

THIS IS A PRIMARY OBLIGATING DOCUMENT
THAT IS NOT PURSUANT TO A HANDBOOK 3

PD-AAZ-093



PROJECT AGREEMENT
AGENCIA PARA EL DESARROLLO INTERNACIONAL
DE LOS ESTADOS UNIDOS EN EL PERU (USAID/PERU)
C/O EMBAJADA AMERICANA
LIMA - PERU

TELEFONO 333200

September 30, 1988

Ms. Josephine B. Gilman
Director
Asociacion Benefica PRISMA
Avenida Las Artes 360
San Borja, Lima, Peru

Subject: PRISMA OPG; Integrated Food, Nutrition, and Child Survival
Project No. 527-0323
Grant No. 527-0323-G-00-8443-00

Dear Ms. Gilman:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to Proyectos en Informatica, Salud, Medicina y Agricultura (hereinafter referred to as "PRISMA" or "Grantee") the sum of Three Hundred Eighty-eight Thousand, Two Hundred U.S. Dollars (\$388,200) to support the Integrated Food, Nutrition, and Child Survival Project as described in the "Schedule" of this Grant (Attachment 1) and the "Program Description" (Attachment 2).

Subject to the availability of funds for this purpose, and to the mutual agreement of the parties to proceed, A.I.D. will provide additional support of not to exceed Three Hundred Sixty-one Thousand, Eight Hundred U.S. Dollars (\$361,800) during the life of the project.

This Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning with the effective date and ending August 30, 1990.

This Grant is made to PRISMA on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1 ("Schedule"), Attachment 2 ("Program Description"), Attachment 3 ("Mandatory Standard Provisions for Non-U.S. Nongovernmental Grantees"), and Attachment 4 ("Optional Standard Provisions for Non-U.S. Nongovernmental Grantees"), and within the general context of the OPG proposal submitted by PRISMA, all of which PRISMA agrees to by virtue of your signature below.

Please sign all six (6) copies of this letter to acknowledge your receipt of the Grant and return five (5) to A.I.D.

Sincerely,



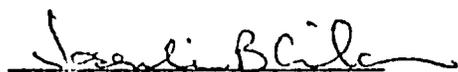
Donor M. Lion
Mission Director

Attachments:

1. Schedule
2. Program Description
3. Mandatory Standard Provisions for Non-U.S. Nongovernmental Grantees
4. Optional Standard Provisions for Non-U.S. Nongovernmental Grantees
5. PRISMA OPG Proposal

Acknowledged:

Proyectos en Informatica, Salud, Medicina y Agricultura (PRISMA)



Josephine B. Gilman
Director

Date: September 30, 1988

Appropriation:
Budget Plan Codes:

72-1181021
LDNA-88-25527-KG13 (\$20,047)
LDHA-88-25527-KG13 (\$150,000)
LDNA-88-25527-JG13 (\$17,632)
LDHA-88-25527-JG13 (\$200,521)

Project No.:
Total Estimated Amount:
This Obligation:
Funding Source:

527-0323
\$750,000 (ARDN, Health, CS)
\$388,200 (ARDN, Health)
USAID/Peru

SCHEDULE

I. Purpose of the Grant.

The purpose of this Operational Program Grant (OPG) is to support PRISMA in its efforts to integrate the supplementary feeding program of the Ministry of Health (MOH) with maternal and child health care activities and to provide more effective distribution and targeting of food commodities than current or past Government programs, through the application of a risk analysis to identify program beneficiaries, as described in Attachment 2 to this Grant, entitled "Program Description".

II. Period of the Grant.

A. The effective date of this Grant is the date of the Letter of Agreement. The expiration date of this Grant is December 31, 1992.

B. Funds obligated hereunder are available for program expenditures for the estimated period September 30, 1988 through August 30, 1990, as shown in the Financial Plan below, unless A.I.D. otherwise agrees in writing.

III. Amount of the Grant and Payment.

A. The total estimated amount of this Grant for the period shown in II. A., above, is \$750,000.

B. A.I.D. hereby obligates the amount of \$388,200 for program expenditures expected during the period shown in II. B., above, and as shown in the Financial Plan, below.

C. Payment shall be made to the Grantee in accordance with procedures set forth in Optional Standard Provision Nos. 1 and 2, entitled "Payment - Periodic Advance", and "Payment - Cost Reimbursement" of Attachment 4 to this Grant. The Grantee must submit to A.I.D. a "Request for Advance or Reimbursement", Form SF-270, for each requested payment, which in the case of an advance must be received by A.I.D. on or before the tenth day of the month preceding the month for which the advance is being requested.

D. Additional funds up to the total amount of the grant shown in II. A., above, may be obligated by A.I.D. subject to the availability of funds and to the requirements of Mandatory Standard Provision No. 4, entitled "Revision of Grant Budget", of Attachment 3.

IV. Financial Plan.

Table I of this Schedule comprises the A.I.D. Grant Budget, indicating cost elements, foreign exchange and local currency costs as authorized, current obligations, estimated additional obligations, and total obligations expected over the life of the project. Aggregate shifts among A.I.D.-financed line items in the Grant Budget in excess of 20% shall require the written approval of A.I.D. All financial reporting shall be made against the Grant Budget, revisions to which shall be made in accordance with Mandatory Standard Provision No. 4, entitled "Revision of Grant Budget", of Attachment 3 to this Grant. Table II presents the projected expenditures of the total project detailed by all funding sources, cost element, and project years, it also indicates the contributions needed from PRISMA, PL 480 Title I counterpart (GOP-owned), and PL 480 Title II monetizations. Additionally, Table II shows other U.S. food resources and GOP budgetary support for the PAN program.

