

GAO

Report to the Chairman, Subcommittee  
on Foreign Agriculture and Hunger,  
Committee on Agriculture, House of  
Representatives

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November 1994

# FOOD AID

## Private Voluntary Organizations' Role In Distributing Food Aid







United States  
General Accounting Office  
Washington, D.C. 20548

National Security and  
International Affairs Division

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The Honorable Timothy J. Penny  
Chairman, Subcommittee on Foreign  
Agriculture and Hunger  
Committee on Agriculture  
House of Representatives

Dear Mr. Chairman:

As requested, we are providing information about food aid granted by the United States to private voluntary organizations (PVO) to support development activities in foreign countries. Specifically, the report describes (1) the role of PVOs in distributing food aid and (2) the impact of direct feeding programs on enhancing the long-term food security of recipient countries, including how well projects are targeted to people vulnerable to malnutrition and whether food-for-work projects significantly improve infrastructure.

## Background

The United States has provided food assistance to developing countries since the passage of the Agricultural Trade Development and Assistance Act of 1954 (P.L. 480). Title II of the act, as amended, authorizes grants of agricultural commodities to meet relief requirements and for activities to alleviate the causes of hunger, disease, and death. The 1990 amendments to Public Law 480,<sup>1</sup> emphasize food security of developing countries, defining food security as “access by all people at all times to sufficient food and nutrition for a healthy and productive life.”<sup>2</sup> Congress also directed that at least 76 percent of the legislated minimum amounts of commodities provided under title II be used for nonemergency development activities of U.S. PVOs or cooperatives<sup>3</sup> or intergovernmental and multilateral organizations such as the World Food Program. The title II program is the responsibility of the Agency for International Development (AID). We reviewed PVO food aid projects in Ghana, Honduras, and Indonesia and conducted an extensive review of relevant literature on PVOs’ food aid and development activities.

<sup>1</sup>Agricultural Development and Trade Act (title XV of P.L.101-624).

<sup>2</sup>The Agency for International Development has administratively refined the definition to highlight three variables influencing food security: (1) availability, (2) access, and (3) utilization of food.

<sup>3</sup>For purposes of this report, we refer to U.S.-based private voluntary organizations and cooperatives as PVOs. Cooperatives are a special category of nongovernmental organizations that were formed to provide business services and develop cooperatives in developing countries.

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## Results in Brief

PVOS, working with local governmental and nongovernmental organizations overseas, generally address food security at the community or individual level. PVOS engage in (1) food distribution (known as direct feeding projects), which provides immediate access to food and (2) selling (monetizing) commodities to generate local currencies for other types of projects that address the primary cause of lack of food security—poverty. PVOS have developed considerable expertise in handling food aid and have well-established distribution networks in developing countries that enable them to provide aid to remote areas. Their use of food aid is generally consistent with legislative requirements and objectives. Although some losses are still occurring, PVOS have taken steps to improve their management and accounting for title II commodities.

The impact of direct feeding projects on advancement toward national- or community-level food security is not clear. Economic, cultural, and environmental factors beyond the control of a PVO may hamper a nation's long-term food security. At the community level, the long-term impact of direct feeding projects depends on the projects' design and implementation. PVO and AID evaluations of some specific direct feeding projects have shown some positive impacts on health, nutrition, and income generation at the community or individual level. However, AID and the PVOS have not systematically collected relevant data or developed appropriate methodologies to assess the impact of food aid on food security. According to AID, to do so, in some cases, would be cost prohibitive and extremely difficult.

PVOS have had difficulty targeting the most vulnerable populations, and some projects serve people who may not be the least food secure. Food-for-work projects, usually directed at small, community-based infrastructure improvements, seem to have the potential for improving the community, as some beneficiaries reported significant improvements in their lives. However, some of the infrastructure projects we reviewed did not include plans for sustainability.

