drawing from

prior experience at INCAP and elsewhere and results of project operations research, INCAP project staff and outside consultants will develop draft guidelines or methodologies which will be submitted to the technical task forces for review and reworking. Each technical task force will meet several times during the life of project. The guidelines developed by the task forces will be submitted to larger forums for discussion and approval at the first, second or third regional seminars. The first regional seminar will focus on the development of national food assistance strategies and policies and the use of food assistance in socio-economic development. The second seminar will concentrate on design and management of food programs and the last on evaluation. The following regional guidelines will be developed using the described methodology over the life of the project:

a. National food assistance strategy and policy development.

b. Food assistance program design (four guidelines, one for each type of food program: maternal child, school feeding, food for work, displaced persons/ emergencies).

c. Organization and management (one for each type of food aid program).

d. The elaboration of manuals of technical norms and operational procedures for food assistance programs.

e. Planning and development of food and nutrition education activities in food assistance programs.

f. Management, preservation and storage of food commodities.

g. Information and evaluation systems for food assistance programs.

h. Beneficiary selection and monitoring in maternal child feeding programs.

i. Process and impact evaluations for MCH feeding programs.

j. Methodology for assessing food and nutrition status of displaced persons and in emergency situations.

k. Methodology for carrying out institutional and operational assessments of food assistance programs.

l. Simplified methodology for carrying out commodities use and acceptability studies.

m. Simplified methodology for carrying out cost effectiveness studies of food assistance programs.

## 2. Training and Information Dissemination

The objective of this component is to improve the knowledge and skills of planners, technicians and managers responsible for design, management and evaluation of food assistance strategies and programs and thus strengthen the institutional capacity for carrying out food assistance activities. This component will serve as a major conduit for dissemination of recommended regional guidelines, assessment methodologies and results from the project's operations research activities. It includes regional seminars, workshops and short courses, observation visits and the expansion of the information clearing house at INCAP to include materials on food assistance programs.

The three regional seminars, already described under the promotion, planning and coordination component, will serve as major tools for sensitizing and training representatives from national planning and decision making levels and technical normative levels, as well as program directors from various sectors, PVOs and donors on priority food assistance program issues. It is principally through these regional forums that all of the major parties involved in food assistance in the region will be able to exchange ideas, learn to speak a common language and bring their understanding of the priority issues up to the same level, all prerequisites for reaching a concensus on concrete actions to be taken in improving program effectiveness.

Drawing on worldwide experience, the work of the technical task forces and operations research results, INCAP staff and outside consultants will develop training packages for high priority regional courses and workshops as identified by the member country program directors, PVO intermediaries and food aid donors. The following regional courses will be conducted during phase 2 of the project:

1. Food assistance for displaced persons and for emergency situations (1 two week course). In addition, specific modules pertaining to emergency situations or food programs for displaced persons will be incorporated into the other project courses.

2. Identification and design of food assistance programs (2 two week courses).

3. Organization and management of food assistance programs (3 two week courses).

4. Food management and preservation for food assistance programs (2 two week courses).

5. Techniques and methodologies for educational activities in food assistance programs (2 six week courses).

6. Information and evaluation systems for food assistance programs (2 four week courses).

TABLE 7

SUMMARY OF MAJOR PROJECT OUTPUTS BY COMPONENT
PROMOTION, PLANNING AND COORDINATION

| Objectives | Phase I: Planning and Promotion | Phase II: Implementation | Phase III: Evaluation |
|---|---|---|---|
| a. Promote improvement in the management and effectiveness of food assistance programs, promote the development of national food assistance strategies or policies and stimulate national coordination mechanisms.<br><br>b. Build a regional consensus on the technical basis for designing, implementing and evaluating food assistance strategies and programs. | a. Project promotion and organization visits to INCAP member countries.<br><br>b. Initial STAC meeting.<br><br>c. First regional and national donor meetings.<br><br>d. Initial national food assistance program directors meetings.<br><br>e. Initial meetings of task forces on national food assistance strategies and design of food aid programs.<br><br>f. Development of draft guidelines on developing national food assistance strategies and design of food aid programs.<br><br>g. First Regional Seminar.<br><br>h. Country documents with country action plans for improving effectiveness of food assistance activities. | a. Annual STAC meetings<br><br>b. Annual regional and national donor meetings.<br><br>c. Semiannual national food assistance program directors meetings.<br><br>d. Second regional seminar and country documents.<br><br>e. Task force meetings:<br>- National Food Assistance Strategies<br>- Maternal-Child Programs<br>- School Feeding Programs<br>- Food for Work Programs<br>- Emergency/Displaced Persons Programs<br>- Evaluation and Information Systems<br>- Food Management and Preservation<br><br>f. Development of Recommended Regional Guidelines and Methodologies:<br>- Guidelines for development of food assistance strategies and policies.<br>- Guidelines for design of food assistance programs.<br>- Guidelines for organization and management of food aid programs. | a. Final STAC<br><br>b. Final Regional Seminar and country documents.<br><br>c. Final project evaluation.<br><br>d. Regional concensus on recommended guidelines and methodologies.<br><br>e. National food assistance strategies in at least three countries.<br><br>f. Effective coordinating mechanisms in at least three countries. |

Table 7
(Continued)

| Objectives | Phase I: Planning and Promotion | Phase II: Implementation | Phase III: Evaluation |
|---|---|---|---|
| | | - Guidelines for elaboration of manuals of technical norms and operational procedures.<br>- Guidelines for planning and development of food and nutrition education activities in food assistance programs.<br>- Guidelines for management, preservation and storage of food commodities.<br>- Guidelines for information and evaluation systems.<br>- Guidelines for beneficiary selection and monitoring in maternal child feeding programs.<br>- Guidelines on process and impact evaluations for MCH feeding programs.<br>- Methodology for carrying out institutional and operational assessments.<br>- Simplified methodology for commodities use and acceptability studies.<br>- Simplified methodology for cost-effectiveness studies of food aid programs. | |

Some of these course materials will also be developed into distance or self learning modules and will be disseminated through the information dissemination system for use at the national or local level. Through direct technical assistance INCAP will also help member country counterpart organizations develop their own program or country specific training plans and programs, adapt existing or develop new training materials as required and seek support from the national government or international donors for implementing program specific training activities.

As part of the training activities, INCAP will sponsor up to thirty weeks of observational trips within the region or to other parts of Latin America for planners or program managers. These trips will allow program personnel to look at innovative solutions to common coordination, management and logistics problems or the successful integration of food assistance with other education and development activities.

In 1981 INCAP created a scientific and technical information unit which, through the AID-sponsored Regional Breastfeeding Project, established an information clearinghouse on maternal infant nutrition, lactation and weaning. In 1985 this clearing house will be expanded to include information on food assistance programs and issues. In addition, at least one documentation center for food assistance programs will be established in each member country. The clearinghouse is expected to provide the following services: compilation and organization of bibliographic materials, updating of bibliographic listings on an annual basis, quarterly distribution of technical information packets, preparation and distribution of a two page sheet of technical notes on food aid issues every six months, preparation and distribution of technical materials for conferences, workshops and seminars, technical assistance to national information centers and response to ad-hoc requests. In addition, in order to facilitate information exchange between countries, one page of INCAP's quarterly newsletter, "INCAP Informa" will be devoted to food aid programs and related activities carried out by INCAP and its member countries.

TABLE 8

SUMMARY OF MAJOR PROJECT OUTPUTS BY COMPONENT
TRAINING AND INFORMATION DISSEMINATION

| Objectives | Phase I: Planning and Promotion | Phase II: Implementation | Phase III: Evaluation |
|---|---|---|---|
| a. To improve the knowledge and skills of planners, technicians and managers responsible for design, management and evaluation of food assistance strategies and programs.<br><br>b. Strengthen institutional capacity for carrying out food assistance activities.<br><br>c. Disseminate recommended regional guidelines assessment methodologies and operations research results. | a. First Regional Seminar.<br><br>b. Development of course materials and content.<br><br>c. Establishment of regional clearinghouse and national documentation centers for food assistance programs. | a. Second Regional Seminar.<br><br>b. Regional courses<br>- Food assistance for displaced persons and for emergency situations.<br>- Identification and design of food assistance programs.<br>- Organization and management of food assistance programs.<br>- Food Management and preservation for food assistance programs.<br>-Techniques and methodologies for educational activities in food assistance programs.<br>-Information and evaluation systems for food assistance programs.<br><br>c. Information dissemination:<br>-Bibliographic listing updates.<br>-Technical information packets.<br>-Technical information sheets.<br>-Newsletters. | a. Final Regional Seminar.<br><br>b. Final project evaluation.<br><br>c. Improved technical and managerial capacity of regional and national personnel responsible for food assistance activities.<br><br>d. Improved targetting of food aid at the national level and within individual programs.<br><br>e. Better managed and more effective food assistance programs in the region. |

3. Technical Assistance

This component will provide the necessary follow-up to other project activities required to help counterparts use the recommended technical guidelines and simplified methodologies developed and new information obtained to identify specific bottlenecks to achieving effective program operations and to develop and implement solutions to the identified constraints. The component will also assist counterparts in developing national food assistance strategies and national targetting schemes.

Direct technical assistance will be provided to member country government and PVO programs by INCAP staff and a cadre of short term Central American or international consultants with special expertise in specific areas as needed. Technical assistance will focus on helping planners, technicians and program managers in each country: (a) design national food assistance strategies and policies and country action plans; (b) create effective mechanisms for coordination of food programs; (c) develop technical norms; (d) carry out institutional studies and analyses; (e) prepare manuals of standards and procedures for individual food programs; (f) improve targetting; (g) develop in-service training programs; (h) improve program management and operations, including management and evaluation information systems, logistics systems, food handling and storage, and supervision; (i) design and conduct process or impact evaluations; (j) design and implement effective complementary food and nutrition education activities for food programs; (k) integrate food programs with other complementary health, education or community development activities; (l) design new programs or redesign existing activities; and (m) identify resource needs for improving the institutional capacity of agencies involved in feeding programs and help prepare proposals for eventual presentation to donor agencies on a bilateral basis. A minimum of 360 weeks of in-country technical assistance will be made available over the life of project.

In addition to the short-term technical assistance, INCAP will assign three of the project's long term advisors to member countries. The skills of the long term advisor will be matched with the predominate technical assistance needs of the member countries and the interest of the counterpart agency in having a long term advisor. Two of these assignments will be in Honduras and El Salvador and the third either in Guatemala, Costa Rica or Panama. The advisors will spend approximately 40 - 60% of their time in their resident country and will spend the rest of the time serving the technical assistance needs of other member countries on a short term basis.

TABLE 9

SUMMARY OF MAJOR PROJECT OUTPUTS BY COMPONENT
TECHNICAL ASSISTANCE

| Objectives | Phase I: Planning and Promotion | Phase II: Implementation | Phase III: Evaluation |
|---|---|---|---|
| a. To provide the necessary followup to other project activities required to help counterparts use the recommended guidelines and simplified methodologies developed and new information obtained to identify specific bottlenecks to achieving effective program operations and to develop and implement solutions to the identified constraints.<br><br>b. To assist counterparts in developing national food assistance strategies and national targetting schemes. | a. Technical assistance in project planning, development of country documents, national strategy formulation, development of coordinating mechanisms and carrying out operations research and assessments. | a. Technical Assistance for the following:<br>-Design national food assistance strategies.<br>-Create effective coordinating mechanisms.<br>-Develop technical norms.<br>-Carryout institutional analyses and studies.<br>-Prepare manuals of standards and procedures.<br>-Improve targetting.<br>-Develop in-service training programs.<br>-Improve program management and operations including management and evaluation information systems, logistics systems, food handling and storage and supervision.<br>-Design and conduct process or impact evaluations.<br>-Design and implement effective complementary food and nutrition education activities.<br>-Design or redesign food programs.<br>-Identify resource needs for improving institutional capacity and help prepare proposals for funding. | a. Final evaluation studies of project impact on national food assistance programs.<br><br>b. Improved targetting and beneficiary selection for food assistance programs.<br><br>c. Better managed and more effective food assistance programs.<br><br>d. Better coordination and integration of food assistance programs with other nutrition, related food, health and community development activities. |

## 4. Operations and Applied Research

The fourth component, operations and applied research, will supply the information needs of technical specialists, planners and program managers in improving the performance of national food assistance programs, orienting other project components and answering priority research questions of interest to the international food aid and nutrition communities.

This component will be divided into two types of research: (a) improving food assistance program processes; and (b) determining food assistance program impacts. Investigations will be carried out on five topics, four applicable to improving food assistance program process and one designed to help determine food assistance program impacts. The topics were chosen on the basis of research priorities identified by food assistance program staff in INCAP's member countries as well as donors, PVOs and international technical agencies.

### a. Evaluation of Food Assistance Programs: Operations, Institutional Capacity and Food Utilization at the Household Level

INCAP, in conjunction with host country counterparts, and sponsoring international PVOs or donors, will carry out case study evaluations of four programs in each of two countries of the region, Honduras and Guatemala. Every attempt will be made to include a MCH, School Feeding, Food for Work, and Emergency Program in each set of studies. In addition, a special case study will be carried out on programs for displaced persons in El Salvador. The choice of the programs for inclusion will depend upon the counterpart agencies' interest and demonstrated willingness to collaborate both in the initial diagnostic phase of the evaluation, implementation of recommended solutions and in the follow up evaluation to be held during the last year of the project.

The program assessment at the central, regional and local levels will examine such things as interinstitutional coordination; institutional organization; technical, administrative and management procedures; financing and costs; program targetting, monitoring and evaluation; supervision; in-service training programs; perceptions of service providers; accomplishments of programmed activities; operational constraints for effective program implementation; beneficiary selection and screening procedures; appropriateness of commodities and rations; integration with other development activities; and community response. Special emphasis will be given to analysis of food storage, transportation and distribution mechanisms and controls in order to identify the source and causes of principal food losses.

At the household level, the assessments will look at the perceptions and attitudes of beneficiary families regrding food assistance programs and the commodities received. The study will also look at how the program commodities are handled, preserved, prepared and consumed in the household. These studies will be carried out using household consumption surveys and anthropological methods at the community level.

b. Cost Effectiveness Analysis of Food Assistance Programs in Central America and Panama

Three types of regular food assistance programs operate in Central America: Maternal Child Feeding (MCH), School Feeding (SF) and Food for Work (FFW). The first have primarily nutritional objectives, while the sec ' often include increasing school attendance or improving scholastic perform as primary objectives. Income and employment generation are the principa 'ectives of food for work programs. Food assistance programs represent considerable costs which are borne by donating agencies, national governments and private voluntary agencies. In addition, they often absorb large numbers of trained human resources and place considerable burden on national infrastructure. Thus, it is imperative that food assistance programs are operated as efficiently as possible.

This study will undertake a cost-effectiveness analysis at the operational level, relating specific program outputs such as beneficiaries served or cash equivalent income provided per beneficiary per year to program costs. Studies on all major types of normal food assistance programs will be included. At a minimum, cost effectiveness analysis will be carried out on the eight programs included in the evaluation of food aid programs: operations, institutional capacity and food utilization at the household level study.

c. Defining the Technical Basis for Screening and Discharge Decisions and for Interpreting Growth Monitoring Data in Maternal Child Food Programs

One of the identified constraints to effective food assistance program implementation in Central America and Panama is the use of inadequate criteria for beneficiary selection, for decisions regarding duration of beneficiary participation, for discharge procedures, for establishing ration sizes and for monitoring growth of participating children. This study will provide the scientific basis for use of nutritional criteria in setting technical norms for maternal child feeding programs in the region.

The study will be divided into two parts. The first phase will use data from longitudinal food supplementation studies carried out by INCAP in Guatemala to explore the use of different criteria or methods for making beneficiary selection and discharge decisions, for choosing appropriate ration sizes and for growth monitoring.

Drawing on the results of the analysis of existing data, a prospective study will be carried out in conjunction with the investigation on food, nutrition and socio-economic impacts of maternal-child food assistance programs on participant families. The prospective study will test the results obtained through the analysis of existing data and will fill in the knowledge gaps which cannot be answered with the existing data sets. This information will be used to help establish recommended regional guidelines on beneficiary selection and discharge, growth monitoring and ration sizes.

d. Design and Testing of Simple Information and Evaluation Systems for National Food Assistance Programs

A major constraint to the effective coordination of food assistance programs operating in a country and for appropriate management of individual projects is the lack of adequately designed yet simple internal information systems which can anticipate data needs and furnish information for decision making by planners and program managers. This research project will make a contribution to the operation of food assistance programs by strengthening existing internal information systems through (a) the identification of data required for purposes of planning, monitoring and evaluation at different levels of the decision-making process by those responsible for national food assistance programs; (b) the identification of existing information systems supporting food assistance programs and other sectoral systems periodically gathering information which could potentially meet the data requirements, and (c) development and testing of simple, low-cost information systems for different types of food assistance programs operating in the region.

e. Food, Nutrition and Socio-Economic Impacts of Maternal and Child Food Assistance Programs on Participant Families

There is a lack of hard evidence available to the nutrition scientific community on the social, economic, food and nutrition impacts of food assistance programs. The scientific community, international organizations, donor and recipient countries have identified the need for this type of evaluation to orient decisions regarding investment of their social service or nutrition intervention dollar and to correctly identify the role of food assistance programs as a tool to reduce or erradicate malnutrition in third world countries.

TABLE 10

SUMMARY OF MAJOR PROJECT OUTPUTS BY COMPONENT
OPERATIONS AND APPLIED RESEARCH

| Objectives | Phase I: Planning and Promotion | Phase II: Implementation | Phase III: Evaluation |
|---|---|---|---|
| a. To supply the information needs of technical specialists, planners and program managers required to improve the performance of food assistance programs.<br><br>b. To provide the missing information required for the development of guidelines, methodologies, regional courses, and technical information dissemination materials.<br><br>c. To provide answers to priority research questions of interest to the international food aid and and nutrition communities. | a. Research protocols for 6 studies or assessments.<br><br>b. Initial results from eight evaluations of food assistance program operations: institutional capacity and food utilization at the household level.<br><br>c. Initial results of case study: analysis of the operation of food assistance programs for displaced populations.<br><br>d. Initial results from assessments of information systems for food assistance activities in five countries.<br><br>e. Initial results from study on defining technical basis for norms for maternal child food programs. | a. Results from eight evaluations of food aid programs operations: institutional capacity and food utilization at the household level.<br><br>b. Results of case study: analysis of the operation of food assistance programs, for displaced populations.<br><br>c. Results from study on designing and testing simple information and evaluation systems for food assistance programs.<br><br>d. Result from study on defining the technical basis for norms for maternal child food programs.<br><br>e. Cost effectiveness analyses of eight food aid programs.<br><br>f. Results from study on food, nutrition and socio-economic impacts of maternal child food assistance programs on participant families.<br><br>g. Information required for the development of simplified assessment and evaluation methodologies. | a. Follow-up evaluation studies on food assistance program operations: institutional capacity and food utilization at the household level.<br><br>b. Simplified assessment and evaluation methodologies developed.<br><br>c. Better knowledge of the costs, major problems and alternative solutions in the design, implementation and evaluation of food assistance programs.<br><br>d. Improved knowledge and understanding of social, economic, dietary and nutrition effects of food programs. |

Thus, this investigation will provide donor countries with basic information on the extent to which their contribution to developing nations, in the form of food aid, is worthwhile in terms of nutritional and economic consequences to deprived sectors of the population. For national planners, it will furnish information as to whether, for nutritional objectives, it is worthwhile allocating sizeable resources to the management of food assistance programs.

The study will examine social, economic, dietary and nutritional impacts of a maternal child care feeding program in one of the countries (Guatemala or Honduras) where the process evaluation of food program operations will be conducted. It will also determine the impact of the food assistance program on the utilization of health services.

E. Host Country and Other Donor Participation

There are forty-two different agencies involved in direct implementation of the 60 major food assistance programs currently functioning in the five participating countries in the region. Of these, thirty-two are host country government agencies, eight are local PVOs, one is an international PVO, (CARE/Honduras), and the last is the UN High Commission for Refugees. There are two international PVOs involved in food assistance activities, CARE and Catholic Relief Services (CRS) and four food donors; the US Agency for International Development (AID), the World Food Program (WFP), the European Economic Community (EEC) and the Government of West Germany. In addition, these are several international and bilateral agencies operating in the region which provide some technical or financial support for food assistance, emergency assistance and related activities; PAHO/WHO, UNICEF, FAO, WFP, the UN High Commission on Refugees and AID, both AID/Washington and the bilateral USAIDs.

Initial contacts have been made with each of these groups in order to define working relationships with INCAP and the project. With the exception of the UN High Commission on Refugees, each of the food aid donors and international technical support agencies have expressed an interest and willingness to participate in the project.

The project will pay travel, per diem and training costs of host country public sector and local PVO counterparts participation in project activities. Host country agencies will pay salaries of participants and will be expected to make other in-kind contributions whenever possible. INCAP has a strict policy whereby direct technical assistance is not programmed or provided unless a clearly defined counterpart is available to work with INCAP staff and clearly defined objectives and responsibilities are established for each technical assistance activity.

Specific letters of understanding will be signed with the host country agencies and sponsoring donors or PVOs agreeing to collaborate with

INCAP on operational and applied research activities. These letters will identify host country and other donor contributions to the activity and responsibilities of each party involved. Only programs where a committment has been obtained from host country and PVO counterparts to implement recommendations from initial process evaluation and to agree to follow-up studies will be included in the process evaluations of food aid programs planned under the project.

International PVOs such as CARE and CRS as well as donors and other international technical support agencies will be invited to participate in all project activities, but will be expected to pay for the costs of participating themselves. All of the agencies contacted have agreed to do so.

Since the project is designed to build the institutional capacity of host country organizations, both public and private, and stimulate coordination, direct technical assistance will be provided to any host country institution which has fulfilled INCAP's technical assistance programming requirements and been included on INCAP's annual country plan, regardless of the cooperating donor agency. However, donors or international PVOs who wish to avail themselves of INCAP technical expertise for their own program design, evaluation or management needs will be expected to continue to contract with INCAP directly for these services as they have in the past. The money obtained by INCAP from consultancies provided by personnel who are covered 100% with ROCAP project funds will go to back into the project to be used during years 4 and 5. These funds will be used to cover part or full-time salaries of the staff who are not financed by the project after the third year or to help cover the recurrent costs of maintaining a minimum technical capacity at INCAP to support food assistance programs after the fifth year of the ROCAP/INCAP project.

As soon as the proposed food assistance project is approved, INCAP will formally contact the authorities responsible for decisions on food assistance programs operating in Central America and Panama. The objective of these contacts will be to inform donors and PVO's about project approval, describe planned activities and technical and economic support at both the regional and country level desired from their organizations over the next five years. Based on these initial contacts, INCAP will prepare a letter of agreement with each international agency, donor and PVO. These documents will describe in detail the type of support which INCAP's food assistance project requires, the in-country activities likely to be strengthened with external support and the mechanisms which will need to be exercised to coordinate efforts by INCAP staff and the representatives of donor and international agencies and PVO's located at the organization's headquarters or in the member countries.

In addition to paying salaries, travel and per diem for their staff to participate in regional meetings and other project activities, INCAP will request that donors (1) contribute consultants, (2) provide pertinent written or audio visual materials which could be adapted to the CA/P context and

distributed via the information dissemination system, (3) support in country activities required to address constraints of food assistance programs, (4) support operational research on issues not contemplated in the present project and (5) look for mechanisms to continue funding for technical and training support for food programs after the ROCAP project terminates. The latter support could be in the form of contracts for services, direct grants or scholarships for participant training.

## IV. Cost Estimates and Financial Plan

The proposed budget for the project is $7,043,000, of which ROCAP's contribution will total $5,600,000 (80%), INCAP's $760,000 (11%) and host country counterpart $683,000 (9%). Table 11 contains a summary financial plan by project component and funding source and Table 12 provides a summary by objects of expense and funding source. Project funding will cover activities planned over the implementation period of five years from June 1985 through May 1990. Table 13 shows the expenditure schedule for the ROCAP contributions by components and by year. Table 14 breaks the project components down by major objects of expense. A detailed project budget is included in Annex 10.

To facilitate project financial management, all project funded long term personnel, except those dedicated exclusively to research activities are budgeted within the Project Management, Review and Evaluation line item. Long term research personnel are budgeted within the research component. Short term consultants and contractual services, amounting to $167,900 and $358,691 respectively, are budgeted in each component where their services are likely to be required.

Also for project management purposes the training and information dissemination component has been broken out into two separate budget line items. Although they will work together closely, different people within the project staff will have principal responsibilities for coordinating training and information dissemination activities.

The host country counterpart has been calculated based only on estimates of the time host country counterparts will spend directly on project activities as participants in training, technical assistance and research activities and is therefore a conservative estimate of host country contributions. INCAP experience in the past has been that host country in-kind contributions in the form of local transportation, office space, materials and supplies, use of computer and office equipment, local secretarial and administrative support and space for meetings and conferences is substantial, but cannot be adequately estimated at the beginning of a project.

In addition, it is expected that other donors, including bilateral USAIDs and international PVOs, will contribute substantially to the project by covering the cost of salaries, travel and per diem of their representatives to participate in project activities, by supporting the participation of

additional national counterparts for training activities, by supporting some in-country costs of research and technical assistance, by supplying materials for information dissemination and by providing short term consultants. Other donors have also expressed an interest in contributing to related food assistance research activities. Initial negotiations between INCAP and the other donors on their contributions are underway and will be finalized once the regional project has been launched.

TABLE 11

Summary Financial Plan
by Project Component and Funding Source
(US$ 000)

| Line Items | ROCAP | INCAP | Host Country Counterpart | Total |
|---|---|---|---|---|
| Planning and Coordination | 217 | — | 33 | 250 |
| Training | 670 | — | 217 | 887 |
| Technical Assistance | 391 | — | 151 | 542 |
| Research | 880 | 60 | 282 | 1,222 |
| Technical Information Dissemination | 74 | — | — | 74 |
| Management, Review and Evaluation | 1,442 | 525 | — | 1,967 |
| Sub-Total | 3,674 | 585 | 683 | 4,942 |
| INCAP Indirect Costs 1/ | 978 | 175 | — | 1,153 |
| Contingencies and Inflation | 388 | — | — | 388 |
| U.S. Technical Assistance | 560 | — | — | 560 |
| TOTAL | 5,600 | 760 | 683 | 7,043 |

1/ Calculated at a rate of 30 percent of sub-total minus fellowships ($414,000).

TABLE 12

Summary Financial Plan
by Objects of Expense and Source of Funding
(US$ 000)

| Objects of Expense | ROCAP | INCAP | Host Country Counterpart | Total |
|---|---|---|---|---|
| Personnel (Long-term staff) | 1,374,171 | 518,800 | 682,920 | 2,575,891 |
| Consultants | 167,900 | - | - | 167,900 |
| Travel & Perdiem | 933,033 | - | - | 933,033 |
| Contractual Services | 358,691 | - | - | 358,691 |
| Computer Services | 107,400 | 30,000 | - | 137,400 |
| Operational Expenses | 49,540 | 6,000 | | 55,540 |
| Supplies | 186,040 | - | | 186,040 |
| Visual Aids and Reproductions | 66,070 | - | | 66,070 |
| Equipment | 17,000 | 30,000 | | 47,000 |
| Training Scholarships | 414,000 | - | | 414,000 |
| Sub-Total | 3,673,845 | 584,800 | 682,920 | 4,941,565 |
| INCAP Indirect Costs | 977,955 | 175,440 | | 1,153,395 |
| Contingencies & Inflation | 388,200 | - | | 388,200 |
| U.S. Technical Assistance | 560,000 | - | | 560,000 |
| TOTAL | 5,600,000 | 760,240 | 682,920 | 7,043,160 |

TABLE 13

BUDGET SUMMARY OF ROCAP CONTRIBUTION BY COMPONENTS AND YEAR
US $

| | Project components | First Year | Second Year | Third Year | Fourth Year | Fifth Year | Sub-total |
|---|---|---|---|---|---|---|---|
| I. | PLANNING AND COORDINATION | 69,720 | 70,860 | 30,860 | 30,860 | 14,860 | 217,160 |
| | A. Scientific and Technical Advisory Committee. 6 meetings | 29,720 | 14,860 | 14,860 | 14,860 | 14,860 | 89,160 |
| | B. Task Forces. 16 meetings | 40,000 | 56,000 | 16,000 | 16,000 | - | 128,000 |
| II. | REGIONAL TRAINING PROGRAM | 104,000 | 199,800 | 182,000 | 131,400 | 52,800 | 670,000 |
| | A. Regional Seminars (3) | 49,200 | - | 49,200 | 49,200 | - | 147,600 |
| | B. Workshops and courses (12) | 34,800 | 179,800 | 112,800 | 82,200 | 52,800 | 462,400 |
| | 1. Feeding assistance for displaced persons and for emergency situations | - | 36,400 | - | - | - | 36,400 |
| | 2. Identification and design of food aid programs | 34,800 | - | 25,200 | - | - | 60,000 |
| | 3. Administrative management of programs | - | 31,200 | - | 31,200 | 26,400 | 88,800 |
| | 4. Food management and preservation | - | - | 31,200 | - | 26,400 | 57,600 |
| | 5. Methodologies for food and nutrition education | - | 56,400 | 56,400 | - | - | 112,800 |
| | 6. Information and evaluation systems for food aid programs | - | 55,800 | - | 51,000 | - | 106,800 |
| | C. Observational site visits (30) | 20,000 | 20,000 | 20,000 | - | - | 60,000 |
| III. | TECHNICAL ASSISTANCE | 75,780 | 80,280 | 80,280 | 80,280 | 74,280 | 390,900 |

Table 13 -
Continued

| | Project components | First Year | Second Year | Third Year | Fourth Year | Fifth Year | Sub-total |
|---|---|---|---|---|---|---|---|
| IV. | OPERATIONS RESEARCH | 291,016 | 240,810 | 152,270 | 193,614 | 1,995 | 879,705 |
| | A.1 Analysis of institutional capability for carrying out food aid programs and food utilization at the household level | 130,400 | 72,900 | 5,000 | 124,500 | - | 332,800 |
| | A.2 Cost/effectiveness of food aid programs in Central America and Panama. | | 34,000 | 20,500 | - | - | 54,500 |
| | A.3 Definition of technical basis for establishing norms for maternal pre-school child food programs | 22,400 | 12,850 | 15,350 | - | - | 50,600 |
| | A.4 Design and testing of simple information and evaluation systems for food aid programs | 61,900 | 13,400 | - | - | - | 75,300 |
| | B.1 Food, nutrition and socioeconomic impact on participant families of maternal-child food programs | 61,316 | 107,660 | 111,420 | 69,114 | 1,995 | 351,505 |
| | C.1 Case Study: Analysis of the operation of food assistance programs for displaced persons in El Salvador | 15,000 | - | - | - | - | 15,000 |
| V. | INFORMATION DISSEMINATION | 14,876 | 14,876 | 14,876 | 14,876 | 14,876 | 74,380 |
| VI | MANAGEMENT AND EVALUATION | 313,800 | 268,750 | 319,050 | 285,750 | 254,350 | 1,441,700 |
| | SUBTOTAL | 869,192 | 875,376 | 779,336 | 736,780 | 413,161 | 3,673,845 |
| * | Indirect costs 30% | 253,198 | 215,993 | 202,841 | 197,814 | 108,109 | 977,955 |
| | Contingencies and Inflation | 31,745 | 63,717 | 73,075 | 98,449 | 121,214 | 388,200 |
| | U.S. Technical Assistance | 105,000 | 109,000 | 114,000 | 119,000 | 113,000 | 560,000 |
| | TOTAL | 1,259,135 | 1,264,086 | 1,169,252 | 1,152,043 | 755,484 | 5,600,000 |

TABLE 14

BUDGET SUMMARY OF ROCAP CONTRIBUTION BY PROJECT COMPONENTS AND CATEGORY OF EXPENDITURE
US $

| Code | Expenditure Categories | Components: Planning and Coordination | Training | Technical Assistance | Operations Research | Information and Dissemination | Management and Evaluation | Total |
|---|---|---|---|---|---|---|---|---|
| 010 | Long term staff | - | - | - | 130,071 | - | 1,244,100 | 1,374,171 |
| 040 | Consultants | - | 48,400 | - | 40,000 | - | 79,500 | 167,900 |
| 230 | Travel and per diem | 179,160 | 189,600 | 390,900 | 136,373 | - | 37,000 | 933,033 |
| 300 | Contractual services | - | - | - | 348,691 | - | 10,000 | 358,691 |
| C91 | Computer services | - | - | - | 101,300 | - | 6,100 | 107,400 |
| 400 | Operational expenses | 4,400 | 1,500 | - | 21,200 | 7,440 | 15,000 | 49,540 |
| 500 | Supplies | 24,000 | 10,500 | - | 98,070 | 33,470 | 20,000 | 186,040 |
| C96 | Visual aids - Reproduction | 9,600 | 6,000 | - | 2,000 | 33,470 | 15,000 | 66,070 |
| 600 | Equipment | - | - | - | 2,000 | - | 15,000 | 17,000 |
| 800 | Training - Scholarships | - | 414,000 | - | - | - | - | 414,000 |
| | Subtotal | 217,160 | 670,000 | 390,900 | 879,705 | 74,380 | 1,441,700 | 3,673,845 |
| C96/94 | Indirect costs 30% | 65,148 | 76,800 | 117,270 | 263,912 | 22,315 | 432,510 | 977,955 |
| | Contingencies and Inflation | - | - | - | - | - | - | 388,200 |
| | U.S. Technical Assistance | - | - | - | - | - | - | 560,000 |
| | TOTAL | 282,308 | 746,800 | 508,170 | 1,143,617 | 96,695 | 1,874,210 | 5,600,000 |

## V. SUMMARY PROJECT ANALYSES

The following summarizes the specific analyses conducted in designing the project. The complete analyses appear in Annexes 7-10.

### A. Summary Technical Analysis

The project is designed to help reduce infant and young child mortality and improve nutritional status among high risk populations in Central America by improving the effectiveness of food assistance activities in the region. This will be done by strengthening the technical, managerial and evaluation capabilities of national, public and private agencies responsible for planning, implementation and evaluation of food assistance activities.

Drawing on the results of the 1984 INCAP assessment of technical and training needs of food assistance programs; the results of the donor group workshop on the same subject and INCAP discussions with managers of food programs in each country; the project development team ascertained that to improve the effectiveness of food assistance activities the following are the key constraints to be overcome:

Lack of national food assistance strategies.

Lack of effective country level coordination mechanisms.

Poor food assistance program design.

Weak institutional capacity for management and implementation of food assistance programs.

Inadequate food storage and distribution systems and food handling and control mechanisms.

Lack of common technical and operational guidelines or norms and objectives.

Severe limitations in program information and evaluation systems.

Inadequate linkages with complementary development activities.

Limited experience in handling the growing number of displaced persons in the region.

The first two constraints must be overcome by working at the national level while the rest are applicable to individual programs. An in-depth analysis of these constraints appears in Annex 7, Technical Analysis. The mix of project activities chosen to address the identified constraints was carefully considered by the design team and others involved in

food assistance programs in the region. The project draws on the accomplishments and lessons learned over the past ten years in food and nutrition planning and on the successful planning, motivational and technical support techniques which INCAP has developed more recently for working with its member countries.

Experience with a series of food and nutrition planning seminars and technical outreach measures over the past four years under the ROCAP/INCAP Nutrition Technical Outreach Project has shown that the proposed methodology for regional seminars in which each country team prepares a country document assessing the current situation and laying out a country action plan for discussion and revision at the seminar is a good mechanism for identifying priorities and stimulating action at the national level. Focused follow-up technical assistance with well defined objectives combined with training, promotion, and information dissemination by INCAP have helped countries implement many elements of their plans.

A national level constraint to improving effectiveness of food assistance programs is the lack of national food assistance strategies. Work on food and nutrition planning and development of food and nutrition surveillance and information systems over the past ten years has raised the level of knowledge and analytic sophistication about the food and nutrition situation in most countries of the region to a point that the development of national food assistance strategies is technically feasible. Reviews of food assistance program information needs and cost benefit analysis to be done in each country as part of the project's operations research activities will help further expand the knowledge base.

In the case of food assistance, the incorporation and collaboration of donors and PVO intermediaries into the process of national strategy development as well as into efforts to improve program effectiveness and develop coordinating mechanisms is particularly critical to achieving a positive outcome. The project takes this into consideration by promoting active donor participation in the STAC, technical task forces, donor meetings, regional seminars, national program coordinating meetings, development of country documents and workplans and all other project activities. Donors and PVOs have already played an active role in project planning and development and have expressed a high level of interest in collaborating in project activities.

Effective formal or informal country level mechanisms for information exchange and coordination are needed to avoid duplication of efforts and undercutting of one program by another. The regional assessment of technical and training needs conducted by INCAP in 1983-84 led to joint meetings of all major national program managers in each of the member countries. In several countries, notably Costa Rica, Honduras and El Salvador, program managers have decided to continue these meetings on a regular basis on their own.

Meetings of national project managers and national donor meetings will continue to be promoted under the project. In addition, other project activities such as the establishment of documentation centers in each country, participation in regional seminars and courses and information dissemination activities will facilitate national coordination and information exchange. The development and application of common technical and operational guidelines and norms will help overcome coordination problems and prevent undercutting of one program by another which now exist when programs with similar objectives are carried out in the same country.

The approach selected by the project for overcoming constraints at the individual program level is to provide an integrated set of technical support services to technical/normative personnel and program managers. The package includes technical assistance, regional training courses, observational tours and technical information dissemination which will improve technical and management skills, help program directors identify specific constraints within their individual programs and develop practical solutions for overcoming barriers to effective program operations. Non-technical constraints to program operations such as infrastructure, personnel or equipment limitations will be addressed by providing help in targetting and scaling back the current program to fit available resources or in preparing proposals to seek funding for the additional resources required.

The integrated set of technical services will draw on and help apply the results of the project's operational research activities and the recommended guidelines for project design, implementation and evaluation to be developed on a regional basis. INCAP has developed effective mechanisms for providing integrated technical assistance, training and information dissemination and exchange which draw on and transmit research results and which achieve demonstrable outcomes.

Project operations research and assessments will help fill knowledge gaps and clarify existing doubts about the best technical norms to use for maternal infant feeding programs, the research activities will also help define practical operations procedures for each type of food assistance program. In addition, the research component will help define model management information and evaluation systems and develop more easily applicable methodologies for problem identification and for carrying out cost assessments, cost effectiveness analyses, institutional assessments and community studies needed for adequate program design. Process evaluations to be carried out on nine programs will provide direct problem solving assistance to these programs and at the same time will provide the region with a better understanding of the operational problems of food assistance programs and alternative solutions which can be spread to other programs through technical assistance, information dissemination and training.

With the possible exception of the impact evaluaton of MCH programs, research activities planned under the project are not complex and all activities use methodologies which are well known and with which INCAP has

considerable experience. They also draw on information already available in the region saving time which would otherwise have to be used for data collection. The project team ascertained that operational answers for outstanding issues on assessment and process evaluation methodologies, targetting, beneficiary selection criteria, ration sizes, ascertaining beneficiary and community perceptions and the design of reasonable information systems can be obtained well within the time frame of the project and in sufficient time to permit dissemination of the results and their application to individual programs.

The development of recommended regional guidelines for project design, implementation and evaluation as well as for technical and procedural norms will provide program planners and managers, as well as cooperating PVOs, with a clear definitiion of what needs to be done to improve program effectiveness. The guidelines will also help minimize the confusion which now exists due to multiple criteria and opinions regarding program design, implementation and evaluation which have often been established without knowledge or understanding of the realities of the CA/P region.

The project addresses the problem of reaching a concensus on regional guidelines through the use of a highly participatory process of operations research, task forces, national meetings and regional forums. The possibility of reaching a concensus on general guidelines for program design and evaluation and for technical norms and operational procedures when dealing with multiple donors, intermediaries and executing agencies was the subject of extensive discussion at the May 1984 donor meeting held to discuss the results of INCAP's assessment of technical and training needs for food assistance programs. The conclusion of the discussions was that it was both possible and advantageous to all parties to do so and that both donors and PVO intermediaries were willing to work toward that end.

With the help of an outside consultant, the feasibility of responding to the technical assistance and training needs of both normal and emergency food assistance programs under the same project was examined. The project development team found that the technical support needs of emergency food assistance programs, including displaced persons and refugee programs, are not substantially different from those required by normal food assistance programs, i.e. the development or adaptation of guidelines or methodologies for carrying out assessments and for program design and operations, technical assistance, information dissemination, regional training and operations research. The two types of programs can be accommodated under a single project with the addition of some special personnel and activities focused on emergency situations. Furthermore, many of the national counterparts who are responsible for normal feeding programs are also in charge of food assistance activities during emergency situations. Therefore, special training in handling emergencies and displaced persons needs to be provided for both normal and emergency feeding program personnel. This can best be done through a combined program.

The project will address the special needs of emergency situations and displaced persons programs by including a specialist in emergency programs among the long term project personnel. This person will be responsible for development of special guidelines, assessment methodologies, and training activities for emergency and displaced persons programs, for carrying out a case study on the displaced persons programs in El Salvador and for providing direct technical assistance on this subject.

As designed, therefore, the project takes into consideration known technological and institutional constraints to improving food assistance programs. After reviewing the constraints the project committee has determined that the proposed design is technically responsive to the problem identified and that no technical constraints exist to inhibit successful project implementation.

B. Summary Institutional Analysis

1. Background

The project will be implemented by INCAP which serves as the region's principal source of technical expertise in the areas of health, nutrition and supplementary feeding. INCAP has recent experience in managing AID projects similar to the proposed project (Regional Breastfeeding Promotion, Regional Nutrition Technical Outreach and Panama Breastfeeding Promotion) and, overall, producing high quality technical information, carrying out a high volume of technical assistance and maintaining excellent relationships with clients, especially ministries of health.

2. Coopers and Lybrand Report

To respond to AID/W queries regarding the technical capacity of INCAP and how its clients perceive the value of its work and services, ROCAP financed an institutional analysis of INCAP which was carried out by Coopers and Lybrand. The final report, which was presented to AID/W in February 1984, reviews the institution's research, training and technical assistance activities and the linkages it has with national and international organizations. The report states that the "technical capacities of the institute's staff are appropriate for many of AID's program policies and strategies such as nutrition, health assistance, food and agriculture, transfer of technology and institutional development. Therefore, in the future, AID should continue to consider INCAP as a capable project implementator."

On the question of client perceptions, the report states that INCAP "is highly regarded by the international scientific community. The services it provides, in the view of the national authorities and recipients of its services we spoke with, are of high quality."

3. INCAP's Experience with Food Assistance

INCAP's relevant experience to carry out the general types of activities proposed under the project has been discussed in connection with the AID financed projects described in the previous section. The INCAP project proposal details the specific type of experience that INCAP has had directly related to food aid programs. In general, INCAP has had relevant experience in program design and evaluation, institutional studies, revision of technical norms, information systems, macro/policy studies, nutritional impact studies, improving the nutritional aspects of food, regional studies, and in preparing technical publications. A description of each type of relevant experience is included in Annex 8, Institutional Analysis.

4. INCAP's Capacity to Carry out Two Major AID Projects Simultaneously

In the PID review, issues were raised concerning INCAP's ability to carry out the proposed project along with the Oral Rehydration Therapy, Growth Monitoring and Nutrition Evaluation project (596-0115) which was recently approved. INCAP's specific technical and administrative capacity to carry out the proposed project activities was thus reviewed in depth during project paper development by INCAP and ROCAP with the assistance of outside consultants.

Current INCAP staff levels will need to be reinforced in order to undertake the number and breadth of tasks required to help the countries improve the effectiveness of their food programs. An optional combination of expanded INCAP staff, collaborative agreements with other institutions, use of Central American short term contractors and U.S. technical assistance has been developed to insure that INCAP has the institutional capacity to effectively implement the project.

a. Technical Capacity

INCAP has carefully planned the use of its core professional staff to provide a balance between the two projects, as well as to provide adequate time to maintain the schedules of other ongoing projects and programs of the Institute. The following table summarizes the percentage allocation of INCAP counterpart professionals and tallies their combined input in support of the ORT and Food Assistance projects:

## INCAP Counterpart Professionals

| Position | Name | % Time Dedicated to Food ORT | Assistance | Combined |
|---|---|---|---|---|
| 1. INCAP Director | L.O. Angel | 10% | 10% | 20% |
| 2. Project Coordinator | H. Delgado | 100 | - | 100 |
| 3. Project Coordinator | M. T. Menchú | - | 100 | 100 |
| 4. INCAP Administration | J. Bajarano | 15 | 15 | 30 |
| 5. Chief F&N Plan | M. Immink | 10 | 20 | 30 |
| 6. T.A. Coordinator | A. Noguera | 20 | 20 | 40 |
| 7. Chief, Food & Economics Program: Project Research Coordinator | V. Valverde | 20 | 20 | 40 |
| 8. Principal Investigator: | M. Molina | 25 | 20 | 45 |
| 9. Principal Investigator: | R. Sibrian | - | 20 | 20 |
| 10. Principal Investigator: | C. Dárdano | 25 | - | 25 |
| 11. Principal Investigator: | J. Cruz | 25 | 10 | 35 |
| 12. Education & Training | A. Praun | 75 | 15 | 90 |
| 13. Education & Training | C. Bruña | - | 10 | 10 |
| 14. School of Nutrition | M.E.de Robles | 20 | - | 20 |
| 15. Nutritionist | B. Torún | 10 | - | 10 |
| 16. Biochemist | L. Mejía | - | 10 | 10 |
| 17. Food Biochemist | L. Elías | - | 10 | 10 |
| 18. Infor. Dissemination | M. Fischer | 50 | 25 | 75 |
| 19. Nutritionist | F. Chew | 20 | | 20 |
| 20. Education & Training | F. Castillo | 20 | | 20 |
| Total Average | | 30 | 22 | 38 |

With the exception of the two full-time project coordinators, the median amount of time per professional dedicated to both projects is about one-third of total time available, which allows a reasonable proportion of time left for other INCAP activities.