V. Required Documentation.

The Grantee agrees to provide to A.I.D. all required documentation as described in the following sections of Attachment 2, "Program Description", as follows:

- A. in care of the Office of the Controller, USAID/Peru:
 - Section VII - "Financial Management", and
- B. in care of the Food for Development Division, Office of Human Resources, USAID/Peru:
 - Section VIII - "Reporting and Evaluation", and
 - Section IX - "Other Conditions".

VI. Standard Provisions.

A. All Mandatory Standard Provisions for Non-U.S. Nongovernmental Grantees (numbered 1 through 11), Attachment 3 to this Grant, apply to this Grant.

B. The following Optional Standard Provisions for Non-U.S. Nongovernmental Grantees, Attachment 4 to this Grant, apply to this Grant: Nos. 1, 2, 3, 4, 5, 6, 8, 18, and 21.

VII. Title to Property.

Title to any property purchased under this Grant will be vested in the Grantee, in accordance with Optional Standard Provision No. 18 of Attachment 4 to this Grant.

4'

VIII. Administrative Support Costs.

The administrative support costs charged to this Grant will be reviewed and adjusted periodically, and be incorporated in the detailed financial plan to be presented annually to A.I.D., in accordance with the conditions specified in Section VII of the "Program Description."

IX. Conditions and Covenants.

Authorized source and origin of commodities and nationality of services, conditions concerning the procurement of computer hardware and software, and other conditions and covenants to the Grant are presented in Section IX of Attachment 2 to this Grant and are agreed to by the Grantee and Grantor as therein stated.

5

TABLE I.
A.I.D. GRANT BUDGET, BY COST ELEMENT,
BY FOREIGN EXCHANGE AND LOCAL CURRENCY COSTS, AND BY OBLIGATION
(in Thousands of U.S. Dollars)

<u>Cost Element</u>	<u>Obligated Amount</u> (From 9/30/88 To 8/30/90)		<u>Estimated Additional</u> (From 9/1/90 To 12/31/92*)		<u>Total Estimated</u> (From 9/30/88 To 12/31/92)	
	<u>\$US</u>	<u>LC</u>	<u>\$US</u>	<u>LC</u>	<u>\$US</u>	<u>LC</u>
	Salaries	102.6	103.1	144.9	105.2	247.5
Travel and Transportation	-	11.0	-	13.5	-	24.5
Per Diems	-	9.0	-	18.7	-	27.7
Equipment	25.0	-	-	-	25.0	-
Seminars	-	3.0	-	-	-	3.0
Nutritional Rehabilitation	-	14.0	-	-	-	14.0
Computers & Accessories	73.1	-	-	-	73.1	-
Vehicle	18.0	-	-	-	18.0	-
Evaluation & Financial Review	-	2.0	-	24.0	-	26.0
PRISMA Administration	-	27.4	-	55.5	-	82.9
Sub-Total	218.7	169.5	144.9	216.9	363.6	386.4
T O T A L		388.2		361.8		750.0

* Note that these dates represent expenditure periods and not necessarily dates of projected obligation.

TABLE II.
PROJECTED EXPENDITURES, BY SOURCE,
COST ELEMENT, AND PROJECT YEAR a/
(in Thousands of U.S. Dollars)

<u>Source / Cost Element</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>TOTAL</u>
A. A.I.D. OPG					
Salaries	167.2	142.0	132.0	14.6	455.8
Travel and Transportation	11.0	6.5	3.7	3.2	24.5
Per Diems	9.0	9.0	9.0	0.7	27.7
Equipment	25.0	-	-	-	25.0
Seminars	3.0	-	-	-	3.0
Nutrition Rehabilitation	14.0	-	-	-	14.0
Computers and Accessories	73.1	-	-	-	73.1
Vehicle	18.0	-	-	-	18.0
Evaluation and Financial Review	-	8.0	10.0	8.0	26.0
PRISMA Administration	29.4	23.6	23.2	6.8	82.9
S u b - T o t a l, A.I.D. OPG	349.7	189.1	177.9	33.3	750.0
B. PRISMA					
Salaries	15.5	16.7	16.9	25.8	74.9
Vehicle	17.6	-	9.0	-	26.6
Computer Center	11.0	9.0	4.0	3.0	27.0
Publications	25.0	28.0	15.5	-	68.5
S u b - T o t a l, PRISMA	69.1	53.7	45.4	28.8	197.0
C. PL 480, Title I Counterpart (GOP to PRISMA)					
Supervision	15.0	18.1	18.1	18.1	69.3
Complementary Resources	15.0	15.0	15.0	15.0	60.0
S u b - T o t a l, Title I (PRISMA)	30.0	33.1	33.1	33.1	129.3
D. PL 480, Title I Counterpart (GOP to MOH)					
Food Storage and Handling	155.5	93.4	93.4	93.4	435.7
Trucks	38.9	23.3	23.3	23.3	108.8
Construction Materials	5.6	3.3	3.3	3.3	15.5
S u b - T o t a l, Title I (MOH)	200.0	120.0	120.0	120.0	560.0

a/ For the purposes of this budget, Year 1 is 9/30/88 - 9/30/89, Year 2 is 10/1/89 - 9/30/90, Year 3 is 10/1/90 - 9/30/91, and Year 4 is 10/1/91 - 12/31/92.