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## PVOs' Role in Distributing Food Aid Has Been to Conduct Community-Based Projects

PVOS have established a unique role in delivering nonemergency food aid by working with local organizations to support community-based projects. Their food aid activities have evolved from primarily charitable relief activities to projects aimed at alleviating poverty and improving health, education, or community development. These activities are consistent with the legislative purposes of title II—to alleviate the causes of hunger, disease, and death. PVOS distribute donated commodities to meet the

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immediate needs of poor people or sell the commodities to generate local currencies to support nonfood projects.

PVOS have (1) proven experience in the complexities of food shipment, storage, and distribution; (2) distribution networks in developing countries; and (3) the ability to work with communities and local nongovernmental organizations. In fiscal year 1993, PVOS distributed almost 1.2 million metric tons of U.S.-donated food aid, not including emergency aid, to 58 countries. PVOS sold about 13 percent of the title II commodities in 1993 to generate currency to pay costs associated with direct feeding projects and to conduct nonfood projects. For example, a project in Indonesia monetized 100 percent of the donated commodities and used the local currencies generated from the sale to support local cooperatives' efforts to expand export of nontraditional crops such as vanilla and cinnamon. A project in Ghana used monetization funds to develop small palm-oil processing operations that would enable beneficiaries to earn increased incomes.

AID and PVOS are taking steps to improve the PVOS' track record in accounting for title II commodities; however, problems remain. Evaluations of PVO projects by AID's Inspector General and others have found instances of waste, mismanagement, and theft of commodities.

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## Impact of Direct Feeding Projects on Food Security

The impact of direct feeding projects on community- or national-level food security is not clear. First, food security is a complex issue that involves many factors, such as economic barriers, environmental situations, and natural or man-made disasters. Second, according to AID officials and food aid policy experts, direct feeding programs alone will not achieve long-term food security in a country where national-level economic and social policy reform is needed. In addition, some food experts believe that long-term direct feeding projects may create dependency, lessening the prospects for long-term food security. However, there is some evidence that at the community level, direct feeding programs that are well-designed have the potential to make small but important changes in the food security of some communities and individuals. For example, a well dug in a food-for-work project in Africa provided clean water, which beneficiaries reported had decreased the incidence of guinea worm disease. According to AID and PVO evaluations of specific projects, some well-designed and well-implemented direct feeding programs appear to enhance some food security indicators at the community or individual

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level. However, the impact of direct feeding projects at the national level is less clear.

Determining the effectiveness of direct feeding projects on enhancing long-term food security relies on systematic evaluation, that is, the application of appropriate evaluation methodologies and collection of baseline data. AID and PVOs have generally evaluated food aid projects based on commodity management and outputs, such as numbers of children fed or miles of road constructed, but have not assessed the impact of their projects on long-term food security. AID has stated that it and the PVOs are fully committed to doing a better job at evaluating the impact of food aid development projects on long-term food security and are making progress in developing and applying methodologies.<sup>4</sup>

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### Targeting Food to Reach the Most Vulnerable to Malnutrition Is Difficult

All projects we reviewed were designed to reach poor populations, but not necessarily the people most vulnerable to hunger and malnutrition. We found targeting problems in each of the countries we visited. In Honduras and Ghana, large food aid programs served major portions of the countries, and there was no process in place to identify individuals who were the least food secure. In Indonesia, at least one food-for-work project employed workers that were not necessarily food insecure. We also found a slightly different problem in Indonesia. There were no PVO food aid projects in some of the poorest areas of the country, including East Timor, in part because of political reasons.

Moreover, PVOs sometimes use food aid to support development objectives not related to nutrition. For example, in Honduras, the primary purpose of school meals is to encourage attendance and increase educational levels of the population. All children in the school receive a ration, even if they are not among the poorest. Similarly, a maternal and child health project we visited in Indonesia provided food rations as an incentive for mothers to bring their children to health centers for routine care. The project did not screen participants by nutritional status or degree of food security.

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### Food-for-Work Projects Can Make Small-Scale Improvements in Infrastructure

PVOs sometimes use food aid to support small-scale community and infrastructure projects. We found that small capital improvements such as a well, latrine, or school, can make a significant improvement in participants' lives. For example, in a village where a PVO had completed a

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<sup>4</sup>We are currently reviewing AID's progress in implementing the recommendations made in our 1993 report and will issue a report in early 1995.