In addition to the core INCAP professionals assigned to this project, a total of nine additional experts will be added, with grant funding, to the INCAP staff on a full time basis, as follows:

1. Management Expert - Regular Food Programs
2. Management Expert - Emergency Food Programs
3. Logistics Expert
4. Education and Training Expert
5. Management Information Systems Expert
6. Epidemologist
7. Food Management Expert
8. Technical Information Expert
9. Project Management Logistics

At least three of these nine will be based in member states away from headquarters and will be principally involved in the provision of technical assistance both to the central governments and to the individual food assistance programs, and will be responsible for the overall coordination of project activities in the field. Provision has also been made for substantial support from a variety of Central American experts to be contracted on a short-term, as needed, basis.

Table 1 of Annex 8 presents a complete listing of both INCAP core staff and Central American experts to be contracted under the project. This listing presents, on an integrated basis, the full component of professional services required for the project and describes the principal responsibilities of each person, their input in terms of person-months and source of funding.

The project will also finance substantial technical assistance to help INCAP carry out the project. During the five year implementation period, a total of 125 weeks of U.S. and Central American technical assistance will be used to support the various subcomponents of the project. The details of the types of technical assistance by subcomponents, number of weeks and years are summarized in Annex 8, Table 3. Table 2 of the same Annex includes a level of effort analysis of all project personnel, both long and short term, which shows that a total of 807.5 man-months will be available to carry on project activities. The Project Development Team considers this level of effort to be adequate for the task.

Institutional linkages between INCAP and the Instituto Centroamericano para Administración Pública (ICAP) and the Instituto Centroamericano para Administración de Empresas (INCAE) are also being explored as a way to broaden INCAP's perspective on organization review and development in the public sector.

b. Administrative Capacity

A review of the INCAP's administrative capacity to carry out the ORT project was carried out in mid-1984. The basic conclusion of that review was that the INCAP administrative structure and service centers are underutilized and could absorb the additional workload to be generated by the ORT project. The one exception to this condition was the need to provide additional secretarial support and administrative and budget control assistance within the technical divisions. The approved ORT project has incorporated the extra secretarial help and two administrative positions which will be added to the Administrative Services Division in 1985, to be funded as part of INCAP's indirect costs.

The proposed Food Assistance project will create similar demands. Additional secretarial support will be project funded and an additional administrative/accounting position will be funded from INCAP overhead. The workload associated with these positions is in direct

proportion to the expected increase in administrative and technical paperwork as well as more complex budget control during execution and financial reporting to ROCAP. The additional administrative staff (two positions ORT and one Food Assistance) will work on a team basis in supporting both projects. This team of three should be adequate to handle both the functions of document processing and monitoring of obligations and expense and budgetary report generation and analysis for internal project management and outside reporting. Other normal administrative support functions such as recruitment, contracting, procurement, travel and transportation can be handled adequately for both the ORT and Food Assistance projects with the current installed capacity of the central support administrative divisions of INCAP. Annex 8, Figure 1 gives INCAP's organizational chart showing the relationship between administrative and technical divisions and program coordinators.

5. INCAP's Capacity to Continue to Provide Assistance at the End of the Project

The Food Assistance Project, (expected to run through mid 1990), will affect hundreds of food aid program managers and staff throughout the region of Central America and Panama, both at the national coordination level and the individual program/project level. National strategies will have been clearly defined by the end of the project in at least three of the participating countries and substantial progress will have been made towards implementing action plans in line with those strategies.

After 1990, INCAP plans on continuing its traditional services of training, investigation and technical assistance to the member states and that part of INCAP's core personnel resources will be directed towards maintaining food aid technical assistance. INCAP has also estimated the need for about $265,000 in recurrent costs on an annual basis to maintain the technical assistance arm of the program at an optimal level (See Annex 8). This represents approximately 25% of the average annual effort programmed during the project. Ideally, two key staff positions beyond INCAP core personnel would be maintained, a full time INCAP expert on training and a full time expert on management who would focus all of their efforts on technical assistance and training activities. Travel and per diem will also be needed to allow the INCAP staff to be mobile in the region for the provision of ongoing technical assistance in food aid program management. Finally, two annual short courses and one workshop are planned to give the individuals in the participating institutions an opportunity to share ideas and experiences as well as upgrade their knowledge on the latest developments in food assistance programs worldwide.

The funding for such activities will need to be programmed in advance. INCAP's successful experience to date in being able to sell professional services to both multilateral and private agencies involved in food aid programs is a good beginning in attracting non-traditional funding sources. Over the next five years, INCAP should be able to expand this type of consultancy on a fee-for-service basis. It is also expected that as the

member states develop and refine their national strategies, they would naturally seek funding on a concessional basis from donors and that INCAP would be in a prime position to serve as an executing contractor to provide advisory services and technical assistance.

Based on the guidance cable received after the PID review, ROCAP has explored bilateral funding possibilities with the Central American USAIDs which could be used to augment the project and serve as a source of funds for INCAP to continue providing assistance after the project ends. In general, the USAIDs, both at the management and technical levels, have been supportive and recognize the need to find funding mechanisms to provide technical assistance on an on-going basis. These funding mechanisms could include local currency programming using the counterpart generated by PL-480 Title I programs and ESF balance of payments assistance as well as AID DA financed mechanisms such as OPGs. During initial discussions with each of the USAIDs (except Panama which has no local currency reflows and is trying to phase out of PL 480 Title II and 416 activities) radically different potential mechanisms have been suggested. These potential mechanisms are dictated by the structure of the government, the placement of food assistance activities within that structure, Mission portfolios and the nature of current AID/host country agreements.

During 1985, ROCAP will work closely with the USAIDs to develop appropriate mechanisms for each country with the idea of having initial bilateral funding begin in the second year of project implementation, i.e. in 1986. Efforts will be made to set up mechanisms which will allow governments and sponsoring PVOs to purchase training and technical assistance from INCAP. It is expected that these funding mechanisms will be well established prior to the end of the project and governments, PVOs and INCAP will be accustomed to using them. As the funding requirements to continue a relatively high level of INCAP services, as outlined above, is only on the order of $50,000-$75,000 per year, per country, and includes AID, other donors and at least some host country contributions, ROCAP believes that there are reasonable prospects that INCAP will be able to continue to provide assistance in helping the countries with food aid programs after the Food Assistance project ends.

C. Summary Economic Analysis

For most development projects economic evaluation involves the application of standard benefit-cost methods. The streams of adjusted project costs and benefits over time are compared by calculation of the present value of net benefits or the internal rate of return. Ideally, these methods should be applied in the economic analysis of this project. However, such methodologies have only limited utility for this project analysis since many of the project benefits are nonquantifiable.

The project is aimed at achieving reductions in malnutrition and decreased levels of mortality, morbidity, and disability among children

through the improved performance of food assistance programs in the region. The theory of benefit-cost analysis is difficult to apply to these expected project outcomes. While the intervention has well-defined costs, the value of improved performance and productivity which result from averted malnutrition and illness are difficult to estimate given present methods. The pure utility values of reduced mortality, morbidity, and disability are equally difficult to quantify.

While the most beneficial impacts of the project, i.e. reduced mortality, morbidity, and disability, are not easily measured, a limited analysis of intermediate benefits can be carried out. It is possible to identify and quantify improvements in program performance which are considered to be necessary prerequisites for achieving these benefits. Technical assistance under this project is expected to produce programmatic savings by reducing food losses. Reduction of losses will in turn produce a decrease in program costs or an improvement in program productivity resulting in either a larger number of participants effectively served with an equivalent amount of resources, or a greater impact per project participant.

The technical assistance activities connected with this project are expected to generate measurable economic benefits in two ways: reducing food losses due to waste, pilferage, and damage; and, reducing food losses due to misdirection of commodities to non-vulnerable groups. For purposes of the economic analysis, assumptions were made that food losses due to waste, pilferage and damage are at least 3% of total program costs and that food loss due to the failure to target commodities to vulnerable groups is estimated conservatively at 40% of total food program costs.

The 3% figure for food losses used in the analysis is drawn from food loss reports compiled by managing PVOs or WFP representatives. Anecdotal data strongly suggest that these reports grossly underestimates the actual percent of food lost through either pilferage, waste or damage. An evaluation carried out in Panama in 1982, where food assistance programs were considered to be among the best managed and controlled in the region, showed that 8.1% of the warehouse facilities were judged to have insufficient security against robbery, 18.4% and 19.5% as having unacceptable security against rats and insects respectively and 5.7% had no means of taking inventory. When local program administrators were asked if there had been instances in which food products were unfit for human consumption when received, 17.2% said there had been incidences in the last 12 months and 42% indicated the occurance of such incidences previous to that time. Annex 9, Economic Analysis, provides additional data on food losses.

The economic analysis of this project estimates the value of the reduction in food loss which can be achieved under varying assumptions regarding the impact of technical assistance. In addition, a least-cost analysis demonstrates that the regions implementation plan chosen is the least-cost alternative.

The analysis indicates that a technical assistance program that would have at least a five percent impact on reducing total program losses would produce benefits in excess of project costs. Because the technical assistance project may result in an increase in administrative costs for food programs, an analysis using a 10% increase in administrative costs was carried out. Under this assumption, a technical assistance effort would need to produce a 10% impact on losses for benefits to exceed costs. These calculations are detailed in Tables 3-12 of Annex 9.

In evaluating the regional approach for technical assistance proposed here, comparisons were made between: PVO or implementing agency vs. bilateral vs. regional approaches; and between a regional institution vs. a US contractor approach (which would use strictly US technical assistance). It was found that the regional INCAP approach accomplishes the project goals at the least cost. Compared with the bilateral and PVO/implementing agency approaches, the regional approach economizes on managerial personnel, avoids duplication of efforts, and makes more extensive use of short term technical skills. The INCAP regional approach provides technical personnel who have more extensive knowledge, and orientation to CA/P countries. In addition, INCAP personnel already have established working relationships with Ministries of Health and other institutions in the region. Also, the INCAP approach is preferable because the technical personnel will remain in place at the end of the project, while a US contractor would have only a limited tenure.

## D. Summary Financial Analysis

### 1. INCAP Budget Analysis

INCAP's 1985 budget, which includes the estimated first year expenditures of the AID ORT, Growth Monitoring and Education Project, shows a 30% increase over the 1984 total actual expenditures, while indirect common services costs are projected to increase only 12%. This disparity in growth rates is possible because of the underutilized installed administrative capacity which has existed over the past three years. With the further increase in grant (and total program) activity expected in 1986, the Institute should continue to show improvement in its administrative efficiency.

The funding of INCAP's budget, other than from grant sources, has remained rather static in absolute terms in recent years, as shown in the following table.

INCAP's Sources of Funding
1978 through 1985
($000)

| | PAHO | QUOTAS | OTHER INCOME | DONOR GRANTS |
|---|---|---|---|---|
| 1978 | - | 251 | 160 | - |
| 1979 | 822 | 242 | 176 | 3,878 |
| 1980 | 996 | 166 | 162 | 3,512 |
| 1981 | 1,144 | 188 | 180 | 3,252 |
| 1982 | 1,305 | 386 | 145 | 1,637 |
| 1983 | 1,254 | 314 | 153 | 1,593 |
| 1984 | 1,134 | 416 | 160 | 1,487 |
| 1985 | 1,033 est. | 300 est. | 200 est. | 2,650 est. |

Assessments to member states were increased from $250,000 to 9300,000 annually in 1983. Within the last three years collections have exceeded the assesed amounts, which reflects payments of member states on arrearages from previous years. PAHO's financial support to INCAP is expected to remain at a level of over $1.0 million annually for the forseeable future. The other source of direct funding, miscellaneous income, projected at $200,000 for 1985, has averaged $160,000 for the past seven years.

Under these circumstances, where regular funding sources are expected to remain at about the same levels, INCAP should maintain a constant and relatively even level of project activities funded by donor grants, so that there will be a consistent contribution to indirect support costs through percentage charges for common services. The progressive decline in grant activity from $ 3.9 million in 1979 to $1.5 million in 1984 is being reversed through increased funding in 1985 and 1986. This should provide a good degree of budget stability for the Institute as a whole.

2. Overhead

INCAP has an established procedure for allocating indirect costs to the programs and projects, based on a percentage of the direct expenditures incurred. The percentages applied over the past few years have changed from year to year based on updated analyses and calculations. In 1984 an evaluation of the criteria used in establishing these ratios was carried out by ROCAP staff in conjunction with INCAP staff. As part of the PP intensive review, a consultant was contracted to update the data base and to arrive at a clear definition of which budget elements will be included in the indirect cost pool as well as a definition of the total direct program base to which these indirect costs will be allocated.

a. Indirect Cost Pool

In order to specify the budget elements which correspond to the indirect cost pool to be allocated, an inventory of total administrative costs was established, which includes the following major categories:

i. Central Support Divisions

- Administrative Services (includes the functions of accounting, budgeting, personnel, procurement and administrative data processing).

- Library Services.

- Building and Equipment Services

ii. Documents and Information Unit.

iii. Secretarial and Administrative Assistants (attached to the various technical divisions).

iv. Management (Fifty percent of the Director's Salary and the Chief Administrative Officer position which are formally tied to the PAHO personnel system).

v. Vehicle and Equipment Replacement.

Of these five categories, it was agreed with INCAP to exclude iii. and iv. from the indirect cost pool:

b. Direct Program Base

It has been agreed that the entire administrative budget, including all five categories listed above would be excluded from the direct program base, as well as the value of fellowship programs which contribute tuition to the Institute in lieu of overhead charges.

A summary of the accepted elements for both indirect and direct costs is presented in Annex 10. A simple formula whereby the indirect costs serve as the numerator and the direct cost base as the denominator is also presented. Application of this formula using the 1985 Program Budget of INCAP results in an overhead rate of 30%. Projections for 1986 (which includes the first year budget estimate for the Food Assistance Project) result in an overhead rate of 25%.

Although, it is not possible to give an exact projection as to the mix of indirect and direct costs for either 1985 or 1986, the amounts used for calculations are very close approximations and it is not expected that the variance from the rates will be more than 4 percentage

points. A provisional rate of 25% for the Food Assistance Project was therefore agreed upon with INCAP with the understanding that this rate may vary up or down with a maximum of 30% possible (the rate used for calculation of the project budget). At the closing of INCAP's books at year-end, the actual rate will be calculated using the criteria set forth in this section and using the formula as described in Annex 10, and this rate would then become the established provisional overhead rate to be applied against the project in the following year.

3. Method of Implementation and Financing

Once the Food Assistance Project becomes fully operational, it will combine with the ORT and other AID-sponsored projects to represent about 50% of INCAP's total budget and 70% of project revenue flows. Due to this magnitude, the normal working capital advances funded by PAHO for an amount up to $600,000 will not be sufficient to meet both normal operations and increased growth activity.

Quarterly advances from ROCAP to INCAP will be required. This represents a change from the direct reimbursement financing method used previously with INCAP. INCAP will prepare an annual estimated cash flow statement for the project and submit quarterly work plans which will support its request for advances. Each quarterly advance will be cleared via the submission of quarterly expenditure reports, prior to the granting of a subsequent quarterly advance.

Direct payment procedures will be used to finance both long term and short term PSCs and/or institutional contracts for U.S. technical assistance. INCAP will not charge overhead on U.S. technical assistance when direct payment procedures are used by ROCAP to cover these project costs.

Funding involved under the two procedures outlined above is:

| | |
|---|---|
| Direct Reimbursement | $ 5,040 |
| Direct Payment | $ 560 |
| Total AID project | $ 5,600 |

The official currency of record for the Institute is the U.S. dollar. Therefore, all accounting transactions are recorded in U.S. dollars or dollar equivalents. In the case of disbursements or other entries originating in Guatemalan Quetzales, the exchange rate to be used for converting Quetzales to U.S. dollars for the accounting records will be the officially recognized floating parallel market rate. The accounting transaction resulting from such an exchange process shall be documented as to the details of conversion either in the accounting record itself or in the supporting vouchers, thus providing a clear audit trail. ROCAP disbursements will be made in U.S. dollars.

4. Audits

As INCAP is progressively obtaining a greater degree of autonomy and responsibility to manage its financial management systems, there is a need for an audit function within the Institute, separate and apart from the PAHO audits. With the improvements made in 1984 regarding the interchange of accounting transactions on a regular basis between PAHO Washington and INCAP Guatemala, INCAP accounting records are much more complete and on a current basis. As a result, they have the capability to produce their own financial statements. The three basic financial statements -- Balance Sheet, Income and Expenses, and Grant Fund Receipts and Expenses -- have been prepared (in preliminary form) as of December 31, 1984 by INCAP personnel. This ability to prepare one's own financial statements is an essential step in preparing for a meaningful external audit. INCAP will contract for an external institutional audit for the year ending December 31, 1985 and annually thereafter. The costs of this external audit will be covered by funds allocated for indirect costs.

With regard to ROCAP's particular certification needs as to the appropriateness of the charges against project funds and, in particular, the charges for indirect cost allocations, a more specific review of INCAP's records, at least in the initial two years of the ORT and Food Assistance projects will be conducted by a project funded accounting expert. The focus of this review will be on ascertaining the correctness of the overhead rate applied by INCAP, in accordance with the agreed-upon formula for defining the elements to be included both in the direct cost base and the indirect cost pool.

E. Summary Social Analysis

1. Beneficiaries

The ultimate beneficiaries of the project will be families with insufficient food to meet their basic needs and mothers and children with moderate or severe malnutrition who suffer high morbidity and mortality rates due to the combined effect of malnutrition, poor living conditions and limited health services. These groups will benefit by participating in food assistance programs which reach them in a consistent and timely fashion, are better managed, use more appropriate commodities and are better integrated with other development activities such as health and nutrition education, maternal child health services and community development projects which can have a lasting impact on improving the condition of poor families.

The immediate beneficiaries will be managers, technicians and staff of regional and national institutions (both public and private) who are responsible for planning and implementing food assistance activities. Training, direct technical assistance, information dissemination and participation in evaluations and other research activities will improve the knowledge and skills of this group so that they can carry out their work more

effectively. The project will also help them clearly identify the specific constraints in their programs and look for practical ways of overcoming those constraints.

2. Socio-Cultural Feasibility

a. Regional Dynamics and Motivation for Change

There is considerable frustration in the CA/P region on the part of national managers and staff of food assistance programs, managing PVOs and donors regarding food assistance activities. This frustration has been repeatedly expressed by INCAP's member country counterparts, both those who work at the national planning level and with individual programs, at regional food and nutrition planning forums and during national meetings on food and nutrition issues.

Much of the frustration stems from the fact that those involved recognize they cannot deal with the problems inherent in implementing effective food assistance activities alone or in isolation, but find no mechanisms which will facilitate working with other key individuals to resolve problems. The frustration also stems from what national counterparts perceive as rigidity on the part of managing PVOs and donors regarding regulations which control the use of food aid while donors and PVOs are concerned about assuring proper use of food commodities given weak national counterpart institutions. In the past, little has been done to try to confront and resolve these differences or the underlying problems giving rise to them.

With the current political and economic crises in Central America, the pressure on all parties involved to carry out larger programs more effectively is tremendous. This has led to an increased demand for solutions and motivated various national and regional groups to take action. At the same time, work within AID and the PL 480 Title II system over the past five years have introduced some innovative new mechanisms for carrying out food assistance activities and opened the doors for greater flexibility. In addition, recent changes within cooperating PVOs have made their management more responsive and interested in looking for new ways to deal with old problems.

This confluence of changes and pressures finds INCAP at an ideal time in its institutional development of technical outreach mechanisms and highly participatory methods of working with its member countries, INCAP is now in an optimal position to act as a catalyst in motivating people and bringing them together to work on common problems. The groups involved, national representatives, PVOs, donors and other international agencies have recognized the strong potential for positive change which exists in INCAP assuming a catalytic role in this process and have asked the institute to do so. The long-standing underlying frustrations and new pressures have made the interested parties eager for solutions and enhanced their interest and willingness in working with each other and INCAP

to find some. Thus, the dynamics of change and interaction in the region at this time and INCAP's position in that process are such that the chances of achieving many of the required changes in design, implementation and evaluation of food assistance activities are good.

b. Addressing Socio-Cultural Issues of Food Assistance Programs

There are social and cultural issues surrounding food assistance programs which have been discussed for years including questions of creating dependency, the appropriateness of commodities to local cultural patterns and the need to design ration sizes to fit normal intra-household food distribution patterns. The project will help address these issues through the research component which will examine the actual handling, distribution and use of the commodities at the household level in eight programs in two countries. The project will also look at the perceptions of both beneficiaries and their communities as well as those of local program staff toward food assistance activities in order to identify ways of making them more socially or culturally acceptable, to improve community participation in the programs and to look for better ways of linking food activities to other development programs which can have long-term impacts on the food and nutrition problems of program beneficiaries.

The project will use the experiences in two countries to design scaled down methodologies for carrying out household assessments which can then be implemented in other countries of the region with non-project resources. In addition, the results will be used to help program managers redesign their activities taking into consideration socio-cultural factors so that they will be more effective. At the regional level the findings will be incorporated into guidelines for project design, implementation and evaluation, thus, improving the chances that future food assistance activities will be designed with major socio-cultural issues in mind.

3. Role of Women

Women and their children constitute the principal beneficiaries of food assistance programs and thus indirectly of the project. Research components will examine the social, economic and health/nutrition impacts of these programs on women and children and their families and try to reach a better understanding of how food assistance activities can be better used to improve the situation of women in the region.

In addition, women represent a high percentage of the professionals directly involved in planning, managing and evaluating food assistance activities in CA/P. These professionals will be direct beneficiaries of the project's training, technical assistance, research and information dissemination activities, all aimed at improving their technical and managerial skills.

# VI. Implementation Arrangements

## A. Administrative Arrangements

### 1. Project Administration at INCAP

The Director of INCAP will have overall responsibility for project activities. Project coordination has been delegated to the Food Economics Unit of the Food and Nutrition Planning Division (see Annex 8 for current INCAP Organization Chart).

The project involves staff from all of INCAP's divisions and coordinating units, plus regular high level contacts with member government personnel and close collaboration with food aid donors, international and national PVOs, other international technical support agencies and with other institutions in the region. Therefore, an INCAP Project Directing Committee made up of the INCAP Director, Administrator, the Project Coordinator, Chief of the Food and Nutrition Planning Division, Head of the Food and Economics Interventions Unit and the Technical Assistance Coordinator will be responsible for overall project management and for reviewing and approving all project plans and major project decisions before they are submitted to ROCAP. The INCAP Project Directing Committee will also be responsible for contacts with high level member country counterparts and with establishing working relations with donors, PVOs, and other collaborating international agencies or regional institutions.

An internal technical support team made up of INCAP personnel having principal responsibility for carrying out project activities will also be established. The project coordinator will head up this project team and the project's long-term technical advisor will also be a member. This team will be responsible for developing detailed project plans and for day to day project implementation and management (Table 1 of Annex 8 summarizes project personnel and their responsibilities).

In addition to the INCAP project implementation committee, a regional Scientific and Technical Advisory Committee (STAC) will be convened. The STAC will include two members from each participating member country, one member will be chosen from the political/planning level of the decision making process where food aid programs are being or are expected to be coordinated and the second will be selected among technical staff operating food aid programs at the country level. A representative from each donor agency, international PVO or other intermediary involved with food assistance programs in the region will be asked to join the STAC. This Committee will meet once a year to review project activities and progress made toward meeting project goals and will provide technical guidance on project plans and implementation.

### 2. Administration at ROCAP

ROCAP's Food and Nutrition Advisor will have primary responsibility for managing the project. A long term U.S. specialist will be

assigned to the project and will function as an advisor to INCAP on all project activities and as the technical liaison between ROCAP and INCAP. Specifically, the long term advisor will be responsible for providing technical guidance and oversight for all research activities on a day to day basis; will help in setting up peer group reviews and outside technical assistance as needed and will be responsible for advising on and reviewing the technical content of all promotion, education, training, management and technical information dissemination materials. Up to 15% of the long term advisor's time will also be made available to help USAIDs in the region improve bilateral food assistance activities. The technical advisor will provide technical assistance directly to country programs in conjunction with INCAP staff as appropriate.

Within ROCAP, an implementation committee has been established with representatives from the General Development, Project Development and Controller's offices. As needed, they will assist the Food and Nutrition Officer in addressing any implementation issues that may arise.

From its experience with other ROCAP projects, INCAP is familiar with the general administrative requirements, such as progress reports and financial controls, which ROCAP establishes, and has demonstrated its capacity to comply with them. In light of this experience, no administrative problems are anticipated.

B. Implementation Plan

The schedule of all major events as they are currently planned is contained in Annex 11. This schedule reflects the combined judgement of INCAP and ROCAP as to when these events should occur within the context of the overall three phase strategy including promotion and planning, implementation and evaluation.

Regular monitoring of project progress will assure early recognition of unanticipated problems and areas where modifications are needed. Detailed work plans and budgets will be developed annually and adjusted every six months. Regular progress reports covering activities and accomplishments, factors affecting implementation, financial status and, based on these, planned activities during the next reporting period will be prepared by the project staff and quarterly reviews of project progress will be conducted with INCAP and ROCAP participation.

C. Evaluation Plan

The project evaluation plan consists of evaluation activities to be carried out by the member countries; by donors, PVO, intermediaries and international technical agencies; by peer group reviews and by ROCAP/INCAP teams.

1. Evaluations by Member Country, Donor Agency and PVO Representatives

Three subregional seminars, to be attended by technical staff responsible for food aid programs in the subregion and by representatives of donor agencies, PVO intermediaries and international technical agencies have been scheduled to take place. The first seminar will be held during the organization phase of the project and the others in the third and fifth years. The first workshop will update the information available at INCAP and in the countries on national food aid programs, country plans for improving the effectiveness of food assistance programs and the research, training and technical assistance priorities identified by member countries and donor agencies. A similar activity to review progress on the accomplishments of goals established in the first seminar and for identifying new priorities will be scheduled for the third year.

At the beginning of the last semester of the fifth year, the third seminar will take place. The subject of the third meeting will be the achievement of country and project objectives and goals laid out in the first and second seminars and the need for research, training and technical assistance activities in food aid programs in the following years. The reports from the workshops will be used by the INCAP/ROCAP evaluation teams. In addition, the STAC will serve as a standing technical review committee and will meet annually to review project accomplishments and plans.

2. Country Program Evaluations

The project contemplates a series of evaluation activities which will help the participating countries evaluate the progress and impact of their programs. These activities will also be used to evaluate the project's final results. Initial studies or assessments will serve as baseline data and subsequent information will be used for measuring program progress and impact. Information for program evaluations will be drawn from the following activities:

a. Reviews of food aid activities in each country will be conducted in preparing country documents for the first, second and final regional seminars.

b. The review of food aid activities in the region and their technical and training needs carried out by INCAP in 1983-1984 will be used as a baseline for looking at program progress over time. A similar review will be conducted during the last year of the project.

c. Case study process evaluations of eight programs to be carried out under the operations research component will provide both initial data on these programs plus a follow-up evaluation in year four of the project to look at the programs success in implementing recommended solutions to identified constraints.

d. Regular program information systems will be upgraded during the life of the project so they can eventually provide each program with the capacity for measuring program process and impact. Information systems assessments carried out in the first year of the project will serve as a baseline both for individual program evaluations and for measuring improvement in program specific management information systems or national information systems for planning purposes.

e. Technical assistance will be provided throughout the life of the project for carrying out institutional analyses, cost benefit analyses, logistics systems reviews, process evaluations, etc. During the last year of the project a sample of those programs which have received INCAP assistance in carrying out initial analyses and in identifying possible solutions for problems encountered, will be examined in a special follow-up evaluation to see what impact the project has had in improving program operations and effectiveness.

3. ROCAP/INCAP Project Evaluations

A total of three formal evaluations will be conducted jointly by ROCAP and INCAP with a team of outside consultants during critical stages of project implementation. In addition, outside consultants will be brought in to review progress of specific reasearch and training activities at key points during their planning and implementation. These mini-evaluation activities or peer group reviews will be scheduled as needed.

The first evaluation will be held at the end of Phase I approximately one year into project implementation. At this point the project staff will all be hired, the first regional seminar will have been completed, initial donor and task force meetings will have been held and work on the first sets of guidelines to be developed will be underway and the regional clearing house will have been established. In addition, most operations research activities will have begun and preparation for the first regional courses will be completed. The evaluation team will review project planning, implementation and management, INCAP and country team organization and project coordination with donors, PVOs and national planners and program managers. The team will also examine progress on operations research activities whose results will be incorporated into recommended guidelines, simplified assessment methodologies and the design of regional courses.

This first joint INCAP/ROCAP evaluation will also deal with important policy and programming considerations which will have an impact on INCAP's subsequent annual work plans for carrying out the project starting in 1987. The evaluation team will need to make judgements regarding workplans for the individual countries which will have been presented at the first regional seminar, the policy constraints which need to be overcome, the degree of commitment on the part of the individual countries and donors within the country to overcoming identified constraints and make recommendations on the country programs which seem to offer the best prospects for success in improving the effectiveness of food assistance programs.

While regional activities will be offered to all of the countries and research efforts will be based on separate criteria and counterpart agreements INCAP has considerable flexibility in programming technical assistance to the countries. The evaluation team's recommendations will be used to help INCAP establish its technical assistance priorities and the self-help measures on which progress will need to take place in the individual countries.

A second formal evaluation will be conducted approximately three years into project implementation. This evaluation will examine progress of activities under each component, project management, appropriateness of technical assistance, training, technical information dissemination and operations research activities and progress being made by the countries in improving the effectiveness of food assistance programs. The evaluation will also examine INCAP's progress in setting up self-financing mechanisms for maintaining a minimum technical support capacity for food assistance programs after the project ends. Recommendations from the first two evaluations will be used to reorient project activities.

A final evaluation will be held during the last six months of the project in conjunction with the project's evaluation phase. This evaluation will focus on the project's results and impact on country programs as well as looking at future member country needs for the type of assistance provided under the project.

D. Procurement Plan

INCAP will serve as its own agent for the procurement of all goods and services required for the project except contracting for U.S. technical assistance, which will include a long term advisor. INCAP procurement procedures have been reviewed by ROCAP on various occasions and again during intensive project review. They have been found to be consistent with AID regulations. From its experience with previous ROCAP projects, INCAP is familiar with AID procurement regulations, and has demonstrated that it has the capacity to carry out the planned procurement activities.

1. Technical Services

Long and short term technical services, a long term U. S. advisor and a limited amount of short term U. S. consultant time will be procured for the project. To satisfy the need for long term project staff and short term services, INCAP will contract individually for each position. This is its normal practice and offers a large pool of potential candidates from which to draw. It is expected that most of the project staff and short term consultants will be recruited from CA/P countries. However, it may be necessary to recruit some of the project staff from outside the CA/P region if it is found that sufficient expertise is not available in the region. If the project must recruit certain members of the long term project staff from other LAC or Code 941 countries, a request for a 941 source/origin waiver will be submitted to AID/W.

To recruit for these staff positions, INCAP will place announcements in newspapers and technical publications, utilize contacts in national and international institutions and contact the USAIDs to identify potential candidates. Scopes of work will be provided to all interested individuals. After reviewing each application, INCAP will hire the most qualified individual for each position.

ROCAP will serve as the procurement agent for the U.S. advisors. It is anticipated that personal services contracts will be used to obtain the services of a long term technical advisor and approximately six months of highly specialized short term U. S. or international consultants to participate in project evaluations, audits and peer group reviews.

The long term advisor should have substantial hands on experience with planning, design, implementation and evaluation of food assistance programs under normal and emergency situations. Ideally the long term advisor should also have some experience in carrying out operations research. Normal AID procurement procedures will be used in selecting the U. S. contractors.

2. Commodities

Project financed commodities will be purchased by INCAP following the guidance provided in Handbook 11. Most of the project commodities will be purchased in the United States. Some, however, may be bought locally in the CA/P region. Annex 12 contains a list of the commodities needed to support the research, training and technical cooperation to be provided by the project. This includes computer equipment designed to upgrade and expand the word processing and data analysis capacity at INCAP in order to meet the requirements of the project. M/SER/IRM will be asked to review and approve the specificiations of this equipment prior to its procurement.

E. Waivers

It may not be possible to recruit all of the project staff from Central America, Panama and the U.S. If so, appropriate source/origin waivers for Code 941 procurement will be submitted to AID/W for approval.

F. Conditions, Covenants and Negotiating Status

1. Conditions Precent to Disbursement

a. First Disbursement

The standard CP to initial disbursement will apply, including the designation of official INCAP representatives and submission of their authorized signatures.

b. Disbursements During Phase I of The Project

Prior to disbursement of funds for activities other than for hiring long-term personnel, INCAP will prepare and submit a detailed workplan and budget for the first year of the project (Phase I) to ROCAP for approval.

c. Disbursements During Phases II and III

Prior to the disbursement of funds for technical assistance to the countries beyond year one of the project, except in support of the research and training components, INCAP will present to AID its analysis of the country programs, the prospects for success in improving national strategies and plans, and for addressing other constraints to improving food assistance programs along with an explanation of INCAP's rationale for the quantity and type of technical assistance which it proposes to undertake.

Prior to disbursement of funds for Phase II, INCAP will also present a plan to AID for developing funding mechanisms and agreements with national governments, bilateral or international food aid donors, PVOs or other international agencies to support a continuation of technical and training assistance for food assistance programs after the ROCAP/INCAP project terminates. This support, for example, could be on a fee-for-service basis, direct grants or in the form of scholarships for participant training.

2. Covenants

a. Work Plans and Budget

INCAP will covenant that prior to undertaking activities each year after the first year of the project, it shall furnish in form and substance satisfactory to AID a consolidated work plan and buget for all project activities for that year.

b. The consolidated work plan and budget will include individual country work plans and outline the self help steps expected to be taken by the countries as well as the annual budgetary contributions of the countries to the project.

c. INCAP will convenant to coordinate appropriate project activities with USAID Missions in each country and with private voluntary agencies responsible for managing PL 480 Title II activities in the Region as well as with other food aid donors and intermediaries.

3. Negotiating Status

The design of the proposed project has been developed in close collaboration with INCAP. ROCAP believes that all issues have been discussed

and resolved with INCAP during the design process. There should be no problems in negotiating the grant agreement which can be signed shortly after the project is authorized.

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DE RUEHC #4803 3260251
ZNR UUUUU ZZH
P R 010246Z DEC 84
FM SECSTATE WASHDC
TO RUEHGI/AMEMBASSY GUATEMALA PRIORITY 1240
INFO RUEHSJ/AMEMBASSY SAN JOSE 2032
RUEHTG/AMEMBASSY TEGUCIGALPA 3980
RUEHSN/AMEMBASSY SAN SALVADOR 1321
RUEHZP/AMEMBASSY PANAMA 0932
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TOR: 13:16
CN: 50795
CHRG: ROCP
DIST: ROCP

ACTION: PDO
INFO: PROGRAM
DIRECTOR
GENERAL DEV

ADM AID, GUATEMALA FOR ROCAP

E.O. 12356: N/A
TAGS:
SUBJECT: SUPPLEMENTAL SUPPORT FOR FOOD ASSISTANCE PROGRAMS (596-0116), PID

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MAIL ROOM
USAID/GUATEMALA

1. THE DAEC REVIEWED AND APPROVED SUBJECT PID NOVEMBER 15, 1984. MISSION DIRECTOR IS HEREBY DELEGATED AUTHORITY TO APPROVE PP AND AUTHORIZE PROJECT IN THE MISSION. THE FOLLOWING IS SUBMITTED AS GUIDANCE FOR THE DEVELOPMENT OF PP.

2. PROJECT RATIONALE: THE PP SHOULD INCLUDE A THOROUGH ANALYSIS OF THE FOOD DISTRIBUTION PROGRAMS IN THE REGION IDENTIFYING CRITICAL PROBLEM AREAS AND BOTTLENECKS WHICH LIMIT THEIR EFFECTIVENESS. GREATER EMPHASIS SHOULD BE GIVEN TO THE POTENTIAL DEMAND FOR THE PROPOSED PROJECT ACTIVITIES. DESCRIBE HOW THESE ACTIVITIES WILL INCREASE THE EFFICIENCY OF THE FOOD PROGRAMS AND THEREBY HELP TO ACHIEVE THE DESIRED PROJECT GOALS. EVIDENCE, EVEN IF ANECDOTAL, OF CURRENT PROBLEMS DIRECTLY ATTIBUTABLE TO DEFICIENCIES IN TRAINING, TA, RESEARCH, AND PLANNING WOULD STRENGTHEN THE ANALYSIS. ALSO, CAREFUL COST ANALYSES OF FOOD DISTRIBUTION EFFORTS AND EXPECTED SAVINGS ATTRIBUTABLE TO PROJECT ASSISTANCE SHOULD BE INCLUDED.

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DATE 1/9 INITIALS pmd

3. SEQUENCE OF ACTIVITIES: PROJECT ACTIVITIES SHOULD BE SEQUENCED IN SUCH A WAY AS TO REFLECT BOTH THE TEMPORAL AND FUNCTIONAL RELATIONSHIP BETWEEN THE VARIOUS PROJECT COMPONENTS.

4. LONG TERM VS. EMERGENCY FOOD PROGRAMS: THE PP SHOULD DISTINGUISH BETWEEN LONG TERM FOOD PROGRAM ASSISTANCE AND EMERGENCY AND REFUGEE FOOD ASSISTANCE. WHEREAS THERE IS CONSIDERABLE OVERLAP OF METHODS/MANAGEMENT OF SHORT AND LONG TERM ASSISTANCE PROGRAMS, IT SEEMS APPROPRIATE TO CLARIFY DIFFERENCES IN EMPHASIS AND APPROACH WHERE RELEVANT AND TO INDICATE HOW THE PROJECT WILL ADDRESS THESE DIFFERENCES.

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5. LENGTH OF PROJECT: THE PROJECT SHOULD RESULT IN PERMANENT SELF SUFFICIENCY IN THE MANAGEMENT OF FOOD ASSISTANCE PROGRAMS. IT SHOULD NOT LEAD TO LONG TERM DEPENDENCE BY INCAP ON GRANT ASSISTANCE FOR SUPPORT OF ADDITIONAL INSTITUTIONAL FUNCTIONS. IT SHOULD BE CLEAR IN THE PP THAT ASSISTANCE WILL END AFTER FIVE YEARS.

6. HOST GOVT. AND BILATERAL MISSION SUPPORT: THE PROJECT MUST HAVE THE SUPPORT OF ALL OF THE BILATERAL MISSIONS. FURTHER, BUREAU BELIEVES THAT THE SUPPORT OF BOTH THE BILATERAL MISSIONS AND THE HOST GOVERNMENTS CAN BE DEMONSTRATED BY ASKING GOVERNMENT AGENCIES THAT PARTICIPATE IN THE PROJECT TO REIMBURSE INCAP FOR A PORTION OF THE COST OF THEIR PARTICIPATION. TO PROVIDE FUNDS FOR THESE REIMBURSEMENTS, THE BILATERAL MISSIONS SHOULD CONSIDER ALLOCATING FOR THIS PURPOSE A PERCENTAGE OF THE LOCAL CURRENCY GENERATED BY THEIRESF OR TITLE I PROGRAMS. THIS APPROACH WILL SERVE TO MAKE THE PROJECT MORE DEMAND DRIVEN AND AT THE SAME TIME PROVIDE IMPORTANT OFFSETTING HOST COUNTRY CONTRIBUTIONS.

7. COMMON SERVICES CHARGES: THE MISSION SHOULD ATTEMPT TO NEGOTIATE WITH INCAP A LOWER QUOTE COMMON SERVICES UNQUOTE CHARGE TO THE PROJECT. THESE CHARGES SHOULD BE BASED ON A MAXIMUM OF 30 OR ACTUAL COSTS WHICH EVER AMOUNT IS LOWER. THE DRAFTERS OF THE PP SHOULD BE CERTAIN THAT THESE CHARGES DO NOT OVERLAP WITH THOSE LEVIED AGAINST OTHER A.I.D. PROJECTS.
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## LOGICAL FRAMEWORK

### TECHNICAL SUPPORT FOR FOOD ASSISTANCE PROGRAMS IN CENTRAL AMERICA AND PANAMA

| Narrative Summary | Objectively Verifiable Indicators | Means of Verification | Important Assumptions |
|---|---|---|---|
| Program Goal: | Measures of Goal Achievement: | | Assumptions for achieving goal targets: |
| To contribute to the reduction of infant and young child mortality and improve nutritional status among high risk populations in Central America and Panama. | Infant and young child mortality rates reduced in high risk populations in all countries, but especially in Guatemala, Honduras and El Salvador. | National vital statistics, nutrition, demographic, health and other household surveys. | Maternal infant food assistance programs are integrated with strengthened primary health care activities. |
| | Proportion of infant and preschool children with severe growth retardation decreased. | National evaluations of food assistance activities among high risk groups. | Continued national level commitments to carrying out and improving food assistance activities. |
| | Improved dietary intake among beneficiaries of food assistance programs. | Census data.<br>School height census data.<br>Information systems of national health services. | |

| Narrative Summary | Objectively Verifiable Indicators | Means of Verification | Important Assumptions |
|---|---|---|---|
| Project Purpose: | End of Project Status | | Assumption for achieving purpose: |
| To improve the effectiveness of food assistance activities in the Central America/Panama region by helping to establish effective national coordination mechanisms and strengthening the technical, managerial and evaluation capabilities of INCAP and national public and private agencies in Central America and Panama. | Country action plans for improving food assistance programs elaborated and effectively being implemented. | INCAP and national institution records. | National and donor agency interest in improving the effectiveness of food assistance programs will result in necessary resources being provided on a bilateral basis to cover in-country training, materials and equipment costs necessary to improve food assistance programs. |
| | National strategies or policies for food assistance developed in at least three of the five participating countries in the region. | Results from project evaluations.<br><br>Results from national food assistance program evaluations. | |
| | Effective national mechanisms for coordination among implementing agencies, donors and PVO intermediaries functioning in at least three countire of the region. | Results from project task forces as well as technical assistance trip reports. | |
| | Better managed and more effective food assistance programs in the region through:<br><br>- The development and use of recommended general guidelines for the formulation, monitoring and evaluation of food programs as well as for the development of technical procedural norms and information systems.<br><br>- Improved technical and managerial capacity of regional and national personnel responsible for planning, implementation and evaluation of food assistance programs. | | |

| Narrative Summary | Objectively Verifiable Indicators | Means of Verification | Important Assumptions |
|---|---|---|---|
| | - Better knowledge of the costs, major problems and alternative solutions in the design, implementation and evaluation of food assistance programs.<br><br>- Improved knowledge and understanding of social, economic, dietary and nutritional effects of food programs.<br><br>- Improved targetting of food aid at the national level and beneficiary selection within individual programs.<br><br>- Better coordination and integration of food aid programs with other related food, nutrition, health and community development activities. | | |

| Narrative Summary | Objectively Verifiable Indicators | Means of Verification | Important Assumptions |
|---|---|---|---|
| Outputs: | Magnitude of Outputs: | | |
| A. Planning and Coordination | | | |
| Project Scientific and Technical Advisory Committee meetings held. | 6 STAC meetings | Proceedings of STAC meetings. | National public and private agency planners, managers and technicians available to participate in all project activities. |
| Regional promotion and planning workshops held on the role of food assistance in national socioeconomic development, design and management of food programs and evaluation and information systems. | 3 Regional Workshops (120 participants) | Proceedings of Regional Workshops. | |
| Regional and national donor meetings held. | 5 Regional donor meetings<br>1 National donor meeting/country/year. | Proceedings of regional and national donor meetings. | International PVOs and donor agencies provide resources and time necessary to allow their staff to participate in all project activities. |
| Task forces for development of recommended regional guidelines held. | 16 task force meetings:<br>3 National Strategies<br>3 Maternal-Child Programs<br>2 School Feeding Programs<br>2 Food for Work Programs<br>2 Emergency/Displaced Persons Programs<br>3 Evaluation and Information Systems<br>1 Food Management and Preservation | Proceedings of taskforce meetings.<br>Publication of guidelines. | |

| Narrative Summary | Objectively Verifiable Indicators | Means of Verification | Important Assumptions |
|---|---|---|---|
| Outputs (Continued) | | | |
| Regional guidelines and methodologies developed: | 13 Guidelines and methodologies: | Project quarterly and annual reports. | |
| - Development of national food assistance strategy and policies. | 1 Guideline | Published guidelines. | |
| - Design of food assistance programs. | 4 Guidelines (one for each type of program: MCH, FFW, School Feeding, Displaced Persons/Emergencies | Task force and regional workshop proceedings.<br>Donor meeting proceeding. | |
| - Organization and management of food assistance programs. | 4 Guidelines (one for each type of program) | | |
| - Elaboration of manuals of technical norms and operational procedures for food assistance programs. | 1 Guideline | | |
| - Planning and development of food and nutrition education activities in food assistance programs. | 1 Guideline | | |
| - Management, preservation and storage of food commodities. | 1 Guideline | | |
| - Setting up information and evaluation systems for food aid programs. | 1 Guideline | | |
| - Beneficiary selection and monitoring in maternal infant feeding programs. | 1 Guideline | | |
| - Process and impact evaluation for MCH feeding programs. | 1 Guideline | | |

| Narrative Summary | Objectively Verifiable Indicators | Means of Verification | Important Assumptions |
|---|---|---|---|
| Outputs (continued) | | | |
| - Assessing food and nutrition status of displaced persons and in emergency situations. | 1 Methodology | | |
| - Methodology for carrying out institutional and operational assessments of food aid programs. | 1 Methodology | | |
| - Simplified methodology for carrying out commodities use and acceptability studies. | 1 Methodology | | |
| - Simplified methodology for carrying out cost effectiveness studies of food aid programs. | 1 Methodology | | |
| B. Training | | | |
| Regional courses and workshops on priority food assistance issues for program directors and managers held: | 12 Regional courses<br>288 participants trained | Project quarterly and annual reports<br>Course outlines, content and training materials. | |
| - Food assistance for displaced families and for other emergency situations. | 1 Course (24 participants) | Course evaluations. | |
| - Identification and design of food aid programs | 2 courses (48 participants) | Project evaluations. | |
| - Organization and management of food aid programs | 3 courses (72 participants) | | |
| - Food management and preservation for food aid programs | 2 courses (48 participants) | | |

| Narrative Summary | Objectively Verifiable Indicators | Means of Verification | Important Assumptions |
|---|---|---|---|
| - Technniques and methodologies for food and nutrition education in food aid programs. | 2 courses (48 participants) | | |
| - Information and evaluation systems for food assistance programs | 2 courses (48 participants) | | |
| Observational site visits for food assistance program planners | 30 site visits (30 participants) | Project quarterly and annual reports and participant trip reports. | |
| C. Information Dissemination | | | |
| Regional clearinghouse on food assistance programs established. | 1 regional clearinghouse | Project quarterly and annual reports. | |
| National documentation center established. | 5 country level documentation Centers | Project evaluations and reviews. | |
| Dissemination of technical information by INCAP. | 10 packets of technical documents on design, management and evaluation of food programs<br>5 bibliographic listing updates<br>10 technical sheets<br>15 sections of INCAP Informe devoted to food assistance programs | Publications and bibliographic listings. | |
| D. Technical Assistance | | | |
| Technical assistance provided to CA/P countries. | 125 person months of technical assistance (360 weeks in country) | Project quarterly and annual reports and evaluations.<br>Technical assistance trip reports. | |

| Narrative Summary | Objectively Verifiable Indicators | Means of Verification | Important Assumptions |
|---|---|---|---|
| Outputs (continued) | | | |
| E. Operations and Applied Research | | | |
| Research to improve food aid program process completed: | 5 operations research projects to improve food aid program operations: | Project quarterly and annual reports and evaluations. | National executing agencies and cooperating international PVOs and donor agencies agree to collaborate with INCAP on operations research activities. |
| - Evaluation of Food AID Programs, Institutional Capacity and Food Utilization at the Household Level. | 8 program process evaluations carried out (two of each type) | INCAP and national institution records. | |
| - Case study: Analysis of the Operation of Food Assistance Programs for Displaced Populations. | 1 Case study. | | |
| - Cost-effectiveness Analysis of Food AID Programs in Central America and Panama. | 8-10 cost effectiveness analyses completed. | | |
| - Defining the Technical Basis for Screening and Discharge Decisions and for Interpreting Growth Monitoring Data in Maternal Child Food Programs. | 1 Study completed. | | |
| - Design and Testing of Simple Information and Evaluation Systems for National Food AID Programs. | 5 National information systems in support of food aid programs analyzed.<br><br>20 food assistance program information systems reviewed and revised.<br><br>4 model management and evaluation information systems developed and tested. | | |

| Narrative Summary | Objectively Verifiable Indicators | Means of Verification | Important Assumptions |
|---|---|---|---|
| Outputs (continued) | | | |
| Reserach to determine food aid program impact completed:<br><br>- Food, Nutrition and Socio-Economic Impacts of Maternal and Child Food Assistance Programs on Participant Families. | 1 Impact evaluation completed on a maternal infant feeding program. | | A national executing agency and cooperating PVO or donor agency agree to collaborate with INCAP on impact evaluation research activity. |

| Narrative Summary | Objectively Verifiable Indicators | Means of Verification | Important Assumptions |
|---|---|---|---|
| Inputs | Implementation Target (Type and Quantity) (US $ 000) | | |
| By Project Component: | | Review of INCAP financial records. | Funds are available in future years to be incrementally funded. |
| -Planning and Coordination | 217 | | |
| -Training | 670 | Review of ROCAP financial records. | |
| -Technical Assistance | 391 | | |
| -Research | 880 | | |
| -Technical Information Dissemination | 74 | | |
| -Management, Review and Evaluation | 1,442 | | |
| -INCAP Indirect Costs | 978 | | |
| -Contingencies and Inflation | 388 | | |
| US Technical Assistance | 560 | | |
| Total | 5,600 | | |

# Statutory Checklist

## 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 ESF.

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

## A. GENERAL CRITERIA FOR PROJECT

1. 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)?

   a) Congressional Notification Process.

   b) The project is included in the FY 1984 Supplemental request submitted to the Congress.