TABLE II (continued).
PROJECTED EXPENDITURES, BY SOURCE,
COST ELEMENT, AND PROJECT YEAR a/
(in Thousands of U.S. Dollars)

<u>Source / Cost Element</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>TOTAL</u>
E. PL 480, Title II Monetization (A.I.D.)					
Salaries	-	18.5	18.5	13.0	50.0
Seminars/Workshops	-	120.0	95.5	11.3	226.8
Travel/Transport	-	9.0	9.0	6.0	24.0
Published Materials	-	89.5	98.5	20.6	208.6
Sub - Total, Title II Monetization	-	237.0	221.5	50.9	509.4
GRAND TOTAL -					
All Monetary Inputs	648.8	632.9	597.9	266.1	2,145.7
	=====	=====	=====	=====	=====

ADDITIONAL U.S. AND GOP RESOURCES
(not considered as part of the OPG,
but supporting the MOH's Food and Nutrition Program)

U.S. FOOD INPUTS b/

Food Commodities (in Metric Tons)	14,900	14,900	14,900	14,900	59,600
FOB Value of Food Commodities (in \$ 000)	4,000	4,000	4,000	4,000	16,000
Ocean Freight Cost (in \$ 000)	1,900	1,900	1,900	1,900	7,600
TOTAL, U.S. Food Commodity Costs	5,900	5,900	5,900	5,900	23,600

a/ For the purposes of this budget, Year 1 is 9/30/88 - 9/30/89, Year 2 is 10/1/89 - 9/30/90, Year 3 is 10/1/90 - 9/30/91, and Year 4 is 10/1/91 - 12/31/92.

b/ During the first 18 months of the OPG, ADRA/OFASA will provide an additional 10.4 metric tons of Title II commodities for its nutrition rehabilitation pilot activity, implemented by A/O, PRISMA, MOH, and MOE.

8'

TABLE II (continued).
PROJECTED EXPENDITURES, BY SOURCE,
COST ELEMENT, AND PROJECT YEAR a/
(in Thousands of U.S. Dollars)

<u>Source / Cost Element</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>TOTAL</u>
GOP BUDGETARY SUPPORT FOR MOH'S FOOD AND NUTRITION (PAN) PROGRAM					
Transportation	2,600	2,600	2,600	2,600	10,400
Warehousing	1,100	1,100	1,100	1,100	4,400
Local Commodities	<u>1,700</u>	<u>1,700</u>	<u>1,700</u>	<u>1,700</u>	<u>6,800</u>
T O T A L,					
GOP Budgetary Support for MOH	5,400	5,400	5,400	5,400	21,600

a/ For the purposes of this budget, Year 1 is 9/30/88 - 9/30/89, Year 2 is 10/1/89 - 9/30/90, Year 3 is 10/1/90 - 9/30/91, and Year 4 is 10/1/91 - 12/31/92.

9

PROGRAM DESCRIPTION

I. Background.

The Ministry of Health (MOH), as the representative of the Government of Peru (GOP), has been managing a Section 416 feeding program since 1983. To date, the GOP has received three grants (one each in FY 1983, FY 1985, and FY 1987) of Section 416 fortified non-fat dried milk powder (NFDM) and butteroil, totalling 35,800 MT and valued at \$27.5 million (plus \$3.4 million for ocean freight costs). The MOH has used GOP Public Treasury funds to purchase local cereals and other local high protein foods to complement the donated Section 416 commodities.

Under the FY 1983 Grant, approximately 96 percent of the commodities were used for school feeding and 4 percent for maternal/child health (MCH) activities. Under the FY 1985 Grant, school feeding was reduced to 87 % and pre-school/MCH activities increased to 13 %. The FY 1987 Section 416 donation of fortified NFDM and butteroil was totally programmed for distribution to the highest risk groups of pregnant and lactating mothers and children 0-6 years of age. Given the need for a transition period, this is not expected to be fully implemented until FY 1989.

Prior to the shift to the most vulnerable population groups, Section 416 commodities supported massive primary school feeding programs which reached large segments of the primary school population nationwide. Under the FY 1983 food donation alone, 19,200 MT of NFDM and butteroil were combined with locally produced foods to provide daily rations for almost 3.1 million primary school children. With the new focus on the priority nutritional needs of high-risk population groups, the numbers of children 0-6 years old and child-bearing women participating in the MOH program have increased steadily. These amounted to 62% of approximately 631,000 beneficiaries in 1987 and are expected to amount to 90% of 655,000 beneficiaries in 1988.

In late September 1987, the Food for Peace Office in AID/W sent a consultant (Joyce King) to Peru for about two weeks to assess the MOH program as part of a worldwide Section 416 Program evaluation effort. The consultant identified serious administrative, technical, and management deficiencies of a general nature in the program in Peru and recommended several feasible and appropriate corrective actions. At the same time, she strongly recommended the continuation of the program, given the magnitude of the nationwide nutritional problem in Peru and the potential impact of the program. Complicating the continuation of the program, food products suitable for the MOH program were no longer available under Section 416, and the MOH was unable to identify any other appropriate alternative domestic food sources. On the other hand, appropriate commodities were available under the PL 480 Title II Program.

10

The Mission determined that a Title II program implemented through and with the technical assistance of a private voluntary organization (PVO) was appropriate and feasible, and began efforts to identify such a PVO to cooperate with and provide assistance to the MOH. The Mission also recognized the need to integrate more fully the provision of food aid with the delivery of child survival (CS) services in the MOH, as part of the Mission's overall CS strategy. The signing in September, 1987 of the new Child Survival Action (CSA) Project made this proposed undertaking all the more appropriate and feasible as the new CSA Project is providing complementary inputs to the MOH.

The Mission's review of the MOH Supplementary Feeding Program concluded that a PVO (with expertise in the design, implementation, management, and evaluation of health and nutrition programs) was needed to assist the MOH to improve and sustain the overall quality and impact of the feeding program. This was consistent with the recommendations in the King report that the nutrition and health components of the existing program, in particular, needed to be strengthened. The PVO-MOH combination to implement the Supplementary Feeding Program also would provide the Mission with the opportunity of changing the Section 416 Program to a PL 480 Title II Program, thereby assuring the availability of suitable food commodities.