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food-for-work sewer project in Honduras, residents reported fewer instances of malaria and dengue fever. However, planning for maintenance, which is critical to sustainability of project benefits, has not always been part of the PVOS' project designs.

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## Scope and Methodology

This report builds on the results of our recent work on food aid.<sup>5</sup> We conducted an extensive literature search on previous experience in delivering food assistance through direct feeding programs and the PVOS' development activities. We interviewed officials from AID, the Department of Agriculture, and food policy experts at the International Food Policy Research Institute. We also discussed food aid objectives and projects with PVO representatives, including Cooperative for American Relief Everywhere, Incorporated (CARE), and Catholic Relief Services (CRS), the PVOS with the largest food programs.<sup>6</sup>

Overseas, we interviewed AID mission officials, World Food Program officials, PVO representatives, and host country government officials to discuss food security needs and the impacts of food aid projects. We visited project sites in Ghana, Honduras, and Indonesia to get information on their objectives and how they might contribute to food security. When possible, we spoke with project beneficiaries.

We chose to visit Ghana, Honduras, and Indonesia because they represent a range of food security problems.<sup>7</sup> The case studies from these three countries provide examples of how food aid is used in direct feeding and monetization projects; however, the results cannot be generalized to the entire title II program. We discussed issues related to controls over food aid with mission and PVO officials, but we did not independently audit PVOS' food aid accounting and management systems.

Our review was performed from February to August 1994 in accordance with generally accepted government auditing standards. We did not obtain

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<sup>5</sup>Food Aid: Management Improvements Are Needed to Achieve Program Objectives (GAO/NSIAD-93-168, July 23, 1993) and Foreign Assistance: Inadequate Accountability for U.S. Donations to the World Food Program (GAO/NSIAD-94-29, Jan. 28, 1994).

<sup>6</sup>In fiscal year 1994, CARE and CRS made up roughly 72 percent of the PVOS' regular title II programs, based on the approved commodity amounts. CARE's regular programs comprised 45.5 percent and CRS' regular programs made up 26.2 percent of these commodities.

<sup>7</sup>AID uses five basic indicators to establish a country category of food security, including gross national product (GNP) per capita, average daily per capita calories availability, under-5 mortality rate, gross foreign exchange earnings, and gross domestic food production. On this basis, AID has classified Ghana as most food insecure. Honduras is classified as borderline food insecure, and Indonesia is classified as relatively food secure.

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formal comments on this report from AID. However, we discussed its contents with cognizant AID officials and have incorporated their comments where appropriate.

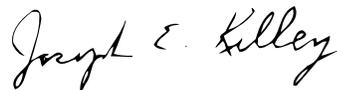
Appendix I includes more information on our analysis of the PVOS' role in distributing food aid. Appendix II summarizes information on direct feeding projects and their impact on food security. Appendix III details the uses of food aid in the countries we visited.

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We are sending copies of this report to the Administrator, AID, and other interested congressional committees. We will also make copies available to others upon request.

This report was prepared under the direction of Benjamin F. Nelson, Associate Director, International Affairs Issues. If you have any questions concerning this report, please call us at (202) 512-4128. Other major contributors to this report are listed in appendix IV.

Sincerely yours,



Joseph E. Kelley  
Director-in-Charge  
International Affairs Issues

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**Abbreviations**

ADRA	Adventist Development and Relief Agency
AID	Agency for International Development
CARE	Cooperative for American Relief Everywhere, Incorporated
CRS	Catholic Relief Services
GNP	gross national product
NCBA	National Cooperative Business Association
PVO	Private Voluntary Organization

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# Private Voluntary Organizations' Role in Distributing Food Aid

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The United States provides agricultural commodity assistance, or food aid, to foreign countries to meet emergency needs, combat hunger and malnutrition, encourage development, and promote U.S. foreign policy goals. The Agricultural Trade Development and Assistance Act of 1954, as amended, widely known as Public Law 480, provides the primary legal framework for food aid. Title II of the act directs that at least 76 percent of the legislated minimum amount of commodities provided under that title go to support nonemergency development activities of private voluntary organizations (PVOs) or intergovernmental organizations, such as the World Food Program.<sup>1</sup> Commodities may be distributed to needy people or sold (monetized) in the country to generate local currency to support development activities.