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

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| | (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<br>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? | 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.) | 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? | N.A. |

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| 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. | Project is a regional effort. |
| 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. | a) No<br>b) No<br>c) No<br>d) No<br>e) No<br>f) No |
| 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). | U.S. technical assistance will be utilized and commodities will be purchased from U.S. private enterprise. |

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| 9. | FAA Sec. 612(b), 636(h); 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. | INCAP and participating countries will contribute 20% of total project costs. |
| 10. | FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release? | No |
| 11. | FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? | Yes |
| 12. | FY 1982 Appropriation Act 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? | N.A. |
| 13. | FAA 118(c) and (d). Does the project comply with the environmental procedures set forth in AID Regulation 16? Does | Yes |

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| the project or program take into consideration the problem of the destruction of tropical forests? | N.A. |
| 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)? | 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 | a) The project will ultimately involve the poor in development by enabling the CA/P countries to improve the effectiveness of food assistance programs, thereby contributing to the reduction of infant and young child mortality and an improved nutritional status among high risk populations.<br><br>b) See a. above. |

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| 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? | c) CA/P countries have requested activities of this project to improve their food assistance programs.<br><br>d) Women and their children constitute the principal project beneficiaries.<br><br>e) Project is a regional effort. |
| b. FAA Sec. 103, 103A, 104, 105, 106. Does the project fit the criteria for the type of funds (functional account) being used? | Yes. |
| 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)? | N.A. |
| 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)? | N.A. Assistance is to a regional organization; however, substantial resources will be committed by each participating country to support in-country activities. |

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| 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. | N.A. |
| 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? | No impact. |
| 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 | Training, technical assistance and research needs were based on consultant's reports and interviews with INCAP and national level technicians in the region. Human resources to be utilized in undertaking project activities will be drawn heavily from the CA/P region. |

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

2. Development Assistance Project Criteria (Loans Only)

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, at a reasonable rate of interest. 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? 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)? N.A.

3. Economic Support Fund Project Criteria

a. FAA Sec. 531(a). Will this assistance promote economic or political 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? N.A.

c. FAA Sec. 534. Will ESF 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? 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? N.A.

## 5C(3) - STANDARD ITEM CHECKLIST

Listed below are the statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation, or covered in the agreement by imposing limits on certain uses of funds.

These items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

A. Procurement

| | | |
|---|---|---|
| 1. | FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? | Yes |
| 2. | FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him? | Yes |
| 3. | FAA Sec. 604(d). If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? | Yes |
| 4. | FAA Sec. 604(e); ISDCA of 1980 Sec. 705(a). If offshore procurement of agricultural commodity or product is to be | N.A. |

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| | financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.) | |
| 5. | FAA Sec. 604(g). Will construction or engineering services be procured from firms of countries otherwise eligible under Code 941, but which have attained a competitive capability in international markets in one or these areas? | N.A. |
| 6. | FAA Sec. 603. Is the shipping excluded from compliance with requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent that such vessels are available at fair and reasonable rates? | N.A. |
| 7. | FAA Sec. 621. If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? If the facilities of other | Yes |

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| | | |
|---|---|---|
| | Federal agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs? | |
| 8. | International Air Transport. Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available? | Yes |
| 9. | FY 1982 Appropriation Act Sec. 504. If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States? | Yes |

B. Construction

| | | |
|---|---|---|
| 1. | FAA Sec. 601(d). If capital (e.g., construction) project, will U.S. engineering and professional services to be used? | N.A. |
| 2. | FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? | N.A. |

| | |
|---|---|
| 3. FAA Sec. 620(k). If for construction of productive enterprise, will agggregate value of assistance to be furnished by the U.S. not exceed $100 million (except for productive enterprises in Egypt that were described in the CP)? | N.A. |

C. Other Restrictions

| | |
|---|---|
| 1. FAA Sec. 122(b). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter? | N.A. |
| 2. FAA SEc. 301(d). If fund is established solely by U.S. contributions and administed by an internatioal organization, does Comptroller General have audit rights? | N.A. |
| 3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? | Yes |
| 4. Will arrangements preclude use of financing: | |
| a. FAA Sec. 104(f); FY 1982 Appropriation Act Sec. 525: (1) To pay for performance of abortions as a method of family | Yes |

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planning or to motivate or coerce persons to practice abortions; (2) to pay for performance of involuntary sterilization as method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization; (3) to pay for any biomedical research which relates, in whole or part, to methods or the performance of abortions or involuntary sterilizations as a means of family planning; (4) to lobby for abortion?

b. FAA Sec. 620(g). To compensate owners for expropriated nationalized property? — Yes

c. FAA Sec. 660. To provide training or advice or provide any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? — Yes

d. FAA Sec. 662. For CIA activities? — Yes

e. FAA Sec. 636(i). For purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? — Yes

f. FY 1982 Appropriation Act, Sec. 503. To pay pensions, annuities, retirement pay, or — Yes

| | |
|---|---|
| adjusted service compensation for military personnel? | |
| g. FY 1982 Appropriation Act, Sec. 505. To pay U.N. assessments, arrearages or dues? | Yes |
| h. FY 1982 Appropriation Act, Sec. 506. To carry out provisions of FAA section 209(d) (Transfer of FAA funds to multilateral organizations for lending)? | Yes |
| i. FY 1982 Appropriation Act, Sec. 510. To finance the export of nuclear equipment, fuel, or technology or to train foreign nationals in nuclear fields? | Yes |
| j. FY 1982 Appropriation Act, Sec. 511. Will assistance be provided for the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? | Such assistance will not be provided. |
| k. FY 1982 Appropriation Act, Sec. 515. To be used for publicity or propaganda purposes within U.S. not authorized by Congress? | Yes |

ANNEX 4

ACTION COPY
TO CENTRAL
THE ACTION
ACTION TAKEN
DATE

# INSTITUTO DE NUTRICION DE CENTRO AMERICA Y PANAMA

OFICINA SANITARIA PANAMERICANA

Oficina Regional de la

ORGANIZACION MUNDIAL DE LA SALUD

Ref.: IN-112-85/PL

12 de marzo de 1985

MAR 18 10 57 AM '85
MAIL ROOM
USAID/GUATEMALA

Señor
John Eyre
Director
ROCAP/AID
8a. Calle 7-86, Zona 9
Ciudad de Guatemala

ACTION: GENERAL DEV

Estimado señor Eyre:

Como parte del informe final de la donación 596-01116 adjunto sírvase encontrar una copia de la propuesta preparada por este Instituto denominada "Apoyo Técnico a los Programas de Alimentación de Grupos existentes en Centro América y Panamá". El desarrollo de las actividades propuestas en este documento será de gran importancia para darle, a nivel de la subregión, un mejor uso a la ayuda alimentaria empleada como alimentación a grupos, sea ésta de origen externo o proveniente de fondos nacionales.

Por otra parte, el proyecto propuesto contribuirá al fortalecimiento institucional de las entidades nacionales responsables del planeamiento, desarrollo y evaluación de estos programas, y al establecimiento de mecanismos efectivos de coordinación entre los grupos nacionales responsables de los programas y entre estos y las agencias técnicas, intermediarias y donantes que apoyan el desarrollo de dichos programas en el itsmo centroamericano.

En base a lo anterior, antentamente solicito sus buenos oficios para iniciar las gestiones pertinentes dentro de ROCAP, a fin de obtener el financiamiento que requiere este esfuerzo propuesto por el INCAP, a desarrollarse en un período de cinco años. Como es de usted conocido, la solicitud oficial, según nuestros mecanismos, la hará el Señor Director de la OPS/OMS, en donde actualmente se encuentra una copia del documento adjunto para su revisión técnica.

Reiterándole nuestro agradecimiento por la colaboración que ROCAP ha dado a nuestras gestiones para poder ayuda a las unidades nacionales de alimentación y nutrición y esperando poder contar con su apoyo financiero para la realización del proyecto adjunto, me suscribo de usted.

Atentamente,

Luis Octavio Angel
Director

Anexo: lo indicado
cc: Dr. F. Viteri/HPN/OPS

Calzada Roosevelt Zona 11 – Apartado Postal 1188 – Teléfonos: 43762 al 43767 – Cable: INCAP – Telex: 5696 INCAP
Guatemala, C. A.

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Draft

Project Authorization

Name of Entity : Nutrition Institute for Central America and Panama (INCAP)

Name of Project : Technical Support for Food Assistance Programs

Number of Project: 596-0116

1. Pursuant to Section 104 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Technical Support for Food Assistance Programs Project with the Nutrition Institute for Central America and Panama (INCAP), involving planned obligations of not to exceed Five Million Six Hundred Thousand United States Dollars ($5,600,000) in grant funds ("Grant") over a five-year period from the date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project.

2. The project ("Project") will improve the effectiveness of food assistance activities in Central America and Panama by helping to establish effective national coordination mechanisms and strengthening the technical, managerial and evaluation capabilities of INCAP and national public and private agencies.

3. The Project Agreement, which may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

a. Source and Origin of Commodities, Nationality of Services

Commodities financed by A.I.D. under the Grant shall have their source and origin in countries of Central America and Panama, or the United States, except as A.I.D. may

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otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services shall have countries which are members of Central America, Belize, Panama or the United States as their place of nationality, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the Grant shall be financed only on flag vessels of the United States, except as A.I.D. may otherwise agree in writing.

b. Conditions Precedent to Disbursement

(1) Prior to the disbursement, or the issuance of any commitment documents, under the Project Agreement to finance activities other than for hiring long-term personnel, INCAP shall, except as A.I.D. may otherwise agree in writing, furnish, in form and substance satisfactory to A.I.D.:

(a) a detailed time-phased plan setting forth all activities to be completed during the first year of the project;

(b) evidence that INCAP's automated data processing capability is sufficient to provide adequate reporting on project financial transactions at the subcomponent level; and

(c) evidence that INCAP has modified its disbursement and reporting formats and procedures in order to expedite the processing of expenditures by project personnel when away from INCAP headquarters.

(2) Prior to the disbursement for technical assistance to the countries beyond year one under the Grant, the issuance of any commitment document other than for support of the research and training components, INCAP shall, except as A.I.D. may otherwise agree in writing, furnish in form and substance satisfactory to A.I.D.:

(a) an analysis of the country programs, including prospects for success in improving national strategies and plans and addressing major constraints, and an explanation of INCAP's rationale for the quantity and type of technical assistance which it proposes to undertake; and

(b) a plan for developing funding mechanisms and agreements with national governments, bilateral or international food aid donors, PVOs or other international agencies to support a continuation of technical assistance and training for food assistance programs after the ROCAP/INCAP project terminates.

c. Covenants

INCAP shall covenant that, except as A.I.D. may otherwise agree in writing:

(1) Prior to undertaking project activities for each year after the first year of the project, INCAP will furnish, in form and substance satisfactory to A.I.D., a consolidated workplan and budget for activities for that year.

(2) INCAP will coordinate appropriate project activities with USAID missions in each country which participates in this project and with private voluntary agencies responsible for managing P.L. 480 Title II activities in the region as well as with other food aid donors and intermediaries.

John R. Eyre
Acting Director

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

LAC/DR-IEE-85-4

# ENVIRONMENTAL THRESHOLD DECISION

| | |
|---|---|
| Project Location | : ROCAP |
| Project Title and Number | : Tech Support Food Assist. 596-0116 |
| Funding | : $5,600,000 (G) |
| Life of Project | : 5 years |
| IEE Prepared by | : Frank Zadroga ROCAP/Guatemala |
| Recommended Threshold Decision | : Negative Determination |
| Bureau Threshold Decision | : Concur with Recommendation |
| Comments | : None |
| Copy to | : John R. Eyre, Director, a.i. ROCAP/Guatemala |
| Copy to | : Frank Zadroga, ROCAP/Guatemala |
| Copy to | : Lars Klasssen, LAC/DR |
| Copy to | : IEE File |

James S. Hester Date NOV 30 1984

James S. Hester
Chief Environmental Officer
Bureau for Latin America
and the Caribbean

# ENVIRONMENTAL THRESHOLD DECISION

| | |
|---|---|
| Project Location: | CAP Regional |
| Project Title and Number: | Technical Support for Food Assistance Programs in Central America and Panama Project No. 596-0116 |
| Funding: | 5.6 million |
| Life of Project: | 5 years |
| IEE Prepared by: | Frank Zadroga, REMS, ROCAP |
| Recommended Threshold Decision: | Negative determination |
| Bureau Threshold Decision: | |
| Action: | Copy to: Jack Eyre, Acting Director ROCAP, Guatemala<br>Michael Deal, ROCAP, Guatemala,<br>LAC/DR<br>IEE Files |

DATE: October 17, 1984

Frank Zadroga
Frank Zadroga
Regional Environmental
Management Specialist

DATE: _____

_____
James Hester
Environmental Officer
Bureau for Latin America
and the Caribbean

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# INITIAL ENVIRONMENTAL EXAMINATION

| | |
|---|---|
| Project Location: | CAP Regional (Central America and Panama) |
| Project Title and Number: | Technical Support for Food Assistance Programs in Central America and Panama Project No. 596-0116 |
| Funding: | $5.6 million |
| Life of Project: | 5 years |
| IEE Prepared By: | Frank Zadroga, REMS, ROCAP |
| Recommended Threshold Decision: | Negative Determination |
| Concurrence: | John R. Eyre<br>Acting Director, ROCAP<br>Date: 10/19/84 |

## I. PROJECT DESCRIPTION

The goal of this project is to reduce infant and young child mortality and improve nutritional status among high risk populations in Central America and Panama. The purpose of the project is to improve the effectiveness of food assistance activities by strengthening the technical, managerial and evaluation capabilities of INCAP and national public and private agencies in Central America and Panama.

The objective of the project is to develop a regional technical support network to help governmental and non-governmental agencies involved in supplementary, emergency and refugee feeding programs. Project activities involve regional, national and PVO institutions, as well as international relief agencies and food donors, and are basically institutional strengthening in nature. The project will result in policy studies and strategies; inter-institutional coordination; technical upgrading of staff of INCAP and national food assistance agencies; the development and better use of technical guidelines, standards and reporting systems; and consciousness raising. Project activites are organized under four basic components: planning, training, technical assistance and research (basic and operational).

## II. IDENTIFICATION AND EVALUATION OF ENVIRONMENTAL IMPACTS

The nature of the project is such that no substantial effect on the natural or physical environment are foreseeable. According to AID's Environmental Procedures (22 CFR Part 216, Section 2 (c) (2) viii) programs involving nutrition and health care, except when designed to include activities directly affecting the environment, qualify for a categorical exclusion and are not subject to the procedures set forth in Section 216.3. Such projects normally do not require further environmental assessment.

Two of the activities of this project, however, are of some concern since they may indirectly affect the environment. These are:

| Project Activity/Output | Potential Effect |
|---|---|
| 1. Development of national food aid strategy and policy. | The creation of a national food assistance dependency. This could act as a disincentive to agricultural foodstuff production and indirectly impact land use. If farmers are not encouraged and adequately remunerated for agricultural production, land use technology suffers and effects such as the more extensive use of land, soil erosion, deforestation for the establishment of grazing lands, etc. can result. |
| 2. Guidelines, technical feasibility criteria and institutional capabilities to carry out food for work programs. | Food for work programs, if not properly planned and implemented, can have environmental costs; on the other hand, they can present an excellent opportunity for reforestation, soil conservation, upland irrigation, agroforestry, and other resource conservation activities. |

Eliminating or avoiding the negative impacts (economic and otherwise) of food assistance dependancy is a major concern of this project. All of the project components have activities aimed at better understanding and avoiding the impacts of such dependancy. Environmental concerns relating to land use and the maintenance of appropriate agricultural productivity are but one aspect of this dependency issue. These environmental concerns will be taken into account in the project, especially in the formulation of national food strategies and policy.

In the designing of food for work technical guidelines and in designing and implementing food for work projects

environmental concerns need to be taken into account. Where possible, food for work programs should be used as a mechanism to promote conservation practices and assist in environmental protection. The giving of food for public works that are not a high priority and that even can produce serious environmental impacts (i.e. rural road construction) should be avoided. Environmental criteria are an important element of project feasibility determination and should be incorporated into the guidelines and technical criteria for the formulation, monitoring and evaluation of food programs. The training of the staff of INCAP and the national agencies should include basic environmental assessment criteria and point out project design opportunities that utilize resource conservation practices.

An impact identification summary is provided in Attachment I.

## III. CONCLUSION AND RECOMMENDATION

The concerns mentioned in Section II have been taken into consideration and used to strengthen the project design. Based on these considerations, therefore, no significant environmental effect will result from this project.

It is recommended that no further environmental assessment be required and that a negative determination be made.

| Impact Areas and Sub-Areas | Impact Identification & Evaluation[1] |
|---|---|
| **A. LAND USE** | |
| 1. Changing the character of the land through | |
| a. Increasing the population | L |
| b. Extracting natural resources | N |
| c. Land clearing | N |
| d. Changing soil character | N |
| 2. Altering natural defenses | N |
| 3. Foreclosing important uses | N |
| 4. Jeopardizing man or his works | N |
| 5. Other Factors | |
| | |
| | |
| | |
| **B. WATER QUALITY** | |
| 1. Physical state of water | N |
| 2. Chemical and biological states | N |
| 3. Ecological balance | N |
| 4. Other Factors | |
| | |
| | |
| | |

1/N - No environmental impact
L - Little environmental impact
M - Moderate environmental impact
H - High environmental impact
U - Unknown environmental impact

C. ATMOSPHERIC

1. Air additives..... N
2. Air pollution..... N
3. Noise pollution..... N
4. Other factors

D. NATURAL RESOURCES

1. Diversion, altered use of water..... N
2. Irreversible, inefficient commitments..... N
3. Other Factors

E. CULTURAL

1. Altering physical symbols..... N
2. Dillution of cultural traditions..... N
3. Other Factors

F. SOCIO-ECONOMIC

1. Change in economic/employment patterns..... L
2. Changes in population..... L
3. Changes in cultural patterns..... N
4. Other Factors

G. HEALTH

1. Changing a natural environment..... N
2. Eliminating an ecosystem element..... N
3. Other Factors
   Improving nutritional status N

H. GENERAL

1. International impacts..... N
2. Controversial impacts..... N
3. Larger program impacts..... N
4. Other factors

_____ _____
_____ _____
_____ _____

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## Technical Analysis

### A. Food Assistance Activities in Central America and Panama and External Agencies Supporting Food Aid Programs

There are four major food donors functioning in the region and several minor donors as well as two international PVOs and the UN High Commision on Refugees which serve as intermediaries. These donors contribute about 85% of the dollar costs of food used in food assistance activities in the region. Attachment a to this Annex describes the major food donors and the most important food assistance activities going on in each country in the region. Attachment b lists each of the major food assistance programs currently operating or programmed for 1985 in Central America and Panama as well as identifying the program type, donor agency and executing agency for each activity.

### B. Constraints Analysis and Project's Technical Feasibility

The project is designed to reduce infant and young child mortality and improve nutritional status among high risk population in Central America by improving the effectiveness of food assistance activities in the region. This will be done by strengthening the technical, managerial and evaluation capabilities of national, public and private agencies responsible for planning, implementation and evaluation of food assistance activities.

Drawing on the results of the 1984 INCAP assessment of technical and training needs of food assistance programs; the results of the donor group workshop on the same subject and INCAP discussions with managers of food programs in each country the Project Development Team ascertained that to improve the effectiveness of food assistance activities the following constraints must be overcome:

a) The lack of national food assistance strategies results in the proliferation of improvised programs having little impact whose priorities are frequently different than those of the host country and whose beneficiary population are not necessarily those who can benefit most from the assistance.

b) The lack of effective country level coordination mechanisms for food assistance programs results in duplication and overlap of efforts and activities in some parts of the country or in some population groups while food assistance is unavialable to others who could really benefit from it.

c) Food assistance program design is frequently inadequate or incomplete making subsequent program implementation monitoring and evaluation difficult and reducing program effectiveness.

d) Institutional capacity for management and implementation of food assistance programs is limited which affects both program efficiency and effectiveness.

e) Food storage and distribution systems are inadequate and food handling and control mechanisms are ineffective which leads to food deterioration and losses and program interruptions, both affecting program effectiveness.

f) Technical and operational guidelines or norms and objectives of food aid donors, intermediaries and national executing agencies often do not coincide. Many programs do not have these critical elements defined or have them only partially developed which limits effective implementation.

g) Severe limitations in program information and evaluation systems do not permit programs to be effective or to identify and overcome the obstacles which stand in the way of adequate implementation.

h) Programs are rarely adequately linked with complementary activities which would substancially increase their effectiveness such as basic health services, health nutrition education or community development activities.

i) National counterparts, PVOs and donors have relatively little experience in handling the growing number of displaced persons in the region.

National Food Assistance Strategies

National food assistance strategies explains the way in which a country chooses to use food assistance to meet its social or economic development goals. For example, almost a decade ago, Costa Rica decided to use food assistance instead of a cash transfer as part of its assistance programs. In Nicaragua, a decision has been made to use international food aid directly in food assistance programs only in cases of emergencies or disasters. Instead Nicaragua uses monitization schemes to buy local products for use in its food assistance programs in order to increase demand for local production. In other countries the development of food assistance strategies are only at the stage of creating national targetting schemes for social assistance investment including food assistance, based on health, nutrition and socio-economic status information.

As the number and size of food assistance programs grow in their countries and national budgets for administrative support and sometimes food purchases shrink, planning units and technical personnel responsible for these programs have increasingly recognized the need for developing or revising

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national food assistance strategies or plans. In addition, issues such as possible disincentive effects of imported food aid or the potential stimulating effect that the use of national products in food assistance programs cound have on local food production have added to the interest in developing food assistance strategies.

Three of the countries in the region, Honduras, El Salvador and Costa Rica have specifically asked INCAP to help them develop or revise their national food assistance strategies. As an initial step toward that end each country has already reviewed the programs currently operating in their countries. In the case of Costa Rica a study to look at the relative impacts of their social assistance activities including food aid has been designed and funding has been solicited. The results of the study will allow the Costa Rican Government to make more rational decisions regarding the use of their limited social assistance dollar. In addition, INCAP is working with Panama in the development of its food and nutrition surveillance system which the Panamanians are using for national targetting of food assistance and other social services.

Work on food and nutrition planning and development of food and nutrition surveillance and information systems over the past ten years has raised the level of knowledge and analytic sophistication about the food and nutrition situation in most countries of the region to a point that the development of reasonable national food assistance strategies within the context of overall socio-economic development is technically feasible. Reviews of food assistance program information needs and availability at the national level and cost benefit analysis to be done in each country as part of the project's operations research activities will help further expand the knowledge base necessary for developing sound national strategies. Two countries in the region, Costa Rica and Nicaragua already have national strategies although rapid changes in the economic and health situation in each of the countries of the region make continual adjustments to any strategy necessary.

Experience with a series of food and nutrition planning seminars over the past four years under the ROCAP/INCAP Nutrition Technical Outreach Project has shown that the proposed methodology for regional seminars in which each country team prepares a country document assessing the current situation and laying out a country action plan for discussion and revision at the seminar is a good mechanism for stimulating action at the national level. Focused follow-up technical assistance, training and promotion by INCAP have helped countries implement many elements of their plans. The first will concentrate on the use of food assistance in national development, the second on program operations and implementation and the third, on information and evaluation.

In the case of food assistance, the incorporation and collaboration of donors and PVO intermediaries into the process of national strategy development is particularly critical to achieving a positive outcome. The project takes this into consideration by promoting active donors participation in the STAC, task forces, donor meetings, regional seminars, national program coordinating meetings and all other project activities. Donors and PVOs played an active role in project planning and development and have expressed a high level of interest in collaborating in project activities.

Country Level Coordinating Mechanisms for Food Assistance

Effective formal or informal country level mechanisms for information exchange and coordination are needed to avoid duplication of efforts and undercutting of one program by another.

At present there is no single entity in any of the countries which is legally responsible for coordinating all food assistance activities although in Guatemala the National Reconstruction Committee and in El Salvador CONADES are supposed to play a coordinating role for emergency and displaced persons programs. In addition, the national planning council in Honduras, El Salvador and Costa Rica have recently tried to assume greater responsibility for coordination and planning of food assistance activities and with INCAP's help have carried out assessments of food assistance programs going on in their countries.

There is a growing realization on the part of national program managers that some sort of coordination and information exchange is needed. The regional assessment of technical and training needs conducted by INCAP in 1983-84 led to joint meetings of all major national program managers in each of the member countries, often for the first time. These meeting have periodically continued over the past year, throughout the project development process. In several countries, notably Costa Rica, Honduras and El Salvador, program managers have decided to continue these meetings on a regular basis on their own.

Meetings of national project managers and national donor meetings will continue to be promoted under the project. In addition, other project activities such as the establishment of documentation centers in each country, participation in regional seminars and courses and information dissemination activities will facilitate national coordination and information exchange. Assessment of both national level and program specific information availability, needs and systems will help provide the basis for both program coordination and strategy formulation. Food and nutrition or social planning units already exist in the planning councils or ministries of each country. These units or similar entities attached to Ministries of health in some countries can serve as foci for compiling, analyzing and disseminating this information.

The development and adaptation of regional guidelines for technical norms and project design, implementation and evaluation will help overcome coordination problems which now exist between programs with similar objectives being carried out in the same country such as multiple maternal child feeding programs. Application of similar norms and operating procedures will also help prevent undercutting of one program by another, a common occurence in food for work and MCH feeding programs where requirements for participation in one program are more stringent than another.

Improving Program Design

Poor or incomplete program designs have repeatedly led to programs with serious operational problems or which are ineffective. Often critical elements like adequate institutional analyses of implementing agencies, a clear definition of operational procedures, development of an adequate training plan, an understanding of community views and participation or plans for adequate integration of food assistance with complementary health or development activities are left out of program designs altogether. About one quarter of the programs operating in the region do not have clearly defined goals or objectives or beneficiary selection and discharge procedures. Rarely are environmental issues taken into account in the design of food-for-work programs.

The basic elements necessary for adequate design of development programs in general are known, the nature and history of food assistance programs has meant that they are often not applied. Many food assistance programs in Central America have been functioning for over fifteen to twenty years and originated at a time when international food aid was given a purely humanitarian focus and was seen as a way of legitimately using excess food supplies from stockpiled in developed countries. Since program evaluations are rare, programs have simply been left to limp along with their original design flaws which have been further complicated by changes in the operating environment overtime. Other food programs have been established during emergencies and have simply evolved into regular food assistance programs after the emergency ends. Until very recently little attention has been given to making food assistance a legitimate part of social and economic development efforts. In addition political pressures which are often linked with food assistance have meant that design short cuts are frequently taken. Lastly, since donor agencies have rarely been willing to supply any supporting resources othen than food, the pressure to carry out adequate institutional analyses of the exceuting agencies or other standard design analyses has been minimal at best.

A further constraint to adequate program design has been the delegation of major responsibility for project design to host country counterparts or

PVOs staff with little or no training or experience in even basic program design. Furthermore, these people have been given very little technical help in carrying out their tasks and for the reasons already mentioned somo donors have been willing to accept almost any design submitted to them as long as it meets their general programming guidelines in terms of type of program, ration sizes, type of commodities to be used and some basic commodity controls.

Simplified methodologies for carrying out basic program design analyses which can be applied by host country and PVO staff do not currently exist in a usable form. Furthermore, there are some technical issues which still generate a substantital debate among "international experts" in the food and nutrition field, such as the best beneficiary selection and monitoring procedures to use for MCH program, the ideal commodity or ration size for a given type of activity or the impacts which can be expected of a well run program. This debate causes chaos among the technical and non-technical staff who have to design and implement food assistance programs.

The development of agreed upon guidelines for design of each type of feeding program combined with information dissemination, training and technical assistance to assure use of the guidelines should help resolve many of the design difficulties. Operations research activities carried out under the project will help provide methodologies for doing the institutional analyses, cost assessments and community studies required for adequate program design and will help clarify beneficiary selection, monitoring and discharge procedures for maternal infant feeding programs. In addition, donor agencies and national governments will be enconraged to turn down project proposals for regular programs which have not taken into consideration the various elements required for an adequate design.

The project will also help translate and adapt existing guidelines for carrying out assessments for emergency situations and displaced persons programs. This combined with follow up training and technical assistance will help countries design better emergency programs as well.

Since the basic elements necessary for adequate program design such as the need to define objectives or carrying out adequate institutional and financial feasibility analyses are known, project activities are designed to promote and facilitate the application of good design methodologies. Operational answers for outstanding issues on assessment and evaluation methodologies, targetting, beneficiary selection criteria, ration sizes, ascertaining beneficiary and community perceptions, and the design of reasonable information systems can be obtained within the time frame of the project. The project thus contemplates multiple mechanisms for overcoming the problem of weak program design which has plagued food assistance activities in the region for years.

## Improving Institutional Capacity and Logistics and Storage Systems

Institutional capacity for management and implementation of food programs is limited both in terms of human resources and infrastructure. Management and operations programming skills are weak and the lack of functional management information systems means that the necessary information for making programing decisions is often not available even when program managers know how to use it.

The organization of executing agencies is often not adequate for the job and supervision and on the job training is limited. In many cases much of the supervision which does exist is done outside of the host country agency, by PVOs donors and thus does not really serve to strengthen institutional capacity. Organizational problems particularly in MCH and school feeding programs are further complicated by the fact that food distribution activities are often carried out as vertical programs running parallel to the rest of the agency's normal activities. This pattern has often been set up in order to respond to the donor agencies who have traditionally been more concerned with auditing and control of food commodities than in the effectiveness of the programs in meeting their final goals and objective.

In many programs there are insufficient appropriate vechicles and personnel to transport food commodities, vehicle maintenance and repair are problematic and vehicles particularly in the public sector, are used for other tasks making them unavailable when they are required. Poor logistics programming further complicates the problem and inadequate control systems during transport leaves substancial room for divergence of commodities. Poor logistics programming and transport problems frequently result in long interruptions in the program at the local level, particularly in isolated areas. These interruptions substantially reduce program effectiveness.

Storage facilities are often not adequate for food storage having poor sanitation, humidity, temperature and pest control measures. Often poor warehousing organization and control procedures results in the last food in being the first food to be moved out given rise to long storage periods for some foods under inadequate conditions. In other cases, breakdowns in logistics mean food gets stored longer than it should and fumigation and pest control procedures are not adjusted to take these problems into consideration. The lack of quality control prcedures mean that many times damaged food is moved all the way to the beneficiary before the damaged food is moved all the way to the beneficiary before the damage is noted. The beneficiary simply discards the food and thus, no remedial action can be taken along the commodity stream. All of these problems lead to substantial food losses.

Attempts to provide universal services, particularly in maternal child health, school feeding and church sponsored programs, often stretch available resources to the point of non-effectiveness. On the other hand the same resources carefully targetted to priority areas would probably be effective in reaching project objectives. A case study analysis on food losses and misdirection in the Panama programs using US PL 480 Title II donations is included as an appendix to Annex 9, Economic Analysis. At the time of the evaluation which served as the basis for the Case Study, the Panamanian Program was considered to be among the best run in the region. The case study illustrates the types and magnitude of problems that are typically found in food assistance program operations in the region.

The development of general implementation guidelines for each type of program and for food handling and storage procedures will help provide program managers with a clear understanding of what needs to be done. Process evaluations to be carried out on eight programs (one of each type in two countries) will provide direct problem solving assistance to these programs and at the same time will provide the region with a better understanding of program problems and alternative solutions which can be spread to other programs through technical assistance, information dissemination and training. A case study on displaced persons programs to be carried out in El Salvador will provide the same type of information for refugee and displaced persons programs. Evaluation and institutional assessment methodologies developed as part of the operations research activities can be applied to other programs using national or other donor support and direct technical assistance. Regional training courses and observational tours in management, food preservation and handling, emergency and displaced persons programs and management information and evaluation systems will improve the skills of program managers and operators.

Direct technical assistance will help program design and carry out institutional analyses and process evaluations, develop in-service training plans and look for support for implementing them, develop supervision systems, enhance management and operations programming skills and install adequate management information systems. Current logistics and transportation systems can be examined and recommendations for more effective alternatives using a similar level of resources can be formulated. For example, it may be more cost effective to hire a private sector transportation firm than to maintain public vehicles and personnel for distribution purposes. Where transportation, infrastructure (warehousing for example), equipment or personnel is not adequate for program operations, help will be provided in targetting and scaling back the current program to fit available resources or in preparing proposals for national, bilateral or international funding for the additional infrastructure, or other resources required.

The availability of funds for one time investments is not really the limiting factor in reinforcing infrastructure and institutional capacity for food assistance programs. More often what is lacking is a thorough analysis of the problem and the development of realistic alternatives for program operations within the context of available recurrent resources or the presentation of a well justified case for increasing program resources to cover actual operational needs. The project provides the elements necessary to carryout this problem analysis and problem solving process through its operations research, technical assistance, technical and experiencial exchange and training activities.

Technical and Procedural Norms and Guidelines

The study carried out recently by INCAP showed that in many cases programs do not have clearly established objectives or technical norms and procedures for beneficiary selection, monitoring and discharge or establishment of ration sizes. In other cases the technical norms being implemented are not the most appropriate for meeting project objectives. The fact that donor agencies, intermediate PVOs and executing agencies do not use the same criteria or guidelines for establishing technical norms and operational procedures often stands in the way of their formal establishment at the individual program level and programs have been know to continue for years with improvised and poorly applied norms and procedures. In some instances programs with similar objectives, (i.e. maternal child feeding), but different donors and consequently different norms and procedures are being implemented by the same national agency giving rise to the existence and use of two or three different norms and procedures within a single executing agency.

Donor agencies and intermediate PVOs have tended to set general criteria or guidelines at their international headquarters for establishing project objectives, technical norms, including ration sizes, and operational procedures to be applied on a worldwide basis. These guidelines have been set up in isolation from one another and they are not consistant across donors or intermediaries, although there is at least theoritically substancial room for flexibility. The way these guidelines are interpreted and applied at the local level depends upon the personal judgement and sometimes whim of the respective donor agency and/or local managerial PVOs representative. Often these judgements are made on the basis of very little technical or even practical knowledge since project evaluation are rare.

These criteria are then super imposed upon national executing agencies which have their own agendas, objectives and operating procedures which results in other completely vertical programs running parallel to one another, or more often, chaoes at the local level where a single individual must deal with a choice of multiple norms and operating procedures.

The project addresses these problems through the use of a highly participatory process of operations research, task forces, national meetings and regional forums to arrive at a consensus on recommended guidelines for norms and procedures for use in each type of food assistance program. Special emphasis will be given to the establishment of rational technical norms for beneficiary selection, monitoring and discharge in MCH programs. All of the critical players, donor agencies, intermediate PVOs or other international agencies and national executing agencies will be involved. Once concensus guidelines have been established the project will use a combination of promotion, information dissemination, technical assistance and training activities to get them applied throughout the region.

The possibility of reaching a concensus on general guidelines for technical norms and operational procedures when dealing with multiple donors, intermediaries and executing agencies was the subject of extensive discussion at the May 1984 donor meeting held to discuss the results of INCAP's assessment of technical and training needs for food assistance programs. The conclusion of the discussions was that it was both possible and advantageous to all parties to do so and that both donors and PVO intermediaries were willing to work toward that end. Since the workshop, donors and international PVOs have agreed to budget money for their participation in the task forces and other regional forums which are part of the guideline development process.

Much of the data necessary for reaching reasonable recommendations on the appropriate technical basis for beneficiary selection, monitoring and discharge procedures and ration sizes for MCH feeding programs in CA/P has already been collected under the auspices of two longitudinal supplementary feeding intervention projects carried out at INCAP over the past ten years. The data only needs to be analyzed in a way which will be useful for answering the pertinent questions. The initial conclusions will be available by the end of the first year of the project and they can be tested and refined through other project operations research and technical assistance activities. Thus the technical knowledge required, but still missing, for establishing regional recommendations on technical norms for MCH feeding programs is well within reach of the projects resources and time frame.

Program Information and Evaluation Systems

Few of the food assistance programs in the region have management information systems which are responsive to the needs of program monitoring, control and evaluation. Even fewer (3 or 4) have ever actually been formally evaluated although more than half have undergone general reviews of projects activities in order for donors to justify continuation of the project. A major constraint in this area has been the lack of a clear understanding of

how to go about establishing a reasonable information system which provides the needed data, but is not so burdensome that it becomes an end in itself or so costly that it is not applicable. Process and impact or outcome evaluations including cost effectiveness analyses are constrained by the same lack of understanding. In addition, the lack of experience in the region with evaluations results in relatively little appreciation of the usefulness of evaluations as management and design tools, thus giving evaluation a relatively low priority when it comes to the allocation of financial resources.

The project will address these constraints through information systems assessments and cost benefit analyses to be carried out in each country. Process evaluations to be carried out on eight programs in two countries and a case study to be carried out in a third, will help identify more easily applied methodologies and will provide experience on the usefulness of evaluation activities. Research on outcome or impact evaluation of maternal infant feeding programs will move the regional as well as international state-of-the-art closer to the identification of reasonable methods for doing this type of evaluation and will help define the conditions under which one would expect to have an impact by the end of the project. By defining the conditions which will result in a positive impact it is hoped that the need to do expensive impact evaluations for other MCH projects in the future will be reduced. Instead relatively inexpensive process evaluations demonstrating that the conditions under which a positive impact is highly likely will exist and the measurement of intermediate indicators should suffice.

The development of guidelines and sample methodologies for establishing information systems and carrying out evaluations, promotion, information dissemination, technical assistance and training activities will help get the results of the operations research efforts transfered to program planners and managers throughout the region. The operations research and assessment activities on information systems, cost benefit analyses and process evaluation will be completed by mid project giving sufficient time for the results of these experiences to be disseminated and in some cases newly applied before the project terminates.

Improving Linkages with Complementary Development Activities

Food assistance programs could have a far greater impact on health and nutritional status as well as socio-economic development if food were well integrated with other development activities. Food assistance is at best a palliative solution fof food gap and nutrition problems which does not by itself address the causes of the food and nutrition problem. However, food can serve as a powerful tool for achieving other development objectives while taking care of immediate needs, when it is packaged with other complementary activities. With the exception of some food-for-work programs most food

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assistance programs in the region could be better integrated with other social or economic development activities. Integration of food assistance with health and nutrition education is of particular interest in trying to reduce infant mortality and child malnutrition in the region.

The project will help stimulate better integration with other development activities through the development of guidelines, technical assistance and training in program design and implementation. In addition, work on information systems and evaluation schemes will go beyond what is strictly food distribution to include appropriate complementary activities. Activities designed to promote national food assistance strategies will place heavy emphasis on the integration of food assistance activities with other social and economic development objectives and plans.

Special efforts will go to promoting integration of health and nutrition education with food assistance activities. Two regional courses on integrating food and nutrition education activities into food assistance programs will help support this end. Technical assistance and information dissemination activities will provide further support. INCAP has already done considerable work on methods for non-formal health and nutrition education which can be adapted easily to the food assistance program context. Information flowing from the household studies to be carried out as part of the operations research component will help develop educational methods and messages further. In addition, the extensive work on formal and non-formal health and nutrition education to be carried out under the ROCAP/INCAP ORT, Growth Monitoring and Education Project will be drawn on heavily for use in food assistance programs. Many of the current knowledge gaps in implementation of food and nutrition education will be filled through operations research and studies to be carried out under the ORT, Growth Monitoring and Education Project and thus do not have to be addressed under the food assistance support project.

Emergency vs. Normal Food Assistance Programs

A special review of the technical support needs of emergency food assistance programs, including displaced persons and refugee programs, during project development showed that the general types of technical and training support required were not substantially different from that required by normal food assistance programs,( i.e. the development or adaptation of guidelines or methodologies for carrying out assessments and for program design and operations, technical assistance, information dissemination, regional training and operations research) even though the content of the technical support varied, sometimes widely. It was therefore determined that the two types of programs can be accommodated under a single project with some special activities focused on emergency situations. Furthermore, it was found that

many of the national counterparts who are responsible for normal feeding programs are put in charge of food assistance activities during emergency situations. Therefore, special training in handling emergencies and displaced persons needs to be provided for both normal and emergency feeding program personnel.

The project will address the special needs of emergency situations and displaced persons programs by including a specialist in emergency programs among the long-term project personnel. This person will be responsible for development of special guidelines and training activities for emergency and displaced persons programs as well as for providing direct technical assistance on this subject.