A thorough analysis of the PVO community in Peru led USAID and the MOH to conclude that PRISMA was uniquely qualified to undertake this task. PRISMA is well-known to both the Mission and the MOH. As a locally registered PVO, it currently has two USAID-funded grants (the Child Survival Risk and "Ninos" Journal projects) and works closely with the MOH on a number of other centrally-funded health activities (including an oral rehydration salt communications campaign and an Acquired Immune Deficiency Syndrome (AIDS) operational research program).

Additionally, it benefits from having a U.S. counterpart, PRISM, which offers strong specialized back-up and on-site technical assistance. PRISM was awarded a contract by AID/W in early 1988 to undertake a health management information system operations research project with the Departmental Health Unit (UDES) in the Cono Sur.

There is no other PVO in Peru which has both a local and U.S. counterpart organization staffed with experienced health, nutrition, and management professionals, who are engaged in both service delivery and operational research in health/nutrition/child survival activities throughout the country in collaboration with the MOH.

In December 1987, the Mission initiated intensive discussions with PRISMA about the steps required to develop a new and improved design of the MOH Supplementary Feeding Program to provide more effective targeting and distribution of food than current or past programs and to integrate better the

MOH food program with MCH activities. Based on these discussions, the findings of the King report, and monitoring of the on-going program, USAID concluded that a comprehensive program evaluation was needed to define the parameters of a new program and to identify with more precision the nature and magnitude of the food and financial requirements.

As USAID and the MOH had identified PRISMA as uniquely qualified to implement a new program with the MOH, there were obvious advantages in having PRISMA gather the necessary data to help define such a program. In fact, the King report recommended that "such an assessment would most usefully be carried out by the private agency selected as cooperating sponsor, so that knowledge gained is fed back into program planning." The Mission, therefore, asked PRISMA to undertake a comprehensive evaluation of the MOH program.

Concomitantly, USAID sought Title II resources --- in lieu of Section 416 donations --- for the PRISMA/MOH MCH Supplementary Feeding Program to ensure both an appropriate commodity mix and an adequate level of commitment for FY 1988 and FY 1989. Close coordination with the Food for Peace Office in Washington resulted in:

- PRISMA's presentation (May 1988) of a preliminary one-year operational plan for an integrated MCH-supplementary feeding program with the MOH, including a request for Title II commodities required through FY 1989,
- a signed agreement between USAID/Peru and PRISMA on August 26, 1988, granting PRISMA authority to be an official PL 480 Title II cooperating sponsor,
- a signed agreement between PRISMA and the MOH to execute a joint integrated food, nutrition, and child survival program, and
- PRISMA's submission to USAID of a four-year OPG proposal to provide the necessary support for the joint PRISMA-MOH program.

Also in August 1988, PRISMA completed the field work phase of its evaluation of the MOH supplementary feeding program. The findings, conclusions, and recommendations, which will be formally submitted to USAID in a written report in October 1988, have provided the framework for the design of the new program.

This document describes the complementary activities which PRISMA will undertake with the MOH to meet their joint objective of integrating the Ministry's food and nutrition program with MCH/CS interventions. In addition to this OPG, A.I.D. will provide financial support to these activities both directly, through Title II monetized proceeds, and indirectly, through the allocation of GOP-owned Title I counterpart generations.

The MOH has had five years of experience in the implementation of food distribution programs, but has not made significant progress in achieving the desired integration of primary health care services for nutritionally at-risk

population groups and supplementary feeding programs. This project will significantly enhance the operational capability of the MOH in this regard. The population at high risk of malnutrition will derive an appreciable benefit from the combined professional skills, talents, resources, and experience of MOH/PAN and PRISMA personnel.

To complement the proposed integration of primary health care services and supplementary feeding programs for high-risk groups, PRISMA also proposes to implement, under the present OPG, a pilot nutrition rehabilitation component in conjunction with ADRA/OFASA and the Ministries of Health and Education. During the project's first year, PRISMA plans to identify high-risk families by testing all students for chronic malnutrition, poor school attendance, and low academic performance in three primary schools in peri-urban Lima. Using a case-control study methodology, PRISMA expects to provide supplemental food for a period of one year to an estimated 100 families. If the targeting strategy in this operational research component proves successful, the time required to identify high-risk families will be significantly reduced.

In subsequent project years, this strategy for easier identification of families at risk could be replicated through extensive coordination with the primary school system and with the support of additional complementary program resources. The pilot effort will also enable PRISMA and the cooperating agencies to test the hypothesis that supplemental feeding for high-risk families will improve the school attendance, academic performance, and nutritional status of the children involved.

For this project component, PRISMA will supply technical direction and data management, the Ministries of Health and Education will supply their available infrastructure, equipment and human resources, and ADRA/OFASA will supply donated food and food logistics. ADRA/OFASA's participation in this pilot effort proceeds from its discussions of such a program with the MOH and PRISMA earlier in 1988, its interest in the proposed targeting strategy, and the technical cooperation it has received from PRISMA in the implementation of its own maternal health and child survival program in the peri-urban areas of Lima. However, any future replication of the program will be undertaken without ADRA/OFASA's support, through the use of PRISMA's technical assistance and food, in conjunction with the MOH's logistics.

II. Goal and Purpose of the Grant.

The goal of this Operational Program Grant is to improve the nutritional and health status of mothers and children (0-6 years) of families identified as being at high nutritional risk. The purpose of the Grant is to support PRISMA in integrating the supplementary feeding program of the Ministry of Health

with maternal and child health care activities and to provide more effective distribution and targeting of food commodities than current or past Government programs through the application of a risk analysis to identify program beneficiaries.