The 1990 Agricultural Development and Trade Act (title XV of P.L. 101-624) made several changes in food aid, including emphasizing the objective of enhancing the “food security” of needy countries. The legislation authorized PVOs to use food for a variety of activities to achieve this objective, including addressing the causes of malnutrition and disease, promoting economic development, and promoting sound environmental practices. Management of the title II program is the responsibility of the Agency for International Development (AID).

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## PVOs Fill Development Niche by Implementing Grassroots Projects

PVOs implement grassroots-level projects using commodities and local currencies generated from their sale. They are responsible for planning, organizing, implementing, controlling, and evaluating food aid programs. While major donors have tended to focus on creating a policy environment conducive to sustained economic development, PVOs generally focus their efforts on small development projects that will have an immediate impact on poor populations at the local level.

With the passage of Public Law 480 in 1954, PVOs began distributing U.S. food aid worldwide. PVOs historically have provided food aid through relief activities that were not designed for long-term impact. During the 1980s, AID encouraged PVOs to move from simply distributing food to conducting development activities supported by food aid resources. Such projects may involve direct feeding of beneficiaries or other types of development activities supported by the proceeds from sale of the donated commodities.

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<sup>1</sup>This minimum allocation of commodities for nonemergency activities may be waived by the Administrator of AID to meet emergency needs or if the food cannot be effectively used. The requirement has been waived each year since fiscal year 1991 because of emergency needs for food aid.

In fiscal year 1993, PVOS distributed about 1.2 million metric tons of U.S.-donated food aid, not including emergency assistance, in 58 countries worldwide. The Cooperative for American Relief Everywhere, Incorporated (CARE) and Catholic Relief Services (CRS) are the major PVOS distributing food aid. Together, they distributed over 568,000 metric tons, or about half of the title II nonemergency food aid in fiscal year 1993.

PVOS generally do not dispense commodities to beneficiaries themselves, but instead work with governmental or nongovernmental organizations. Over the years, PVOS have established networks of local governments, local development organizations, churches, and schools, among others, to dispense the commodities to beneficiaries and conduct development activities. This arrangement enables PVOS to implement food aid programs that may be larger or more geographically dispersed than otherwise would be possible.

PVOS' work with local organizations also is designed to build the in-country capacity to provide services or conduct development activities. For example, in Ghana, the Adventist Development and Relief Agency (ADRA) works with the Ghanaian Forestry Department and a local nongovernmental organization on a forestry project. In Honduras, CARE works through the Ministries of Health and Education, and the National Social Welfare Board to operate direct feeding activities for school feeding and maternal and child health programs. CARE also works with the local municipalities to improve municipal infrastructure through its food-for-work project. In Indonesia, CRS works with several local nongovernmental organizations, notably one local-level CRS counterpart in Lombok, which appeared economically self-sufficient and had its own rural credit bank. This counterpart's officials indicated that it would continue development work after CRS funding ended. Appendix IV provides more specific information about the PVOS' title II projects in the countries we visited.

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## **PVOS' Food Aid Projects Are Consistent With Legislated Purposes**