Assessment methodologies for emergency situation and certain guidelines for program operations have been developed or are under development by INTERTEC and the Center for Disease Control for PAHO and AID's Office of Disaster Assistance. This work, already done by leaders in the field, need only be adapted to the area and translated into Spanish to be useful. Courses in disaster management developed for PAHO by the University of Wisconsin Disaster Management Center as well as the broad experience of this group and the PAHO disaster assistance unit can be drawn on for help in developing special courses for emergency and displaced persons food assistance programs planned under the project. In addition to the special course on design and management of emergency and displaced persons programs, training modules focused on the special needs of emergency programs will be added to each of the other courses planned under the project. Since substantial work has already been done in this area by others, adaptation and dissemination of existing work to these who need it in the region can be accomplished fairly quickly

Under the operations research component, two emergency or displaced persons programs will be included in order to learn more about the management and operations problems involved in carrying out this type of food assistance activity. Finally, since El Salvador has more experience in dealing with the problems of displaced persons than any other country in the region, a special case study will be conducted on the Salvadoran displaced persons programs. The case study will identify ways in which these food assistance programs could be improved and will document lessons learned which would be useful to transfer to other countries in the region.

C. Environmental Considerations

The project will have no direct impact on the environment. Indirectly however, the project could serve to encourage the use of food assistance activities to promote conservation practices and assist in environmental protection. Environmental concerns and the potential negative

affects national food production of imported food products for use in food assistance programs will be discussed in task forces and regional forums concerned with the development of national food assistance policies and strategies.

The potential use of food-for-works programs to promote soil conservation, reforestation and other activities to protect the environment will also be discussed in conjunction with development of guidelines for design, implementation and evaluation of these programs. ROCAP's regional natural resources advisor will be asked to participate in the regional seminars and task forces on strategy development and food-for-work programs to provide guidance on environmental issues.

# FOOD ASSISTANCE ACTIVITIES IN CENTRAL AMERICA AND PANAMA AND EXTERNAL AGENCIES SUPPORTING FOOD AID PROGRAMS

## A. External Agencies Supporting Food Aid Programs

The major food donors operating in Central America and Panama are as follows:

1. The United States Government, through Federal Law P.L. 480 "Food for Peace". Under this law donated foods are used for relief in cases of disasters, to combat undernutrition, promote economic development at the community level, and in support of different national development policies. The products under P.L. 480 are usually distributed through CARE and the Catholic Relief Service (CRS). CARE makes arrangements for distributing food through government institutions or, in some cases, they distribute the food directly. Usually CRS makes agreements for food distribution with CARITAS; a local voluntary agency of the Catholic Church operating in each country. There are 13 major programs using P.L. 480 Title II support in Central America plus several using US 416 dairy products. CARE operates in Guatemala, Honduras, Costa Rica and Panama, but is terminating activities in the last two countries. CRS/CARITAS is participating in food assistance programs in Guatemala, Honduras, and El Salvador. CRS/CARITAS also function in Nicaragua with commodities from other donors.

2. The United Nations Organization, through its World Food Program (WFP), created in 1962 as a multilateral organization for directring food from food surpluse countries to food deficit areas. The WFP provides assistance to meet food requirements in emergency cases, including situations of chronic malnutrition, and for supporting social and economic development programs. The WFP works through government institutions in various sectors. It usually coordinates food aid activities through the central planning offices of each country. The resident representatives of the United Nations Development Program (UNDP) represent WFP in each country. In Guatemala, Honduras, El Salvador, and Nicaragua the WFP also has Associate Representatives. There are approximately 26 food assistance programs in CA/P supported by WFP. The majority of the food being provided through WFP to Central America and Panama are US commodities.

3. The Federal Republic of Germany supports development programs through food aid, technical assistance and supply of equipment in Guatemala and Honduras. The food they use is purchased locally in the area where the program is being developed. The German assistance is a temporary resource, and operates through government institutions coordinated by the Central Planning Offices. The German Government has staff stationed in the countries where their programs are being carried out who supervise the development of activities under the projects.

4. The European Economic Community (EEC) has been collaborating with several countries of the area donating foods which may be distributed directly to the participant population through government or voluntary institutions, sold through small stores or processed to be sold as industrialized products. The funds generated as a result of these sales is invested in the country's priority development projects.

5. Several religious organizations are supporting emergency or regular feeding programs in all of the countries of the Region. Some donatios are made as food commodities while others are provided in cash to purchase food within the country.

6. The International Red Cross is also collaborating directly or through national organizations by providing food aid to displaced families and victims of other emergencies.

B. Food Assistance Programs Being Carried Out in Central America and Panama:

The following is a brief description of the most important food assistance programs being carried out in each country. The information is derived from a study conducted by INCAP on food assistance in Central America an Panama in 1983 - 1984.

1. Costa Rica. Supplementary feeding programs have been strongly supported economically by the Costa Rican Government for several decades. Most programs have been developed with national funds and locally obtained food, however, local efforts have been complemented in recent years with donated food from AID-PL 480. The WFP has also been supporting food aid programs in Costa Rica mainly through food for work schemes. As shown in Table 4 of the body there were ten major programs in Costa Rica in 1983. Of these 10 programs, 4 were oriented to the maternal-child group, 2 were food for work schemes and 2 programs were geared to school age children and social welfare institutions dealing with the extreme poverty groups. In 1983-84 the 10 programs covered approximately 886,000 persons. The total amount of food distributed is unknown since, in some programs, only the cost of the rations being distributed was recorded.

Costa Rica has expressed an interest in carrying out an institutional analysis of all food assistance programs and in conducting both process and impact evaluations of their food assistance programs.

2. El Salvador. As reflected in Annex 7 attachment b food programs are currently oriented toward maternal-child feeding, unemployed families through food for work and families displaced by the war. In addition, a school feeding program is beginning with WFP support. In 1983-1984 more than 1,375,000 persons were being assisted by 8 food assistance programs. A total of 25% of participating families were displaced groups where approximately 29,421 metric tons of food/commodities were being distributed. The number of

major projects programed for 1985 has risen to 13. The Executive Council of the National Commission for Food and Nutrition (SECONAN) of El Salvador, with the technical cooperation of INCAP, did an institutional analysis of food assistance programs carried out by government institutions to identify the steps and procedures which are required to improve the utilization of food aid. Within the SECONAN there is a Technical Committee on Food Aid, whose activities will be oriented by the results of the study described above.

3. Guatemala. The National Reconstruction Committee was designated last year as the national agency responsible for the coordination of all food assistance programs operating in Guatemala. At present, food aid is received primarily from the WFP and AID-PL 480. The government has a school snack program which is operated with national funds. The 1983-1984 study conducted by INCAP analyzed twelve programs in which 1,286,000 persons participate and about 36,917 metric tons of food are distributed each year. A large proportion of participants (68%) in food assistance programs in Guatemala are school children.

The Ministry of Public Health and Social Welfare is planning to reorganize its food assistance directed to vulnerable groups and to promote the interinstitutional coordination necessary to effectively carry out all of the maternal infant feeding programs.

4. Honduras. As shown in Annex 7 attachment b, fifteen programs are being carried out in Honduras. The study conducted by INCAP, analyzed information available on 11 programs excluding refugee programs run by the UN High Commission. Of these eleven programs, five are directed to the maternal-child group and five to socioeconomic priority groups through food for work activities. The eleven programs provide food to 1,200,000 individuals, 65% of them engaged in food for work activities.

The Hondurean Government, through its Superior Council of Economic Planning (CONSUPLANE), and technical support from INCAP is completing an institutional study on food aid programs. The purpose of the study is to gather the necessary information for setting up a national strategy on the use of food aid in national development activities. Furthermore, USAID, through CARE, is assisting the Ministries of Public Health, Social Welfare and Public Education, in improving the educational component of supplementary feeding programs.

5. Panama. Food aid programs directed to specific population groups have been developed in Panama both with national and/or external aid. The food grants provided by USAID in the past have been distributed through CARE, whose agreement with Panama expired last year.

The study carried out by INCAP collected information on seven food programs. The population covered by the seven programs amounted to 148,000 persons, and the food being distributed to approximately 85,000 metric tons. As shown in Annex 7 attachment b there are five programs scheduled to continue in 1985. There is a proposal within the Ministry of Health to

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reorient the maternal and child supplementary feeding program preferably to those districts identified by the Food and Nutrition Surveillance System as having high levels of malnutrition which are expected to receive priority for allocation of government resources within the social sectors.

SUPPLEMENTARY AND EMERGENCY FOOD PROGRAMS IN CENTRAL AMERICA AND PANAMA

PROGRAMS INVESTIGATED IN COSTA RICA

| Donor Agency | Type of Program | Name of Program | Principal Implementing Institution |
|---|---|---|---|
| National Funds (OCAF) | Maternal-infant | Supplying whole powdered milk and substitutes | Ministry of Health |
| National Funds (OCAF) | Maternal-infant | Supplying food to families with severely malnourished children | Ministry of Health |
| National Funds (OCAF) | Maternal-infant | Supplying meals served at CEN and CINAI | Ministry of Health |
| Private and religious organizations | Maternal-infant | Infant care centers | Goodwill Caravans |
| National Funds (OCAF) | School feeding | School cafeterias | Ministry of Public Education |
| World Food Program | Food-for-Work | COS-2148 Basic grain, vegetables and fruit production | Ministry of Agriculture and Livestock |
| World Food Program | Food-for-Work | COS-2524 Community development in rural and suburban areas | Joint Institute for Social Aid (IMAS) |
| National Funds (OCAF) | Welfare institutions | Food for Welfare Institutions | Family Assistance Control Office (OCAF) |
| National Funds (OCAF) | Economic disaster victims | Family feeding (ALFA) | Family Assistance Control Office (OCAF) |
| World Food Program/ UNHCR | Violence refugees | COS-1302 Food assistance for Salvadoran refugees | Joint Institute for Social Aid (IMAS) |

SUPPLEMENTARY AND EMERGENCY FOOD PROGRAMS IN CENTRAL AMERICA AND PANAMA

PROGRAMS INVESTIGATED IN EL SALVADOR

| Donor Agency | Type of Program | Name of Program | Principal Implementing Institution |
|---|---|---|---|
| AID-PL-480 II (CRS) | Maternal-infant | Maternal-Infant Health Program | CARITAS/El Salvador |
| World Food Program | Maternal-infant | ELS/2317 Nutritional Education and Supplementary Feeding to Vulnerable Groups | Ministry of Public Health and Social Welfare |
| World Food Program | School feeding | ELS/2690 Elementary School Feeding | Ministry of Public Education |
| World Food Program | Food-for-Work | ELS/776 Exp. Community Development by Cooperation | Community Development Office (DIDECO), Ministry of the Interior |
| World Food Program | Food-for-Work | ELS/2146 Small Farmer Basic Food Crop Production | Agricultural Development Bank (BFA) |
| World Food Program | Food-for-Work | ELS/2725 Rural Housing and Community Infrastructure in Agrarian Reform Areas | Community Development Office (DIDECO) |
| AID-PL-480 II | Displaced by violence | GOES/AID 3611 Health and Work for Displaced Families | Community Development Office (DIDECO), Ministry of the Interior |
| World Food Program | Displaced by violence | ELS/1405E Assistance to Displaced Persons in El Salvador | National Commission for Assistance to Displaced Persons (CONADES) |
| AID-PL-480 II, other, External resources | Displaced by violence | Social Aid to Displaced Persons | Salvadoran Evangelical Center for Aid and Development (CESAD) |

(cont.)

| Donor Agency | Type of Program | Name of Program | Principal Implementing Institution |
|---|---|---|---|
| World Food Program | Displaced by violence | Emergency Operation | National Commission for Assistance to Displaced Persons (CONADES) |
| World Food Program | Displaced by violence | 3 Fast-Action Projects to Incorporate Displaced Persons into Productive Activities | National Commission for Assistance to Displaced Persons (CONADES) |
| AID-PL-480 II | Displaced by violence | Assistance to Displaced Persons | National Commission for Assistance to Displaced Persons (CONADES) |
| EEC and CRS | Displaced by violence | Emergency Food | Social Archdiocesan Secretariat |

SUPPLEMENTARY AND EMERGENCY FOOD PROGRAMS IN CENTRAL AMERICA AND PANAMA

PROGRAMS INVESTIGATED IN GUATEMALA

| Donor Agency | Type of Program | Name of Program | Principal Implementing Institution |
|---|---|---|---|
| AID/PL-480 II (CARE) | Maternal-infant | Complementary Feeding Program, Maternal-Infant group | Ministry of Public Health and Social Welfare |
| AID/PL-480 II (CRS) | Maternal-infant | CARITAS Maternal-infant Program | CARITAS/Guatemala |
| World Food Program | Maternal-infant (displaced by violence) | GUA/2705Q Emergency Maternal-Infant | SADERCO/National Reconstruction Committee |
| National | School feeding | National School Meals Program | Student Welfare Office, Ministry of Education |
| AID/PL-480 II (CRS) | Food-for-Work | CARITAS Food for Work Program | CARITAS/Guatemala |
| AID/PL-480 II (CARE) | Food-for-Work | Forest and Soil Conservation | National Forestry Institute, Ministry of Agriculture, Livestock and Food |
| AID/PL-480 II (CARE) | Food-for-Work | Ixcan Colonization Feeding | National Institute for Agrarian Transformation, Ministry of Agriculture, Livestock and Food |
| World Food Program | Food-for-Work | GUA/2547 "Franja Transversal del Norte" Agricultural Development | USPADA, Ministry of Agriculture, Livestock and Food |

(cont.)

| Donor Agency | Type of Program | Name of Program | Principal Implementing Institution |
|---|---|---|---|
| World Food Program | Food-for-Work | GUA/2587 Small Farmer Basic Food Crop Production | DIGESA, Ministry of Agriculture, Livestock and Food |
| Government of the Federal Republic of Germany | Food-for-Work | German-Guatemalan Cooperation for Food-for-Work | Regional Planning SEGEPLAN |
| World Food Program | Food-for-Work | GUA/784 amp Environmental Sanitation Through Community Development | SADERCO/National Reconstruction Committee |
| World Food Program | Training | GUA/2581 Training Women for Community Development | Community Development, Executive Office (President) |
| World Food Program | Displaced by violence | Assistance to Areas of Conflict Project | National Reconstruction Committee |

SUPPLEMENTARY AND EMERGENCY FOOD PROGRAMS IN CENTRAL AMERICA AND PANAMA

PROGRAMS INVESTIGATED IN HONDURAS

| Donor Agency | Type of Program | Name of Program | Principal Implementing Institution |
|---|---|---|---|
| AID-PL-480 II (CARE) | Maternal-infant | Maternal-Infant Program | Nutrition Department, Ministry of Public Health |
| AID-PL-480 II (CARE) | Maternal-infant | 601204 Maternal-Infant Program 1/ | CARE/communities |
| AID-PL-480 II (CARE) and national funds | Maternal-infant | 601204-58100 Maternal-Infant | National Social Welfare Committee (JNBS) |
| AID-PL-480 II (CRS) | Maternal-infant | Maternal-Infant | CARITAS/Honduras |
| World Food Program | Maternal-infant | HON-2523 Food for Vulnerable Groups and Promoting Productive Activities at Family Level | Ministry of Public Health |
| AID-PL-480 II (CARE) and EEC | School feeding | Honduran School Feeding Service | Ministry of Public Education |
| AID-PL-480 II (CRS) | Food-for-Work | Community Development | CARITAS/Honduras |
| World Food Program | Food-for-Work | HON-718 Rural Development and Rehabilitation Through Cooperation | National Social Welfare Committee (JNBS) |
| World Food Program | Food-for-Work | HON-2283 Amp. Basic Food Production Through Organized Farmer Groups | Ministry of Natural Resources (RRNN)/National Agrarian Institute (INA) |

1. Managed directly by the intermediate external agency.

(cont.)

| Donor Agency | Type of Program | Name of Program | Principal Implementing Institution |
|---|---|---|---|
| World Food Program | Food-for-Work | HON-2742 Forestry Development | Honduran Forestry Development Corporation (COHDEFOR) |
| Government of the Federal Republic of Germany | Food-for-Work | Honduran German Cooperation Food-for-Work | CONSUPLANE |
| Food for the Hungry<br>Church World Service<br>Reform Church<br>German Government | Food-for-Work | Emergency and Community Development | National Emergency Evangelical Committee (CEDEN) |
| World Food Program | Food-for-Training | HON/2741Q National Literacy Program (PLANALFA) | Ministry of Public Education |
| World Food Program | Violence refugees | HON-1330 Exp II. Food Assistance to Nicaraguan, Guatemalan and Salvadoran Refugees in Honduras | World Relief, CARITAS/ Honduras, UNHCR |
| World Food Program<br>UNHCR | Violence refugees | Global Project for Nicaraguan, Salvadoran and Guatemalan Refugees | UNHCR |

SUPPLEMENTARY AND EMERGENCY FOOD PROGRAMS IN CENTRAL AMERICA AND PANAMA

PROGRAMS INVESTIGATED IN NICARAGUA

| Donor Agency | Type of Program | Name of Program | Principal Implementing Institution |
|---|---|---|---|
| World Food Program | Maternal-infant | NIC-2536 Development. Assistance for Health Actions for Pre-school Children and Pregnant and Breastfeeding Women | Ministry of Health/Ministry of Internal Commerce |
| European Economic Community | School feeding | A Glass of Milk for School Children | Ministry of Education (MED) |
| World Food Program | Food-for-Work | NIC-2593 Milk Sector Development | Ministry of Agricultural Development and Land Reform (MIDINRA) |
| World Food Program | Welfare institutions | NIC-2537 Hospital Infrastructure Improvement | Ministry of Health (MINSA) Ministry of Internal Commerce |
| Catholic Relief Services (CRS) | Displaced by violence | Assistance to Displaced Persons | CARITAS/Nicaragua |
| World Food Program | Displaced by violence | NIC-1383 Emergency Assistance to Displaced Persons | INSSBI, ENABAS (National Basic Foods Company), Ministry of Internal Commerce (MICOIN) |
| International Red Cross Societies League | Displaced by violence | Assistance to Displaced Persons | National Red Cross |
| Evangelical Church Organization | Displaced by violence | Succor 1/ | Evangelical Pro-Development Aid Committee (CEPAD) |

1. Evangelical church organizations provided funds to purchase local food.

(cont.)

| Donor Agency | Type of Program | Name of Program | Principal Implementing Institution |
|---|---|---|---|
| World Food Program | Displaced by violence | NIC-2731Q Integrating Regufees into Productive Activities | INSSBI, Ministry of Internal Commerce |
| UNHCR | Displaced by violence | Assistance to Refugees | National Social Security and Welfare Institute (INSSBI) |



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SUPPLEMENTARY AND EMERGENCY FOOD PROGRAMS IN CENTRAL AMERICA AND PANAMA

PROGRAMS INVESTIGATED IN PANAMA

| Donor Agency | Type of Program | Name of Program | Principal Implementing Institution |
|---|---|---|---|
| National Funds | Maternal-infant | Food Assistance Program | Ministry of Health |
| National Funds | School feeding | School Nutrition Program | Ministry of Education |
| World Food Program | Food-for-Work | PAN-2436 Habilitating Indian Communities through Agroforestry Projects | Renewable Natural Resources Department (RENARE) Ministry of Agricultural Development (MIDA) |
| World Food Program/ UNHCR | Violence refugees | PAN-1310 (E) Emergency Food Assistance to Salvadoran Refugees | National Refugee Office, Ministry of Government and Justice |

PROJECT SUMMARY SHOWING HOW PROJECT ACTIVITIES WILL ACHIEVE PROJECT OBJECTIVES
BY STIMULATING APPROPRIATE ACTION ON THE PART OF PROJECT TARGET GROUPS

| PROJECT OBJECTIVES | COMPONENTS/ACTIVITIES/QUANTITY | PROJECT TARGETS GROUPS | DESIRED ACTION ON THE PART OF EACH TARGET GROUP | RELATIONSHIP TO OBJECTIVES | COMPONENTS/ACTIVITIES TO ACHIEVE DESIRED ACTION |
|---|---|---|---|---|---|
| A. NATIONAL FOOD ASSISTANCE STRATEGIES | I. PLANNING AND COORDINATION<br>1. Scientific and Technical Advisory Committee (STAC) (6)<br>2. "Task Forces" (16)<br>3. Donor Coordination Meetings: Regional (5) National (50)<br>4. Meetings of National Program Directors | I. DONORS/ INTERMEDIARIES | 1. Active support in promoting national strategies. | (A) | I 1-3, II 1, IV 3, V 1-5, (results). |
| | | | 2. Active support in achieving national coordination. | (AB) | I 1-3, II 1, IV 3. |
| | | | 3. Agreement on general technical norms and guidelines for food assistance programs. | (BC) | I 1-3, II 1, IV 3, V 1, 3, 4, 5, (results). |
| | | | 4. Agreement on general guidelines for design and evaluation of food assistance programs. | (B) | I, 1-3, II 1, IV 3, V 1-5 (results). |
| B. NATIONAL COORDINATION MECHANISMS | II. TRAINING<br>1. Subregional Seminars (3)<br>2. Courses/Workshops: (12)<br>a. Workshop: Food aid programs for displaced persons/emergencies. (1)<br>b. Workshop: Identification and design of food aid programs. (2)<br>c. Courses on management of food aid programs. (3)<br>d. Courses on food management and preservation. (2)<br>e. Courses on information and evaluation systems for food aid programs. (2)<br>f. Courses on methodologies for food and nutrition education. (2)<br>3. Observational Site Visits (by national technicians and managers of food aid programs). (30) | | 5. Financial support for improving program operations and effectiveness. | (C) | I 1-3, II 1, III 2,3,5,6, 8, VI,2,3,4 (results). |
| | | | 6. Financial / or in-kind support for technical assistance and other tech. support for food programs. | (ABC) | I 1-3, II 1, IV 1, and results of project evaluations (VI). |
| | | | 7. Support identification of problems and testing and applications of solutions to improve program performance. | (C) | I 1-3, II 1, III 2-6, IV 3, V 1-5 (results) |
| C. BETTER MANAGED AND MORE EFFECTIVE FOOD ASSISTANCE PROGRAMS<br>Defined as having:<br>- Clear objectives<br>- Technical norms & operations consistent w/objectives<br>- Better targeting and beneficiary selection | | II. NATIONAL PLANNERS/ POLITICAL DECISION MAKERS | 1. Awareness and commitment to promote national food aid strategies and coordination of food aid activities. | (AB) | I 1,2, II 1,2b,3, III 1, 2,5,6,7,8, IV 2,3, V 2,3 (participants) 1,3,5 (results) |

| PROJECT OBJECTIVES | COMPONENTS/ACTIVITIES/QUANTITY | PROJECT TARGETS GROUPS | DESIRED ACTION ON THE PART OF EACH TARGET GROUP/ | RELATIONSHIP TO OBJECTIVES | COMPONENTS/ACTIVITIES TO ACHIEVE DESIRED ACTION |
|---|---|---|---|---|---|
| - Better Management<br>.Improved logistics<br>.Reduced losses<br>.In-service training<br>.Improved management information system<br>.Better control and supervision<br>- Incorporation of evaluation schemes<br>- Integration w/complementary activities; i.e. MCH, health or food and nutrition education, community development. | III.TECHNICAL ASSISTANCE<br>National Level (360 weeks)<br>1. Assistance to national groups for strategy formulation and coordination.<br>2. Assistance to national normative commissions in developing technical norms.<br>3. Development of national or program specific in-service training programs.<br>4. Improving program management and operations:<br>a. Information/evaluation<br>b. Logistics/delivery<br>c. Food handling/storage<br>d. Supervision<br>5. Support for institutional analyses, process impact evaluations.<br>6. Prepare manuals on norms and procedures for individual food programs.<br>7. Design of new projects or redesign of existing projects.<br>8. Integration w/complementary food and nutrition, education, health and other development activities. | | 2. Commitment to support improved national food aid activities.<br>3. Commitment to support regional food aid project technical support activities. | (BC)<br>(ABC) | I 1,2 II 1,1a-f,3, III 1-8 IV 2,3, V 2,4 (participants) 1,3,5, (results).<br>I 1,2 II 1,2a-f, 3, III 1-8, IV 2,3, V 1-5 (results) |
| | | III. TECHNICAL/ NORMATIVE | 1. Awareness and commitment to promote and implement national food aid strategies and coordination of food aid activities.<br>2. Review, adapt, test and implement agreed upon guidelines for technical norms and procedures.<br>3. Collaboration in planning and carrying out activities of the regional project.<br>4. Coordination and integration of food aid activities w/complementary food, nutrition and development activities. | (AB)<br>(BC)<br>(ABC)<br>(BC) | I 1,2, II 1,2a,b,3, III 1,2-5,7,8, IV 1-3, V 1,2,4 (participants) 3,5 (results)<br>I 1,2, II 1,2c,d,e,f,3, III 2-6, IV 3, V 1,3,4, (participants) 2,5, (results)<br>I 1,2, II 1-2a-f, e, III 1-8 IV 1-3, V 1-5, (participants)<br>I 2, II 1,2a,b,e,f,3 III 3-8, IV 3, V 1,3,4 (participants) 2,5, (results) |

| PROJECT OBJECTIVES | COMPONENTS/ACTIVITIES/QUANTITY | PROJECT TARGETS GROUPS | DESIRED ACTION ON THE PART OF EACH TARGET GROUP/ | RELATIONSHIP TO OBJECTIVES | COMPONENTS/ACTIVITIES TO ACHIEVE DESIRED ACTION |
|---|---|---|---|---|---|
| | 9. Identification of needs and preparation of proposals to improve institutional capacity. | IV. PROJECT DIRECTORS/ MANAGERS (OPERATIONAL LEVEL) | 1. Awareness and commitment to promote and implement national food aid strategies and coordination of food aid activities. | (AB) | I 2,4, II 1,2a-f, 3, III 1,2, 5,7,8, IV 1,3, V 1-5 (partisipants) |
| | IV. INFORMATION DISSEMINATION<br>1. Acquisition and classification of documents.<br>2. Establishment of documentation centers.<br>3. Distribution of documents. | | 2. Review, adapt, test and implement agreed upon guidelines for technical norms and procedures. | (BC) | I 1,4, II 1,2c,d,e,f,3, III 2-6, IV 3, V 1-5 (participants |
| | V. OPERATIONS RESEARCH<br>1. Evaluation of food aid programs: Operations, institutional capacity and food utilization at the household level (4 programs/2 countries).<br>2. Cost effectiveness of food aid programs (5 countries).<br>3. Defining technical basis for maternal/ child food programs, technical norms (1 country).<br>4. Design and testing of simple information and evaluation systems for food aid programs (5 countries).<br>5. Food, nutrition and socio-economic impact of maternal child care programs on participant families (1 country). | | 3. Identification of problems and application of solutions to improve program performance. | (C) | I 2,4, II 1,2,a-f,3, III 2-8 IV 3, V 1-5 (participants) |
| | | | 4. Coordination and integration of food aid activities w/complementary health and development activities. | (C) | I 2,4, II 1,2a,b,e,f,3,III 3-8 IV 1-3, V 1-5 (participants) |
| | | | 5. Collaboration in planning and carrying out activities of the regional project. | (ABC) | I 2,4, II 1,2a-f,3, III 1-8. IV 1-3, V 1-5 (participants) |



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TABLE 1

SOCIO-ECONOMIC STATISTICS IN CENTRAL AMERICA AND PANAMA
LABOR FORCE AND EMPLOYMENT INDICATORS AROUND 1980

| Country | National self-perception of Rural Population % | Total Labor Force (thousand) | Employment: Proportion in Traditional Sector: Traditional Rural % | Employment: Proportion in Traditional Sector: Informal Urban % | Employment: Proportion in Modern Sector: Modern Rural % | Employment: Proportion in Modern Sector: Modern Urban % | Unemployed % | Under-employed % |
|---|---|---|---|---|---|---|---|---|
| Costa Rica | 54.2 | 770 | 22 | 14 | 32 | 32 | 5.9 | 7.5 |
| El Salvador | 55.6 | 1626 | 30 | 19 | 22 | 29 | 7.4 | 25.5 |
| Guatemala | 61.6 | 2193 | 34 | 22 | 29 | 15 | 3.2 | 31.4 |
| Honduras | 59.8 | 1021 | 37 | 15 | 23 | 25 | 14.3 | 27.4 |
| Nicaragua | 45.7 | 870 | 23 | 23 | 27 | 27 | 11.8 | 10.9 |
| Panama | 45.6 | 578 | 28 | 15 | 15 | 43 | 8.8 | 7.6 |

Source: Dinámica del Subempleo en América Latina. 1981. CEPAL.

TABLE 1 (Cont'd.)

SOCIO ECONOMIC STATISTICS IN CENTRAL AMERICA AND PANAMA
GROSS DOMESTIC PRODUCT AND EDUCATIONAL LEVEL

| Countries | Per capita gross domestic product (1980 US $) and average growth rates (a) | | | Education (b) | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Number enrolled in: | | | | | |
| | | | Average annual increase % | Primary school as percentage of age group | | Secondary school as percentage of age group | | Adult Literacy rate (%) | |
| | 1977 | 1980 | 1977 - 1980 | 1960 | 1977 | 1960 | 1977 | 1960 | 1975 |
| Costa Rica | 1476.3 | 1527.0 | 1.1 | 96 | 112 | 21 | 29 | 84 | 90 |
| El Salvador | 797.0 | 680.9 | -5.1 | 79 | 90 | 13 | 18 | 49 | 62 |
| Guatemala | 1147.6 | 1198.5 | 1.5 | 49 | 59 | 6 | 12 | 32 | 47 |
| Honduras | 599.1 | 639.0 | 2.2 | 61 | 91 | 6 | 10 | 45 | 57 |
| Nicaragua | 111.6 | 896.8 | -7.1 | 62 | 80 | 7 | 13 | 51 | 57 |
| Panama | 1174.9 | 1917.6 | 2.6 | 97 | 110 | 29 | 42 | 73 | 78 |

Sources: (a) Inter American Development Bank (IDB), 1981.
(b) World Development Report. The World Bank, 1980, and Wilkie, J. W. and Reich, P. (Eds.). Statistical Abstracts of Latin America, Los Angeles, U.C.L.A., 1977.

TABLE 1 (Cont'd.)

SOCIO-ECONOMIC STATISTICS IN CENTRAL AMERICAN COUNTRIES AND PANAMA
ENVIRONMENTAL SANITATION

| | Water Supply Piped Water | | Sewage Disposal Systems | |
|---|---|---|---|---|
| | Urban Population % (1978) | Rural Population % (1978) | Urban Population % (1978) | Rural Population % (1978) |
| Costa Rica | 98 | 61 | 43 | 86 |
| El Salvador | 61 | 30 | 48 | 26 |
| Guatemala | 41 | 14 | 40 | 17 |
| Honduras | 52 | 13 | 43 | 18 |
| Nicaragua | — | 11 (1973) | 22 (1973) | — |
| Panama | 95 | 64 | 98 | 80 |

Sources: Salud para Todos en el Año 2000. Estrategias, 1980. PAHO/WHO.

TABLE 2

DEMOGRAPHIC INDICATORS IN CENTRAL AMERICAN COUNTRIES AND PANAMA

| Country | Crude Birth Rate | Crude Death Rate | Population Growth Rate (%) | Infant Mortality Rate | Probability of Rural Child Dying by Age 2 (%) | 1-4 Death Rate per 1000 Population | 0-4 Deaths as % of Total Deaths | % Newborns with Weight Less Than 2500 Grams |
|---|---|---|---|---|---|---|---|---|
| Costa Rica | 30 (1980) | 4 (1980) | 2.7 (1980) | 19 (1980) | 9 (1973) | 1.1 (1980) | 3 (1979) | 6.8 (1980) |
| El Salvador | 40 (1978) | 9 (1975-80) | 2.9 (1980) | 85 (1980) | 15 (1971) | 6.9 (1980) | 12 (1974) | 6.7 (1980) |
| Guatemala | 41 (1975-80) | 11 (1975-80) | 3.0 (1975-80) | 86 (1980) | 16 (1973) | 12.4 (1980) | 21 (1978) | 10.0 (1980) |
| Honduras | 47 (1975-80) | 12 (1975-80) | 3.5 (1975-80) | 87 (1981) | 15 (1970) | 4.3 (1979) | 13 (1978) | 9.2 (1981) |
| Nicaragua | 47 (1975-80) | 12 (1975-80) | 3.4 (1975-80) | 102 (1980) | 15 (1971) | 3.6 (1977) | 18 (1977) | N.A. |
| Panama | 31 (1975-80) | 6 (1975-80) | 2.4 (1981) | 21 (1981) | N.A. | 2.1 (1981) | 8 (1974) | 9.7 (1980) |

TABLE 3

DEATH RATES PER 100,000 FOR SPECIFIC CAUSES IN CHILDREN UNDER 1 AND 1-4 YEARS OF AGE IN CENTRAL AMERICAN COUNTRIES AND PANAMA AROUND 1980

| Country | Year | Age specific death rates | | Diahrreal Diseases | | Influenza and Pneumonic | |
|---|---|---|---|---|---|---|---|
| | | Under 1 year | 1-4 years | Under 1 year | 1-4 years | Under 1 year | 1-4 years |
| Costa Rica | 1979 | 2212.3 | 129.2 | 196.4 | 11.3 | 225.3 | 11.7 |
| El Salvador | 1974 | 5341.1 | 608.2 | 1276.1 | 182.1 | 370.3 | 32.7 |
| Guatemala | 1978 | 7226.6 | 1309.9 | 1345.4 | 408.6 | 1229.5 | 220.5 |
| Honduras | 1978 | 2689.6 | 478.6 | 519.5 | 92.8 | 179.8 | 34.8 |
| Nicaragua | 1977 | 3516.3 | 360.0 | 1229.0 | - | 251.1 | - |
| Panama | 1974 | 3158.9 | 465.7 | 293.7 | 78.8 | 403.6 | 64.1 |

Source: Health Conditions in the Americas 1977-1980. PAHO/WHO. 1982.



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TABLE 4

NUTRITIONAL STATUS OF CHILDREN UNDER 5 YEARS OF AGE AND DAILY CALORIE AND PROTEIN SUPPLY PER CAPITA IN CENTRAL AMERICAN COUNTRIES AND PANAMA

| | Nutritional Status (a) | | | | Daily calorie and protein supply per capita (b) | | |
|---|---|---|---|---|---|---|---|
| Countries | Year | Weight retardation / 75% weight for age* | Year | Weight retardation / 75% weight for age** | 1975-1977 average calories | protein (g) | As percentage of calorie requirements (1977) |
| Costa Rica | 1966 | 13.7 | 1978 | 7.0 | 2,487 | 58.1 | 116 |
| El Salvador | 1965 | 26.0 | 1978 | 10.4 | 2,071 | 54.4 | 90 |
| Guatemala | 1965 | 32.4 | 1979/80 | 29.5 | 2,023 | 53.7 | 98 |
| Honduras | 1966 | 29.5 | - | - | 2,084 | 51.5 | 89 |
| Nicaragua | 1966 | 15.0 | - | - | 2,452 | 70.4 | 109 |
| Panama | 1967 | 11.9 | 1980 | 11.6 | 2,346 | 54.8 | 101 |

(*) Standard: IOWA.

(**) Standard: WHO/NCHS.

Sources: (a) National Nutritional Surveys.

(b) Food Balance Sheets. 1980. Food and Agriculture Organization of the United Nations.

# RESEARCH COMPONENT:
# RESEARCH PROFILES AND TIME TABLE

## A.1 Evaluation of Food Assistance Programs: Operations, Institutional Capacity and Food Utilization at the Household Level

### a) Background

The presence of undernourished children in developing countries is also the result of the same factors and process determining poverty in Third World Nations. Therefore, programs such as food assistance, aimed at the satisfaction of basic food needs of poverty-stricken groups, are also of primary importance in avoiding deterioration and in improving the nutritional conditions of low-income groups.

Food assistance programs have been criticized for not achieving their proposed goals. Countries where food assistance may have contributed to improving social and nutritional conditions of deprived groups also exhibit better infrastructure and management capacity to handle food assistance programs than other countries where mortality rates and the prevalence of malnutrition are still high. INCAP's recent findings on planning and operation of food assistance programs singled out poor management and lack of aministrative capacity as the major bottlenecks limiting the efficient use of food aid at the national, regional, community and household levels. More specifically, those bottlenecks are reflected in problems in identifying and directing efforts to the most needy target populations, poor coverage and delivery systems, untrained personnel, inadequate supervision and lack of and/or inapropriate monitoring and evaluation systems. Furthermore, there are problems at the national, regional and household levels in food handling (storage, transportation and distribution) causing large-scale food losses. The constraints described above will be further investigated in this research project in order to identify, develop and test, under prevailing field circumstances (national food assistance programs), solutions aimed at improving institutional capacity and management aspects of food assistance programs and thereby improving their effectiveness.

### b) Specific objectives

- To identify the main institutional constraints affecting the efficient operation of food assistance programs and to develop practical solutions to overcome them.

- To determine the perceptions of participants and local program staff regarding food assistance and the effect that such perceptions have on the acceptance and utilization of the food commodities being distributed.

- To determine the mechanisms of food handling and utilization at the household level and to identify the constraints for attaining full utilization of food commodities.

- To develop and propose practical methods and/or procedures for planning, formulation, operation and process evaluation of food assistance programs.

- To improve the operation of food aid programs in Central America by strengthening national institutional capacity to operate this programs efficiently.

c) Methods

The research project will be carried out in Honduras and Guatemala and will include maternal and child care, school feeding, food for work and emergency programs. It is divided in three phases. An initial phase to be carried out over a 15 month period will include data collection, analysis and formulation of recommended solutions. Phase two entails the development of any preparatory materials or steps required for making program changes, the training of personnel and implementation of proposed solutions. The third phase will address the final testing and evaluation of proposed solutions. Phases one and two will overlap in time as implementation of recommended solutions for operational problems will begin as soon as each is defined.

The first type of phase one assessment will entail data collection at the political-normative and at the operational levels. At the political-normative (central) level, data will be gathered on interinstitutional coordination: organization of the institution; technical, administrative and management procedures; supervision; financing and costs; monitoring and evaluation mechanism and in service training. At the operational level (regional and local), information will be collected on service provider perceptions, accomplishment of programmed activities, major operational constraints for effective program implementation, screening procedures, supervision, community response, local costs and others.

The second type of assessment to be carried out in phase one involves the analysis of food storage, transportation and distribution mechanisms. Records on food losses (both pilferage or due to damage and deterioration) will be taken. Samples collected in different storage units will be analyzed to assess causes of deterioration. The temperature and relative humidity of the storage units will be recorded and the control of the flow of foods received and dispatched, as well as the stacking and handling practices, will be inspected and recorded. The suitability of existing transportation facilities and the packaging materials employed will also be evaluated. Furthermore, an evaluation of the hygienic procedures in food preparation at schools will be analyzed.

The third type of assessment, to be conducted in phase one, involves the identification of perceptions of food aid programs by recipientfamilies, and how the food commodities being distributed are handled, preserved, prepared and consumed at the household level. These activities will be carried out through household consumption surveys and anthropological case studies at the community level. These surveys will also look at the potential of using part of the food commodities being distributed as raw materials for promoting local food processing activities.

Necessary corrective measures on program operation, identified in phase one, will be implemented during phase two. Phase two training activities will use information derived from phase one. Training will be carried out by the national staff running the food aid programs, assisted when necessary, by INCAP staff.

Phase three, the evaluation of proposed and implemented solutions, will be carried out 15 months after the changes identified in phases one and two were implemented. Data analysis will be carried out at INCAP with participation of national staff and cooperating PVOs or donors. The major findings will be disseminated to other nationals and representatives of donors, technical and intermediary agencies through regional and national seminars and workshops.

d) Duration and costs

Phase one will be completed in 16 months, while the activities in phase two will be terminated in 12-15 months. This research project has a total cost of $332,800.

A.2 Cost-effectiveness Analysis of Food Assistance Programs in Central America and Panama

a) Background

Three types of food assistance programs operate in Central America: maternal-child feeding (MCH), school feeding (SF) and food for work (FFW) programs. The first have primarily nutritional objectives, while the second have increasing school attendance and improving school performance as primary objectives. Income and employment generation are the principal objectives of food for work programs. Food assistance programs represent considerable costs which are borne by donating agencies, national governments and private voluntary agencies. In addition, they often absorb large numbers of trained human resources and place considerable burdens on national infrastructures. Thus, it is imperative that food assistance programs are operated as efficiently as possible.

Food losses occur at different levels after food shipments arrive in the recipient country and represent a significant cost item. During storage, transporting, and repacking, substantial losses may be incurred as food items move from centralized locations to final distribution centers. Distribution to non-target group households, resale of food rations, substitution of food rations for normally consumed foods and intrahousehold sharing of food rations all represent leakages which increase program costs.

As food shipments or domestically purchased foods move through successively decentralized levels, different decision makers are involved who have an interest in the efficient operation of the programs. At the same time, as national food assistance programs usually have multiple funding sources, each funding source has an interest in understanding how its share of program costs relates to program performance.

This study will undertake a cost-effectiveness analysis (CEA) at the operational level, relating specific program outputs to program costs, including all three major types of normal food assistance programs. CEA serves to identify the more efficient programs and also as an evaluation tool to measure the impact of actions aimed at improving the operational efficiency of programs.

b) Objectives

- To implement an adequate cost accounting system at the national, regional and distribution center levels, which allows cost analyses by program activity and effective cost monitoring.

- To determine sources of food losses and measure degree of loss at different levels.

- To implement an adequate recording system which allows accurate monitoring of program outputs at different levels.

- To undertake a cost-effectiveness analysis of the three types of food assistance programs based upon actual levels of operation of the programs studied.

- To undertake a sensitivity analysis simulating different levels of resource utilization and program activities in order to make concrete recommendations for improved efficiency of food aid programs.

- To design a number of key efficiency indicators for program monitoring at different levels.

- To develop guidelines and operational procedures to perform routinely cost-effectiveness analysis to monitor program efficiency.

- To train program personnel in performing cost-effectiveness analysis.

c) Methods

This study will make extensive use of the data generated by the studies related to the design and testing of simple information and evaluation systems (A.4) and on storage, transportation, and distribution of food assistance (A.1). Data will be obtained, for a representative period on the main cost components of food assistance programs (food acquisition costs, ocean freight, warehousing, inland transportation and distribution, food preparation and repacking costs). Each of these cost components will be disaggregated by level (national, regional, distribution center), by operational activity and by resource utilization (personnel, capital costs, fuel, office supplies, etc.).

The following program output indicators will be constructed from the data: (a) number of beneficiaries served per year; (b) number of target group served per year; (c) calories provided per beneficiary per year; and (d) cash equivalent income provided per beneficiary per year.

Cost effectiveness indicators to be used in the study are: (a) the average annual program costs per beneficiary; (b) the average annual program costs per member of target-group (MCH, SF); (c) the average program costs per 1,000 calories delivered to the target group (MCH, SF), and (d) the average program costs per one dollar of cash equivalent income provided (FFW).

The programs with the lowest cost-effectiveness ratios (CER) are the most efficient, and a decreasing CER over time indicates increased operational efficiency.

d) Duration and cost

Thir research project will be completed in 18 months and its total cost amounts to $ 54,000.

A.3 Defining the Technical Basis for Screening and Discharge Decisions and for Interpreting Growth Monitoring Data in Maternal and Child Food Assistance Programs.

a) Background

An identified constraint to effective food assistance program implementation in Central America and Panama, which merits further research, is the use of inadequate criteria for beneficiary selection, decisions regarding duration of beneficiary participation, discharge procedures

establishing ration sizes and for monitoring growth of participating children. Technical criteria for screening and discharge of children and for growth monitoring are based on manuals elaborated by administrative and technical staff located at the headquarters of donors and other technical agencies. These criteria seldom take into account local data sets and/or judgements and experiences of locally qualified professional staff.

Research activities using data already available in Central America and Panama and supplemental prospective data should be conducted to provide answers to the following questions on screening and discharge procedures, and growth monitoring in food assistance programs.

- How quickly can a food program be expected to have an impact on the recuperation process of a target child?

- How does the child's initial nutrition status affect his recuperation process?

- Does the impact of participating in a food assistance program on dietary intakes vary with time?

- What are the relative benefits or cost of using preventive selection criteria such as enrolling all low income children or all children between 6 months and 3 years of age from areas with a high prevalence of malnutrition vs. the enrollment of only moderately or severely malnourished children?

- What is the effect on dietary intake and nutritional status when food assistance is withdrawn from a high risk child at different stages in his recuperation process or at different points in his normal growth and development?

- What are the best methods, under normal field conditions, for monitoring a child's growth in order to make rational decisions about enrollment in feeding programs?

This investigation will provide better criteria for defining technical norms for national scale food assistance programs targeted to children under five years of age in Central America and Panama. The information will be used to help establish recommended regional guidelines on beneficiary selection and discharge decisions growth monitoring and ration sizes.

b) Research objectives

- To review existing information for revising the norms used in

screening and discharge of participant children in nutritional food assistance programs and for monitoring growth response.

- To identify the most useful indicators for screening and discharge decisions and growth monitoring available at the clinic level.

- To determine whether growth velocity of discharged children is affected by the withdrawal of the food assistance program.

- To analyze community level/nutritional impact of targeted versus non-targeted food assistance projects.

c) Materials and methods

The following three data sources will be used to explore the proposed research questions.