III. Specific Objectives.

The OPG has nine interrelated objectives. These are to:

- (A) increase the effectiveness of current MOH targeting, distribution, and supervision systems in its supplementary feeding and nutrition program;
- (B) train at least 1,400 key MOH field personnel in program implementation, supervision and evaluation, over a four-year period;
- (C) identify approximately 74,000 families with high-risk mothers and children (0-6 years) especially in high-altitude rural, isolated jungle and peri-urban slum areas, throughout Peru, during each of the four years of the project;
- (D) integrate the delivery of supplementary foods for a minimum of six consecutive months to each of the participating families with community-level maternal and child health care activities;
- (E) simplify the existing registering, reporting, and data management system of the PAN Program to facilitate rapid availability of reliable data for planning and decision-making purposes at all MOH levels;
- (F) develop and implement fully at the departmental level a nutritional surveillance methodology which will also be used as a planning and evaluation tool, not only for the PAN program, but also for other MOH programs;
- (G) develop and maintain an effective liaison with other private, international and public groups in Peru currently operating food distribution programs in order to maximize population coverage;

- (H) improve MOH food management and supervision, particularly with regard to the transportation, storage, distribution and end use of the commodities, and
- (I) test a targeting strategy to identify high-risk families through their primary school age children, for the delivery of primary health care and supplemental feeding services, and evaluate the impact of this methodology for use nationwide.

IV. Nature of the Project and its Activities.

A. Background.

PRISMA is currently completing an evaluation of the MOH supplementary feeding program conducted in coordination with the Office of Food and Nutrition of the Ministry of Health. Problems identified through this and other evaluations include the setting of unrealistic goals, insufficient training and field supervision, limited communication among all levels of personnel, poor choice of the mix of local and donated foods, lack of appropriate targeting to beneficiaries, inadequate equipment, and deficient data collection and analysis.

Preliminary PRISMA evaluation results confirm that data collection and analysis, training, planning, programming, supervision and evaluation are all weak components of the program and need to be strengthened considerably. Based on its findings, PRISMA proposes to implement, in close coordination with the Food and Nutrition Office, a more efficient and effective MOH food distribution program --- one which is successfully integrated with other child survival and maternal health care activities of the MOH at the community level.

B. Geographic Coverage.

The MOH currently operates its Food and Nutrition Program (PAN) on a nationwide basis. Section 416 commodities have been used in combination with local foodstuffs in 25 of the nation's 28 departments, with the remaining three operating entirely with MOH-financed local foodstuffs. Section 416 donations had not been made available to these three jungle departments because of difficulties in access and the high transport costs involved.

During the project's first year, Title II food will be targeted to the same 25 departments. PRISMA and the MOH will carefully analyze the operational constraints involved in delivering, distributing, and supervising the appropriate use of Title II commodities. Priority attention will be placed on

analyzing the policies and systems required to ensure that the impact desired among the high-risk beneficiaries is actually achieved. Results from this study will be used to determine the feasibility of introducing any modifications to the targeting and geographic coverage of project resources.

C. Beneficiaries.

Based on historical figures of the size of the on-going MOH program, the project plans to provide direct food assistance to 74,000 families or 222,000 individual beneficiaries annually. About 67% of these beneficiaries will be children and 73% of the total will be female. During the project's first year, PRISMA will evaluate MOH capabilities for managing a program of this size, and, based on this evaluation, may propose appropriate modifications in the number of beneficiaries for subsequent years.

Additional beneficiaries include the 1,400 MOH directors, supervisors, administrators, and field personnel who will be trained in diverse program areas. An estimated 90% of these key health personnel will be women. Finally, the 100 high-risk families from the pilot PRISMA-ADRA/OFASA-MOH-MOE nutritional rehabilitation program will benefit from the primary health care and supplemental feeding services to be provided. Approximately 60% of the children participating in this program are expected to be female.

The identification of beneficiaries will be guided by the application of the new targeting strategy proposed by PRISMA to focus on families at the highest risk of malnutrition. Established criteria will be used to determine program eligibility, risk indicators will be reviewed and validated in each of the 28 departments and, if necessary, modified. Initial effects of this targeting strategy will include a probable reduction in the number of current MOH program beneficiaries, increased coverage of high-risk families and a more carefully controlled distribution of monthly food rations to these families. However, socio-economic and political factors may contribute to increasing the population at nutritional risk. By the end of the first Project Year, it will be possible to estimate a more realistic total number of beneficiaries for the life of the project, as the participation criteria will be better defined and the capacity of the delivery systems better known.

D. Nature of Project Activities.

Initially, the project will be implemented as a continuation of the already existing MOH Food and Nutrition Program. Early in the project, PRISMA will conduct a survey of randomly selected population samples in each Departmental Health Area (UDES). This survey will provide information for initial validation of the socio-economic risk indicators in each geographic area

covered by the project (i.e., coast, high mountains, and jungle) recently researched by PRISMA in its evaluation of the MOH supplementary feeding program. This survey will also benefit from previous work carried out by PRISMA and Johns Hopkins University which identified the risk factors that contribute to malnutrition in mothers and young children. The survey is a key element of the strategy to better target the donated PL 480 Title II and locally purchased foods to those families at the highest risk of malnutrition.

PRISMA will focus on three major components designed to address the problems identified to date. The distribution of PL 480 Title II food commodities is the principal element and is integrally related to the other two components, the training of participating MOH personnel and the monitoring and evaluation of accomplishments and effects. The following is a description of the three components of the Project. Section V provides selected end-of-project indicators. The data on pages 20-24 of the PRISMA OPG Proposal provide more detailed Project measurements and indicators.

(1) Food Distribution.

PRISMA will acquire the Title II food commodities, research food operations, and supervise distribution. Under PRISMA's supervision, MOH will continue its food logistics and management operations at the national level, including the receipt and storage of food commodities at the three entry ports and their transportation to the 25 UDES currently receiving donated food commodities. At the local level, the UDES are responsible for food transportation to health centers and health posts, where the donated commodities are combined with locally purchased foods and distributed to beneficiaries.