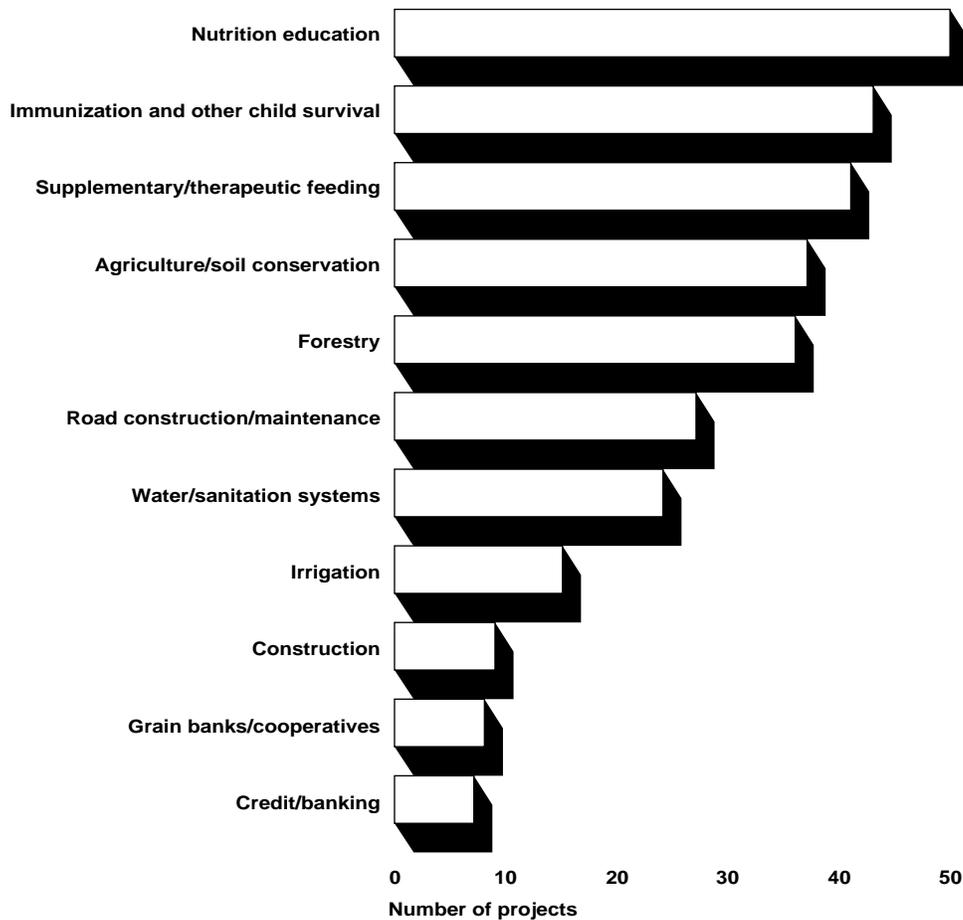
Public Law 480 directs that PVOS use food aid provided under title II to conduct activities to enhance the food security of people in developing countries. This goal is consistent with the goal of most PVO overseas activities, that is, working to alleviate the hardships caused by poverty, the primary cause of food insecurity.

PVOS use food aid to support projects in many different development sectors, including health, education, small business development, and

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Distributing Food Aid**

democracy building. In the countries we visited, the PVOS supported projects in health, education, environment, income generation, water and sanitation, and others (see app. III). Figure I.1 shows different sectors of development supported by food aid worldwide in 1993.

**Figure I.1: Sectors of Development Supported by U.S. Food Aid for Fiscal Year 1993**



Source: Food Aid Management, Directory of Food-Assisted Projects, 1993.

PVOS have used food to support the following types of direct feeding projects:

- maternal and child health projects that provide supplementary food to children and pregnant and lactating women to ensure that they have an adequate diet and to improve their nutrition;
- food-for-work projects that provide take-home rations or on-site meals to unemployed or underemployed individuals who participate in community construction projects, such as building schools, roads, and irrigation systems, or land improvement projects, including reforestation or terracing; and
- school feeding programs that provide meals to students to improve their health, learning capability, attendance, and nutrition and to adults who attend training courses.

In addition, PVOS have distributed food through emergency programs to provide relief to civilians displaced by wars, floods, famines, and other man-made and natural disasters.