- The information contained in the longitudinal growth and supplementary feeding study carried out by INCAP in four rural ladino villages located in El Progreso, Eastern Guatemala from 1969 to 1976.

- The longitudinal study conducted by INCAP in eleven coffee plantations located in Patulul District of Western Guatemala, from 1977 to 1981.

- Data derived from the prospective field evaluation of "Food Nutrition and Socioeconomic Impacts of Maternal and Child Food Assistance Programs on Participating Families" to be carried out under the project (see research profile B.1.).

The data sets already available at INCAP contain longitudinal growth, morbidity, food consumption (habitual diet plus supplements) and mortality events in children. Therefore, screening and discharge criteria and interpretation of growth monitoring data can be explored in sets of children who received food supplements for varying periods vs. those who did not.

d) Duration and cost

Phase one. the analyses of available data at INCAP, will be completed in twelve months. The collection of prospective data and the final analyses will be carried out in 21 months. The total costs for this project amounts to $50,600.

## A.4 Design and Testing of Simple Information and Evaluation Systems for National Food Assistance Programs.

### a) Background

A major constraint to the effective coordination of food assistance projects operating in a country and for appropriate program management of individual projects is the lack of adequately designed yet simple internal information systems which can anticipate data needs and furnish information for decision making by planners and program managers. This project will make a contribution to the operation of food assistance programs by clearly defining the data required to support decision making and identifying data sources and mechanisms already existant within each sector which could be used or adapted to fill those needs.

The proposed activities entail the identification of data needs for decisions to improve the assessment of problems and interventions, program design, operation and coordination, monitoring of program performance, and for measuring nutritional and health status in participant communities and families as a follow-up to the feeding intervention. Moreover, this component will provide decision makers with more timely and adequate information through the design, implementation and evaluation of model information systems for different types of food assistance programs.

### b) Specific objectives

- To identify the data required for planning, monitoring and evaluation at different levels of the decision-making process by those responsible for national food assistance programs.

- To identify existing information systems supporting food assistance activities and other sectoral systems periodically gathering information which could potentially meet the data requirements.

- To develop and test simple, low-cost information systems for different types of national food assistance activities operating in Central America and Panama.

### c) Methods

The study will be carried out over a two year period and will include the entire universe of major food assistance programs (users) and data sources which operate in Central America and Panama. Three methods of data collection will be used. The first approach will be a review of documents related to the organization and operation of food and nutrition surveillence systems (FNSS). The second approach, the application of questionnaires

through formal interviews, will be complemented by group discussions with users and providers of information who will analyze the preliminary reports summarizing the findings of the investigations.

Finally, as an outcome of the study on data needs and sources, this investigation in collaboration with the Subregional Task Force on information systems and evaluation, and the local data users and providers, will define basic models of information systems for various programs. INCAP will also support the development of these models and, through the analysis of the operation and use of the implemented models, it will provide relevant recommendations for the establishment of permanent systems.

d) Duration and total costs

The proposed research project will have a duration of 24 months, and its total costs amount to $75,300.

B.1 Food, Nutrition and Socioeconomic Impacts of Maternal and Child Food Assistance Programs on Participant Families

a) Background

There is a lack of hard evidence available to the nutrition scientific community related to the social, economic, food and nutrition impacts of assistance programs. The nutrition scientific community, international organizations, donors and recipient countries have identified the need for carrying out this kind of evaluation to orient decisions regarding the investment of their social service or nutrition intervention dollar and correctly identify the role of food assistance programs as a tool to reduce or erradicate malnutrition in third world countries.

General dissatisfaction with the "State of the Art" on the evaluation of supplementary feeding programs was expressed in a workshop on methodologies for evaluation of nutrition programs held in 1981. The proceedings of the workshop have provided valuable guidance and badly needed clarifications in the area of evaluation of process and impacts of food and nutrition programs. The experiences reviewed in 1981 are known as the "first generation of evaluations of nutritional impacts of national food assistance programs".

More recently, in a workshop held at Cornell in 1984 on behalf of Food for Peace, five reports on evaluation of nutritional impacts of food aid projects were reviewed and it was agreed that it was possible to set up sound research projects for evaluating nutritional impacts of national food assistance programs in developing nations. However, the participants recognized that these were not low cost exercises.

Many opinions, based on casual observations or personal experiences, have been expressed about the impact of food assistance programs in combating malnutrition and hunger in developing nations. Arguments for and against food aid are related to program process, as well as to their true nutritional, social and economic impacts. The scientific data at hand provides only fragmentary information about the impacts of food assistance programs.

Thus, this investigation will provide donor countries with basic information on the extent to which their contribution to developing nations, in the form of food aid, is worthwhile in terms of nutritional and economic consequences for deprived sectors of the population. For national planners the research project will furnish information as to whether, for nutritional objectives, it is worthwhile allocating sizeable resources to the management of food assistance programs. For the nutrition scientific community, the present investigation will determine whether or not food assistance programs produce a nutritional or any other type of impact on target families.

b) Specific objectives

- To evaluate the social and economic impacts of donated food commodities on participating families.

- To determine the impact of the food assistance programs on the utilization of health services.

- To ascertain whether the nutritional impact of food assistance varies by seasons of the year.

- To quantify the net caloric and protein effects of food assistance on family, mothers and children's diets.

- To determine whether food assistance produces changes in the health status of participant children.

- To ascertain whether food assistance improves the nutritional status of children under five years of age.

c) Material and methods

This research will focus on determining the nutritional and other impacts of food assistance activities operating as part of maternal and child care programs.

The present proposal will have to be adjusted, once the final nutritional food assistance program to be evaluated is selected, with respect to sample size and analytical approaches. These adjustments will be the result of findings in phase one. The final adjustments to be made to the proposed research design will accomodate for imperfections of the delivery systrems (program process). For example, the latter will be accomplished through the use of larger sample sizes or by using various contrasts or comparisons and/or statistical techniques which will control for potential confounding factors of the food assistance programs under analysis.

The investigation will be divided in the following three phases:

Phase One

Phase one will be completed in a period of 9 months. The objectives are to set up the field infrastructure for the evaluation study, and to identify the future communities to be incorporated in the proposed investigation. The following activities and outputs are expected upon completion of phase one:

1) To set up in the selected country the required infrastructure for the proposed evaluation.

2) To design, test and standardize all data collection instruments.

3) To define the data collection strategy.

4) To hire and train the field personnel.

5) To describe the study area in terms of nutritional and socioeconomic characteristics. To prepare a progress report and a workplan for phase two including the detailed experimental design and analytical techniques to address objectives and hypotheses.

6) To collect cross-sectorial data on the population (72 clusters) covered by the six Rural Health Centers (RHC) from which control and treatment communities will be selected. Anthropometric data on children under five years of age will also be collected.

7) To select and match, for a quasiexperimental research design, the experimental and control communities covered by the experimental and control Rural Health Centers. The basic research design is a quasiexperimental one in that the evaluation will not be able to randomly select and allocate groups to treatment and controls.

Phase two

Phase two will last 24 months. The objective is to collect data for evaluating nutritional and socioeconomic impacts of food assistance programs. The following activities and outputs are expected from phase two:

1) To complete data collection activities on food, nutritional and other impacts of food assistance programs.

2) To initiate the data processing and recording activities.

3) To collect cross-sectorial data on the same 72 clusters, covered by the clinics measured earlier.

4) To elaborate a progress report after the first and second years of data collection activities.

Phase three

Phase three will last nine months and has as its main goal to analyze and interpret the data gathered in phases one and two. The following outputs are expected upon completion of phase three:

1) Final data processing and documentation of data files.

2) Analyses and interpretation of results.

3) Elaboration of a final report after the completion of phase three.

4) Publication of results (3 papers) in reference journals.

d) Duration and costs

The three phases will be completed in 42 months and have a total cost of $351,505.

C.1 Case Study: Analysis on the Operation of Food Assistance Programs for Displaced Populations

a) Background

Natural and man-made disasters have become an important issue in the Central American Region over the last decade. Appropriate, timely and coordinated responses by governments and aid agencies to the identified problems become central elements in reducing detrimental effects on the health

and nutritional status of affected population groups. However, present relief approaches are not achieving totally their proposed and expected goals.

The present political and socioeconomic situation affecting the Region is producing a large number of displaced families living in Guatemala, El Salvador and Nicaragua and refugees in Honduras and Costa Rica. They all depend upon international and local relief for survival. Conservative estimates for displaced and refugee families in these countries, are 400,000 and 60,000 respectively.

There is little information available regarding food assistance programs for displaced and refugee families. The investigation carried out by INCAP in 1983-1984 on food assistance programs gathered only very general information on these types of programs. Thus, in-depth studies on more specific characteristics, constraints affecting these programs and potential solutions to improve program effectiveness are identified as necessary.

Food assistance programs, directed at displaced and refugee families, are new experiences for national staff and many representatives of donor, intermediate and technical agencies operating in the Region. Thus, an effort is being made to find efficient mechanisms to meet immediate housing, health and nutritional needs as well as carryout other more complex activities such as resettlement schemes. There are more than ten food assistance programs for displaced and refugee families operating in the Region which justifies the need for an in-depth program analysis to identify present bottlenecks limiting their efficient operation and to identify and test alternatives for improving program effectiveness.

b) Objectives

- To undertake an in-depth analysis of food assistance activities for displaced populations, in order to identify the major constraints and the specific recommendations for improving program effectiveness.

- To design simplified methodologies for carrying out food and nutrition assessments in displaced populations or in other types of emergencies.

- To identify training needs of national and international staff responsible for these programs.

- To provide the basic information for preparing a guideline on planning and development of food assistance programs for displaced families.

- To identify similarities and differences in approaches for planning and development of food assistance programs for displaced populations as compared to regular and other emergency food programs.

c) Methods

All food assistance activities for displaced families carried out in El Salvador will be included in the present investigation. The information will be collected by an expert from INCAP on emergency programs located in El Salvador.

The objectives, data collection and methods to be used in this case study will be discussed with national staff responsible for food assistance programs for displaced families and with donor and intermediary agencies operating in El Salvador.

d) Duration and cost

The study will be conducted in six months. The organization phase will take approximately 2 months. Data collection will be completed in 2 months, and the remaining two months will be used for preparing the final report and discussion of results with national staff. The total cost of the study amounts to $ 15,000.

Time table

The time table to carry out the five investigations proposed in the research component is shown in Figure 1. The research subcomponent entitled "Defining technical basis for screening and discharge decisions and for interpreting growth monitoring data in maternal and child care food assistance programs" (A.3) will initiate activities three months after the authorization to spend funds from the project is sent from PAHO's headquarters. The activities to be initiated in A.3 will be those dealing with the use of prospective data gathered in longitudinal food, nutritional and health studies whose information is already available at INCAP. The prospective phase of A.3 is linked to the initiation of the longitudinal follow-up of the control and experimental communities selected for study in the subcomponent "Food, nutrition and socioeconomic impacts of maternal and child care food assistance programs on participant families" (research project B.1). Thus, the prospective phase of A.3 will be initiated in October 1986 and will be completed 21 months after the initiation date, that is to say June 1988.

Projects A.1 and A.4 entitled respectively "Evaluation of food assistance programs: operations, institutional capacity and food utilization at the household level" and "Design and testing of simple information and evaluation system for national food assistance programs" will also initiate

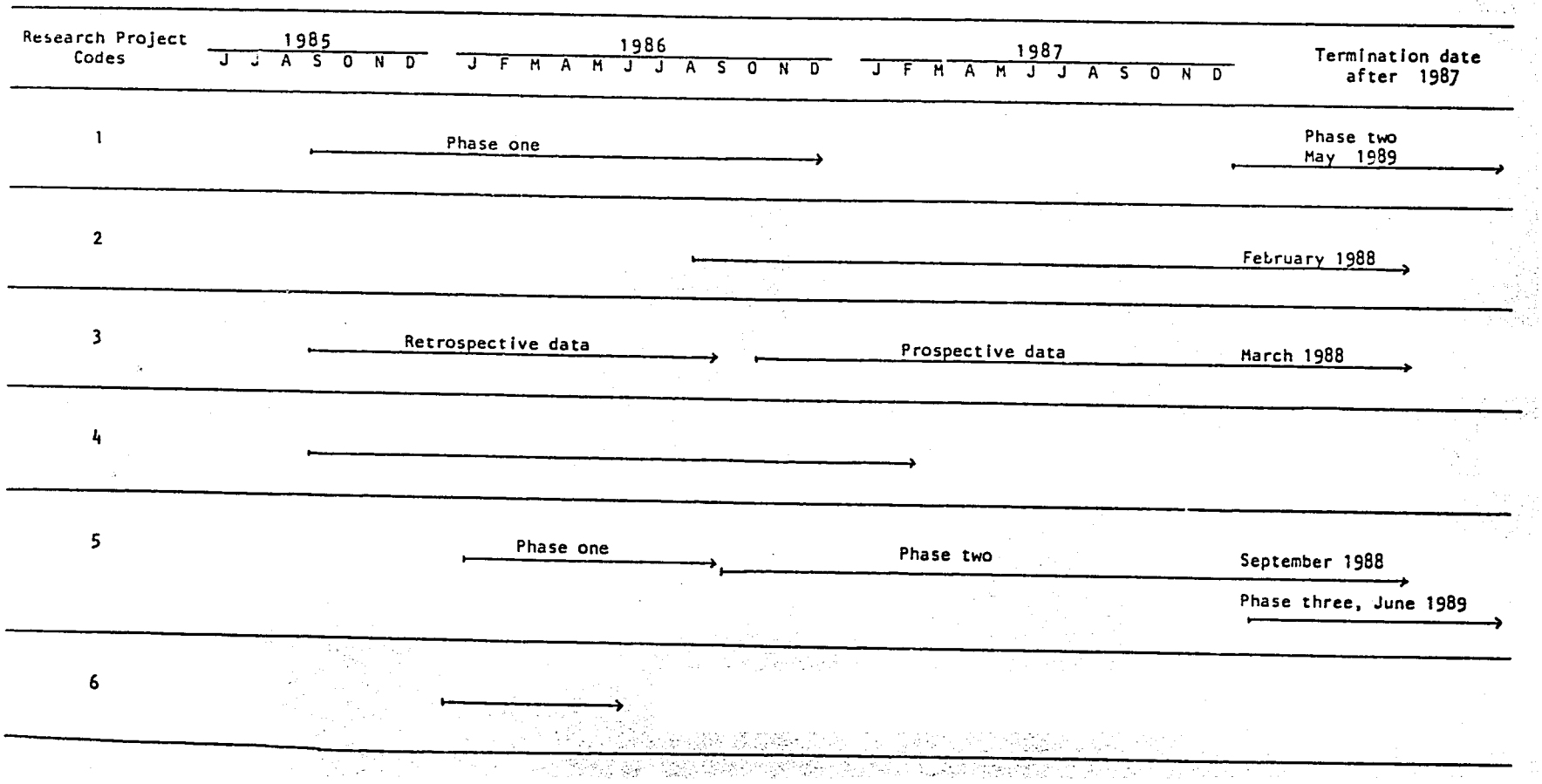
their activities as of September 1985. The infrastructure and some resources to be used in the selected countries for project A.1, namely Honduras and Guatemala, will be used in A.4 which is also to be conducted in the other countries of the Central American isthmus. Phase one of project A.1 will be completed in 16 months, that is to say in December 1986. Phase two will take 12 months beginning in June 1988 and ending in May 1989. Project A.4 will be completed in August 1987, 24 months after it was initiated.

Project A.2, called "Cost-effectiveness of food assistance programs in Central America and Panama" will start around September 1986, once the preliminary results of A.1 and A.4 are available. A total of 18 months are necessary to carry out A.3 and therefore the project will be terminated as of February 1987.

Project B.1, "Food, nutrition and socioeconomic impacts of maternal and child health care food assistance programs on participant families", will be developed in three phases totalling 42 months. Phase one will have a duration of 9 months beginning in January and ending in late September 1986. Phase two, to be completed in 24 months, will begin as of October 1986 and will finish in September 1988. Phase three, which is necessary to complete data analyses and report preparation, will take nine months. In other words, it will begin in October 1988 and ends in June 1989. Project B.1 will be located in one of the two countries where A.1 will be carried out: Honduras and Guatemala. Furthermore, the prospective phase of A.3 will use the infrastructure of phase two of project B.1 and therefore the field activities for A.3 and B.1 will be closely planned and coordinated. Finally, project C.1 will be carried out in El Salvador in close connection with the research project A.1.

F I G U R E 1

TIMETABLE FOR THE RESEARCH PROJECTS

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## Institutional Analysis

### 1. Background

The project will be implemented by INCAP which serves as the region's principal source of technical expertise in the areas of health, nutrition and supplementary feeding. INCAP has recent experience in managing AID projects similar to the proposed project (Regional Breastfeeding Promotion, Regional Nutrition Technical Outreach and Panama Breastfeeding Promotion) and, overall, producing high quality technical information, carrying out a high volume of technical assistance and maintaining excellent relationships with clients, especially ministries of health.

### 2. Coopers and Lybrand Report

To respond to AID/W queries regarding the technical capacity of INCAP and how its clients perceive the value of its work and services, ROCAP financed an institutional analysis of INCAP which was carried out by Coopers and Lybrand. The final report, which was presented to AID/W in February 1984, reviews the institution's research, training and technical assistance activities and the linkages it has with national and international organizations. The report states that the "technical capacities of the institute's staff are appropriate for many of AID's program policies and strategies such as nutrition, health assistance, food and agriculture, transfer of technology and institutional development. Therefore, in the future, AID should continue to consider INCAP as a capable project implementator."

On the question of client perceptions, the report states that INCAP "is highly regarded by the international scientific community. The services it provides, in the view of the national authorities and recipients of its services we spoke with, are of high quality."

### 3. INCAP's Experience with Food Assistance

INCAP's relevant experience to carry out the general types of activities proposed under the project has been discussed in connection with the AID financed projects described in the previous section of the paper. The INCAP project proposal details the specific type of experience that INCAP has had directly related to food aid programs and is summarized below:

Program Design - INCAP has participated in the design and organization of food programs to be carried out with national funds (Panama), with the assistance of the World Food Program (El Salvador, Honduras and Guatemala) and with the assistance of CARE/Honduras.

Revision of Technical Norms - In the last few years, INCAP has collaborated in the revision of technical standards for serveral food programs, particularly those directed at maternal/infant care in Honduras, El Salvador and Nicaragua.

Evaluations - INCAP professionals have participated in international missions evaluating different types of food aid provided by WFP in Guatemala, Honduras and El Salvador and by the national government in Panama.

Institutional Studies - INCAP has provided technical assistance to the Department of Nutrition of the planning councils in Honduras and El Salvador in the design of institutional studies on their principal food aid programs and is now cooperating in the preparation of the final study reports. The results of the two studies will provide the basis for national strategies and necessary measures to improve their effectiveness.

Information Systems - INCAP assisted the Costa Rican Ministry of National Planning and Economic Policy in carrying out a macro analysis of the food assistance programs implemented from 1970-1980 in Costa Rica. The purpose of the analysis was to identify policy and operational options to serve as the basis for a reorganization of the country's food assistance programs.

Nutritional Impact Studies - INCAP has worked with various national groups, particularly in Guatemala, to determine the nutritional impact of various supplementary feeding programs.

Improving the Nutritional Aspects of Food - INCAP has been a pioneer in developing high value nutritional food mixes such as "INCAPARINA" in Guatemala and "NUTRIBIEN" in Panama, using diverse subproducts. These mixes are now used in national programs. INCAP has also carried out studies to reduce storage losses and provide more nutritious foods for family consumption.

Regional Studies - The supplementary and emergency feeding study was the first attempt to look at common problems on a regional basis and, along with the workshop where it was presented, was a key element in developing the proposed project discussed here. Many other related studies in food and nutrition have been carried out by INCAP and the list is presented in detail in its project proposal.

Technical Publications - INCAP has prepared and adapted numerous Technical Publications and manuals over the years related to nutrition subjects which are of high quality. Currently, INCAP is receiving funding from the FAO to translate training manuals for food assistance programs and to adapt these manuals to Central American and Latin American circumstances.

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4. INCAP's Capacity to Carry out Two Major AID Projects Simultaneously

In the PID review, issues were raised concerning INCAP's ability to carry out the proposed project along with the Oral Rehydration Therapy, Growth Monitoring and Nutrition Evaluation project (596-0115) which was recently approved. INCAP's specific technical and administrative capacity to carry out the proposed project activities was thus reviewed in depth during project paper development by INCAP and ROCAP with the assistance of outside consultants. Current INCAP staff levels will need to be reinforced in order to undertake the number and breadth of tasks required to help the countries improve the effectiveness of their food programs. An optional combination of expanded INCAP staff, collaborative agreements with other institutions, use of Central American short term contractors and U.S. technical assistance has been developed to insure that INCAP has the institutional capacity to effectively implement the project.

5. Use of INCAP's Counterpart Professional Staff

INCAP senior management is fully cognizant of the pressures of carrying out two major AID projects and has carefully planned the use of its professionals to provide a balance between the two undertakings, as well as to provide adequate time to maintain the schedules of other ongoing projects and programs of the Institute. The following table summarizes the percentage allocation of INCAP counterpart professionals and tallies their combined input in support of the ORT and Food Assistance Projects.

With the exception of the two full-time project coordinators, the median amount of time per professional dedicated to both projects is about one-third of total time available, which allows a reasonable proportion of time left for other INCAP activities.

## INCAP Counterpart Professionals

| Position | Name | % Time Dedicated to Food ORT | Assistance | Combined |
|---|---|---|---|---|
| 1. INCAP Director | L.O. Angel | 10% | 10% | 20% |
| 2. Project Coordinator | H. Delgado | 100 | - | 100 |
| 3. Project Coordinator | M. T. Menchú | - | 100 | 100 |
| 4. INCAP Administration | J. Bajarano | 15 | 15 | 30 |
| 5. Chief F&N Plan | M. Immink | 10 | 20 | 30 |
| 6. T.A. Coordinator | A. Noguera | 20 | 20 | 40 |
| 7. Chief, Food & Economics Program: Project Research Coordinator | V. Valverde | 20 | 20 | 40 |
| 8. Principal Investigator: | M. Molina | 25 | 20 | 45 |
| 9. Principal Investigator: | R. Sibrian | - | 20 | 20 |
| 10. Principal Investigator: | C. Dárdano | 25 | - | 25 |
| 11. Principal Investigator: | J. Cruz | 25 | 10 | 35 |
| 12. Education & Training | A. Praun | 75 | 15 | 90 |
| 13. Education & Training | C. Bruña | - | 10 | 10 |
| 14. School of Nutrition | M.E.de Robles | 20 | - | 20 |
| 15. Nutritionist | B. Torún | 10 | - | 10 |
| 16. Biochemist | L. Mejía | - | 10 | 10 |
| 17. Food Biochemist | L. Elías | - | 10 | 10 |
| 18. Infor. Dissemination | M. Fischer | 50 | 25 | 75 |
| 19. Nutritionist | F. Chew | 20 | | 20 |
| 20. Education & Training | F. Castillo | 20 | | 20 |
| Total Average | | 30 | 22 | 38 |

### 6. Additional INCAP Professional Staff Needed to Carry out the Project

In addition to the core INCAP counterpart professionals assigned to this project presented in the previous section, the project provides reinforcement of technical personnel where required. A total of nine additional experts will be added to the INCAP staff on a full time basis with grant funding, as follows:

1. Management Expert - Regular Food Programs
2. Management Expert - Emergency Food Programs
3. Logistics Expert
4. Education and Training Expert
5. Management Information Systems Expert
6. Epidemologist
7. Food Management Expert
8. Technical Information Expert
9. Project Management Logistics

At least three of these nine will be based in member states away from headquarters and will be principally involved in the provision of technical assistance both to the central governments and to the individual food assistance programs, and will be responsible for the overall coordination of project activities in the field. Provision has also been made for substantial support from a variety of experts to be contracted on a short-term, as needed, basis.

Table 1 presents a complete listing of both INCAP core staff and experts to be contracted under the project. This listing presents, on an integrated basis, the full component of professional services required for the project and describes the principal responsibilities of each person, their input in terms of person-months and source of funding. Table 2 includes a level of effort analysis of all project personnel, both long and short term, which shows that a total of 810.5 man months will be available to carry out project activities. This level of effort should be adequate for the task.

7. Institutional Arrangements to Augment INCAP's Capacity

Institutional linkages between INCAP and the Instituto Centroamericano para Administración Pública (ICAP) and the Instituto Centroamericano para Administración de Empresas (INCAE) are being explored as a way to broaden INCAP's perspective on organization review and development in the public sector. In addition, the project will fund a short term expert with broad experience in the dynamics of planned change in public institutions to act as an advisor to INCAP.

8. INCAP's Administrative Capacity to Implement the Project

A review of the INCAP capacity to administer the ORT project was carried out in mid-1984. The basic conclusion of that review was that the INCAP administrative structure and service centers are underutilized and could absorb the additional workload to be generated by the ORT project. The one exception to this condition was the need to provide additional secretarial support and administrative and budget control assistance within the technical divisions. The approved ORT project has incorporated the extra secretarial help and two administrative positions which will be added to the Administrative Services Division in 1985, to be funded through overhead charges.

The proposed Food Assistance project will create similar demands. Additional secretarial support will be project funded and an additional administrative/accounting position will be funded from INCAP overhead. The workload associated with these positions is in direct proportion to the expected increase in administrative and technical paperwork as well as more complex budgeting control during execution and financial reporting to

AID/ROCAP. The additional administrative staff (two positions ORT and one Food Assistance) will work on a team basis in supporting both projects. This team of three should be adequate to handle both the functions of document processing and monitoring of obligations and expense, and budgetary report generation and analysis for internal project management and outside reporting. Other normal administrative support functions such as recruitment, contracting, procurement, travel and transportation can be handled adequately for both the ORT and Food Assistance Projects with the current installed capacity of the central support administrative divisions of INCAP. Figure 1 gives INCAP's organizational chart showing the relationship between administrative and technical divisions and program coordinators.

The one feature of administrative support which has been less than optimal for complex multi-component projects has been the automatic report generation concerning budgetary execution. Part of the problem lies in the budgetary account structure of the computerized ledgers, which does not allow for disaggregation of projects into components, subcomponents and individual activities such as a particular research project. The budget for both the ORT and Food Assistance projects have been prepared at this level of detail and both INCAP and ROCAP would like to monitor and report on the projects at that level. The INCAP controller is currently reviewing the possibilities of modifying the computer programs to allow for such breakdowns of project detail. In the interim, using the system now in place, the projects can be disaggregated by means of assigning a project level account code to each of the major components and activities and can provide detail at the activity level which is desired.

9. Need for Outside Technical Assistance

In addition, to augmenting INCAP's Institutional capacity with additional staff, the project will finance substantial outside technical assistance to help INCAP carry out the project. During the five year implementation period, a total of 125 weeks of technical assistance will be used to support the various subcomponents of the project. The management and evaluation component will require 84 weeks of technical assistance. (A total of 72 weeks of consultants for that component are required in the first year). Twenty-two weeks of technical assistance is required in the training component for the subcomponent related to courses. The research component needs a total of 16 weeks of technical assistance which are divided in 8 weeks for the subcomponent on evaluation of program process, 4 weeks for the subcomponent on cost-effectiveness, 2 weeks for the evaluation of emergency programs and finally 2 more weeks of technical assistance on programs for displaced families. The details on the type of technical assistance by subcomponents, number of weeks and years are summarized in Table 3.

10. INCAP's Capacity to Continue to Provide Assistance at the End of the Project

The Food Assistance Project, (expected to run through mid 1990), will affect literally hundreds of food assistance program managers and staff throughout the region of Central America and Panama, both at the national coordination level and the individual program/project level. National strategies will have been clearly defined by the end of the project in at least three of the participating countries and substantial progress will have been made towards implementing action plans in line with those strategies.

After 1990, INCAP plans on continuing its traditional services of training, investigation and technical assistance to the member states and part of INCAP's core personnel resources will be directed towards maintaining food aid technical assistance. INCAP has also estimated the need for about $265,000 in recurrent costs on an annual basis to maintain the technical assistance arm of the program at an optimal level (See Table 4). This represents approximately 25% of the average annual effort programmed during the project. Ideally two key staff positions beyond INCAP core personnel would be maintaining a full time INCAP expert on training and a full time expert on management who would focus all of their efforts on technical assistance and training activities. Travel and per diem will also be needed to allow the INCAP staff to be mobile in the region for the provision of ongoing technical assistance in food aid program management. Finally, two annual short courses and one workshop are planned to give the individuals in the participating institutions an opportunity to share ideas and experiences as well as upgrade their knowledge on the latest developments in food assistance programs worldwide.

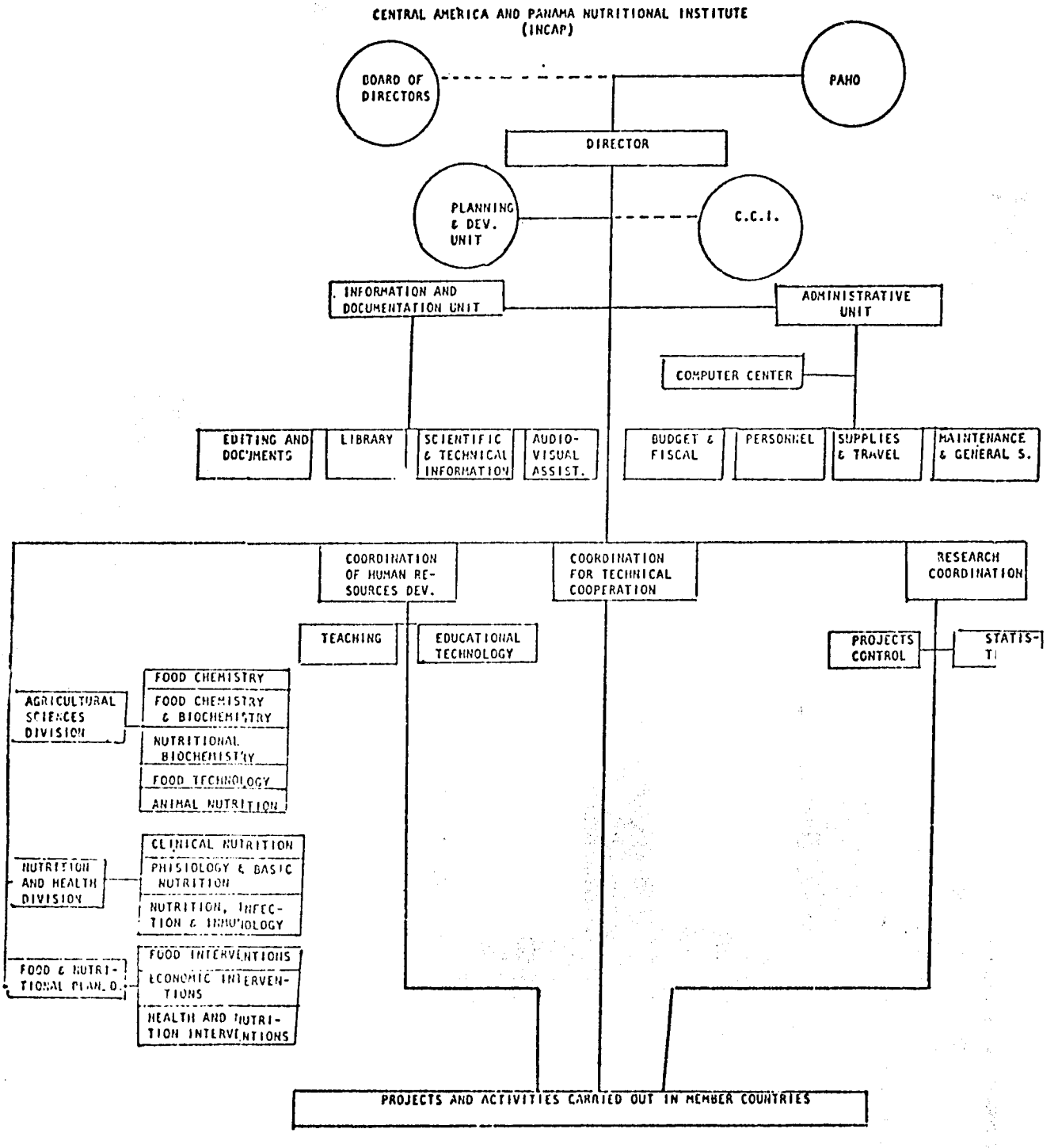
The funding for such activities will need to be programmed in advance. INCAP's successful experience to date in being able to sell professional services to both multilateral and private agencies involved in food aid programs is a good beginning in attracting non-traditional funding sources. Over the next five years, INCAP should be able to expand this type of consultancy on a fee for service basis. It is also expected that as the member countries develop and refine their national strategies, they would naturally seek funding on a concessional basis from donors and that INCAP would be in a prime position to serve as an executing contractor to provide advisory services and technical assistance.

Based on the guidance cable received after the PID review, ROCAP has explored bilateral funding possibilities with the Central American USAIDs which could be used to augment the project and serve as a source of funds for INCAP to continue providing assistance after the project ends. In

general, the USAIDs, both at the management and technical levels, have been supportive and recognize the need to find funding mechanisms to provide technical assistance on an on-going basis. These funding mechanisms could include local currency programming using the counterpart generated by PL-480 Title I programs and ESF balance of payments assistance as well as AID DA financed mechanisms such as OPGs. During initial discussions with each of the USAIDs (except Panama which has no local currency reflows and is trying to phase out of PL 480 Title II and 416 activities) radically different potential mechanisms have been suggested. These potential mechanisms are dictated by the structure of the government, the placement of food assistance activities within that structure, Mission portfolios and the nature of current AID/host country agreements.

During 1985, ROCAP will work closely with the USAIDs to develop appropriate mechanisms for each country with the idea of having initial bilateral funding begin in the second year of project implementation, i.e. in 1986. Efforts will be made to set up mechanisms which will allow governments and sponsoring PVOs to purchase training and technical assitance from INCAP. It is expected that these funding mechanisms will be well established prior to the end of the project and governments, PVOs and INCAP will be accustomed to using them. As the funding requirements to continue a relatively high level of INCAP services, as outlined above, is only on the order of $50,000-$75,000 per year, per country, and includes AID, other donors and at least some host country contributions, ROCAP believes that there are reasonable prospects that INCAP will be able to continue to provide assistance in helping the countries with food aid programs after the Food Assistance project ends.

FIGURE 1


CENTRAL AMERICA AND PANAMA NUTRITIONAL INSTITUTE
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C.C.I.
INFORMATION AND DOCUMENTATION UNIT
ADMINISTRATIVE UNIT
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LIBRARY
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AUDIO-VISUAL ASSIST.
BUDGET & FISCAL
PERSONNEL
SUPPLIES & TRAVEL
MAINTENANCE & GENERAL S.
COORDINATION OF HUMAN RESOURCES DEV.
COORDINATION FOR TECHNICAL COOPERATION
RESEARCH COORDINATION
TEACHING
EDUCATIONAL TECHNOLOGY
PROJECTS CONTROL
STATIS-
AGRICULTURAL SCIENCES DIVISION
FOOD CHEMISTRY
FOOD CHEMISTRY & BIOCHEMISTRY
NUTRITIONAL BIOCHEMISTRY
FOOD TECHNOLOGY
ANIMAL NUTRITION
NUTRITION AND HEALTH DIVISION
CLINICAL NUTRITION
PHISIOLOGY & BASIC NUTRITION
NUTRITION, INFECTION & IMMUNOLOGY
FOOD & NUTRITIONAL PLAN. D.
FOOD INTERVENTIONS
ECONOMIC INTERVENTIONS
HEALTH AND NUTRITION INTERVENTIONS
PROJECTS AND ACTIVITIES CARRIED OUT IN MEMBER COUNTRIES

TABLE 1

Project Personnel and Responsibilities

| Position (Specialization) | Name and Location a/ | % Time/Funding Source b/ | Principal Responsibilities |
|---|---|---|---|
| **I. Directing council** | | | |
| INCAP Director | L. O. Angel | 10% INCAP | Final approval of project plans and policy decisions. Interactions with high level member country officials, collaborating institutions and donors of food aid in Central America and Panama. |
| Project Coordinator | M. T. Menchú | 100% INCAP | |
| INCAP Administrator | J. Bejarano | 15% INCAP | |
| Chief F&N Plan | M. Immink | 20% INCAP | |
| INCAP T.A. Coordinator | A. Noguera | 20% INCAP | |
| Chief Food Economics Program | V. Valverde | 20% INCAP | |
| **II. Core project staff** | | | |
| A. Professional technical staff | | | |
| 1. Project Coordinator | M. T. Menchú | 100% INCAP | Overall project coordination particularly of technical assistance and the research project entitled "Institutional capacity to handle food aid and utilization of food aid at the household level". |
| 2. Management Expert (Regular) | To be hired and probably located in Honduras | 100% ROCAP 54 months (4 1/2 years) | Analyses of institutional capacity to handle regular food aid programs. T.A./training in regular food aid program management aspects, and support to research. |
| 3. Management Expert (Emergency) | To be hired and probably located in El Salvador | 100% ROCAP 42 months (3 1/2 years) | Analyses of institutional capacity to handle emergency food aid programs. T.A./training in management aspects of emergency food aid programs. |

Table 1 (Cont.)

| Position (Specialization) | Name and Location a/ | % Time/Funding Source b/ | Principal Responsibilities |
|---|---|---|---|
| 4. Education and Training Coordinator | To be hired. | 100% ROCAP 54 months (4 1/2 years) | Coordinator of education and training component T.A./Training in Education aspects of food aid programs. |
| 5. Management Information Specialist (Systems analyst) | To be hired. | 100% ROCAP 42 months (3 1/2 years) | Coordinator food aid information systems component. T.A./Training in food aid management and evaluation information systems and research on the subject. |
| 6. Logistics Specialist | To be hired and probably located in Costa Rica | 100% ROCAP 36 months (3 years) | T.A./Training F.A. in logistics, reception, storage, distribution issues. |
| 7. Technical Information Expert | To be hired | 100% ROCAP 60 months (5 years) | Coordinator technical information dissemination component; T.A./ Training. |
| 8. Epidemiologist | To be hired | 100% ROCAP 54 months (4 1/2 years) | Responsible for coordinating and organizing the research component of the projects. Support to T.A. and Training |
| 9. Food Handling Expert | To be hired | 100% ROCAP 42 months (3 1/2 years) | Responsible for T.A./Training and research activities related to food handling and utilization of food aid at the national, community and household level. |
| 10. Events Logistic Coordinator | To be hired | 100% ROCAP 60 months (5 years) | Responsible for the logistics and arrangements derived from meetings at the STAC, workshop/courses, seminars, and others. |
| 11. P.I. Research on Information Systems | Mireya Palmieri | 20% INCAP | Organize and conduct the research project on information systems. |

Table 1 (Cont.)

| Position (Specialization) | Name and Location a/ | % Time/Funding Source b/ | Principal Responsibilities |
|---|---|---|---|
| 12. P.I. Research on Institutional capacity to handle food aid and utilization at the local level. | M. T. Menchú | 100% INCAP | Organize and conduct research component on institutional capacity and utilization of food aid at the local level. |
| 13. P.I. Research on developing norms for food aid programs | V. Valverde | 20% INCAP | Organize and conduct research component on establishing norms for food aid programs. |
| 14. P.I. Research on Impacts of maternal child care food aid | V. Valverde | 20% INCAP | Organize and conduct research component on impacts of maternal and child care food aid programs. |
| 15. P.I. Research on Cost Effectiveness of Food Programs | M. Immink | 20% INCAP | Organize and conduct research component on cost effectiveness of alternative food aid programs. |
| 16. Co P.I. Research projects related to program process and impacts. | M. Molina<br>M. Palmieri<br>R. Sibrián<br>H. Delgado<br>V. Valverde<br>M. Immink | 20% INCAP<br>20% INCAP<br>20% INCAP<br>10% INCAP<br>20% INCAP<br>20% INCAP | Support PI's on research projects in process in their respective areas of expertise.<br>M.M. (Food technology)<br>M.P. (Social planning)<br>R.S. (Statistics)<br>H.D. (Epidemiology)<br>V.V. (Nutrition)<br>M.I. (Food Economics) |
| B. Administrative support staff | | | |
| 1. Administrative assistant | To be hired | 100% INCAP (60 months) | Support for all project administrative aspects. |
| 2. Bilingual secretary | To be hired | 100% INCAP (60 months) | Support professional, technical and administrative staff in all activities related to the different components of the project. |

Table 1 (Cont.)

| Position (Specialization) | Name and Location a/ | % Time/Funding Source b/ | Principal Responsibilities |
|---|---|---|---|
| 3. Bilingual secretary | To be hired | 100% ROCAP (60 months) | Support professional, technical and administrative staff in all activities related to the different components of the project. |
| 4. Bilingual secretary | To be hired | 50% ROCAP (60 months) | Support professional, technical and administrative staff in all activities related to the different components of the project. |
| III. Support staff (technical/ professional | | | |
| 1. INCAP Non-Formal Education and Training Program Coordinator (Nutritionist/ Education) | A. Praun | 15% INCAP | Coordination with other INCAP training activities. Assist with Nutrition Education in T.A./ Training. |
| 2. INCAP Information Dissemination | M. Fisher | 25% INCAP | Coordination with other INCAP activities. Assist with information dissemination component. T.A./Training |
| 3. INCAP Technical Assistance Coordinator (MD) | A. Noguera | 20% INCAP | Coordination with INCAP's overall T.A. Program |
| 4. Assistant to INCAP/ Coordinator of School of Nutrition (Nutritionist/ Education) | C. Bruña | 10% INCAP | Coordination with INCAP's overall training program. |

Table 1 (Cont.)

| Position (Specialization) | Name and Location a/ | % Time/Funding Source b/ | Principal Responsibilities |
|---|---|---|---|
| 5. Immunologist and Microbiologist | J. Cruz | 10% INCAP | Assist in the research component on microbiological aspects of food handling and in carrying out studies on immunological impacts of food aid. |
| 6. Biochemist | L. Mejía | 10% INCAP | Carry out studies on the impact of food aid in nutritional status of micronutrients. |
| 7. Food biochemist | L. Elías | 10% INCAP | Assist the projects in the developing of the training component in food handling. |
| IV. Research field and laboratory staff (short or medium-term consultants) | | | |
| A. Project A.1 | | | |
| 1. One Field Director | To be hired | 100% ROCAP (22 months) | Responsible for planning and monitoring all field activities. |
| 2. Ten surveyors | To be hired | 100% ROCAP (14.4 months) | Data collection and preparation for analyses |
| 3. Technical team | To be hired | 100% ROCAP (7.2 months) | Data collection and preparation for analyses |
| 4. Contractual services | To be hired | ROCAP ($12,000) | |
| B. Project A.2 | | | |
| 1. One Financial Analyst | To be hired | 50% ROCAP (12 months) | Economic analysis in cost effectiveness |

Table 1 (Cont.)

| Position (Specialization) | Name and Location a/ | % Time/Funding Source b/ | Principal Responsibilities |
|---|---|---|---|
| 2. Five surveyors | To be hired | 100% ROCAP (10 months) | Data collection and preparation for analyses. |
| 3. Contractual services | To be hired | ROCAP ($ 500) | |
| C. Project A.3 | | | |
| 1. One research analyst | To be hired | 100% ROCAP (16 months) | Data analyses at the computer |
| 2. Three surveyors | To be hired | 100% ROCAP (12 months) | Data collection and preparation for analyses |
| 3. Contractual services | To be hired | ROCAP ($4,900) | |
| D. Project A.4 | | | |
| 1. One Systems Analyst | To be hired | 100% ROCAP (6 months) | Support the senior analyst in the developing of the research component. |
| 2. Contractual services | To be hired | ROCAP ($44,800) | $40,000 for contracting groups in five countries to do the field work and $4,800 for supporting staff. |
| E. Project B.1 | | | |
| 1. Field Director | To be hired | 100% ROCAP (43 months) | Planning and monitoring the field work. |
| 2. Research analysts | To be hired | 100% ROCAP (12 months) | Data analyses at the computer Economic analysts in cost effectiveness. |

Table 1 (Cont.)

| Position (Specialization) | Name and Location a/ | % Time/Funding Source b/ | Principal Responsibilities |
|---|---|---|---|
| 3. Social Anthropologist | To be hired | 100% ROCAP (5 months) | Social impacts of the food aid. |
| 4. Thirteen surveyors | To be hired | 100% ROCAP (406 months) | Data collection and preparation for work. |
| 5. Secretary | To be hired | 100% ROCAP (41 months) | Secretarial and other support. |
| 6. Contractual services | To be hired | ROCAP ($6,941) | |

a/ Certain professional technical staff to be hired under the project is likely to be located in specific countries. This decision will be confirmed by the Coordinator of Technical Cooperation and the Director of INCAP based upon preliminary discussions and acceptances by potential selected countries. The other staff will be located at INCAP headquarters in Guatemala.

b/ The percentage of time for INCAP staff shown for the same person (i.e., M.T. Menchú) is not additive but is the total time to be dedicated to the project including the specific activity.