As part of the simplification and improvement of existing reporting and data management systems, a new commodity tracking system (standardized among all cooperating sponsors) will be utilized to monitor Title II food from port to end user. Progress has already been made in putting the tracking system into operation; it has been designed, existing capabilities of PVOs have been assessed, and a proposal for implementation has been presented. PRISMA and the MOH/PAN Program participated in this assessment; they will fully participate in future training and implementation activities.

(2) Training.

PRISMA, in collaboration with the MOH/PAN Program, will train health personnel in the use of a new targeting strategy and beneficiary selection methodology. Training will focus on promotion of exclusive breast-feeding to age 6 months, implementation of an appropriate weaning diet thereafter, monitoring of growth

and development, design of nutrition rehabilitation programs for children with second and third degree malnutrition, and implementation of community nutritional surveillance activities.

The training will be aimed at all levels of operation of the food and nutrition program, including directors, administrators, supervisors and field personnel. PRISMA will organize and implement at least nine nutrition workshops in coordination with the MOH, with a minimum of two key individuals from each of the 28 UDES participating in each workshop. Individuals from all 28 UDES will participate in the training workshops, regardless of whether the UDES receives U.S.-donated food commodities or implements the feeding program only with locally purchased foodstuffs. Each participant, in turn, will train at least 25 persons from participating health centers and posts during the six months following the workshops. Representatives from all organizations operating food distribution programs will be invited to each workshop, so as to enhance coordination and improve health care and supplementary feeding services nationwide.

Training content will be tailored to the diverse personnel characteristics and needs. For the first six workshops, modules on program management and administration (including planning, programming, implementation, and evaluation) will be developed for central personnel and for UDES' directors and administrators. For supervisors and other mid-level personnel (e.g., nutritionists, nurses, and social workers), the modules will include methodologies for program supervision and training of field personnel. For the personnel actually operating the project in the field, training will include the new targeting strategy, supervision of food use, data collection and reporting, and a comprehensive approach to providing health care services. Content of the last three workshops will be reinforced and redesigned based on impact evaluation results and participant assessment of earlier sessions.

(3) Monitoring and Evaluation.

The information system for the MOH Food and Nutrition Program is both very inefficient and ineffective as a management tool, especially for supervision and evaluation. PRISMA will direct efforts to simplify the reporting and data management system by reducing data collection to the minimum necessary for program supervision and evaluation, redesigning forms for more efficient registry, defining criteria for data analysis at every MOH level, and establishing a rapid feedback system for program readjustment.

An essential component of the PAN monitoring system will be the periodic evaluation survey conducted by trained auxiliaries or health workers, using randomly selected sites and a cluster sampling method. This nutritional

surveillance methodology will be implemented at the UDES level and its results will be used for planning, programming, measuring changes and evaluating program success.

Because of the diversity of factors measured --- including weight for age, food commodity beneficiaries, pregnancy outcomes, breast-feeding status, infant and child mortality, height for age and vaccination status, this methodology will be a key factor for successful integration of this project with other child survival activities. The surveys will be undertaken in close collaboration with the contractor (financed under the Child Survival Action Project) working with the MOH on the development and implementation of a Health Information System (HIS)/Management Information System (MIS) for all 28 UDES.

A further aspect of PRISMA's monitoring and evaluation strategy is the coordination and exchange of information and experiences related to food and nutrition programs among other PVOs and international donors. This effort will improve targeting strategies for food allocation and distribution, help achieve maximum population coverage, and avoid duplication of efforts and/or competition.

In accordance with its recent agreement with the MOH, PRISMA will also monitor the program management of food commodities. PRISMA supervision will focus on the adequacy of storage facilities (to ensure maintenance of product quality), the adequacy of transport facilities (to provide timely delivery with minimum damage or loss), and the appropriateness of criteria to determine Title II food allocations to different regions of the country.

Finally, PRISMA will conduct three annual program evaluations to assess the accomplishment of all programmed activities, their coverage, and the changes observed in the nutritional status of PAN participants after the introduction of Title II food. PRISMA will also evaluate the participation of MOH personnel in the nutrition workshop series, with particular focus on changes in their knowledge, and attitudes related to the program. Finally, PRISMA will assess the effectiveness with which the different organizations operating food distribution programs in Peru coordinate and interrelate their maternal health, child care, and supplementary feeding services. The findings and recommendations of the annual evaluations will be utilized to modify and strengthen the program, as appropriate.

V. End of Project Status.

The following provides a brief description of selected end-of-project indicators. The data on pages 20-24 of the PRISMA OPG Proposal provide more detailed project measurements and indicators.

- (A) A minimum of 1,400 key health personnel will be trained in 28 UDES in the most relevant aspects of child survival project implementation and evaluation.
- (B) A new food assistance targeting strategy will be fully implemented in all 28 UDES at all health care levels.
- (C) During the first year, approximately 74,000 families (222,000 beneficiaries) will have been identified and receive PL 480 Title II foods and other child survival interventions. The number of participating beneficiaries for the remaining years is subject to the first year evaluation and subsequent annual reviews.
- (D) During the first year, each participating family will have received a monthly ration of 13.5 kilograms of Title II and locally purchased food for a minimum of six consecutive months. The size of the ration will also be evaluated at the end of the first year and adjusted, if necessary, in subsequent years.
- (E) A Title II commodity tracking system will be fully implemented and operational at all health care levels.
- (F) A standardized, simplified information system will be implemented and operational for program supervision and evaluation at all MOH levels.
- (G) A nutritional surveillance system will be institutionalized as part of routine UDES operations nationwide. Four annual simplified nutrition and health surveys will have been conducted, as part of this system, by the end of the project.
- (H) Ninety percent of the organizations operating food distribution programs in Peru will have participated in project nutrition workshops and evaluation seminars.
- (I) Three annual program evaluations will have been conducted and the evaluation methodology adopted by the MOH/PAN Program.