Commodities supplied through title II nonemergency programs may also be sold (monetized), and local currencies generated from the sale may be (1) used to transport, store, or distribute commodities; (2) used to finance development activities; or (3) invested, with the interest earned used to support relief and development activities. We found at least one example of projects supported by selling 100 percent of the title II commodities in each of the countries we visited: a palm-oil processing program in Ghana, a housing sanitation program in Honduras, and a cooperative development program in Indonesia (see fig. I.2). Many development officials told us that projects supported by monetization may be preferable to direct feeding in some cases because of (1) the difficulties of moving and storing food and (2) concerns about dependency on donated food and detrimental effects on local production. In commenting on a draft of this report, AID officials stated that AID is starting an evaluation of monetized programs.

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**Figure I.2: Furniture Cooperative in Indonesia Supported by Title II Monetized Funds**



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## **Efforts to Improve Accounting for Commodities**

Although PVOS work through local organizations to distribute food to remote locations, they are accountable for ensuring that food is used according to agreed-upon purposes. PVOS have historically had difficulty managing and accounting for title II commodities. AID Inspector General reports and other evaluations have identified instances of food aid losses due to inadequate management controls, theft, and fraud. An association of nine U.S. PVOS formed Food Aid Management in 1989 with a grant from AID to improve the management and accountability of food aid. Among its activities, Food Aid Management has developed PVO guidelines and operating standards such as the Generally Accepted Commodity Accountability Principles. In addition, requirements for independent audits<sup>2</sup> have imposed more discipline in managing food resources. AID officials and development experts agree that PVOS are making progress toward improving their handling and accounting for commodities over the last decade.

Despite these efforts, we reviewed documents indicating losses in each country we visited. For example, a 1991 AID Inspector General audit report

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<sup>2</sup>Office of Management and Budget Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Organizations.

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**Appendix I**  
**Private Voluntary Organizations' Role in**  
**Distributing Food Aid**

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on the Ghana title II program noted evidence of theft, but the auditors could not verify the extent of losses. The audit report stated that PVOs' loss reports to the mission were often incorrect and their reporting systems did not account for losses resulting from thefts. In Indonesia in 1992, a case occurred in which the U.S. PVO counterpart could not account for 47 metric tons of rice. The loss was attributed to malfeasance on the part of the warehouse supervisor. To attempt to prevent losses from recurring, CRS introduced the end-use check function and incremental improvements in their accountability systems. The Honduran title II program also experienced instances of losses and difficulties in accounting for commodities.

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# Impact and Targeting of Direct Feeding Projects

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## Impact of Direct Feeding Projects

The impact of PVOS' direct feeding projects on food security at either the national or community levels is uncertain. Determining the impact of PVOS' direct feeding projects involves complex methodological issues. Further, data on countrywide social conditions that could be useful in constructing indicators of food security, such as infant mortality and household income, are not often readily available in developing countries. (Evaluation is discussed more fully on pp. 25-26.) According to food aid and development experts, while food security is often affected by national-level social and economic policies, PVOS' local development activities supported by food aid can complement national-level changes by providing assistance to the needy until economic growth can raise incomes. Mission officials in the three countries we visited told us that direct feeding activities were a way to remedy immediate needs, but were not sufficient to attain food security without necessary policy reform. Some well-designed and well-implemented PVO direct feeding projects appear to enhance food security at the community or individual level. Beneficiaries of some projects indicated that the projects have improved their lives.

Some experts believe that food aid actually fosters dependency. They argue that at the national level, food aid enables governments to divert resources to other priorities than feeding their populations and may make it unnecessary for them to enact needed food policy reforms. Some critics of food aid also argue that the presence of donated commodities acts as a disincentive to increased local food production.

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## Food Aid in Ghana, Honduras, and Indonesia to Be Retargeted

In Ghana, Honduras, and Indonesia, we found that either the AID mission or the PVOS were trying to phase out or retarget direct feeding activities to improve the impact of food aid projects on the people who are least food secure, without contributing to dependency. In Ghana, AID officials were assessing the need for continuing direct feeding programs. AID/Ghana officials told us that (1) direct feeding projects were mismanaged and did not contribute to development and (2) the Ghanaian government should only establish and fund emergency or short-term relief programs to vulnerable groups. The Ghanaian Ministry of Agriculture's plans for achieving food security do not include long-term continuation of PVOS' direct feeding programs for persons not considered to be in a vulnerable group, such as disabled persons, refugees, pregnant women, and children. The Ministry's plans focus instead on increasing food production and raising the income of Ghanaians.