TABLE 2

ANALYSES OF LEVEL OF EFFORT BY TYPE OF STAFF AND PROJECT COMPONENTS IN PERSON MONTHS THROUGHOUT

THE LIFE OF THE PROJECT

| Project Personel | Percent Time | Years | Total number months | Planning & Coordination | Training | Technical Assistance | Information & Dissemination | Research | Managem & Evaluat. |
|---|---|---|---|---|---|---|---|---|---|
| 1. Total INCAP Support Staf | | | 201 | 28 | 23 | 42 | 21 | 63 | 24 |
| Luis Octavio Angel | 10 | 5 | 6 | 4 | 1 | - | - | - | 1 |
| Julio Bejarano | 15 | 5 | 9 | 4 | - | - | - | - | 5 |
| Maarten Immink | 20 | 5 | 12 | 2 | 1 | 2 | - | 6 | 1 |
| Arnulfo Noguera | 20 | 5 | 12 | 6 | - | 2 | - | - | 4 |
| Victor Valverde | 20 | 5 | 12 | 2 | 1 | 3 | - | 5 | 1 |
| María Teresa Menchú | 100 | 5 | 60 | 6 | 6 | 18 | 6 | 12 | 12 |
| Mireya Palmieri | 20 | 5 | 12 | 1 | 1 | 4 | - | 6 | - |
| Mario Molina | 20 | 5 | 12 | 1 | 2 | 3 | - | 6 | - |
| Ricardo Sibrián | 20 | 5 | 12 | 1 | 2 | 4 | - | 5 | - |
| Hernán Delgado | 10 | 5 | 6 | - | - | 1 | - | 5 | - |
| Alexandra Praun | 15 | 5 | 9 | 1 | 3 | 5 | - | - | - |
| Magda Fisher | 25 | 5 | 15 | - | - | - | 15 | - | - |
| Colbert Bruña | 10 | 5 | 6 | - | 6 | - | - | - | - |
| José R. Cruz | 10 | 5 | 6 | - | - | - | - | 6 | - |
| Luis Mejía | 10 | 5 | 6 | - | - | - | - | 6 | - |
| Luis Elías | 10 | 5 | 6 | - | - | - | - | 6 | - |
| 2. Total Core Project Staff | | | 504 | 15 | 81 | 121 | 74 | 77 | 136 |
| Management Expert (regular) | 100 | 4 1/2 | 54 | 1 | 15 | 23 | 1 | 12 | 2 |
| Management Expert (emerg) | 100 | 3 1/2 | 42 | 1 | 5 | 29 | 1 | 5 | 1 |
| Educat Train Coordin. | 100 | 4 1/2 | 54 | 5 | 29 | 10 | 5 | - | 5 |
| System Analyst | 100 | 3 1/2 | 42 | 1 | 5 | 20 | - | 15 | 1 |
| Logistics Specialist | 100 | 3 | 36 | 1 | 10 | 24 | - | - | 1 |
| Techn. Inform Specialist | 100 | 5 | 60 | - | - | - | 60 | - | - |
| Epidermiologist | 100 | 4 1/2 | 54 | 5 | 5 | 5 | 5 | 29 | 5 |
| Food Handling Expert | 100 | 3 1/2 | 42 | 1 | 12 | 10 | 2 | 16 | 1 |
| Events Logistic Coord. | 100 | 5 | 60 | - | - | - | - | - | 60 |
| Administrative Assist. | 100 | 5 | 60 | - | - | - | - | - | 60 |

Table 2
(continued)

| Project Personel | Percent Time | Years | Total number months | Planning & Coordination | Training | Technical Assistance | Information & Dissemination | Research | Managem & Evaluat. |
|---|---|---|---|---|---|---|---|---|---|
| 3. Total temporary professionals | | | 69 | - | - | - | - | 69 | - |
| System Analyst | 100 | - | 6 | - | - | - | - | 6 | - |
| Field Director | 100 | - | 34 | - | - | - | - | 34 | - |
| Social Anthropologist | 100 | - | 5 | - | - | - | - | 5 | - |
| Field Director | 100 | - | 18 | - | - | - | - | 18 | - |
| Financial Analyst | 50 | - | 6 | - | - | - | - | 6 | - |
| 4. Consultants | - | - | 36.5 | - | - | - | - | 14.5 | 22 |
| GRAND TOTAL | | | 810.5 | 43 | 104 | 163 | 95 | 223.5 | 182 |

TABLE 3

TECHNICAL ASSISTANCE PLAN

| | FIRST YEAR | SECOND YEAR | THIRD YEAR | FOURTH YEAR | FIFTH YEAR |
|---|---|---|---|---|---|
| **II. COMPONENT TRAINING** | | | | | |
| B. Courses | | | | | |
| 1. Expert on Management of FAP's for emergencies | | 2 weeks | | | |
| 2. Expert on Management of FAP's for displaced persons | | 2 weeks | | | |
| 3. (2) Experts on Formulation and designing of social development programs | 6 weeks | | | | |
| 4. Expert on Management of Food Aid Programs (FAP) | | 3 weeks | | | |
| 5. Expert on Food Handling & Food Conservation | | 3 weeks | | | 3 weeks |
| 6. Expert on Educational Methodologies | | | 3 weeks | | |
| 7. Expert on Information Systems | | 3 weeks | 3 weeks | | |
| | 6 weeks | 10 weeks | 6 weeks | - | 3 weeks |
| **IV. COMPONENT-RESEARCH** | | | | | |
| 1. Expert on Process Evaluation | 2 weeks | 2 weeks | 2 weeks | 2 weeks | |
| 2. Expert on cost-Effectiveness Determination Social Dev. Programs | | 2 weeks | 2 weeks | | |
| 3. Expert on Evaluation of Emergency Programs | 2 weeks | | | | |
| 4. Expert on Evaluation of Emergency Programs | 2 weeks | | | | |
| | 6 weeks | 4 weeks | 4 weeks | 2 weeks | - |
| **IV. MANAGEMENT AND EVALUATION** | | | | | |
| 1. Epidemiologist | 6 months | | | | |
| 2. Development Program Manager | 6 months | | | | |
| 3. In-Service Training Expert | 6 months | | | | |
| 4. Expert on Process Evaluation | | | | | 4 weeks |
| 5. Expert on FAP's Evaluation | | | | | 4 weeks |
| 6. Expert on FAP's Management | | | | | 4 weeks |
| 18 months | | | | 12 weeks | |
| | 18 months/ 12 weeks | 14 weeks | 10 weeks | 2 weeks | 15 weeks |

TABLE 4

TYPE OF EXPENDITURES AND ANNUAL COSTS* TO BE INCURRED BY INCAP FOR MAINTAINING ADDITIONAL CAPACITY** TO SUPPORT FOOD AID PROGRAMS IN CENTRAL AMERICA AND PANAMA AFTER 1990

| | Caterory of expenditure | Cost US$ |
|---|---|---|
| A) | Personnel | 67,600 |
| | 1) Expert on management | 30,000 |
| | 2) Expert on training | 30,000 |
| | 3) Secretarial support | 7,600 |
| B) | Training | 78,000 |
| | 1) Two annual short courses | 48,000 |
| | 2) Workshop | 30,000 |
| C) | Technical and scientific information | 10,000 |
| | 1) Adquisition of documents | 4,000 |
| | 2) Reproduction and distribution | 6,000 |
| D) | Travel and per diem | 48,000 |
| | 1) Tickets (48 trips at $450) | 21,600 |
| | 2) Per diem ($550 per trip) | 26,400 |
| E) | Common services (30%) | 61,080 |
| | TOTAL | $ 264,680 |

* Cost estimated at prices prevailing in 1985.

** This capacity will be in addition to the capacity to be available at INCAP financed with core funds.

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## ECONOMIC ANALYSIS

### I. INTRODUCTION

#### A. Background

1. The current serious financial crisis facing the countries of Central America and Panama necessitates cost-effective use of resources. One of the primary social expenditures is the more than 60 separate food assistance programs which are being carried out in Central America and Panama (CA/P) funded either nationally or with international assistance. Given the current level of investment, the actual impact of these programs on health, nutritional status, and socio-economic well being has been less than anticipated. The recent severe economic austerity measures taken in CA/P have prompted the governments to question whether their investment in food assistance programs with their apparent low level of effectiveness is the best use of social assistance dollars and whether food assistence monies might be more effectively expended to yield the highest benefit per dollar.

2. The prevalence of malnutrition in CA/P and the detrimental nutritional effect on the malnourished population combined with the necessity to control budget expenditures provide compelling reasons for increasing the impact of food assistance programs. In the CA/P countries, with the possible exception of Costa Rica, the prevalence of malnutrition is high despite significant amounts of food supplements available in the country. The deliterious effects of untreated malnutrition have been documented in numerous studies as resulting in high morbidity, mortality, and permanent disability, particularly for the most vulnerable populations of pregnant and lactating mothers and infants under five.

#### B. Rationale for Food Assistance Programs

3. There is substantial evidence that food assistance programs can significantly reduce the incidence of malnutrition in the population as a whole. The effect of food supplementation programs is most pronounced when targeted to that segment of the population which is considered to be most at risk of being severely affected by malnutrition. Given that the food assistance supplements in most of these countries are not adequate to supply the required nutrients for only the most at risk malnourished population, it is essential to assess the effects on program costs and outcomes of providing food supplements to other than an identified at-risk population. Comparative research indicates that higher cost food assistance alternatives are not necessarily more effective than lesser cost alternatives in reducing malnutrition, suggesting the potential benefits of careful planning and evaluation prior to implementation of food assistance programs for the financially strapped CA/P countries.

C. Need for Technical Assistance Project

4. The preponderance of research efforts on implementation of food assistance programs show that those programs which have been successful in reducing the incidence of malnutrition have specified this as a goal and have developed objectives to meet this goal. The majority of high impact programs noted in the literature reviewed for this analysis have implemented objectives that specify identification and service to a target population. The management components of planning are essential to the implementation of a high impact, low cost food assistance program. Evaluation of the CA/P food assistance programs reveals that, for the most part, these programs are substantially lacking in some or all of the components which are essential to implementation of an effective, low-cost food assistance program.

5. It has been repeatedly demonstrated that the supplementary food assistance programs implemented in CA/P are deficient in crucial aspects of both program planning and implementation resulting in either increased cost or reduced effectiveness or both. Currently most food assistance programs are receiving very little if any technical assistance. Training, particularly in planning, management, monitoring, evaluation, and complementary educational developmental activities, has been shown to be inadequate. As noted in the project paper, a 1983-84 INCAP assessment of the major problems encountered in planning, implementing and evaluating food assistance programs in the region showed that technical support, including operations research, and training could help alleviate many of the problems encountered (1-p10). Alleviation of many of the identified problems will result in higher level of program performance which in turn is expected to generate both greater effectiveness and cost savings.

D. Purpose of Proposed Technical Assistance Project

6. The goal of the proposed technical assistance project is to contribute to the reduction of infant and young child mortality and improve nutritional status among high risk populations in CA/P. The project proposes to accomplish this end by improving the effectiveness of food assistance activities by helping to establish effective national coordination mechanisms and strengthening the technical, managerial, and evaluation capabilities of INCAP and national public and private agencies responsible for food assistence programs in CA/P (1-p2). The strategy of this project is to develop and provide regional expertise in the following areas of technical assistance: development of general technical management and evaluation guidelines; assistance in adapting general guidelines to specific national programs; operations research; and development of training programs and material aimed at strengthening the capacity of program directors to plan, implement, and evaluate food assistance activities. The project will also stimulate and promote both coordination of food assistance activities at the national level

and the development of national food assistance strategies (1-p.11). The cost of the proposed project is $5.6 million, to be expended over a five year period.

E. Application of Economic Analysis

7. The purpose of this document is to provide: 1) a cost benefit analysis of the proposed techinical assistance project; and 2) a least-cost analysis of implementation alternatives for a regional vs. bilateral approach for providing technical assistance. The appplication of standard cost-benefit methods involves the calculation of project costs and benefits, adjustments for price distortions, and comparison of the streams of adjusted costs and benefits over time. An economic evaluation using the application of standard benefit-cost methods is not wholly feasible here because of the currently nonquantifible nature of the actual expected benefits of the project: reductions in malnutrition and decreased levels of mortality, morbidity, and disability among children. It is difficult to quantify the pure-utility values of reduced mortality, morbidity, disability and malnutrition. The value of improved performance and productivity is equally difficult to estimate given present methods. While a full blown cost-benefit analysis is not possible, a limited analysis of intermediate benefits can be done and nonquantifiable benefits can be identified and described. The least-cost analysis will demonstrate that the implementation plan chosen is the least-cost alternative.

II. COST/BENEFIT ANALYSIS OF PROPOSED TECHNICAL ASSISTANCE PROJECT

A. Quantifiable Benefits

8. While the expected benefits of reduced mortality, morbidity, and disability are not easily measured, it is possible to estimate programmatic savings from reduced food loss which result from the proposed technical assistance. Project activities are expected to generate measurable economic benefits in two ways. It is anticipated that the technical assistance will generate direct savings as a result of a reduction in the amount of actual commodities lost through pilgerage, waste, and damage. Additional savings are expected to result from the more effective use of commodities. Commodities presently are misdirected to a population larger than that which is identified as being "vulnerable". Therefore, commodities have no present discernable impact towards reducing malnutrition even among those agencies or countries that have identified reducing malnutrition as a programmatic priority. The analysis presented here estimates the value of reductions in food loss which can be achieved under varying assumptions regarding the impact of technical assistance and compares it to the cost of providing the technical assistance. Therefore project benefits are measured as the value of percentage reductions in: 1) food loss due to waste, pilferage, and damage; and, 2) food loss due to misdirection of commodities to non-vulnerable groups.

9. To calculate benefits, we first estimate total program costs. Table 1 presents total program costs as the sum of total commodity costs and an estimation of administrative costs. The dollar amount of commodities distributed to each of the countries derived from INCAP documentation. Because very little documentation is available on actual administrative costs of food assistance programs in CA/P, administrative costs were estimated as 30 percent of total commodity costs. Appendix I provides a rationale for using this percentage based on: 1) known administrative costs in the region in relation to food costs; and 2) information in the literature regarding administrative costs.

TABLE 1

PROGRAM COSTS-FOOD ASSISTANCE PROGRAMS IN CA/P

| PROGRAM COSTS | FOOD $ (000) | ADM $ (000) | TOTAL $ (000) |
|---|---|---|---|
| Costa Rica | 14700 | 4410 | 19110 |
| El Salvador | 27882 | 8364.6 | 36246.6 |
| Guatemala | 18253 | 5475.9 | 23728.9 |
| Honduras | 20508 | 6152.4 | 26660.4 |
| Panama | 1091 | 327.3 | 1418.3 |
| TOTAL | 82434 | 24730.2 | 107164.2 |

10. The next step in the analysis is to estimate program losses. Program loss from both food loss and misdirected program efforts are estimated as a percent of total program costs. Table 2 estimates the dollar amount of current program losses discounted at a 12% rate over a five year period using the assumptions that food loss is at least 3% of total program costs and misdirected food commodities consume 40% of total program costs. The rationale for using these loss estimates is presented in Appendices 2-4.

11. Appendix 2 presents information on reported food losses in CA/P from several different sources and provides other qualitative information regarding food losses in the region. Appendix 3 provides the rationale and data for establishing a 40% misdirection coefficient for the region as a whole. It also provides additional qualitative information to further establish that the general lack of goals and objectives and the failure to implement targeting objectives result in a misdirection coefficient that is at least 40% of commodity amounts. Appendix 4 provides a case study detailing data extrapolated from the evaluation of the Panamanian food assistance programs.

TABLE 2

DOLLAR ESTIMATE OF PROGRAM LOSSES PRIOR TO T.A. INTERVENTION

| LOSS DISCOUNTED | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| FOOD LOSS - 3% | 3214.926 | 2870.469 | 2562.919 | 2288.320 | 2043.143 | 12979.77 |
| MISDIRECT - 40% | 46080.60 | 41143.39 | 36735.17 | 32799.26 | 29285.05 | 186043.5 |
| TOTAL - 43% | 46080.60 | 41143.39 | 36735.17 | 32799.26 | 29285.05 | 186043.5 |

12. Project benefits are calculated as percentage reductions in the estimated 43% loss of total program expenditures. These are calculated by multiplying the discounted dollar amount of food loss and misdirected commodities by different expected levels of impact of the technical assistance (5%, 10%, 20%, 30%, and 40%). Projects costs include the total overhead cost of INCAP (the proposed regional contractor) and ROCAP funds that are to be spent in support of the project spread over the five year period. Both costs and benefits are discounted over the life of the project. The sum of the discounted benefits is then divided by the sum of the discounted costs to indicate the net benefit of the effort at the varying levels of efficacy.

13. Tables 3-7 present the costs of the technical assistance project and the anticipated benefits discounted over a five year period and the cost benefit ratio for five separate assumptions regarding levels of impact of the technical assistance activities (12 % was used as the discounting figure; Appendix 5 gives the same information using a 15% discounting figure).

14. As indicated by the cost benefit ratios in Tables 3-7, a technical assistance program that had at least a five percent impact on reducing total program losses would produce benefits in excess of project costs. Alternative assumptions of technical assistance impact greater than 5% yield higher benefits.

15. There is some concern that a technical assistance project will ultimately result in higher administrative costs as a prerequisite to achieving actual improvement in the food assistance program. Tables 8-12 factor an increase of 10% in the cost stream to provide an analysis of the economic impact of the proposed project if it were to result in increased administrative costs to the CA/P governments. An assumed increase in administrative costs of 10% was used as it would be very difficult to implement any proposed solutions requiring any further increases in recurrent administrative outlays, especially in the government run programs which are affected by the general maxims of austerity which have been implemented in the

region, unless external donors are persuaded to provide more financial assistance for administrative and operational costs.

16. The sensitivity analysis of the cost benefit streams which include an administrative cost increase of 10% show that a technical assistance effort would need to produce a 10% impact on losses for benefits to exceed costs. It would be reasonable to anticipate that technical assistance would have a greater impact in decreasing losses if administrative funds were also provided to assist in correcting programmatic deficiencies.

## COST BENEFIT STREAMS AT 12% DISCOUNT RATE

### TABLE 3

### TA IMPACT OF 5% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 1000.00 | 892.857 | 797.193 | 711.780 | 4521.831 |
| INCAP $600.5 | 120.101 | 107.233 | 95.743 | 85.485 | 76.326 | 484.889 |
| TOTAL TA 6200.5 | 1240.101 | 1107.233 | 988.600 | 882.679 | 788.106 | 5006.720 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS - 3% | 160.746 | 143.523 | 128.145 | 114.416 | 102.157 | 648.988 |
| MISDIRECT - 40% | 2143.284 | 1913.646 | 1708.612 | 1525.547 | 1362.095 | 8653.186 |
| TOTAL - 43% | 2304.030 | 2057.169 | 1836.757 | 1639.963 | 1464.252 | 9302.175 |
| COST BENEFIT INDEX | | | | | | 1.85 |

### TABLE 4

### IMPACT OF 10% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| FOOD LOSS $5600 | 1120.00 | 1000.00 | 892.857 | 797.193 | 711.780 | 4521.831 |
| INCAP $600.5 | 120.101 | 107.233 | 95.743 | 85.485 | 76.326 | 484.889 |
| TOTAL TA 6200.5 | 1240.101 | 1107.233 | 988.600 | 882.679 | 788.106 | 5006.720 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS - 3% | 321.492 | 287.048 | 256.291 | 228.832 | 204.314 | 1297.977 |
| MISDIRECT - 40% | 4286.568 | 3827.292 | 5417.225 | 3051.094 | 2724.191 | 17306.37 |
| TOTAL - 43% | 4608.060 | 4114.339 | 3673.517 | 3279.928 | 2928.505 | 18604.35 |
| COST BENEFIT INDEX | | | | | | 3.72 |

TABLE 5

TA IMPACT OF 20% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 1000.00 | 892.857 | 797.193 | 711.780 | 4521.831 |
| INCAP $600.5 | 120.101 | 107.233 | 95.743 | 85.485 | 76.326 | 484.889 |
| TOTAL TA 6200.5 | 1240.101 | 1107.233 | 988.600 | 882.679 | 788.106 | 5006.720 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS - 3% | 642.985 | 574.093 | 512.583 | 457.664 | 408.628 | 2595.955 |
| MISDIRECT - 40% | 8573.136 | 7654.586 | 6834.451 | 6102.188 | 5448.382 | 34612.74 |
| TOTAL - 43% | 9216.121 | 8228.679 | 7347.035 | 6559.853 | 5857.011 | 37208.70 |
| COST-BENEFIT INDEX | | | | | | 7.43 |

TABLE 6

TA IMPACT OF 30% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 1000.00 | 892.857 | 797.193 | 711.780 | 4521.831 |
| INCAP $ 600.5 | 120.101 | 107.233 | 95.743 | 85.485 | 76.326 | 484.889 |
| TOTAL TA 6200.5 | 1240.101 | 1107.233 | 988.600 | 882.679 | 788.106 | 5006.720 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS -3% | 964.477 | 861.140 | 768.875 | 686.496 | 612.943 | 3893.933 |
| MISDIRECT 40% | 12859.70 | 11481.87 | 10251.67 | 9153.283 | 8172.574 | 51919.11 |
| TOTAL -43% | 13824.18 | 12343.01 | 11020.55 | 9839.779 | 8785.517 | 55813.05 |
| COST-BENEFIT INDEX | | | | | | 11.148 |

TABLE 7

TA IMPACT OF 40% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 1000.00 | 892.857 | 797.193 | 711.780 | 4521.831 |
| INCAP $ 600.5 | 120.101 | 107.233 | 95.743 | 85.485 | 76.326 | 484.889 |
| TOTAL TA 6200.5 | 1240.101 | 1107.233 | 988.600 | 882.679 | 788.106 | 5006.720 |
| LOSS REDUCTION BENEDITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS -3% | 1285.970 | 1148.187 | 1025.187 | 915.328 | 817.257 | 5191.911 |
| MISDIRECT -40% | 17146.27 | 15309.17 | 13668.90 | 12204.37 | 10896.76 | 69225.49 |
| TOTAL -43% | 18432.24 | 16457.55 | 14694.07 | 13119.70 | 11714.02 | 74417.40 |
| COST-BENEFIT INDEX | | | | | | 14.86 |

TABLE 8

TA IMPACT OF 5% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 1000.00 | 892.857 | 797.193 | 711.780 | 4521.861 |
| INCAP $ 600.5 | 120.101 | 107.233 | 95.743 | 85.485 | 76.326 | 484.889 |
| INCREASED ADM $ | 2473.02 | 2208.053 | 1971.476 | 1760.246 | 1571.648 | 9984.445 |
| TOTAL TA & ADM | 3713.121 | 3315.286 | 2960.077 | 2642.926 | 2359.755 | 14991.16 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS - 3% | 160.746 | 143.523 | 128.145 | 114.416 | 102.157 | 648.988 |
| MISDIRECT - 40% | 2143.284 | 1913.646 | 1708.612 | 1525.547 | 1362.095 | 8653.186 |
| TOTAL - 43% | 2304.030 | 2057.169 | 1836.758 | 1639.963 | 1464.252 | 9302.175 |
| COST-BENEFIT INDEX | | | | | | 0.62 |

TABLE 9

TA IMPACT OF 10% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 1000.00 | 892.857 | 797.193 | 711.780 | 4521.831 |
| INCAP $ 600.5 | 120.101 | 107.233 | 95.743 | 85.485 | 76.326 | 484.889 |
| INCREASED AD $ | 2473.02 | 2208.053 | 1971.476 | 1760.246 | 1571.648 | 9984.445 |
| TOTAL TA & ADM | 3713.121 | 3315.286 | 2960.077 | 2642.926 | 2359.755 | 14991.16 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS - 3% | 321.492 | 287.046 | 256.291 | 228.832 | 204.314 | 1297.977 |
| MISDIRECT - 40% | 4286.568 | 3827.292 | 3417.225 | 3051.094 | 2724.191 | 17306.37 |
| TOTAL - 43% | 4608.060 | 4114.339 | 3673.517 | 3279.925 | 2928.505 | 18604.35 |
| COST-BENEFIT INDEX | | | | | | 1.24 |

TABLE 10

TA IMPACT OF 20% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP % 5600 | 1120.00 | 1000.00 | 892.857 | 797.193 | 711.780 | 4521.831 |
| INCAP $ 600.5 | 120.101 | 105.233 | 95.743 | 85.485 | 76.326 | 484.889 |
| INDREASED ADM $ | 2473.02 | 2208.053 | 1971.476 | 1760.246 | 1571.648 | 9984.445 |
| TOTAL TA & ADM | 3713.121 | 3315.286 | 2960.077 | 2642.926 | 2359.755 | 14991.16 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS - 3% | 642.985 | 574.093 | 512.583 | 457.664 | 408.628 | 2595.955 |
| MISDIRECT - 40% | 8573.136 | 7654.585 | 6834.451 | 6102.188 | 5448.382 | 34612.74 |
| TOTAL - 43% | 9216.121 | 8228.679 | 7347.035 | 6559.853 | 5857.011 | 37208.70 |
| COST BENEFIT INDEX | | | | | | 2.48 |

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TABLE 11

TA IMPACT OF 30% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 1000.00 | 892.857 | 797.193 | 711.780 | 4521.831 |
| INCAP $ 600.5 | 120.101 | 107.233 | 95.743 | 85.485 | 76.326 | 484.889 |
| INCREASED ADM $ | 2473.02 | 2208.053 | 1971.476 | 1760.246 | 1571.648 | 9984.445 |
| TOTAL TA & ADM | 3713.121 | 3315.286 | 2960.077 | 2642.926 | 2359.755 | 14991.16 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS -3% | 964.477 | 861.140 | 768.875 | 686.496 | 612.943 | 3893.933 |
| MISDIRECT -40% | 12859.70 | 11481.87 | 10251.67 | 9153.283 | 8172.574 | 51919.11 |
| TOTAL -43% | 13824.18 | 12343.01 | 11020.55 | 9839.779 | 8785.517 | 55813.05 |
| COST-BENEFIT INDEX | | | | | | 3.72 |

TABLE 12

COST BENEFIT RATIO OF TA IMPACT OF 40% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 1000.00 | 892.857 | 797.193 | 711.780 | 4521.831 |
| INCAP $600.5 | 120.101 | 107.233 | 95.743 | 85.485 | 76.326 | 484.889 |
| INCREASED ADM $ | 2473.02 | 2208.053 | 1971.476 | 1760.246 | 1571.648 | 9984.445 |
| TOTAL TA & ADM | 3713.121 | 3315.286 | 2960.077 | 2642.926 | 2359.755 | 14991.18 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS -3% | 1285.970 | 1148.187 | 1025.167 | 915.328 | 812.257 | 5191.911 |
| MISDIRECT 40% | 17146.27 | 15309.17 | 13668.90 | 12204.37 | 10896.76 | 69225.49 |
| TOTAL -43% | 18432.24 | 16457.35 | 14694.07 | 13119.07 | 11714.02 | 74417.40 |
| COST-BENEFIT INDEX | | | | | | 4.96 |

B. Non-quantifiable Benefits

17. There is substantial evidence that properly designed and implemented food assistance programs can significantly reduce young child mortality and the prevalence of malnutrition (4-p.29). Malnutrition has been demonstrated to lead to lowered resistance to infection, cognitive and functional impairment, and ultimately to illness and death. The results of several projects have strengthened the relationship between nutritional status and mortality in early childhood (4-p.28). Numerous food assistance projects worldwide have shown that dramatic improvements in the prevalance of malnutrition and infant mortality rates have been achieved and sustained even amidst relative poverty (4-p.3).

18. In a review of Primary Health Care Nutrition Projects, consistent gains in coverage of the target populations were shown in at least half of the projects, reaching a range of 40-90% of the target population. Numerous nutritionally related benefits were also observed as a result of this effort. Of the six quasi-experimental projects four showed statistically significant and important declines in both infant mortality and young child malnutrition. Infant mortality fell by about one-half in a five-year span in the Guatemalan projects (4-p13). In another site, the younger sibling of mothers who attended nutritional centers that offered a strong educational component, experienced infant/child death rates 86% lower than in the non-demonstration group (4-p16). Investigators in the Guatemalan projects showed that the planned dietary change for pregnant and lactating women, as one component of the project resulted in significantly improved growth and survival. These experimental projects overall showed declines in infant mortality of the order of 25% to 50% and declines in the prevelance of malnutrition of 20% to 50% within a three to four year period (4-p19).

19. Given the experience of other successful programs, it can be concluded that the accomplishment of reductions in food losses by the proposed project will ultimately result in the actual desired outcome of reduced infant/child malnutrition, mortality, morbidity and disability. The accomplishment of these outcomes will have a significant impact on not only the level of health services expended to care for malnourished children but also the productivity level of the population. Though these benefits are unquantifiable at this time, they are still percieved as being substantial.

III LEAST COST ANALYSIS OF IMPLEMENTATION ALTERNATIVES

20. The project proposal recommends that the technical assistance be implemented using a regional approach. The regional approach is designed to develop and strengthen regional capacity for cost-effective management of food assistance programs which will be adapted to national priorities through development of food plans, strategies and coordinating mechanisms at the

national level (1-p13). The alternatives to a regional approach would be for AID to contract separately with either every management PVO or food-donor and/or national executing agency in each country or with each country. The project also recommends that the technical assistance be implemented through a regional institution, the alternative to a regional institution such as INCAP would be to use a US contrator. Table 13 provides an overview of the costs associated with each of the bilateral approaches as compared to a regional approach. Table 14 presents the costs of INCAP vs. a US contractor. Assumptions for deriving costs are detailed below.

A. Regional Vs. Bilateral Approach

1. AID COSTS-PVOs

21. There are 16 major agencies involved in food assistance programs in the Central American Region which include each of the national programs in addition to the major Private Voluntary Organizations (PVO) involved in food assistance programs. As such, the PVO national executing agency bilateral approach considers the cost of 16 bilateral agreements lasting for an average of 3 years. The AID personnel monitoring the projects would necessarily need to be placed in the individual AID Missions rather than ROCAP. The incidental costs of $ 20,000 per contract represent project development costs such as the use of outside consultants. The increased AID costs to develop, negotiate and manage a bilateral agency approach are $ 1,077,550.

2. AID COSTS - COUNTRY

22. The country bilateral approach would involve a bilateral agreement or contract with each of the five Central American Countries and Panama. On a national level it is anticipated that implementation activities to accomplish the proposed level of technical assistance would require 5 years. Again AID contract management personnel would have to be based at the AID Mission in each country. The level of personnel effort is estimated at .3FTE per year per contract. The increased AID costs to develop, negotiate and manage a bilateral national approach to managing technical assistance project are $412,500.

3. CONTRACTOR COSTS

23. The regional approach economizes on the contractor's cost to provide the level of technical assistance proposed by avoiding the duplication necessary under each of the bilateral approaches. A bilateral PVO approach would require a total of 4FTEs for 3 years per PVO or national executing agency. The bilateral national approach requires 7 FTEs per country for 5 years. The regional alternative economizes on managerial personnel and

support staff personnel by using current and proposed staff to full capacity and as such reduce the overall number of personnel required to perform the same functions as a bilateral contract. Although a total of $ 1,292,932 has been allocated to cover the cost of personnel in the project proposal which includes an AID contribution of $ 900,000, the regional vs bilateral comparison uses a salary level that would be indicated by the use of U.S. contractor on a regional basis. The increased staffing costs of the bilateral approaches are $ 9,378,000 for a bilateral agency approach and $7,779,000 for a bilateral national approach.

24. Implementation of the proposed technical assistance project on a regional basis will also result in reduced contracting costs because of economies that can be realized as a result of common or similar implementation activities and shared evaluative information and program outcomes. Once performed, implementation activities in subsequent countries should require less time because of the reduction in the staff learning curve and also because of the ability in a regional program to identify problems early on so that they are not repeated during the course of implementation in other countries. The programs and culture of the Central American countries are sufficiently similar to allow for program outcome generalizations from one program to another. Also staff of a regional effort, because of their exposure to the different countries, are more likely to know the differences between the various countries which should be taken into account to successfully transfer program experiences and information between countries. Ultimately the sharing of development and outcome information between the countries should reduce the level of effort required for operational analysis and research.

25. There are also economies of scale which can be realized as a result of program and country similarities which would be difficult to utilize in bilateral design. The regional approach can be expected to benefit from having to plan only one of the training, research, and technical information dissemination procedures and materials. For many of the programatic objectives, the major efforts of development can proceed regionally with refinement done at the local level to assure that products meet local needs. Economies of scale can also be realized through regional training sessions when appropriate and also in the purchase of supplies and materials which can be jointly utilized in the implementation activities of more than one country.

26. Ten percent is used as a numerical estimate of the economies of scale activities described in paragraph 25 and 26. The 10% efficiency gained as a result of economies of scale most probably substantially underestimates the actual dollar value of shared information, activities and supplies. In his economic analysis (8/84) of a regional vs bilateral approach of implementation of the ORT program, in CA/P, Dr. McKaninen, a PhD Economist, uses a 25% differential to represent this advantage. Ten percent

is utilized to assure that any error in estimation is on the conservative side. Using the differential of 10% of contract costs excluding personnel and travel costs, (4,387,573 = INCAP and ROCAP costs) the increased costs would be $7,020,112 for a bilateral agency approach and $ 2,193,785 for a bilateral national approach.

27. The increased cost of personnel and reduced economies of scale that would occur using a bilateral approach, would increase the total contractor costs for providing the technical assistance specified in the project proposal by $16,398,112 for the bilateral agency approach and $9,972,785 for the bilateral national approach. The total increased costs for both AID and the contractor are $ 17,475,612 for the bilateral agency approach and $10,385,285 for the bilateral National approach. Obviously a regional approach represents the least-cost alternative for implementing a technical assistance program to the current food assistance programs in CA/P.

B. REGIONAL VS U.S. CONTRACTOR

28. If the decision is made to utilize a regional approach to implement the technical assistance project, the choices for a regional contractor are to use either a local institution as the contractor or to contract with a U.S. based contractor. Table 14 presents information regarding the cost of each contracting alternative. The local contractor proposed for this contract, INCAP, has numerous advantages which ultimately result in a lower implementation cost for the amount and type of TA proposed.

1. PERSONNEL COSTS

29. The primary monetary advantage to using INCAP is the lower overall personnel costs of a regional institution as compared to U.S. contractor costs. Utilizing an equivalent level of 7.6 professional FTEs and .4 support staff FTEs, the difference in salaries due to the higher overall salaries commanded in the U.S. is estimated $1,953,068. This assumes professional salaries equivalent to the salaries and related personnel costs for AID ($85,000 per year). It should be noted that the INCAP personnel costs do not reflect any shadow pricing as this information was unavailable.

2. PROJECT ORIENTATION COSTS

30. Another important monetary advantage for using INCAP to implement a regional technical assistance is their already established network in the area of nutrition and health in the Central American countries. It is noted in the project paper that because of language and cultural barriers, high quality regional expertise is often more effective than outside consultants and is usually preferred by CA/P counterparts. Even more importantly than the fact that INCAP will not lose any implementation time due

to cultural or language differences, is the fact that because of their presence and reputation in the field of nutrition in CA/P they have already established the personal contacts and cooperation in each of these countries which is essential to rapid implementation. The development of the support and cooperation necessary for smooth implementation would easily take another less known or outside contractor 6 months to develop. The time necessary to develop these working relationships would represent a monetary loss of at least 6 months which at a total project cost per month of $103,341 equals $620,050.

31. In addition to the advantage of already established relationships with the agencies who would be receiving the TA, INCAP offers the cost saving advantage of needing very little lead time to acquaint themselves with the issues and nuances of the food assistance programs in CA/P as they have already been providing technical assistance on a sporadic basis to many of the programs. In addition, they have been involved in the planning phases of the current program since its inception and as such are well acquainted with the structure, goals and objectives of the proposed technical assistance project which again will save the time that would be required by an outside onctracting firm to acquaint themselves with the background of the project and the project itself. This time required for project orientation would require at least one month which would represent a cost of $103,341.

C. ADDITIONAL DISCUSSION

32. A distinct advantage of the regional approach is that it provides greater personnel flexibility both in terms of available skills and overall personnel assignment. The options of where and when personnel of different skills can be utilized are far more extensive in a regional program thus providing greater ability to respond to the specific timing needs of each country or program or short term emergency needs while still maximizing staff time and expertise available.

33. A concern with a bilateral AID to CA/P Country or PVO approach is that the existence of expertise to develop and implement national cost-effective food assistance programs solely within the bureaucracy of the host government or even the donor agency is much more suceptible to disruption over a period of time due to changes in government or private agency personnel. A regional approach, if designed properly, can mobilize and utilize the considerable technical expertise which already exists in Central America while simultaneously creating a stable body of expertise in the region capable of providing technical assistance and carrying out other follow-up activities without the ongoing backing of U.S. AID funds once the project has been completed. In addition to the advantage of an approximate total savings (AID & Contractor funds) estimated between $ 10 million to $17 million, the potential of creating a permanent capacity in the region to resolve the issues

of malnutrition in Central America is much greater utilizing a regional approach.

34. Although it cannot be expressed in economic terms, perhaps one of the more compelling reasons for utilizing INCAP as a contractor is the fact that they have been specifically requested by both the host countries and private agencies as the contractor for the provision of TA for the proposed project. Given that position, the food assistance agencies are more likely to internalize the project's goals and objectives resulting in more effective implementation if they have the sense that their needs will be considered in the course of project activities.

TABLE 13

| COST OF BILATERAL VS REGIONAL | PVO (16) | NATIONAL | REGIONAL |
|---|---|---|---|
| AID COSTS | | | |
| Dev. & Contracting costs | 4 DTE-1YR | 1.50.3/Missn | 125-1yr |
| Incidental contracting costs | $ 20000per cont<br>$ 320,000 | $ 50000/cont.<br>$ 250,000 | $ 50,000 |
| Contract mgmg. costs | 4 FTE-3 yrs<br>$ 1,020,000 | 1.50.3/M/5 yr<br>$ 637,500 | 1.25FTE-5yrs<br>$ 531,150 |
| TOTAL AID COSTS | $ 1,680,000 | $ 1,015,000 | $ 602,500 |
| DIFFERENCE FROM RG. APPROACH | $ 1,077,500 | $ 412,500 | |
| U.S. CONTRACTOR COSTS | | | |
| Staffing levels | 3 prof. FTEs<br>1 support FTE<br>3 yrs | 5 prof. FTEs<br>2 support FTE<br>5 yrs | 7.6 prof FT<br>4 support FTE<br>5 yrs |
| Staffing costs per contract | prof. FTEs<br>$ 765,000<br>support FTEs<br>$ 24,000<br>$ 789,000 | prof FTEs<br>$ 2,125,000<br>support FTEs<br>$ 80,000<br>$ 2,205,000 | prof FTEs<br>$ 3,230,000<br>support FTEs<br>$ 16,000<br>$ 3,246,000 |
| Total staffing costs | $ 12,624,000 | $11,025,000 | $ 3,246,000 |
| DIFFERENCE FROM RG. APPROACH | $ 9,378,000 | $ 7,779,000 | |
| econ. of scale differential | $ 7,020,112 | $ 2,193,785 | |
| DIFFERENCE FROM RG. APPROACH | $ 7,020,112 | $ 2,193,785 | |
| CONTRACTOR DIF. FROM RG. APPR. | $ 16,398,112 | $ 9,972,785 | |
| TOTAL AID & CONTRACTOR DIFFERENCE FROM RG. APPROACH | $ 17,479,612 | $10,385,285 | |

TABLE 14

US VS INCAP CONTRACTOR

| | US CONTRACTOR | INCAP CONTRACTOR |
|---|---|---|
| PERSONNEL COSTS | | |
| 7.6 prof & 4 support | $ 3,246,000 | $ 1,292,932 |
| DIFFERENCE US-REG'L | $ 1,953,068 | |
| ORIENTATION ADV. | | |
| Dev. work relations | $ 620,050 | |
| project familiarity | $ 103,341 | |
| TOT. ORIENTATION ADV | $ 723,391 | |
| DIFFERENCE US-REG'L | $ 723,391 | |
| TOTAL DIF. US-REG'L | $ 2,676,459 | |

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APPENDIX 1

ADMINISTRATIVE COSTS OF FOOD ASSISTANCE PROGRAMS

GUATEMALA - CARE (YF1985)

| | |
|---|---|
| Adm. Costs* | $ 888,590 |
| Commodity Costs | $ 8,182,000 |
| Adm. costs/Comm Cost % | .190 |

* Does not include any host country administrative expenditures.

PANAMA - CARE (FY 1982)

| | |
|---|---|
| Adm. Costs | 766,000 |
| Commodity costs | $ 2,617,055 |
| Adm costs/comm cost | .293 |

HONDURAS - CRS (FY 1985)

| | |
|---|---|
| Adm. costs | $ 292,800 |
| Commodity costs | $ 743,090 |
| Adm costs/comm. cost | .394 |

HONDURAS - CARE (FY 1985)

| | |
|---|---|
| Adm. costs | $ 590,000 |
| Commodity costs | $ 1,992,000 |
| Adm. costs/comm. cost | .30 |

PANAMA - (1985)

| | |
|---|---|
| Adm. costs | $ 100,000 |
| Commodity costs | $ 300,000 |
| Adm. cost/comm. cost | .333 |

PANAMA - (1985)

| | |
|---|---|
| Adm. costs* | $ 67,000 |
| Commodity costs | $ 400,000 |
| Adm. cost/comm. cost | .170 |

* does not include in-country transportation and warehouseing costs.

Cost analyses internationally have shown an extremely wide variation in the relative cost of administration ranging from 20% to 138% of the total cost of food commodities (2-111). Variations in cost result in part from the distribution distances and the size and method of the supplemental feeding programs, but the most important factor in determining non-commodity costs appears to be the amount of infrastructure available in the country for distribution and local program operation (2-111); A survey of five feeding programs internationally provides a narrower range of administrative costs from 30% of total food ccosts to 85% of total food costs (3-P176). The actual administrative costs for the Costa Rican program, which was part of an international survey, were 34% of total food costs (3-P117). Based on the available data for the region presented above and the known fact that infrastructre in CA/P is not well developed, administrative costs computed at 30% of food costs appears to be a conservative figure for the purpose of this analysis.

APPENDIX 2

FOOD LOSSES IN FOOD ASSISTANCE PROGRAMS

The assumption regarding the percent of food assistance commodity loss experienced overall in CA/P are based primarily on anecdotal evidence. Although available documentation from food loss reports gives loss estimates ranging from .002 of total food commodity costs to .032, an assumption of 3% food loss was thought to be very conservative. The data available regarding the current percent of commodities that do not make it to the intended program participants grossly underestimates the actual percent of food lost through either pilferage, waste or damage. The data available is compiled from actual loss reports compiled by managing PVO's or WFP representatives and experience has shown that in most food assistance programs losses are not usually reported unless they represent a significant amount of commodities or unless they are uncovered in an administrative inspection. Since each loss reported could potentially lead to a claim agains the person or institution responsible, a strong incentive exists not to report losses. Even though it would appear, with the exception of two programs that report losses in excess of 3%, that the losses are only a small percent of the amount of food distributed, an evaluation done of food assistance programs in Panama in 1982 seems to provide anecdotal evidence to the contrary.

In this evaluation, the results of an inspection of warehouse facilities for the food commodities showed that 8.1% of the warehouse facilities were judged to have insufficient security against robbery, 18.4% were judged as having unacceptable security against rats and 19.5% had inadequate security against insects. In addition, 5.7% had no means of taking inventory (5-p72). Of the 82.4% of the feeding sites sampled in the Panamanian evaluation which had experienced some type of operational problem in administering the food assistance programs, 9.5% of the problems mentioned referred to food that was damaged upon arrival and 6.8% of the problems were in regards to weevil invested commodities (5-P75). Because they were noted at the local level, the chances are high that these damages or contaminations would not have been formally reported unless the quantity of food found to be unacceptable was substantial.

When local program administrators were asked if there had been instances in which the food products were until for human consumption when received, 17.2% said there had been incidences in the last 12 months and 41.9% indicated the occurences of such incidences previous to this time. 55.2% of these incidents were caused by weevil infestation of food, 6.9% by unspecified insects, and 6.9% by rats. 13.8% were cases in which the food was ruined by wetness and 8.6% of the loss was because of damaged containers (5P80).

A 1984 Audit of the CRS/CARITAS Program in Honduras showed that less than 50% of the distribution centers kept regular records of commodities and beneficiaries. Furthermore it was found the infested foods encountered at the local level were frequently disposed of upon verbal instructions and the central office was not informed. In all warehouses, both central and regional, it was confirmed that operations are usually done under verbal authorization and in nearly all warehouses the inventories were found to be shorter than those registered in the records.