VI. Roles and Responsibilities of the Parties.

A. Responsibilities of PRISMA.

PRISMA will, in coordination with the MOH/PAN,

(1) Design, implement, monitor, and evaluate project activities which shall include, at a minimum:

- (a) the training of MOH staff at all levels including program directors, supervisors, and administration and field personnel,
- (b) the targeting of donated and locally purchased foods to those families at highest risk of malnutrition, risk factors will be identified and validated by PRISMA in each of the 28 UDES,
- (c) the elaboration of a strategy for integrating food distribution with the delivery of child survival and maternal health care services,
- (d) the simplification of the existing PAN reporting and data management system,
- (e) the establishment and institutionalization of a nutritional surveillance system designed to:
 - support planning, implementation and evaluation activities, and
 - facilitate the integration of food distribution with maternal health and child survival services,
- (f) the provision of technical direction and data management capability to ADRA/OFASA and the Ministries of Health and Education in support of a school-based system for the identification of high-risk families, and
- (g) the close coordination with other PVOs, international donors, and public sector organizations working in food and nutrition programs.

(2) Monitor the receipt, storage, and transportation of Title II commodities from ports of entry to regional warehouses, the distribution of the food to project beneficiaries, and its appropriate end use, applying to this process the new commodity tracking system being developed in coordination with the other Title II cooperating sponsors.

(3) Monitor closely the flow of food and financial resources from all sources including Title I counterpart and Title II monetization to ensure their adequate and timely provision at appropriate levels of the MOH.

(4) Examine continuously the experience in the design and implementation of this and other similar maternal/child health programs financed by A.I.D., other international donors, GOP agencies and PVOs, and incorporate the lessons learned from these analyses into specific program revisions.

B. Responsibilities of the Ministry of Health (MOH) and its Food and Nutrition Program (PAN).

The Ministry of Health, through PAN, will:

(1) Effect or arrange for the receipt, customs clearance, storage, transportation, distribution, and administration of A.I.D.-donated food commodities, in accordance with A.I.D. Regulation No. 11 and the formal agreement between the MOH and PRISMA, signed on August 26, 1988.

(2) Finance the costs associated with the receipt, customs clearance, storage, transportation, distribution, and administration of A.I.D.-donated food commodities with budgeted resources and PL 480 Title I counterpart funds.

(3) Implement the project's nutritional surveillance strategy/methodology designed to facilitate the integration of food distribution with maternal and child health care services.

(4) Establish, in coordination with PRISMA, the criteria to be used for determining the appropriate ration mixes of donated Title II commodities and locally purchased foods.

(5) With its own regular budget and Title I counterpart resources:

(a) purchase the local foods required for the program, and

(b) direct the preparation of appropriate ration mixes and administer their distribution to program beneficiaries.

(6) Collect and consolidate beneficiary data, analyze the data with PRISMA technical personnel, and provide timely feedback (every three months) to the respective UDES.

(7) Provide infrastructure, equipment, and human resources required in support of project training events for MOH technical and administrative personnel.

(8) Provide infrastructure, equipment, and human resources required in support of the pilot nutrition rehabilitation program to be implemented in conjunction with PRISMA, ADRA/OFASA, and the Ministry of Education.

(9) On the basis of annual evaluation findings and recommendations, implement necessary and appropriate program adjustments.

C. Responsibilities of ADRA/OFASA.

ADRA/OFASA will supply donated Title II commodities and food logistics support for the pilot nutrition rehabilitation project.

D. Responsibilities of the Ministry of Education (MOE).

The MOE will:

(1) Provide the facilities, equipment, and human resources available in the targeted schools to assist in assessing and collecting data regarding the nutritional status, school attendance, and academic performance of entry-level primary school children.

(2) Designate the entry-level teachers of the targeted schools as members of the multidisciplinary health team of the pilot nutrition rehabilitation project.

VII. Financial Management.**A. Project Budget and Disbursement of Funds.**

The proposed budget calls for grant funding over a 51-month period of not to exceed \$750,000, subject to the availability of funds. Grant funds will be used to pay the salaries of PRISMA staff and individual non-governmental providers of technical assistance contracted specifically by PRISMA, to purchase materials and equipment including computer hardware and software, to pay operational, administrative and office costs, and to procure a project vehicle.

Disbursement of grant funds shall be made in accordance with Optional Standard Provision Nos. 1 and 2 of Attachment 4. Disbursements will normally be made either to reimburse for eligible expenditures under the Grant or to provide cash advances for eligible expenditures of immediate cash needs, expected to be made during a period not to exceed 30 days.

PRISMA will administer all costs and disbursements associated with the A.I.D. grant funds. A.I.D. will make disbursements for reimbursements and/or advances directly to PRISMA. No direct payments will be made by A.I.D. to any other entity or organization for procurement of commodities, expenses, or any other purpose.

The Grant Budget is provided in Table I of Attachment 1 ("Schedule"). Aggregate shifts of more than 20% among A.I.D.-financed line items cannot be made without the prior written authorization of A.I.D. Table II of Attachment 1 indicates projected expenditures; PRISMA agrees to make available its own resources to cover expenditures attributed to it therein. Table II also indicates estimated expenditures from resources expected to be made available from PL 480 Title II (in the form of both commodities and monetization) and from Government of Peru owned PL 480 Title I generations.

B. Accounting Records and Cash Management:

PRISMA will keep separate accounting records for funds under this OPG, which are separate and apart from records kept by PRISMA for any other funds held for similar projects or other purposes. PRISMA will deposit all funds received from A.I.D. for this OPG in a bank account which will be used exclusively for the A.I.D. funds received for this grant. No other funds for this or any other grant or for this grant from any other source shall become mingled with these A.I.D. funds. All disbursements of A.I.D. funds for this grant shall be made exclusively from this same account and no other.