APPENDIX 2 (CONT)

FOOD LOSS STATISTICS CA/P

| | Total Value of Managed Food Commodities | Losses in US $ | Loss Coefficient |
|---|---|---|---|
| Honduras WFP | | | |
| Corn | 1200615 | 8520 | 0.007 |
| Rice | 231400 | 480 | 0.002 |
| Beans | 543000 | 1680 | 0.003 |
| Powdered Milk | 57600 | 5600 | 0.010 |
| Oil | 605440 | 5840 | 0.010 |
| Canned c/p | 1103520 | 380 | .000 |
| WSB | 43216 | 740 | 0.017 |
| Totals | 4303191 | 23240 | 0.005 |
| Guatemala WFP | | | |
| Corn | 1200000 | 225 | 0.0002 |
| Wheat Flour | 750000 | 1125 | 0.0015 |
| Beans | 280000 | 1480 | 0.0053 |
| Canned P | 1840000 | 5060 | 0.0028 |
| Soil | 720000 | 2960 | 0.0041 |
| Powdered Milk | 1280000 | 1760 | 0.0014 |
| Totals | 6070000 | 12610 | 0.0021 |
| Honduras CARE (loss report) | | | |
| Milk | | 4836.4 | |
| CSM | | 84636.4 | |
| Flour | | 138.6 | |
| bulgur | | 204.5 | |
| Soil | | 1786.4 | |
| Total | 3080000 | 91602.3 | 0.0297 |
| Hond. (CRS/84) (loss reports) | | | |

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| | Total Value of Managed Food Commodities | Losses in US $ | Loss Coefficient |
|---|---|---|---|
| Powdered Milk | 298255 | 3745.5 | 0.0126 |
| CSM | 167330 | 272.7 | 0.0016 |
| Bulgur | 122307 | 193.2 | 0.0016 |
| Soil | 155200 | 981.8 | 0.0063 |
| Totals | 743091 | 5193.2 | 0.0070 |
| El Salvador WFP | | | |
| Corn | 1164990 | 11655.0 | 0.0100 |
| Flour | 18359700 | 4675.0 | 0.0003 |
| CSM | 56475 | 3750.0 | 0.0664 |
| Oil | 5965520 | 18000.0 | 0.0030 |
| Legumes | 75680 | 3880.0 | 0.0513 |
| Powdered Milk | 2171840 | 23840.0 | 0.0110 |
| Totals | 27794205 | | 65800.0 |
| 0.0024 | | | |
| Panama (CRS/81) (loss reports) | | | |
| SFC | 11705 | 96.6 | 0.0083 |
| CSM | 13636 | 56.8 | 0.0042 |
| Wheat Flour | 5114 | 11.4 | 0.0022 |
| Powdered Milk | 10509 | 1298.2 | 0.1235 |
| Soil | 6902 | 50.4 | 0.0073 |
| Totals | 47865 | 1513.4 | 0.0316 |
| Guatemala (CRS 83-84) (Loss reports) | | | |
| Powdered Milk | 896436.4 | 4872.7 | 0.0054 |
| Flour | 251852.3 | 312.5 | 0.0012 |
| Corn | 177825.0 | 75.0 | 0.0004 |
| Soil | 524254.5 | 280.0 | 0.0005 |
| Bulgur | 246409.1 | 22.7 | 0.0001 |
| WSB | 110545.9 | 0.0 | 0.0000 |
| Totals | 2207323.0 | 5562.9 | 0.0077 |

APPENDIX 3

MISDIRECTION OF FOOD COMMODITIES

The percent of total program costs expended ineffectively was estimated at 40% for the purpose of this analysis. Unless otherwise stated by the food assistance agency or CA/P government, it is assumed that the overall goal of the food assistance programs is to decrease the prevalence and effects of malnutrition in the designated country. Given the limited resources available in the CA/P region to address social needs and the high percent of need for these programs, the expenditure of food commodities in a non-effective manner represents a loss of commodities towards the alleviation of malnutrition. Although it was generally agreed by regional officials familiar with the CA/P food assistance programs that the percent of misdirected or ineffective commodities was considerably in excess of 40%, this misdirection coefficient was deliberately set low to provide a conservative estimate of loss for computation of the cost benefit index of the different levels of technical assistance impact.

A recent evaluation of food assistance programs in Panama provides data for determining the percent of expenditures which have neglible impact towards accomplishment of goals and objectives which could otherwise be accomplished through improved program management. Data from the food assistance program in Panama is utilized here as a case study, not only because it is one of the few CA/P food assistance programs for which an in-depth evaluation is available, but also because, as one of the better run food assistance programs in the region, Panama's program provides a conservative estimate of the percent of food assistance monies which are ineffectively expended.

Based on the fact that the stated goal of the food assistance program in Panama was to reduce the prevelance of malnutrition among infants and children, the provision of rations to nonmalnourished pregnant women, children, and infants estimated at 50% of the supplemental rations distributed, did nothing to accomplish that goal and in fact detracted from that goal. In addition to that amount is the cost of the lack of impact on the malnourished target population fed diluted portions which was estimated at 2% of total program costs. The data from this evaluation detailed in Appendix 4 establishes that approximately 54% of the food assistance programmatic expenditures had neglible impact on the stated goals of the program and thus represent a loss of programmatic funds.

Given that the resources available for nutrition programs is not adequate in most CA/P countries to provide supplementation to the population that are judged to be undernourished, priorities have to be established regarding who shall participate in the food assistance programs. Obviously

any major efforts to alleviate problems of malnutrition are destined to fail if the population most suseptible to malnutrition is not the target of the program. Conversely a great deal can be done to alleviate malnutrition if the effort is appropriately directed (2-P7). The need for cost effectiveness in CA/P demands the development and implementation of targeting interventions towards those groups which can benefit most from the programs. Definition of appropriate target groups to include those most in need and most capable of responding to intervention, and the development and use of eligibility criteria to direct services to the target group, appear to be the two essential elements in providing measurably effective food assistance services (4p43).

Targeting provides the only feasible means to eliminate malnutrition in subgroups of the population. Nontargeted programs analyzed in terms of cost-effectiveness indicate costs up to ten times as much as those programs which serve only the malnourished (3p181). The failure to target feeding programs greatly reduces the cost-effectiveness of food assistance programs as an intervention for improving nutritional status of a population. The Latin American programs evaluated in an international survey (including Costa Rica, were three to ten times as expensive as they would have been if they had been targeted only to the malnourished. The increased cost reflects the low general malnutrition rates in the community served by food assistance programs and the resulting low proportion of malnourished children in the programs (3-p138). An aggregate improvement in the prevalence of malnutrition in the population as a whole due to the inclusion of a higher proportion of the malnourished at-risk population in the participant population is one of the important benefits derived from targeting (3-p85).

Various targeting strategies define the populations at-risk in different ways resulting in substantial differences in the benefits accruing from alternative targeting strategies. To satisfy cost-effective criteria, nutrition programs should be reaching only the most vulnerable groups which have been repeatedly demonstrated to be children under 36 months and pregnant and lactating woman who are nutritionally deficient or clearly at risk (3-P85). Preschool children are generally believed to be the group most susceptible to the harmful effects of malnutrition due to the high potential for mortality, morbidity and developmental retardation for malnourished children in this age group (2-p4). Also supplementary feeding is more effective in raising the net calorie intake of children younger than three years than of older children. As the one to three year olds are most nutritionally at risk due to greater caloric defficiencies, targeting to this group is justified not only on a nutritional need basis, but also on a nutritional effectiveness basis (3-p159). Pregnant and lactating mothers are also included in the at-risk population because of the identified relationship between the nutritional well-being of infants and maternal nutrition both during pregnancy and while breastfeeding (2-p4).

This particular target group represents a relatively small percent of the population. Statistics show that, based on income distribution and calorie elasticity, about 48% of the populations in Africa, Asia, the Middle East, and Latin America suffer from daily calorie deficiencies greater than 250 calories (Reutlinger and Selowsky 1976) Children under three years of age in underdeveloped countries, constitute approximately 12% of the total population, pregnant women constitute another 3% and lactating women make up an additional 2%. Of this 17% total that are biologically vulnerable to malnutrition only 48% are actually economically vulnarable, thus approximately only 8% of the population could be considered the primary target group (3-p85).

In CA/P, recent studies of children under the age of five estimate that approximately 50% suffer from mild, moderate or severe malnutrition. The incidence of moderate and severe malnutrition ranges from a low of 7% to a high of 29.5% (1-p4). The best targeting scheme overall can be defined as one that, given the explicit objectives of the programs excludes the fewest needy individual while including the fewest number of non-needy individuals (2-p24). Worldwide there are a significant number of children included in food assistance programs who probably do not need the food. This error of inclusion has been noted to be as high as 84.14 depending on the local conditions and the targeting strategy implemented (2-p7).

Food assistance programs in CA/P in many cases do not have defined goals and objectives which identify a target population. Those programs that have identified a target population often do not have sufficient or standardized eligibility criteria to determine if the program is indeed serving the target population. Even if there are acceptable criteria for defining eligibility for programming services based on a targeting strategy, that is still no guarantee that the program will be administered at the local level according to this criteria unless local personnel fully understand the reasons for implementing a targeting scheme.

An international survey showed that for Costa Rica, ab average of 73% of the participants in 20 sample sites were not malnourished and that 22% had no calorie deficits at all. The average percent of program participants that showed no malnutrition in all of the five sites surveyed was 54%. An average of 15% showed no calorie deficits indicating that the home diet was already providing sufficient amounts of required nutritient (3-p163).

There are five primary feeding programs en El Salvador and only one targets specifically to a group and utilizes criteria to determine eligibility. About 10% of the population of El Salvador receive food through the food assistance programs, yet only 2.8% of the total estimated pregnant

and only 9% of the infants with some level of malnutrition are receiving food supplements. Only 16% of the total food supplements are targeted towards this group (6-p31).

A recent descriptive evaluation of the food assistance programs in Honduras noted that although some programs had similar objectives, different criteria were used for selection of the participants. It was also noted that the criteria established for the selection of geographic areas did not necessarily yeild results that corresponded to the areas with the greatest prevalence of malnutrition (7-p5). A 1982 CARE study of their food assistance programs in Honduras indicated that the mother-child feeding program which served 80,000 beneficiaries lacked definition and focus (8-p11).

Targeting is however, only one of the many design elements which reflect goals, objectives and the contextual setting. Due to its central role in the overall design of an intervention, concentration on the targeting strategy by program designers is needed as an effective tie to program design, operational objectives and broader goals (2-p11). The nutritional impact of the feeding programs evaluated in an international study showed that their nutritional impact was limited by the absence of nutritionally based selection criteria to target the programs to the most malnourished, at-risk population but the provision of insufficient rations to cover the energy deficits of the recepients and the failure to adequately compensate for expected division of the supplement due to interfamirial sharing and substitution also affected the nutritional impact of supplemental feeding programs (3-p198). Those evaluations that have been done have all noted these same deficiencies in the CA/P food assistance programs, both through description and presentation of data where available.

The lack of development or implementation of definitive goals and objectives contributes readily to the 10% loss estimate of misdirected program activities. Further losses occur as a result of faulty logistics and inadequate controls which result in disrupted or misdirected food flows. This in turn reduces nutritional impact of the food supplements and increases program costs. Another source of effective commodity loss which can be averted with careful program design is leakages of food intended for one family member to the rest of the family either through sharing or substitution. It is estimated that only about 50% of take home rations are actually consumed by the person for whom they were intended because the commodities are shared within the family. In other cases, it was estimated that between 37%-69% of the consumed ration was substituted for the normal home diet (3-p56).

Evaluation of outcomes are obviously necessary to determine if the supplemental feeding program has achieved the desired results and to determine what changes are needed to increase program effectiveness. As previously noted there have been very few substantiave evaluations of the supplementary feeding programs in CA/P. There has not been an evaluation of the feeding program in Guatemala for the last 12-13 years. In Honduras, where a good portion of the food supplements are fed to school children regardless of their level of malnutrition, to promote school attendance, there has never been any evaluation of whether or not the food supplements result in increased school attendance.

APPENDIX 4

CASE STUDY OF MISDIRECTED FOOD SUPPLEMENTS IN PANAMANIAN FOOD ASSISTANCE PROGRAMS

1. The food assistance programs in Panama at the time of the evaluation in 1982 were administered for the most part by CARE with a small portion of assistance also being administered by CRS. The stated goal of the CARE administered food assistance program was to reduce the 50% malnutrition rate which was reported to exist in the priority recipient categories of pregnant and lactating mothers, infants, and children. The major part of their effort was to distribute a daily ration of supplementary food commodities to the following recipient categories:

| | | |
|---|---|---|
| Mothers | 20,000 | (17%) |
| Infants | 40,000 | (34%) |
| School children | 55,000 | (49%) |
| TOTAL | 115,000 | |

The CARE administration and food products associated with this program total approximately $ 3.5 million, of which approximately $ 2.5 million is actual food and food shipping costs (5-p54).

2. The fact that the number of malnourished infants in Panama is greater than the total of all the beneficiaries supposedly served through the PL480 Title II supplementary feeding program in Panama in 1982 (5-p122), gives some indication of the excess need for food assistance in the country. A considerable percentage of the respondents interviewed in the evaluation thought that the program did not reach even half of the projected beneficiaries. Program officials, both provincial and national, were also inclined to judge the percent of malnourished infants served as very low (5-p122).

3. The evaluation, done by Development Associates, Inc., sampled 47 schools from a total of 2214 schools (5-p6). Even if data had been available regarding growth, the effect of the supplemental feeding programs in the schools on actual weight gain and growth would have been for the most part unmeasurable for numerous reasons. There was a significant discrepancy between the actual number of participants served in the program and the number of authorized beneficiaries which resulted for the most part in either an apportionment of the rations over too short a period or a reduction in the size of each ration distributed. As the ration was in most cases distributed equally to all school children regardless of their nutritional need, the reduced or interrupted distribution of food had for the most part no discernable nutritional impact on their normal or malnourished children.

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4. Neither the numbers on the central lists or the participants registered in the program coincided with the actual assistance rendered. Although some of the local feeding center directors were aware of the numbers on the official lists, many of them, unaware of the official numbers, were actually quite surprised to learn the extensive difference between the official numer of recipients and the actual number which they served. In many cases, the number of beneficiaries was as much as five-ten times greater than the number of participants indicated on the official distribution list resulting in an apportionment to 350-600 students of the rations intended for 50-60 students (5-p100).

5. To compensate for the discrepency in numbers, the schools utilized diverse methods to divide the products that would have been adequate for a much lower number of participants. In the majority of schools, the portion of the food supplements was adjusted to accomodate the number of students. When the number of beneficiaries increased, the amount of ration given each student was reduced and, conversely, if the number of beneficiaries decreased, the amount of ration given to each student increased (5-p76).

6. Another alternative used in some schools to stretch the supplement was to distribute the food only 2 or 3 days of the week. Other schools dealt with the shortage of food supplements engendered by the increase in participants by simply distributing the products to all participants until they ran out, at which point the program would be suspended until the next shipment of food. The alternative of providing the limited food supplements to only the malnourished children was implemented in only two schools of the 47 sampled (5-p100).

7. The insufficiency of the rations given the number of program participants was further exacerabated by the fact that the food products did not always arrive as acheduled causing interruptions in the provision of the food products (5-p121). Also many of the products arrived damaged by insects or rodents or in damaged containers which permitted food loss thus even further reducing the amount of food available for distribution (5-p121).

8. Ironically, in light of the gross food shortages that existed in a number of the food distribution centers, almost 10% of the centers in the sample actually distributed food to a lesser number of persons than noted on the official lists. In all of these cases the situation of less recipients than the number designated officially had existed for at least a year (5-p76).

9. Although programmatic goals stated otherwise, only 2.5% of the 157 interviewees offering suggestions regarding whom the program should serve felt that the malnourished should be the only beneficiaries of the program

(5-p124). Obviously for the malnourished schoolchildren the reduction in rations has a major impact on the ability of the program to have any positive impact on nutritional status (5-p102). In 11 schools that used PL480 supplements exclusively, the ration provided did not even suffice for 33% of the recommended daily nutrition for one meal. When age and sex of participants is taken into consideration, the discrepancy between need and nutritional supplements is even greater. The reduced food supplement rations also had no real impact on those children that were not malnourished. The fact that 80.5% of the children fed through the school feeding program in the third largest province were at normal level of weight and height, while in the same area there was a prevalance of 65.30% malnutrition among infants 2 to 5 years old, provides a vivid example of the skewed and ineffective implementation of the program.

10. Although it estimated that 40-60% of the preschool children were malnourished, the study noted that overall, only 20-30% of the Panamanian population in general was malnourished thus indicating that 70-80% were not. Based on this figure an assumption that at least 50% of the schoolchildren served were not malnourished is probably a conservative estimate and would account for the 4% (2/47) of the sample in which the food supplements were targeted only to malnourished children instead of all schoolchildren.

11. It was intended that the recepients of the school feeding program receive 65% of the amounts of the same commodities that were intended for participants in the maternal and infants feeding programs. As the school children comprised 49% of the total participants in the CARE program and consumed 65% of the purchased commodities, the amount of money spent in support of the school feeding program was $ 1,114,750 of which $ 796,250 was for food alone. Based on the fact that the stated goal for the distribution of the supplemental rations was to reduce the prevelance of malnutrition and that the provision of these rations to non malnourished children did nothing to accomplish the goal and in fact detracted from that goal, the actual loss to the program of the cost of those commodities is estimated conservatively at $ 398,125 (50% * $ 796,250). In addition to that amount is the cost of the lack of impact on malnourished children fed diluted portions. The number of malnourished children served less than one third of the intended portion (which had been designed to provide approximately 33% of the daily nutritional requirements), was determined by comparing participant and official lists and estimated at 2% of the total number that were "officially" supposed to be served by the program. This additional loss of impact increases the amount spent without achieveing the intended impact by an additional $16,343 (.02* $796,250). The resultant total of $ 414,468 ($16,343+398,125) represents 52% of the total commodity monies spent for the school feeding program.

12. Similar results of food supplements being distributed to a much larger number of recipients than for whom they were intended were found in both the maternal and the infant feeding programs. The evaluation noted that generally about 50% of the children being feed in the infant nutrition program were not malnourished. At the time that the evaluation was done infants being feed through the program were weighed and the results showed that over 61% were of normal weight for their height. Given the similar dilution of commodities intended to reduce malnutrition and the provision of commodities to non malnourished recipients, it is reasonable to apply the same percentage of loss to the entire $2,500,000 commodity cost of the program. The resultant loss of commodity monies is $1,300,000 and the total loss, which includes administrative costs, os $1,820,000.

APPENDIX 5

## COST BENEFIT STREAMS AT 15% DISCOUNT RATE

### TABLE 3

### TA IMPACT OF 5% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP % 5600 | 1120.00 | 973.913 | 846.880 | 736.418 | 640.363 | 4317.575 |
| INCAP $ 600.5 | 120.101 | 104.435 | 90.813 | 78.968 | 68.668 | 462.986 |
| TOTAL TA 6200.5 | 1240.101 | 1078.348 | 937.694 | 815.386 | 709.031 | 4780.562 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS -3% | 160.746 | 139.779 | 121.547 | 105.693 | 91.907 | 619.673 |
| MISDIRECT -40% | 2143.284 | 1863.725 | 1620.630 | 1409.244 | 1225.429 | 8262.313 |
| TOTAL -43% | 2304.030 | 2003.504 | 1742.177 | 1514.937 | 1317.336 | 8881.986 |
| COST-BENEFIT INDEX | | | | | | 1.85 |

### TABLE 4

### TA IMPACT OF 10% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 973.913 | 846.880 | 736.418 | 640.363 | 4317.575 |
| INCAP $ 600.5 | 120.101 | 104.435 | 90.813 | 78.968 | 68.668 | 462.986 |
| TOTAL TA 6200.5 | 1240.101 | 1078.348 | 937.6945 | 815.3865 | 709.031 | 4780.562 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS -3% | 321.492 | 279.558 | 243.094 | 211.386 | 183.814 | 1239.347 |
| MISDIRECT -40% | 4286.568 | 3727.450 | 3241.261 | 2818.488 | 2450.859 | 16524.62 |
| TOTAL -43% | 4608.060 | 4007.009 | 3484.355 | 3029.874 | 2634.673 | 17763.97 |
| COST-BENEFIT INDEX | | | | | | 3.71 |

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TABLE 5

TA IMPACT OF 20% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 973.913 | 846.880 | 736.418 | 640.363 | 4317.575 |
| INCAP $ 600.5 | 120.101 | 104.435 | 90.813 | 78.968 | 68.668 | 462.986 |
| TOTAL TA 6200.5 | 1240.101 | 1078.348 | 937.694 | 815.386 | 709.031 | 4780.562 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS -3% | 642.985 | 559.117 | 486.189 | 422.773 | 367.628 | 2478.694 |
| MISDIRECT -40% | 8573.136 | 7454.900 | 6482.522 | 5636.976 | 4901.718 | 33049.25 |
| TOTAL -43% | 9216.121 | 8014.018 | 6968.711 | 6059.749 | 5269.347 | 35527.94 |
| COST-BENEFIT INDEX | | | | | | 7.43 |

TABLE 6

TA IMPACT OF 30% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 973.913 | 846.880 | 736.418 | 640.363 | 4317.575 |
| INCAP $ 600.5 | 120.101 | 104.435 | 90.813 | 78.968 | 68.668 | 462.986 |
| TOTAL TA 6200.5 | 1240.101 | 1078.348 | 937.6945 | 815.386 | 709.031 | 4780.562 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS -3% | 964.477 | 838.676 | 729.283 | 634.159 | 551.443 | 3718.041 |
| MISDIRECT -40% | 12859.70 | 11182.35 | 9723.783 | 8455.464 | 7352.577 | 49573.88 |
| TOTAL - 43% | 13824.18 | 12021.02 | 10453.06 | 9089.623 | 7904.020 | 53291.92 |
| COST-BENEFIT INDEX | | | | | | 11.14 |

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TABLE 7

TA IMPACT OF 40% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 973.913 | 846.880 | 736.418 | 640.363 | 4317.575 |
| INCAP $ 600.5 | 120.101 | 104.435 | 90.813 | 78.968 | 68.668 | 462.986 |
| TOTAL TA 6200.5 | 1240.101 | 1078.348 | 937.694 | 815.386 | 709.031 | 4780.562 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS - 3% | 1285.970 | 1118.235 | 972.378 | 845.546 | 735.257 | 4957.388 |
| MISDIRECT - 40% | 17146.27 | 14909.80 | 12965.04 | 11273.95 | 9803.436 | 66098.50 |
| TOTAL -43% | 18432.24 | 16028.03 | 13937.42 | 12119.49 | 10538.69 | 71055.89 |
| COST-BENEFIT INDEX | | | | | | 14.86 |

TABLE 8

TA IMPACT OF 5% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 973.913 | 846.880 | 736.418 | 640.363 | 4317.575 |
| INCAP $ 600.5 | 120.101 | 104.435 | 90.813 | 78.968 | 68.668 | 462.986 |
| INCREASED ADM $ | 2473.02 | 2150.452 | 1869.958 | 1626.050 | 1413.957 | 9533.438 |
| TOTAL TA & ADM | 3713.121 | 3228.800 | 2807.652 | 2441.437 | 2122.988 | 14314.00 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS - 3% | 160.746 | 139.779 | 121.547 | 105.693 | 91.907 | 619.673 |
| MISDIRECT - 40% | 2143.284 | 1863.725 | 1620.630 | 1409.244 | 1225.429 | 8262.313 |
| TOTAL - 43% | 2304.030 | 2003.504 | 1742.177 | 1514.937 | 1317.336 | 8881.986 |
| COST-BENEFIT INDEX | | | | | | 0.62 |

TABLE 9

TA IMPACT OF 10% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 973.913 | 846.880 | 736.418 | 640.363 | 4317.575 |
| INCAP $ 600.5 | 120.101 | 104.435 | 90.813 | 78.968 | 68.668 | 467.986 |
| INCREASED ADM $ | 2473.02 | 2150.452 | 1869.958 | 1626.050 | 1413.957 | 9533.438 |
| TOTAL TA & ADM | 3713.121 | 3228.800 | 2807.652 | 2441.437 | 2122.988 | 14314.00 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS -3% | 321.492 | 279.558 | 243.094 | 211.386 | 183.814 | 1239.347 |
| MISDIRECT -40% | 4286.568 | 3727.450 | 3241.781 | 2818.488 | 2450.859 | 16524.62 |
| TOTAL -43% | 4608.060 | 4007.009 | 3484.355 | 3029.874 | 2634.673 | 17763.97 |
| COST-BENEFIT INDEX | | | | | | 1.24 |

TABLE 10

TA IMPACT OF 20% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 973.913 | 846.880 | 736.418 | 640.363 | 4317.575 |
| INCAP $ 600.5 | 120.101 | 104.435 | 90.813 | 78.968 | 68.668 | 462.986 |
| INCREASED ADM$ | 2473.02 | 2150.452 | 1869.958 | 1626.050 | 1413.957 | 9533.438 |
| TOTAL TA & ADM | 3713.121 | 3228.800 | 2807.652 | 2441.437 | 2122.988 | 14314.00 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS -3% | 642.9852 | 559.117 | 486.189 | 422.773 | 367.628 | 2478.694 |
| MISDIRECT -40% | 8573.136 | 7454.900 | 6482.522 | 5636.976 | 4901.718 | 33049.25 |
| TOTAL -43% | 9216.121 | 8014.018 | 6968.711 | 6059.749 | 5269.347 | 35527.94 |
| COST-BENEFIT INDEX | | | | | | 2.48 |

TABLE 11

TA IMPACT OF 30% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 973.913 | 846.880 | 736.418 | 640.363 | 4317.575 |
| INCAP $ 600.5 | 120.101 | 104.435 | 90.813 | 78.968 | 68.668 | 462.986 |
| INCREASED ADM $ | 2473.02 | 2150.452 | 1869.958 | 1626.050 | 1413.957 | 9533.438 |
| TOTAL TA & ADM | 3713.121 | 3226.800 | 2807.652 | 2441.437 | 2122.988 | 14314.00 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS -3% | 964.4778 | 838.676 | 729.283 | 634.159 | 551.443 | 3718.041 |
| MISDIRECT -40% | 12859.70 | 11182.35 | 9723.783 | 8455.464 | 7352.577 | 49573.88 |
| TOTAL - 43% | 13824.18 | 12021.02 | 10453.06 | 9089.623 | 7904.020 | 53291.92 |
| COST-BENEFIT INDEX | | | | | | 3.72 |

TABLE 12

TA IMPACT OF 40% ON PROGRAM LOSSES

| TA COSTS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
|---|---|---|---|---|---|---|
| ROCAP $ 5600 | 1120.00 | 973.913 | 846.880 | 736.418 | 640.363 | 4317.575 |
| INCAP $ 600.5 | 120.101 | 104.435 | 90.813 | 78.968 | 68.668 | 462.968 |
| INCREASED ADM $ | 2473.02 | 2150.452 | 1869.958 | 1626.050 | 1413.957 | 9533.438 |
| TOTAL TA & ADM | 3713.121 | 3228.800 | 2807.652 | 2441.437 | 2122.988 | 14314.00 |
| LOSS REDUCTION BENEFITS | YR 1 | YR 2 | YR 3 | YR 4 | YR 5 | SUM |
| FOOD LOSS - 3% | 1285.970 | 1118.235 | 972.378 | 845.546 | 735.257 | 4957.388 |
| MISDIRECT - 40% | 17146.27 | 14909.80 | 12965.04 | 11273.95 | 9803.436 | 66098.50 |
| TOTAL - 43% | 18432.24 | 16028.03 | 13937.42 | 12119.49 | 10538.69 | 71055.89 |
| COST-BENEFIT INDEX | | | | | | 4.96 |

1848g

## FINANCIAL ANALYSIS AND DETAILED BUDGET

### I. Financial Viability

#### B. INCAP's Equity Base

Traditionally INCAP has had strong budgetary support from the Pan American Health Organization (PAHO) to fund its core programs. In addition, PAHO has served as the Institute's banker-financier by providing the necessary working capital. INCAP has also established a Working Capital Reserve Fund. The target amount set by the Board of Directors in 1982 to strengthen this fund was $600,000. This target was realistic considering that the unrestricted balance of the Working Capital Reserve Fund stood at $162,000 on December 31, 1982. However, rather than add to this balance in years 1983-84, the reserve has gone to a slightly deficit position as shown in the following table.

Table 1
(In thousands)

| Dec. 31 | Working Capital Unrestricted Balance | Project Expend. Pending Reimb. from Donors | Reserve for Uncollectable | Balance |
|---|---|---|---|---|
| 1978 | $ 330 | N/A | N/A | N/A |
| 1979 | 244 | 1,408 | 23 | 1,385 |
| 1980 | 154 | 1,538 | 82 | 1,456 |
| 1981 | 73 | 623 | 14 | 609 |
| 1982 | 162 | 567 | 8 | 559 |
| 1983 | ( 86) | 597 | 195 | 402 |
| 1984 | ( 10) | 669 | 233 | 436 |

Although the Working Capital Reserve Fund has dropped to a slightly negative position, the principal reason for it doing so was a major write-down of accounts receivable from a donor institution for $188,000 in 1983. This adjustment to the accounting records was based on a recommendation included in the external audit of accounts for calendar year 1983. As such it can be expected that the other receivables due at that time were reviewed and deemed collectable.

As can be seen in the table above, the net unreserved balance of accounts receivable has dropped significantly over the past six years, thus reducing the potential exposure to future write-offs of this nature. Of the outstanding balance of $436,000 at December 31, 1984, approximately $365,000 is owed by AID, with miscellaneous major institutions making up the difference of $71,000. The likelihood of future write-downs against these receivables as charges to the INCAP Working Capital Reserve is unlikely. Therefore, INCAP is currently in a position to begin building reserves on a solid base.

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The Institute's goal of building such a reserve, hopefully reaching a minimum of $600,000 (from the current zero position) in the short to medium term, is based on continuing the effort to collect prior years' balances of quotas from the six member states. This plan is having some success. In 1984, payments received from member states amounted to $415,624, which is $115,624 in excess of the $300,000 assessed. This is the highest amount received from this source in the past six years as the following table indicates:

| Year | Quota Payments Received | Current Assessments | Prior Years Payments |
|---|---|---|---|
| 1979 | $ 241,957 | $300,000 | -- |
| 1980 | 166,853 | 300,000 | -- |
| 1981 | 188,031 | 300,000 | -- |
| 1982 | 385,699 | 300,000 | 85,699 |
| 1983 | 314,223 | 300,000 | 14,223 |
| 1984 | 415,624 | 300,000 | 115,624 |

As can be seen from the schedule, payments against prior years' balances have been made for the past three consecutive years for a total amount of $215,546. The member states have responded favorably to the Institute's collection campaign which indicates a certain satisfaction on their part and a sign that they will continue to make up on arrearages.

B. Financial Mechanisms with PAHO

1. Cash Advances

As stated in the previous section, in addition to strong budgetary support, PAHO provides banking and financing facilities to INCAP. Until such time as INCAP is able to accumulate adequate reserves, this relationship is vital to INCAP's solvency.

The financing facilities take the form of non-interest bearing cash advances from the PAHO Working Capital Fund to INCAP. These advances, which average in excess of one-half million dollars, provide INCAP with the capacity to bill donor agencies on a cost reimbursable basis. However, there is a limit set by PAHO as to the maximum level of advances, which is roughly equal to PAHO's annual appropriation for the Institute programs net of common service charges and the cost of the two PAHO employees on assignment at INCAP. For 1985, this net amount is $595,000 which sets the limit. If INCAP were to need additional cash during the year, it could pursue one of the following options:

- borrow on the open market;
- request that PAHO increase the limit;
- request that PAHO advance additional funds with interest
- request advances from donors.

As the Oral Rehydration Therapy Project becomes fully operational in 1985 and the Technical Support for Food Assistance Project comes on line in the second half of 1985, INCAP will need to expand its access to working cash. It is doubtful that the internal Working Capital Reserve Fund of INCAP will be sufficient to meet these needs in the short run, which are estimated to be roughly the following amounts:

| Year | Average Estimated Grant Activity | Expenses Pending Reimbursement | % |
|---|---|---|---|
| 1983 | 1,540,000 | 540,000 | 35 |
| 1984 | 1,365,000 | 500,000 | 37 |
| 1985 | 2,700,000 | 810,000 | 30 Est. |
| 1986 | 3,800,000 | 1,140,000 | 30 Est. |

Therefore, INCAP will be pressed to secure between two-hundred and five-hundred thousand dollars from one of the sources mentioned above within the next two years. This is an issue which is of concern to the leadership of the Institute and is receiving appropriate attention. The simplest and most straightforward solution would be to expand the line of credit with PAHO, interest charge or not or to request advances on the two major projects being funded by ROCAP because of its relative importance to the Institute's overall financing of activities. Borrowing from a table included on page I-21 of the Coopers & Lybrand report on INCAP dated January 1984, and updating it for the years 1983-86 (see following page), it can be seen that USAID will be increasing its relative share of total projects from about 22% in the period 1982-84 to about 70% for the period 1985-86. The relationship of USAID grants to INCAP's total budget for the same two periods also shows a dramatic increase from about 10% to about 50%.

Therefore, it is reasonable for ROCAP to respond within the limits of the total need, less the amount of $600,000 which PAHO has maintained and is apparently willing to maintain in the future. Any advances will be made on a quarterly basis based on a work plan and related estimated cash flow projections.

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2. Banking Arrangements

In addition to the provision of cash to INCAP, PAHO provides a valuable banking function. Through its facilities at Riggs National Bank of Washington, PAHO has established a checking account on behalf of INCAP, which is funded on a daily basis by PAHO to cover any and all checks drawn by INCAP and presented to Riggs for payment. Thus, the account is kept with a perpetual bank balance of zero, which eliminates the possibility of idle cash balances in bank accounts. This account is particularly useful for transferring cash from Washington to Guatemala City. INCAP writes a check to itself against the Riggs account and deposits it in a U.S. Dollar account in Guatemala, from where it can be used to convert U.S. currency into Quetzales.

INCAP
PROJECT REVENUE SUMMARY
AID AS PROPORTION OF TOTAL

| | (000) Project Revenues | % of Total Proj. Revenues | % of Total INCAP Budget |
|---|---|---|---|
| **1982** | | | |
| AID | $ 412 | 26% | 12% |
| EEC | 342 | 22 | 10 |
| UNU | 245 | 15 | 7 |
| Others | 592 | 37 | 17 |
| TOTAL | 1,591 | 100 | 47 |
| **1983** | | | |
| AID | 374 | 24 | 11 |
| EEC | 421 | 26 | 12 |
| UNU | 165 | 10 | 5 |
| Others | 633 | 40 | 18 |
| TOTAL | 1,593 | 100 | 46 |
| **1984** | | | |
| AID | 267 | 18 | 8 |
| EEC | 404 | 27 | 12 |
| UNU | 149 | 10 | 5 |
| Others | 667 | 45 | 20 |
| TOTAL | 1,487 | 100 | 45 |
| **1985-Budget** | | | |
| AID | 1,896 | 69 | 45 |
| EEC | 46 | 2 | 1 |
| UNU | 130 | 5 | 3 |
| Others | 665 | 24 | 16 |
| TOTAL | 2,737 | 100 | 65 |
| **1986-Projections/1** | | | |
| AID | 2,900 | 77 | 55 |
| EEC | 50 | 1 | 1 |
| UNU | 150 | 4 | 3 |
| Others | 650 | 18 | 12 |
| TOTAL | 3,750 | 100% | 71% |

1/ Assumes ROCAP Food Assistance Project fully operational, all other programs and projects remain the same.

Another valuable service which PAHO provides at considerable savings to INCAP is to receive contributions, destined for INCAP, such as quota payments, in currencies other than U.S. Dollars. Because PAHO can use the local currency quickly in its own operations within the given country, it is possible for it to give credit to INCAP in U.S. Dollars in Washington immediately, thus avoiding the risk of devaluations and currency exchange losses. This mechanism has facilitated INCAP's drive to collect prior years' quotas due by allowing the member states to pay in local currency.

C. Impact of Parallel Market on Financial Viability

The official recognition of the Guatemalan Government in November 1984 of the parallel exchange market for foreign currency is likely to have a beneficial effect on INCAP's financial position. This is so because virtually all INCAP's resources are channeled through PAHO headquarters in Washington, D.C., and thus are in the form of U.S. dollars. To be able to convert these dollars on demand into Quetzales at a substantially higher rate (approximately 50% at the time of drafting this analysis) than the official fixed rate, obviously generates more local currency to meet local expenses in Guatemala. Until such time as the cost of goods and services in Guatemala rise to the level of this monetary devaluation of the Quetzal, INCAP will benefit from this circumstance, that is, the U.S. dollar equivalent of these expenditures will be approximately one-third lower than would be if the official rate were still in effect. Although INCAP has stated that it cannot move its conversion of U.S. dollars to the parallel market until there is an official change within the United Nations system, the Guatemalan Government has expressed no objections for it to do so, and the U.N. approval is likely to be soon forthcoming.

Because a substantial percent of INCAP's expenditures are disbursed in Quetzales, INCAP should be able to purchase an expanded quantity of goods and services for the same budget amount which is forecast in U.S. Dollars. As a point for comparison, during 1984, about 50% of the total budget was disbursed in local currency, at the rate of approximately 125,000 U.S. dollar equivalent per month. This equals $1,500,000 per year, so that there is a potential of obtaining these same services for the equivalent of U.S. $1,000,000 or a savings of U.S. $500,000 at the same level of operations. Actual apparent savings will fall somewhere between zero (if the U.N. system does not change) and the one-half million Quetzales. Non-grant funds will be used to capitalize the Working Capital Reserve Fund.

II. Financial Management/Financial Reporting

A. Personnel and Physical Facilities

With the approval of the AID grant for Oral Rehydration Therapy in December 1984, INCAP has begun to prepare for the increased burdens and pressures which will be placed on the Administrative Services Division to account for and provide timely reporting on project financial activity. The 1985 budget for Building and Equipment Services has been substantially

expanded to provide for office space adaptation to accomodate contemplated additional personnel, both technical and administrative. Two new administrative posts have been added to strengthen the current staff of seventeen within the Administrative Services Division. It is contemplated that with the inclusion of the Food Assistance Project, one additional administrative post will be added to this division. The addition of these three administrative/accounting personnel is proper and will be sufficient to support both projects once fully operational.

Finally, in relation to personnel, under the proposed budget for the Food Assistance Project, a full-time program management logistics post will be financed from the AID contribution as a direct charge to the project. This should substantially strengthen the internal management of the Food and Nutrition Planning Division, which will be responsible for project implementation, to maintain strict liaison on all budgetary matters with the Administrative Services Division and allow for ongoing verification of the accuracy and completeness of the budgetary records.

B. Automated Data Processing Capability

Paramount to being able to control and report on project financial transactions is the capacity of the currently installed automated financial data system to handle the level of disaggregation of the project's components and subcomponents in line with the structure of the budget being put forth in the Project Paper, and eventually a signed agreement. INCAP is now in the process of purchasing an IBM PC computer with its own funds to replace computer equipment currently in use in the Administrative Services Division. This computer will have more than enough capacity to handle the project budget and the desired level of disagregation.

3. Control of Expenditures Away From Headquarters

Under both the ORT and Food Assistance Projects, there will be substantial expenditures incurred by INCAP personnel in the various member States. It has been the policy of INCAP to use the administrative disbursement and reporting mechanisms of the local national PAHO resident offices in support of field activities. In recent times there has been only one major field project, executed in Panama, that has utilized these mechanisms. Expenditure activity for this project was handled by PAHO-Panama, with reporting being channeled through PAHO headquarters in Washington for posting to PAHO's main set of accounts, with subsequent transmission of information to INCAP's headquarters in Guatemala. This has proven to be a time-consuming process leaving INCAP totally dependent on PAHO-Washington reporting mechanism. A modification to these procedures will be implemented to allow for the direct control of all expenditures by INCAP.

## III. Indirect Cost Allocations

### A. Background

INCAP has an established procedure to allocate indirect costs to the programs and projects based on a percentage of the monthly direct costs. To the extent that the base is not sufficient to absorb the allocations (which are set at predetermined percentages), INCAP general funds (quotas and miscellaneous income which is principally from the royalties on INCAPARINA and tuition) must fund the difference. Using actual expenditures, the 1984 yearly results of this procedure of cost allocations can be summarized as follows:

| Funding Source | Direct Expense | Indirect Cost | Ratio Indirect of Direct |
|---|---|---|---|
| INCAP Quotas, etc. | $ 320,224 | $179,776 | 56.1% |
| PAHO (OPS, OMS) | 911,936 | 221,569 | 24.3% |
| Grants, Other | 1,407,873 | 235,921 | 16.8% |
| TOTAL | $2,640,033 | $637,266 | 24.1% |

These results show a wide variance with the budgeted amounts for 1984 which were as follows:

| Funding Source | Direct Expense | Indirect Cost | Ratio Indirect of Direct |
|---|---|---|---|
| INCAP Quotas, etc. | $ 393,432 | $106,568 | 27.1% |
| PAHO (OPS, OMS) | 918,985 | 191,365 | 20.8% |
| Grants, Other | 1,308,607 | 289,432 | 22.1% |
| TOTAL | $2,621,024 | $587,365 | 22.4% |

The indirect cost contribution generated by grant activity was $53,511 short of projections while the indirect expense exceeded the budgeted amount by $49,901. This combined shortfall in funding of $103,412 was absorbed by INCAP Quotas ($73,208) PAHO/WHO ($30,204). The $53,511 shortfall related to grant activity was not caused by lack of execution. The actual expenditures ($1,407,873) exceeded the budget amount ($1,308,607) by nearly one hundred thousand dollars. Rather the shortfall was caused by the fact that about 40% of the grant projects contributed a very low overhead rate, ranging from 0% to 14%.

This negative experience has prompted the leadership of INCAP to search for more predictable ways to fund its common service indirect costs. They have settled on two basic objectives:

1. Increase the direct program base by expanding grant funded activities;

2. Obtain agreement with donor agencies to contribute a higher fixed percentage of direct program costs to fund indirect charges.

The new ORT project has a provisional overhead rate of 30%. This rate was agreed upon based on a proposal by INCAP for a 36.5% rate and a study of INCAP indirect cost allocation procedures carried out by the ROCAP Controllers Office which suggested that recent INCAP experience of Indirect/Direct ratios settled around 31%.

At the same time, for the 1985 program budget, the proportion of grant projects which will contribute at the lower range of 0% to 14% has dropped from 40% of the total in 1984 to 15%. As the older donor agreements, which carried these lower rates (including ROCAP), come to an end, the average percentage contribution to finance indirect costs should increase.

B. Criteria for Establishing Overhead Rates at INCAP

Depending on the composition of the indirect cost centers and the size and definition of the direct cost base, the corresponding ratios can range widely. Using actual expenditure data for 1983 and 1984 and the 1985 program-budget for INCAP, the ratios range from 25% to 38%. Somewhere within this range lies an equitable rate. However, any rate will provide adequate funding of INCAP's budget only to the extent that it is applied across all funding sources. This then is the second criteria which needs to be examined.

1. Definition of Indirect Costs

In his letter to the Director of ROCAP of August 29, 1984, the Director of INCAP set forth a definition of indirect costs comprised of three elements as follows:

(a) -Central support divisions
-Building and Equipment Services
-Central Library
-Administrative Services

(b) -Administrative personnel not included in (a) above.

(c) -Equipment Replacement Fund.

There is a general consensus that the central support divisions are to be included. A summary of what they entail is as follows:

| | ($000) 1984 Expense | 1985 Budget |
|---|---|---|
| - Building and Equipment Services | | |
| Personnel (31 staff) | $133 | $142 |
| Overtime | | 3 |
| Travel | | 8 |
| Contracted Services 1/ | 2 | 150 |
| Operating Expenses 1/ | 149 | 65 |
| Supplies and Equipment | 17 | |
| Training | | 1 |
| | $301 | $369 |
| - Library | | |
| Personnel (7 staff) | 51 | 56 |
| Contracted Services | 10 | 5 |
| Operating Expense | 1 | 2 |
| Supplies and Equipment | 48 | 48 |
| | $110 | $111 |
| - Administrative Services 2/ | | |
| Personnel (17 staff) | $194 | $188 3/ |
| Travel | 2 | 5 |
| Contracted Services | - | 10 |
| Operating Expense | 16 | 17 |
| Supplies and Equipment | 18 | 16 |
| | $230 | $236 |
| - TOTAL (55 staff) | $641 | $716 |

1/ Total of operating expenses and contracted services increased by $64,000 from 1984 to 1985. This amount principally represents the cost of office remodulation to accommodate new staff to be hired under ORT project.

2/ Includes Accounting, Budgeting, Personnel, Procurement and Administrative Data Processing Units.

3/ Two new administrative posts to be added as result of expected added workload resulting from ORT Project are to be accomodated within this budgeted amount.

The second category of other administrative personnel is comprised of the following twenty-two posts:

| | | 1985 Budget |
|---|---|---|
| **Direction** | | |
| 1. | INCAP Director (50% of time) | $38,250 |
| 2. | Chief Administrator | 57,500 |
| | | $95,750 1/ |
| **Secretaries** | | |
| 1. | Director's Office | $10,000 |
| 2. | Administration Division | 8,100 |
| 3. | Information Unit | 9,900 |
| 4. | Information Unit | 9,700 |
| 5. | Planning Unit | 7,700 |
| 6. | Human Resources Division | 9,800 |
| 7. | Coordination of Technical Cooperation | 8,100 |
| 8. | Coordination of Research | 9,200 |
| 9. | Nutrition and Health Division | 8,600 |
| | | $81,100 |
| **Administrative Assistants** | | |
| 1. | Director's Office | $14,325 |
| 2. | Information Unit | 14,700 |
| 3. | Coordination of Human Resource Development | 11,900 |
| 4. | Coordination of Research | 11,400 |
| 5. | Agricultural Science Division | 11,200 |
| 6. | Nutrition and Health Division | 11,800 |
| 7. | Food and Nutrition Planning Division | 11,800 |
| 8. | Food and Nutrition Planning Division | 11,900 |
| | | $99,025 |
| **Others** | | |
| 1. | Chief, Document and Information Unit | $17,500 |
| 2. | Asst. Chief, Doc. and Information Unit | 14,900 |
| 3. | Editor/Translator, Doc. and Info. Unit | 14,200 |
| | | 46,600 |
| | T O T A L | $322,475 |

1/ PAHO Personnel

Whether or not to include this roster of administrative and support staff rests on the issue of to what degree the services they provide are common to all programs and conversely which positions are clearly identifiable with a particular program. The secretarial and administrative assistant positions located within the structure of the technical divisions and coordinating units fall within the latter category and should remain charged to their respective budgetary accounts. On the other hand, the personnel of the Information Unit, including the two secretaries and the administrative assistant provide services to all the technical divisions and therefore are more appropriately classified as part of the indirect cost pool.