C. Financial Review and Audit.

At the discretion of A.I.D., A.I.D. may request that the terms of Mandatory Standard Provision No. 2 of Attachment 3, in respect to audit, be fulfilled by any of a number of means, including financial review by A.I.D.'s staff, receipt by A.I.D. of relevant sections of reports from PRISMA's independent audit staff indicating satisfactory review of PRISMA's financial management as related to the Project, or the contracting of financial reviews or audits by either A.I.D. or PRISMA.

Upon A.I.D.'s request, PRISMA will contract outside financial reviews or audits utilizing OPG funds, up to the amount reserved for such reviews in the project budget. For these types of reviews, A.I.D. will approve the scopes of work and the contractor prior to any contracting by PRISMA. Such scopes of work shall include the examination of relative cost sharing between A.I.D. and other sources, involving split-funded inputs (e.g., administrative costs).

VIII. Reporting and Evaluation.**A. General Intent.**

The reporting format (form, content, and periodicity) will respond to the requirements of PRISMA, the Food for Peace Office (AID/W), and USAID. To the maximum extent possible, the reports and the planning documents required by USAID/Peru under the OPG, by AID/W in the PL 480 Title II Multi-Year Operational Plan (MYOP) and annual progress reports, and by PRISMA will be identical.

Under AID/W procedures for the MYOP, three documents are to be submitted by Title II cooperating sponsors by May 15:

- an annual progress report,
- an update of the operational plan for the coming year, and
- an annual estimate of requirements (AER).

The reporting and planning documentation required under this Grant shall be structured to fulfill reporting requirements under the MYOP.

B. Reporting.

The reporting schedule for this grant shall be as follows. PRISMA shall provide A.I.D. with the following reports, typewritten and in English:

- (1) Comprehensive quarterly performance and financial reports which:
 - (a) detail accomplishments by component and activity (including numbers and gender of beneficiaries),
 - (b) provide financial details on funds received and expended by activity,
 - (c) provide details on PL 480 Title II food received and distributed by location,
 - (d) indicate findings, problems, conclusions, and recommendations for the future, and
 - (e) provide a summary of major activities expected the following quarter.

The format of the report will be agreed upon by the parties prior to the submission of the first report which shall cover the period ending December 31, 1988.

- (2) An annual assessment of progress toward attainment of the objectives of PRISMA's MYOP and this OPG. The assessment will cover project activities completed, goals and specific performance indicators accomplished, social and economic impact on participating communities, problems encountered in implementation, use of donated food, and use of funds expended --- from both the OPG and other sources. In addition, this document will contain other information requested by AID/W in the context of the MYOP/AER process. The format of the report will be agreed upon by both parties, prior to the submission of the first report, which shall be due on April 1, 1989.

C. Planning Documentation.

The quarterly progress reports will form the basis for the comprehensive annual progress report, which --- in turn --- will contribute to the MYOP update. PRISMA will prepare and submit to A.I.D., typewritten and in English, a detailed annual implementation and financial plan for the project, detailing the objectives, geographic coverage, expected numbers of beneficiaries (disaggregated by gender), inputs (both donated food and financial resources), outputs, institutional responsibilities, personnel requirements, a

comprehensive financial plan (including inputs from all sources), and all other relevant information concerning the implementation of the project. In addition, this document will include other information requested by AID/W in the context of the MYOP/AER approval process. This planning document will be submitted simultaneously with the annual progress report described above, i.e., by April 1 of each project year.

D. Evaluations.

In addition to the annual program evaluations PRISMA will undertake, PRISMA and A.I.D. will conduct a joint mid-term performance evaluation of the Project, with GOP and beneficiary participation as appropriate, no later than April, 1990. The results of that mid-project evaluation will be used for planning the subsequent years of implementation and for project modifications, as necessary. PRISMA and A.I.D. also will conduct a joint impact evaluation, no later than April 1992, to determine the feasibility and advisability of further PRISMA and/or A.I.D. assistance to the project or to similar projects in the future. Scopes of work for the evaluations will be jointly developed and agreed upon by both parties prior to the implementation of the evaluations; PRISMA will contract any outside evaluation assistance jointly agreed upon. Funds for the evaluations have been provided for in the OPG budget.

IX. Other Conditions.

A. Source and Origin of Commodities and Nationality of Services.

Except for vehicles, commodities financed by A.I.D. under the Project shall have their source and origin in Peru or the United States, except as A.I.D. may otherwise agree in writing. Vehicles shall have their source and origin in 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 Peru or the United States as their place of nationality, except as A.I.D. may otherwise agree in writing. Ocean shipping financed under the Project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States. Air shipping or transportation shall be subject to the requirements of Optional Standard Provision No. 3 of Attachment 4.

B. Procurement of Computer Hardware and Software.

Any procurement of computer hardware and software shall be coordinated with the Voluntary Agency Commodity Tracking System Working Group in Peru and shall be subject to the prior written approval of A.I.D.

C. Other.

- (1) PRISMA will submit to USAID copies of all implementing agreements between PRISMA and participating public and private sector entities in effect, on a yearly basis or whenever implementing agreements are amended or otherwise modified.
- (2) Prior to the first disbursement of A.I.D. funds, PRISMA shall provide evidence of the establishment of a separate bank account for A.I.D. funds, the first and subsequent disbursements shall be made into such separate bank account.
- (3) In designing training activities for project beneficiaries, and taking into account the beneficiaries' expressed needs, PRISMA will utilize the experience and resources of other AID-financed programs, especially in the population, narcotics awareness, and child survival areas.