The two positions of Director and Chief Administrative Officer present a special circumstance, for while their services to the Institute are surely administrative in part if not entirely, the incumbents are both members of the PAHO's staff and included on its payroll. Until such time as these two positions are converted to regular INCAP staff, under the rules, procedures and salary scales of the Institute, they will not form part of the indirect cost pool to be allocated to the programs. At the same time however, they should be classified as administrative and eliminated from the program base of providing direct services to the member states.

The third element suggested for inclusion in the indirect cost pool is an amount to fund equipment replacement. INCAP proposes to establish a separate fixed asset fund from which future acquisitions will be financed. This would be a highly desirable innovation which would provide for a planned schedule of fixed assets upgrading or replacement. This implies that cash would be physically separated from the general operating funds to assure future financing of equipment. In addition, program funding would not include line items for equipment other than very specialized equipment not usable in a general sense. Under these conditions, the equipment replacement element of indirect cost is acceptable.

2. Application of Indirect Costs to Programs and Projects

Applying the INCAP formula, the breakdown by funding source for the 1985 budget would be as follows:

## 1985 PROGRAM BUDGET

(In Thousands)

| | INCAP FUNDS | PAHO | WHO | GRANTS 1/ | TOTAL |
|---|---|---|---|---|---|
| Direct Costs | 446 | 729 | 165 | 2,154 | 3,494 |

Costs Centers

| | |
|---|---|
| Central Support (not included above) | 717 |
| Administrative Personnel - INCAP | 227 |
| Administrative Personnel -PAHO | 96 |
| Equipment Replacement (10% of current inventory) | 32 |
| | 1,072 |

| | | |
|---|---|---|
| Cost Centers | $1072 = | 30.7% |
| Program Costs | $3494 | |

As presented, there is an apparent duplication in the assignment of the "Administrative Personnel" of $227,000 and $96,000. These amounts, which are classified above in the indirect cost array, are in fact included in the Direct Costs array - $227,000 under INCAP and 96,000 under PAHO in the program budget. The same anomaly occurs in the 1986 projections presented on the following page.

1/ Includes ORT Project, excludes Food Assistance Project.

| | 1986 Estimates (In Thousands) | | | | |
|---|---|---|---|---|---|
| | INCAP FUNDS | PAHO | WHO | 1/ GRANTS | TOTAL |
| Direct Costs | 450 | 729 | 165 | 3,154 | 4,498 |

Cost Centers

| | |
|---|---|
| Central Support (12% increase over 1985) 2/ | 800 |
| Administrative Personnel - INCAP | 227 |
| Administrative Personnel - PAHO | 96 |
| Equipment Replacement | 32 |
| | 1,155 |

Cost Centers $\frac{\$1,155}{4,498} = 25.7\%$

1/ Assumes that the Food Assistance project comes on line in 1986 for an estimated $1 million and other grant activity continues at the 1985 rate.

2/ Assumes that INCAP has excess administrative capacity of physical plant and basic administrative systems.

If INCAP were to rectify this inconsistency by creating an additional cost center for these administrative personnel and purging them from the direct cost base, the formula would be more acceptable. Then, if the direct cost base was increased up to the previous dollar level through expansion of program activities the overhead rates as calculated would be appropriate. The obvious risk in such a move would be to have the entire indirect cost pool, in excess of $1 million and eighty staff members, entirely dependent on maintaining a program base in excess of $4 million. The implication to the donors of adopting this hypothetical arrangement for 1986, regarding the funding of indirect costs, would be as follows:

(In Thousands)

| Funding Source | Direct Programs | Indirect at 25.7% | Total Funding |
|---|---|---|---|
| INCAP Quotas | $ 450 | $ 115 | $ 565 |
| PAHO | 729 | 187 | 916 |
| WHO | 165 | 42 | 207 |
| Grants | 3,154 | 811 | 3,965 |
| TOTAL | $4,498 | $1,155 | $5,653 |

The weak link in this equation is the ability of INCAP to obtain agreement from all donors to contribute a standard overhead rate and their ability to cover any shortfalls with quota and miscellaneous income of their own. An inspection of experience to date will demonstrate that difficulty.

3. Overhead Rate Experience

Based on the pre-established overhead rate for projects carried out during 1984 INCAP was able to generate $235,920 of indirect cost charges on a base of $1,407,866 of direct costs, or an effective rate of 17%. Projections in the 1985 budget indicate that $523,683 will be generated on a base of $2,212,864, or an effective rate of 24%. This will materialize of course only to the extent that the programs are executed on a timely basis within 1985 and that no substantial portion is postponed to 1986. This shows improvement and indicates a hope that the effective overall rate can be increased to the minimum of 26.2% required for 1986. However, this improvement from 15% to 24% is generated almost entirely by the ROCAP-funded ORT project. If this project is removed from the schedule, the net change of the remaining projects, taken as a whole, is 1 point, a move from 17% to 18%, demonstrated as follows:

(In thousands)

| | Total Expense | Less Indirect Cost Allocation | Net Direct Charges | % of Indirect to Direct |
|---|---|---|---|---|
| Per Schedule 1 | $2,737 | $524 | $2,213 | 24% |
| Less ORT | 1,313 | 303 | 1,010 | 30% |
| Balance | $1,424 | $221 | $1,203 | 18% |

The ROCAP ORT project which carries a realistic 30% overhead rate, is a step in the right direction. However, other donors must agree to increase their proportions. The contributors with significantly lower rates are:

| | | |
|---|---|---|
| 1) | University of the United Nations | 14% |
| 2) | NAS | 16% |
| 3) | IDRC | 13% |
| 4) | Fellowship projects | 0% |

The first three should be required to raise their rates, or alternatively absorb administrative expenses equivalent to the shortfall, as direct program costs. IDRC apparently is doing so to some extent. The fourth should be charged standard rates to be funded by INCAP general funds if possible, or be dropped from the base and accounted for as a special category. The former is preferable in that all grants would be treated equally but it would require alloting regular INCAP income to these projects and the corresponding amount would not be available for INCAP-funded direct program costs. More simple and perhaps just as effective would be to drop fellowship projects from the base and account for them separately.

4. Alternative Definition of Indirect/Direct Ratio and Applications

The facts, figures and analysis presented in Section 2 above suggests that it may well be risky for INCAP to expand its indirect cost pool. By literally funding all administrative costs through indirect cost allocations,

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any future cutback in the service programs would require immediate cutbacks on the administrative side. Even though budget reductions in the technical projects may be cyclical or only temporary, the corresponding elimination of administrative posts may be very disruptive to the Institute's ability to manage its activities.

An alternative configuration is presented below which takes this concern into consideration, as well as allowing for some slippage in the consistent application of rates to all donors. There are five basic assumptions in this alternative:

a. The indirect cost pool would include:

- Central Support Divisions
- Equipment Replacement Fund
- Personnel costs of staff assigned to the Information Unit and the secretary to the Administrative Division

b. Salaries of Chief Administrative Officer and 50% of the Director continue to be funded directly by PAHO.

c. All other core administrative posts be fully funded by quota income.

d. That the costs associated in items a. to c. above be segregated from the costs of direct service to the countries by establishing an administrative fund.

e. For purposes of establishing an indirect cost rate, the direct program base will be reduced by the amount of fellowhip programs which traditionally have not been burdened with indirect costs. For illustrative purposes in the examples which appear below, this amount has been estimated to be $400,000 per annum.

5. Recommended Overhead Rate

Applying the above five criteria to the projected activity for 1985 and 1986, the resulting percentage overhead rates are 30% and 25% respectively. The rate which would result in applying the criteria to the actual figures for 1984 is 39%, which is a clear indication that INCAP in fact has had excess installed administrative capacity and by expanding its program base in 1985 and 1986 the overhead rate will drop. It is unclear as to how low this rate may drop, but excess administrative capacity will probably be all but used up once both the ORT and Food Assistance projects are fully

operational by 1986, and common service charges will rise at par, or even at an accelerated rate, compared to new program costs, and the overhead rate will probably not drop below 25%. Although, it is not possible to give an exact projection as to the mix of indirect and direct costs for either 1985 or 1986, the amounts used for calculations are very close approximations and it is not expected that the variance from the 30% overhead rate in 1985 or the 25% in 1986 will be more than 4 percentage points. The expected ranges would be as follows:

| | | | |
|---|---|---|---|
| 1985 | 26% | to | 34% |
| 1986 | 21% | to | 29% |

With reference to setting an overhead rate between ROCAP and the Institute, a provisional rate of 25% will be used for the Food Assistance Project with the understanding that this rate may vary to a maximum of 30% and a minimum of 21% during the course of project execution. The detailed Project Budget uses a 30% rate. At the closing of INCAP's books at year end, the actual rate will be calculated using the above criteria. A retroactive adjustment for indirect charges made against this ROCAP project will then be made as of December 31 of each year which will then become the provisional overhead rate in the following year.

6. Impact of Parallel Market on Overhead Rate

The Chief Administrative Officer of INCAP has stated to ROCAP that the books of record on the Institute will continue to be posted in U.S. dollars. All disbursements made in Quetzales will be converted to U.S. dollar equivalents at the current parallel market exchange rate then in effect during the month of any given transactions.

The impact of this procedure will be to record lower costs in U.S. dollar equivalents, assuming that the local inflation rate lags behind the currency devaluation rate. This is likely in the short term. Therefore, one would expect that both indirect and direct costs would be lower than currently projected, but that the relationship (overhead rate) would not substantially change. If anything, these potential savings could generate a superavit from INCAP's operations financed by quotas from the member states and serve to reinforce the Working Capital Reserve, Fund, which would be highly desirable.

## IV. Audits

As INCAP is progressively obtaining a greater degree of autonomy and responsibility to manage its financial management systems, the need for an audit function with the Institute, separate and apart from the PAHO audits, becomes greater. With the improvements made in 1984 with regards to the interchange of accounting transactions on a regular basis between PAHO Washington and INCAP Guatemala, INCAP accounting records are much more complete and have been kept on a current basis. As a result, INCAP has the capability to produce its own financial statements. In fact, the three basic financial statements -- Balance Sheet, Income and Expenses, and Grant Fund Receipts and Expenses -- have been prepared (in preliminary form) as of December 31, 1984 by INCAP personnel. This ability to prepare one's own financial statements is an essential step in preparing for a meaningful external audit.

What would be the advantage of INCAP contracting on external audit as opposed to the current PAHO arrangement? There would be two of major consequence:

1. A more detailed examination of supporting documentation would be likely, as well as an accumulation of understanding and knowledge of the Institute by the auditors as they repeated their examinations over the years.

2. A management review could (and should) be a byproduct of the strict auditing of the numbers. Such a management review would highlight deficiencies in policies and practiced procedures in a framework of internal control systems. This built-in annual review would promote further enhancements to INCAP's internal financial management.

Over time it is to be expected that INCAP will develop a set of financial statements which meet the reporting needs specific to the operations of the Institute as opposed to the general requirements of PAHO. This could include on-going monitoring statements of grant project activity so that these may be managed more closely.

INCAP will contract a local auditing firm to conduct annual financial audit and management reviews beginning with the year ending December 31, 1985 using funds allocated for indirect costs.

With regards to ROCAP's particular certification needs as to the appropriateness of the charges against AID grant funds, and in particular, the charges for indirect cost allocations, a more specific review of INCAP's records, at least in the initial two years of the ORT and Food Assistance projects, will be carried out. The focus of this review will be on

ascertaining the correctness of the overhead rate applied by INCAP, in accordance with the agreed-upon formula which will define the elements to be included both in the direct cost base and the indirect cost pool. A project funded accounting expert will be contracted to review INCAP's records in late January of each year, once the accounting records have been closed for the year. This expert will also provide an assessment of the provisional overhead rate to be used in the upcoming year based on the prior year's results and a review of the new year program budget. This task should be accomplished with approximately two to three weeks effort.

# I N C A P
## FORMULA FOR ESTABLISHING OVERHEAD RATE

**A. Indirect Cost Pool**

1. Administrative Services
2. Library
3. Building and Equipment Services
4. Information UNIT personnel posts as per attached list
5. Secretarial Post-Administration Division
6. Office furniture and equipment replacement at rate of 10% of inventory at historical cost.* Not to include scientific or laboratory equipment or other specific program related equipment.

**B. Direct Cost Base**

1. INCAP program costs defined as total budget currently at $446,000 less line 4 and 5 of indirect cost pool and less other core administrative personnel funded by quotas, principally being secretarial and administrative assistant posts in the various operational divisions.

2. PAHO total support less proportional cost of posts of two top positions occupied by PAHO employees which has been defined by INCAP to be 100% of the Chief Administrator posts, and 50% of the Director's post.

3. WHO project costs.

4. Grant and contributions less any program dedicated to fellowships.

**C. Ratio**

The overhead rate will be the simple percentage ratio between the Indirect Cost Pool and the Direct Cost Base as defined above.

$$\frac{\text{Indirect Cost Pool}}{\text{Direct Cost Base}} = \%\ \text{overhead rate.}$$

---

* See attached representative list

# I N C A P

## OVERHEAD RATE FORMULA APPLIED TO 1985 PROGRAM BUDGET

### A. Indirect Cost Pool

| | | |
|---|---|---|
| 1. | Administrative Services | $ 236,363 |
| 2. | Library | 110,593 |
| 3. | Building Equipment Services | 369,332 |
| 4. | Information Unit | 66,000 |
| 5. | Secretarial Post Admin. | 8,100 |
| 6. | 10% x $320,000 | 32,000 |
| | | $ 822,388 |

### B. Direct Cost Base

| | | | |
|---|---|---|---|
| 1. | INCAP Program Cost | 446,110 | |
| | Less: 4 + 5 above | [74,100] | |
| | Less: Other Core Admin. Personnel (attached list) | [152,900] | 219,110 |
| 2. | PAHO Form support | 728,869 | |
| | Less: 50% Directors Post + 100% Chief Admin. Post | [96,000] | 632,869 |
| 3. | WHO - Projects | | 165,000 |
| 4. | Grants/Contributions | 2,154,526 | |
| | Less: Estimated Fellowships | (400,000 ) | 1,754,526 |
| | | | $2,771,505 |

### C. Overhead Ratio

$$\frac{\$822,388}{\$2,771,505} = 29.7\%$$

# I N C A P

## INFORMATION UNIT PERSONNEL INCLUDED IN OVERHEAD
## 1985 PROGRAM BUDGET

| Position | 1985 Budget |
|---|---|
| Chief, Document and Information unit | $ 17,500 |
| Administrative Assistant | 14,700 |
| Secretary 9,900 | |
| Secretary 9,700 | |
| Editor - Translator | 14,200 |
| TOTAL | $ 66,000 |

# I N C A P

## CORE ADMINISTRATIVE POSTS EXCLUDED FROM OVERHEAD
## 1985 PROGRAM - BUDGET

### Secretaries

| | | |
|---|---|---|
| 1. | Director's Office | $10,000 |
| 2. | Planning Unit | 7,700 |
| 3. | Human Resources Division | 9,800 |
| 4. | Coordination of Technical Cooperation | 8,100 |
| 5. | Coordination of Research | 9,200 |
| 6. | Nutrition and Health Division | 8,600 |
| | | $53,400 |

### Administrative Assistants

| | | |
|---|---|---|
| 1. | Director's Office | $14,625 |
| 2. | Coordination of Human Resource Development | 11,900 |
| 3. | Coordination of Research | 11,400 |
| 4. | Agricultural Science Division | 11,200 |
| 5. | Nutrition and Health Division | 11,800 |
| 6. | Food and Nutrition Planning Division | 11,800 |
| 7. | Food and Nutrition Planning Division | 11,900 |
| 8. | Food and Nutrition Planning Division | 14,900 |
| | | 99,525 |
| | T O T A L | $152,925 |

# I N C A P
## OFFICE FURNITURE AND EQUIPMENT INVENTORY
## REPRESENTATIVE CATEGORIES
## AT JANUARY 1, 1985

| | Estimated Quantity | Cost |
|---|---|---|
| Typewiters | 30 | 45,000 |
| Photocopiers | 8 | 25,000 |
| Vehicles 1/ | 3 | 30,000 |
| Computer Equipment | | |
| Computer Center | | |
| Administrative Computer | | 75,000 |
| Word Processing | | 30,000 |
| Maintenance | | 25,000 |
| Basic Office Furniture | | 30,000 |
| Telephone System | | 30,000 |
| Laundry Equipment | | 15,000 |
| Maintenance Equipment | | 15,000 |
| TOTAL | | $320,000 |

1/ Total number of vehicles is 9, 6 of which replacement funding will be generated by usage charges.

## DETAILED BUDGET BY PROJECT COMPONENTS

### I. PLANNING AND COORDINATION

**A.** Subregional Technical Advisory Committee (STAC)

| | |
|---|---|
| 1. 6 meetings, 14 participants each, Travel and per diem each participant = $990 | US$ 83,160 |
| 2. Operational expenses ($200 each meeting) | 1,200 |
| 3. Supplies ($800 each meeting) | 4,800 |
| Subtotal subcomponent A | US$ 89,160 |

**B.** Task forces

| | |
|---|---|
| 1. 16 meetings, 6 participants each. Travel and per diem each participant = $1,000 | US$ 96,000 |
| 2. Operational expenses ($200 each TF) | 3,200 |
| 3. Supplies ($1,200 each TF) | 19,200 |
| 4. Visual aid ($600 each TF) | 9,600 |
| Subtotal subcomponent B | 128,000 |
| TOTAL component I | US$ 217,160 |

### II. SUBREGIONAL TRAINING

**A.** Subregional Seminars

| | |
|---|---|
| 1. 3 meetings, 40 participants each. Travel and per diem each participant =$1,080 | US$ 129,600 |
| 2. Operational expenses ($500 each meeting) | 1,500 |
| 3. Supplies ($3,500 each meeting) | 10,500 |
| 4. Visual aids ($2,000 each meeting) | 6,000 |
| Subtotal subcomponent A | US$ 147,600 |

B. Subregional Workshop and Courses

1. Food assistance for displaced persons or emergency situations (one workshop/2 weeks)

| | | |
|---|---|---|
| a. Consultants: expert on management of emergency FAP (2 weeks) and expert of management of FAP's for displaced persons (2 weeks) | US$ | 10,000 |
| b. Scholarships, 24 participants ($1,100 each) | | 26,400 |
| Subtotal activity B.1 | US$ | 36,400 |

2. Identification and design of FAP (2 courses/ 2 weeks each)

| | | |
|---|---|---|
| a. Consultants: two experts on formulation and design of social development programs (6 weeks) | US$ | 9,600 |
| b. Scholarships - 24 participants each course ($1,050 each) | | 50,400 |
| Subtotal activity B.2 | US$ | 60,000 |

3. Management of food aid programs (3 courses/ 2 weeks each)

| | | |
|---|---|---|
| a. Consultants: two experts on management of food assistance programs (6 weeks) | US$ | 9,600 |
| b. Scholarships - 24 participants each course ($1,100 each) | | 79,200 |
| Subtotal activity B.3 | US$ | 88,800 |

4. Food management and preservation in FAP (2 courses/2 weeks each)

| | | |
|---|---|---|
| a. Consultants: expert on food handling and storage (3 weeks) | US$ | 4,800 |
| b. Scholarships - 24 participants each course ($1,100 each) | | 52,800 |
| Subtotal activity B.4 | US$ | 57,600 |

| | | |
|---|---|---|
| 5. | Techniques and methodologies to FAP for food and nutrition education for food assistance programs (2 courses/6 weeks each) | |
| | a. Consultants: 2 experts on educational methodologies (6 weeks) | US$ 9,600 |
| | b. Tuition - 24 participants each course ($2,150 each) | 103,200 |
| | Subtotal activity B.5 | US$ 112,800 |
| 6. | Information and evaluation systems (2 courses/4 weeks each) | |
| | a. Consultants: expert on information systems (3 weeks) | US$ 4,800 |
| | b. Scholarships - 30 participants each course | 102,000 |
| | Subtotal activity B.6 | US$ 106,800 |
| | Subtotal subcomponent B | US$ 462,400 |
| C. | Observational site visits 30 trips, $2,000 each | US$ 60,000 |
| | Subtotal subcomponent C | 60,000 |
| | TOTAL component II | US$ 670,000 |

III. TECHNICAL ASSISTANCE

| | | |
|---|---|---|
| 1. | International travel, 360 weeks, $990 each | US$ 356,400 |
| 2. | Local travel in member countries | 34,500 |
| | TOTAL component III | US$ 390,900 |

IV. OPERATIONS RESEARCH

A.1 Evaluation of FAP Operations Institutional Capacity and Food Utilization at the Household Level (4 prog. in each of 2 countries)

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| | | |
|---|---|---|
| 1. Field personnel (22 months - director) | US$ | 28,800 |
| 2. Consultants: expert in process evaluation (6 weeks) | | 20,000 |
| 3. Local travel | | 71,600 |
| 4. Contractual services - country level:<br>-8 man technical team (9 months each, $600/m = $43,200)<br>-4 food loss surveyors (18 mo. each, $300/m = $21,600)<br>-6 household enumerators (12 mo. each $300/m = $21,600)<br>-Other contractual services ($12,000) | | 98,400 |
| 5. Computer services | | 35,000 |
| 6. Operational expenses | | 2,000 |
| 7. Supplies | | 77,000 |
| Subtotal subcomponent A.1 | US$ | 332,800 |

A.2 Cost Effectiveness of FAP (5 countries)

| | | |
|---|---|---|
| 1. Consultants: Expert on cost effectiveness analysis (4 weeks) | US$ | 10,000 |
| 2. International travel (6 trips) | | 6,000 |
| 3. Contractual services:<br>-1 financial analyst (12 mo. $1,250/m = $15,000)<br>-5 surveyors (10 mo. $300/m = $15,000)<br>-Other contractual services ($500) | | 30,500 |
| 4. Computer services | | 5,000 |
| 5. Operational expenses | | 1,000 |
| 6. Supplies | | 2,000 |
| Subtotal subcomponent A.2 | US$ | 54,500 |

A.3 Defining Technical Basis for MCM Feeding Programs (1 country)

| | | |
|---|---|---|
| 1. Personnel: Research analyst (16 mo. $625/m) | US$ | 10,000 |
| 2. Local travel | | 3,400 |
| 3. Contractual services<br>-3 surveyors (12 mo. $300/m = $10,800)<br>-Other contractual services ($4,900) | | 15,700 |
| 4. Computer services | | 17,500 |
| 5. Operational expenses | | 400 |
| 6. Supplies | | 3,600 |
| Subtotal subcomponent A.3 | US$ | 50,600 |
| A.4 Design and Testing of Simple Information and Evaluation Systems for National Food Aid Programs (5 countries) | | |
| 1. Local travel | US$ | 13,000 |
| 2. Contractual services | | 52,300 |
| -1 systems analyst (6 m/$1,250= $7,500) | | |
| -Other field contractual services $44,800 | | |
| 3. Computer services | | 4,000 |
| 4. Operational expenses | | 1,000 |
| 5. Supplies | | 5,000 |
| Subtotal subcomponent A.4 | US$ | 75,300 |
| B.1 Food, Nutrition and Socioeconomic Impacts of Maternal and Child Food Aid Programs Participant Families (1 country) | | |
| 1. Personnel | US$ | 91,271 |
| -Field director (43m= $65,573)<br>-Secretary (41m=$25,698) | | |
| 2. Local travel | | 42,373 |

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| | | |
|---|---|---|
| 3. | Contractual services | 151,791 |
| | -Social anthropologist (6m = $6,250)<br>-Surveyors (406m = $133,000)<br>-Research analyst (12 m = $5,600)<br>-Other contractual services $6,941 | |
| 4. | Computer services | 34,800 |
| 5. | Operational expenses | 16,800 |
| 6. | Supplies | 10,470 |
| 7. | Visual aid and reproduction | 2,000 |
| 8. | Equipment | 2,000 |
| | Subtotal subcomponent B.1 | US$ 351,505 |
| C.1 | Case Study: Analysis of the Operation of Food Assistance Progrms for Displaced Populations | |
| 1. | Consultants: expert on evaluation of emergency programs and on programs for displaced families | US$ 10,000 |
| 2. | Computer services | 5,000 |
| | Subtotal subcomponent C.1 | US$ 15,000 |
| | TOTAL component IV | US$ 879,705 |
| V. | TECHNICAL AND SCIENTIFIC INFORMATION | |
| 1. | Operational expenses | US$ 7,440 |
| 2. | Supplies | 33,470 |
| 3. | Visual aids and reproduction | 33,470 |
| | TOTAL component V | US$ 74,380 |

## VI. MANAGEMENT AND EVALUATION

### A. Management

| | | |
|---|---|---|
| 1. Personnel | US$ | 1,244,100 |
| -Management expert - regular programs (54 m/$157,100)<br>-Management expert - emergency programs (42 m/$125,400)<br>-Logistics specialist (36 m/$110,900)<br>-Education and training coordinator (54 m/ $157,100<br>-Management information specialist (42 m/ $88,200)<br>-Epidemiologist (54 m/$157,100)<br>-Food management specialist (42 m/$125,400)<br>-Technical information expert (60 m/$120,400<br>-Project management logistics (60 m/$99,500)<br>-Secretary (2 1/2) (150 m/$103,000) | | |
| 2. Consultants | | 49,500 |
| -Epidemiologist (4 m/$16,500)<br>-Expert on management of regular FAP (4 m/ $16,500)<br>-Expert on in-service training (4 m/$16,500) | | |
| 3. Travel<br>-INCAP's staff training ($5,000/year) | | 25,000 |
| 4. Operational expenses | | 15,000 |
| 5. Supplies | | 20,000 |
| 6. Visual aids and reproduction | | 15,000 |
| 7. Equipment | | 15,000 |
| Subtotal subcomponent A | US$ | 1,383,600 |

### B. Evaluation

| | | |
|---|---|---|
| 1. Consultants | US$ | 30,000 |

| | |
|---|---|
| -Expert on process evaluation (4 w/ $10,000) | |
| -Expert on evaluation of FAP (4 w/ $10,000) | |
| -Expert on management of FAP (4 w/ $10,000 | 12,000 |
| 2. Travel | |
| -Consultant's evaluation trips to Central America | |
| 3. Contractual services | 10,000 |
| 4. Computer services | 6,100 |
| Subtotal subcomponent B | US$ 58,100 |
| TOTAL component VI | US$ 1,441,700 |
| VII. Others | |
| A. INCAP Indirect Costs (30% x ($3674 - 414 in scholarships = $978,000) | US$ 978,000 |
| B. U.S. Technical Assistance | 560,000 |
| C. Contingencies and Inflation | 388,200 |
| TOTAL PROJECT | US$ 5,600,000 |

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TECHNICAL SUPPORT FOR FOOD ASSISTANCE
Calculation of Inflation Factor

| Year | Total Direct Costs | Less Core Staff 1/ | Net | Inflation Factor 2/ | Inflation Amount |
|---|---|---|---|---|---|
| 1 | $ 869,192 | $ 234,300 | $ 634,892 | 5.0% | $ 31,745 |
| 2 | 875,376 | 253,750 | 621,626 | 10.25 | 63,717 |
| 3 | 779,336 | 304,050 | 475,286 | 15.375 | 73,075 |
| 4 | 736,780 | 270,750 | 66,030 | 21.125 | 78,449 |
| 5 | 413,161 | 191,250 | 221,911 | 27.175 | 60,304 |
| TOTAL | 3,673,845 | 1,254,100 | 2,419,745 | 13.525 3/ | 327,290 |

1/ Core Staff Salaries include annual ingrade step increases plus 5% increase per year.

2/ Compounded 5% per annum.

3/ Average against 5 year total.

## INCAP'S CONTRIBUTION TO THE PROJECT TO PROVIDE TECHNICAL SUPPORT FOR FOOD ASSISTANCE PROGRAMS IN CENTRAL AMERICA AND PANAMA

| | | | |
|---|---|---|---|
| I. | PERSONNEL | | US$ 633,900 |
| | A. Direction | | US$ 67,000 |
| | 1. INCAP - Director | L.O. Angel (10% - 5y) | 38,000 |
| | 2. INCAP - Administrator | J. Bejarano (15% 5y) | 29,000 |
| | B. Technical | | US$ 455,000 |
| | 1. Project coordinator | M.T. Menchú (100% - 5y) | 151,500 |
| | 2. Operations research project component: | M. Molina (20% - 5y) | 37,000 |
| | | M. Palmieri (20% - 5y) | 16,000 |
| | | M. Immink (20% - 5y) | 40,500 |
| | | R. Sibrián (20% - 5y) | 27,500 |
| | | V. Valverde (20% - 5y) | 36,000 |
| | | H. Delgado (10% - 5y) | 17,000 |
| | 3. Program support: | | |
| | a. Education and training | C. Bruña (10% - 5y) | 11,000 |
| | b. Food and nutrition education | A. Praun (15% - 5y) | 15,000 |
| | c. Information and dissemination | M. Fischer (25% - 5y) | 20,000 |
| | d. Technical assistance coordination | A. Noguera (20% - 5y) | 37,800 |
| | e. Food biochemist | L. Elías (10% - 5y) | 16,700 |
| | f. Inmunologist/ microbiologist | J. Cruz (10% - 5y) | 14,000 |
| | g. Biochemist | L. Mejía (10% - 5y) | 15,000 |
| | C. Administrative support | | US$ 111,900 |
| | 1. Administrative assistant | (to be hired) (100% - 5y) | 99,500 |
| | 2. Secretary | M.Y. Lara (10% - 5y) | 6,600 |
| | 3. Secretary | A.B. Calderón (15% - 5y) | 5,800 |
| II. | COMPUTER SERVICES | | US$ 30,000 |
| | Data bank | | 30,000 |
| III. | OPERATIONAL EXPENSE | | US$ 6,000 |
| | Maintenance of office equipment | | 6,000 |

| | | |
|---|---|---|
| IV. | EQUIPMENT | |
| | Laboratory equipment | US$ 30,000 |
| | | 30,000 |
| | Sub-total | US$ 699,900 |
| | Common Services 30% | US$ 209,970 |
| | TOTAL | US$ 909,870 |

## COUNTRIES' COUNTERPART TO THE PROJECT DETAILED BY COMPONENTS*

| | | | |
|---|---|---|---|
| I. | PLANNING AND COORDINATION | | US$ 32,760 |
| | 6 STAC (10 p/countries) | 6 m. x 10 p. x 5 d. x $42 | 12,600 |
| | 16 TF (6 p/countries) | 16 m. x 6 p. x 5 d. x $42 | 20,160 |
| II. | TRAINING | | US$ 216,720 |
| | 3 subregional seminars (40 p/countries) | 3 s. x 40 p. x 5 d. x $42 | 25,200 |
| | 1 workshop FP/Emergency (24 p./2 s.) | 24 p. x 10 d. x $42 | 10,080 |
| | 2 courses FP Formulation (24 p./2 s.) | 2 c. x 24 p. x 10 d. x $42 | 20,160 |
| | 3 courses Management Admin. FP (24 p./2 s.) | 3 c. x 24 p. x 10 d. x $42 | 30,240 |
| | 2 courses Food Handling (24 p./2 s.) | 2 c. x 24 p. x 10 d. x $42 | 20,160 |
| | 2 courses Educational Methodologies (24 p./ 6 s.) | 2 c. x 24 p. x 30 d. x $42 | 60,480 |
| | 2 courses Information and Evaluation Systems (30 p./4 s.) | 2 c. x 30 p. x 20 d. x $42 | 50,400 |
| III. | TECHNICAL ASSISTANCE | | US$ 151,200 |
| | 360 weeks of direct technical assistance have been programmed for the participating countries; an average of 2 national technicians as counterparts is estimated for that period | 2 p. x 360 s. x 5 d. x $42 | US$ 151,200 |

* An average annual salary of $10,080/per year for national technicians and 240 working days were estimated ($42/work day)

Code: m - meetings; p. - persons; d. - days; c. - courses; s. - seminars

## BUDGET DETAIL FOR PROJECT PERSONNEL BY YEAR AND CATEGORY OF PERSONNEL

| | First Year | Second Year | Third Year | Fourth Year | Fifth Year | Total |
|---|---|---|---|---|---|---|
| 1. CORE PROJECT STAFF | 308,400 | 288,150 | 323,650 | 280,550 | 221,250 | 1,422,000 |
| A. Technical | 216,300 | 234,000 | 283,300 | 249,000 | 158,500 | 1,141,000 |
| 1. Management expert-regular programs (IN 14) | 24,100 | 29,900 | 35,400 | 31,000 | 36,700 | 157,100 |
| 2. Management expert-emergency programs (IN 14) | 24,100 | 29,900 | 35,400 | 36,000 | -- | 125,400 |
| 3. Logistics specialist (IN 14) | 24,100 | 29,900 | 35,400 | 21,500 | — | 110,900 |
| 4. Education and training coordinator (IN 14) | 24,100 | 29,900 | 35,400 | 31,000 | 36,700 | 157,100 |
| 5. Management information specialist (IN 13) | 19,000 | 19,200 | 24,700 | 25,300 | — | 88,200 |
| 6. pidemiologist (IN 14) | 24,100 | 29,900 | 35,400 | 31,000 | 36,700 | 157,100 |
| 7. Food Management expert (IN 14) | 24,100 | 29,900 | 35,400 | 36,000 | — | 125,400 |
| 8. Technical information expert (IN 13) | 28,200 | 19,700 | 25,200 | 20,800 | 26,500 | 120,400 |
| 9. Program management-logistics (IN 12) | 24,500 | 15,700 | 21,000 | 16,400 | 21,900 | 99,500 |
| B. Project Support | 18,000 | 19,750 | 20,750 | 21,750 | 32,750 | 113,000 |
| 1. 2-1/2 Secretary (IN 8) | 18,000 | 19,750 | 20,750 | 21,750 | 22,750 | 103,000 |
| 2. Contractual Services | — | — | — | — | 10,000 | 10,000 |
| C. Shorterm Consultants | 74,100 | 34,400 | 19,600 | 9,800 | 30,000 | 167,900 |
| 1. FIELD BASED RESEARCH STAFF | 161,546 | 126,100 | 95,060 | 94,461 | 1,595 | 478,762 |
| A. Project A.1 | 66,400 | 14,800 | — | 46,000 | — | 127,200 |
| 1. Field director | 12,000 | 7,200 | — | 9,600 | — | 28,800 |
| 2. Technical team (8) | 28,800 | — | — | 14,400 | — | 43,200 |
| 3. Food loss surveyors | 10,800 | 3,600 | — | 7,200 | — | 21,600 |
| 4. Household enumerators | 10,800 | — | — | 10,800 | — | 21,600 |
| 5. Contractual services | 4,000 | 4,000 | — | 4,000 | — | 12,000 |
| B. Project A. 2 | — | 23,500 | 7,000 | — | — | 30,500 |
| 1. Financial analyst | — | 11,250 | 3,750 | — | — | 15,000 |
| 2. Surveyors (5) | — | 12,000 | 3,000 | — | — | 15,000 |
| 3. Contractual services | — | 250 | 250 | — | — | 500 |

| | First Year | Second Year | Third Year | Fourth Year | Fifth Year | Total |
|---|---|---|---|---|---|---|
| Project A. 3 | 9,400 | 8,700 | 7,600 | — | — | 25,700 |
| 1. Research analyst | 7,500 | — | 2,500 | — | — | 10,000 |
| 2. Surveyors (3) | — | 7,200 | 3,600 | — | — | 10,800 |
| 3. Contractual services | 1,900 | 1,500 | 1,500 | — | — | 4,900 |
| Project A.4 | 49,900 | 2,400 | — | — | — | 52,300 |
| 1. System analyst | 7,500 | — | — | — | — | 7,500 |
| 2. Contractual services | 42,400 | 2,400 | — | — | — | 44,800 |
| Project B.1 | 35,846 | 76,700 | 80,460 | 48,461 | 1,595 | 243,062 |
| 1. Field director | 13,750 | 18,000 | 18,900 | 14,923 | — | 65,573 |
| 2. Research analyst | — | — | — | 5,600 | — | 5,600 |
| 3. Surveyors | 12,000 | 50,000 | 52,500 | 18,500 | — | 133,000 |
| 4. Social antropologist | 6,250 | — | — | — | — | 6,250 |
| 5. Contractual services | 846 | 1,500 | 1,500 | 1,500 | 1,595 | 6,941 |
| 6. Secretary | 3,000 | 7,200 | 7,560 | 7,938 | — | 25,698 |
| TOTAL | 469,946 | 414,250 | 418,710 | 375,011 | 222,845 | 1,900,762 |

# IMPLEMENTATION PLAN

| ACTIVITY | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---|---|---|---|---|---|---|
| PHASE I: PROJECT PLANNING AND PROMOTION | | | | | | |
| 1. Develop detailed first year project plan and submit to ROCAP for approval. | X | | | | | |
| 2. Organization of Project Advisory Committee (INCAP) | X | | | | | |
| 3. Discuss project with principal donors | X | | | | | |
| 4. Trips to participating countries for project promotion, organization, and planning with national institutions and donor agency representatives. | | | | | | |
| 5. Contract project short time consultants. | | | | | | |
| 6. Organization of regional clearinghouse on food aid programs. | | | | | | |
| 7. Organization of country documentation centers on food aid programs. | | | | | | |
| 8. Develop detailed operations research protocols. | | | | | | |
| 9. Organization of first task forces. | | | | | | |
| 10. Organization of first regional seminar. | | | | | | |
| 11. Organization of Scientific and Technical Advisory Committee (STAC) | | | | | | |
| 12. Develop detailed First Annual Technical Assistance Plan for participating countries. | | | | | | |



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# IMPLEMENTATION PLAN

| ACTIVITY | 1985 | | 1986 | | 1987 | | 1988 | | 1989 | | 1990 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| PHASE 2: PROJECT IMPLEMENTATION (By components and principal activities) | | | | | | | | | | | |
| I. PLANNING AND COORDINATION | | | | | | | | | | | |
| A. Meetings of Scientific and Technical Advisory Committee | X | X | | X | | X | | X | | X | |
| B. Meetings of Subregional Task Forces | | | | | | | | | | | |
| 1. National food aid program strategies (July 85, 86, 88) (3) | X | | X | | | | X | | | | |
| 2. Identification and design of food aid programs (March 86) (4) | | X (4) | | | | | | | | | |
| 3. Organization and management of food aid programs (Aug. 86) (4) | | | X (4) | | | | | | | | |
| 4. Maternal child feeding program technical norms (Feb. 88) (1) | | | | | | X | | | | | |
| 5. Evaluation of food aid programs (March 87, 88, 89) (3) | | | | | X | | | | | | |
| 6. Food management in food aid programs (May 87) (1) | | | | | | | | | | | |
| C. Meetings of Donors and Intermediary Agencies | | | | | | | | | | | |
| - Country level (2 or 3 each year) | | | | | | | | | | | |
| - Subregional level (Nov. 85, Feb. 87, 88, 89, 90) (5) | | X | | X | | X | | X | | X | |

# IMPLEMENTATION PLAN

| ACTIVITY | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---|---|---|---|---|---|---|
| II. TRAINING | | | | | | |
| A. Subregional Seminars (Oct. 85, Oct. 87, March 90) (3) | X | | X | | | X |
| B. Subregional Courses/Workshops | | | | | | |
| 1. Feeding assistance for displaced persons and for emergency situation (Feb. 87) | | | X | | | |
| 2. Identification and design of food aid programs (May 86, April 87) | | X | X | | | |
| 3. Organization and management of food aid programs (Sept.86, Sept.88, Sept.89) | | X | | X | X | |
| 4. Food management and preservation in food aid programs (Aut. 87, Aug. 89) | | | X | | X | |
| 5. Techniques and methodologies for food aid program education activities (Nov. 86, Feb. 88) | | X | | X | | |
| 6. Information and evaluation systems for food aid programs (May 87, May 89) | | | X | | X | |
| C. Observational Site Visits | | | | | | |
| 30 trips for directors and managers of food aid programs (10/year) | | | | | | |
| III. TECHNICAL ASSISTANCE | | | | | | |
| Technical assistance to member countries (360 weeks in country) | | | | | | |

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# IMPLEMENTATION PLAN

| ACTIVITY | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---|---|---|---|---|---|---|
| IV. DISSEMINATION OF SCIENTIFIC AND TECHNICAL INFORMATION | | | | | | |
| A. Acquisition and identification of bibliographic material and its classification. | | | | | | |
| B. Establishment of country clearinghouses. | | | | | | |
| C. Identification of users and elaboration of users' list. | | | | | | |
| D. Provision of documentation. | | | | | | |
| V. DEVELOPMENT AND TESTING OF METHODOLOGICAL GUIDELINES | | | | | | |
| A. General guidelines for developing national strategies for use of food aid in social and economic development programs. (1) | | | | | | |
| B. Guidelines for design food aid programs (4) | | | | | | |
| C. Guidelines for organization and management of food aid programs (4) | | | | | | |
| D. Guidelines for elaboration of manuals of technical norms and procedures for food aid programs (1) | | | | | | |
| E. Guidelines for planning and development of food and nutrition education activities in food aid programs (1) | | | | | | |

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IMPLEMENTATION PLAN

| ACTIVITY | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---|---|---|---|---|---|---|
| F. Guidelines for management, preservation and storage of food commodities (1) | | | | | | |
| G. Guidelines for setting up information evaluation systems for food aid programs (1) | | | | | | |
| H. Guidelines for beneficiaries selection and monitoring in MCH feeding programs. | | | | | | |
| I. General guidelines for process and impact evaluations of MCH feeding programs. | | | | | | |
| J. Methodology for carrying out institutional and operational assessment on food aid programs (1). | | | | | | |
| K. Methodology for carrying out assessment of food and nutrition situation of displaced persons and emergencies (1). | | | | | | |
| L. Simplified methodologies for carrying out household commodities use and acceptance studies (1). | | | | | | |
| M. Simplified methodology for carrying out cost effectiveness studies of food aid programs (1). | | | | | | |

# IMPLEMENTATION PLAN

| ACTIVITY | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---|---|---|---|---|---|---|
| VI. OPERATION RESEARCH AND EVALUATION STUDIES | | | | | | |
| A. Evaluation of Food Aid Program Operations: Institutional Capacity and Food Utilization by the Household (4 prog. 2 countries) | | | | | | |
| 1. Peer group review of research protocols. | | | | | | |
| 2. Assessment phase. | | | | | | |
| 3. Preparation of reports and guidelines. | | | | | | |
| 4. Feedback adjustment of recommendations. | | | | | | |
| 5. Evaluation phase. | | | | | | |
| B. Cost Effectiveness of Food Aid Programs (5 countries) | | | | | | |
| 1. Peer group review of research protocols | | | | | | |
| 2. Design phase. | | | | | | |
| 3. Data collection phase. | | | | | | |
| 4. Analysis phase. | | | | | | |
| C. Defining Technical Basis for Maternal Child Feeding Programs, Technical Norms (one country) | | | | | | |
| 1. Peer group review of research protocols. | | | | | | |
| 2. Analyses of data files from longitudinal studies. | | | | | | |
| 3. Prospective study. | | | | | | |
| 4. Preparation of reports and guidelines. | | | | | | |

# IMPLEMENTATION PLAN

| ACTIVITY | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---|---|---|---|---|---|---|
| D. Design and Testing of Simple Information and Evaluation System for Food Aid Programs (5 countries) | | | | | | |
| 1. Peer group review of research protocols. | | | | | | |
| 2. Review of data needed and data resources. | | | | | | |
| 3. Design, testing and monitoring of simple information models. | | | | | | |
| 4. Adjustments of models and preparation of final report. | | | | | | |
| E. Food, Nutrition and Socio-economic Impact on Participant Families of Maternal Child Care Program (one country) | | | | | | |
| 1. Peer group review research protocols. | | | | | | |
| 2. Setting up of field infrastructure for the study. | | | | | | |
| 3. Socioeconomic and nutrition data collection. | | | | | | |
| 4. Analysis of results and preparation of final report. | | | | | | |
| F. Case Study: Analysis of Operations of the Food Assistance Programs for Displaced Persons in El Salvador | | | | | | |
| 1. Peer group review research protocol. | | | | | | |
| 2. Data collection. | | | | | | |
| 3. Preparation report. | | | | | | |

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# IMPLEMENTATION PLAN

| ACTIVITY | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---|---|---|---|---|---|---|
| VII. PROJECT ADMINISTRATION AND CONTROL | | | | | | |
| A. Annual work plans and budget. | | | | | | |
| B. Quarterly reports. | | | | | | |
| C. Annual reports. | | | | | | |
| D. Reports of regional workshops, seminars and meetings. | | | | | | |
| E. Research reports. | | | | | | |
| F. Guideline documents. | | | | | | |
| G. Project evaluation reports. | | | | | | |
| Phase 3: PROJECT EVALUATION | | | | | | |
| I. Administration, evaluation and reports | | | | | | |
| II. Regional meetings. | | | | | | |
| III. ROCAP/INCAP Evaluations. | | X | | X | | X |
| IV. Final project evaluation study | | | | | | |
| V. Final project report. | | | | | | |

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# PROCUREMENT PLAN: COMMODITIES LIST

1. Word Processing Equipment ($15,000):

   1 IBM PCs with appropriate software, ancilary hardware and printer.

2. Office equipment for field research center ($2,000):

   - Furniture (tables, chairs desks, etc.)
   - File cabinet
   - Office equipment (typewriters)