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Similarly, in Honduras, AID, CARE, and Honduran government officials were reassessing the need for continuing direct feeding projects because they asserted that the food security situation in the country has not improved significantly over the 40 years of direct feeding projects. According to AID, CARE, and Honduran government officials, the current direct feeding activities are too geographically dispersed, and the projects have not always reached the most vulnerable people. In addition, AID and CARE officials noted the long-term feeding programs may have created disincentives to local food production. CARE's planning documents indicate that the number of projects should be reduced and the projects' objectives redefined to target the most needy. However, AID officials stated that direct feeding activities or a direct subsidy of some sort is important for the most vulnerable groups, such as malnourished children and rural poor.

Despite the pockets of food insecurity in Indonesia, AID/Indonesia and CRS officials suggested that the food distribution program should not continue because the country is relatively food secure. According to the mission director, the amounts of title II commodity imports are relatively small and the impact of providing food to Indonesia on a national level is insignificant.<sup>1</sup> Both AID and PVO officials preferred to conduct development activities using funds from monetization rather than continuing direct feeding projects.

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## **Design and Implementation Are Important to Projects' Long-Term Impact**

How projects are designed, implemented, and maintained determines whether direct feeding projects will have a long-term impact. Among the projects we reviewed, some appeared to have successfully met their objectives. In Ghana, for example, a PVO scholarship program was successful in raising school attendance rates by providing take-home rations as an incentive for parents to keep their children in school, and a PVO cooperative in Indonesia, funded through sale of commodities, had increased the incomes of participants.

Other projects appeared to be less successful in meeting stated objectives because of design and implementation problems. For example, implementors of maternal and child health projects that provided dry rations that mothers took home to prepare could not be sure that malnourished mothers and children consumed the food so that their nutritional status was improved rather than sharing the food with other family members. Implementation was also a problem in a maternal and

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<sup>1</sup>The 1993 title II allocation was about 10,000 metric tons of rice, and the World Bank estimated that in 1991 Indonesia produced about 44 million tons of rice domestically.

child health project in Honduras. Growth monitoring varied among project sites and was inadequate in some cases, so the PVO could not track whether the children's nutritional status improved because of the food received. In this case, the PVO's project was designed to rely on persons that did not have the skills to implement the project adequately. For example, nearly all the women who prepared meals and monitored children's growth at the community centers had little or no formal education and so they had difficulty keeping accurate records.

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**Direct Feeding Programs**  
**Generally Try to Target the**  
**Poor**

The direct feeding projects targeted the poor in the countries we visited, and the beneficiaries receiving the food were generally considered poor, but not necessarily the most vulnerable populations. The targeting of the food projects in the countries we visited varied by type and objective. School feeding projects provide meals to students to improve their health, learning capability, attendance, and nutrition. The objective of the school feeding projects in Honduras and Ghana was to increase school attendance, but the projects had no specific nutritional objectives. In Honduras, for example, the schools that received the supplemental food were chosen by region, not by the individual student's nutritional need. Since the goal was to increase attendance, the projects measured attendance, not nutritional impact on the children. Schools in 9 of the 18 departments in Honduras were recipients of food aid through the school feeding project, and the food was distributed to 3,800 schools (see fig. II.1). CARE, the PVO managing the project, AID, and Honduran officials are reassessing the program and redesigning the projects to meet the food needs of the most vulnerable people, such as pregnant and lactating women, and children under 6 years old.

Figure II.1: School Feeding Project in Honduras



Maternal and child health projects generally target children and pregnant and lactating women because of their nutritional vulnerability (see fig. II.2). However, rather than having nutritional goals, projects in all the countries we visited used food as an incentive for mothers to bring children to health centers for inoculations and preventive care. In some projects, nutritional problems were not criteria for participation. For example, in Indonesia, according to PVO and local officials, PVOs have established projects where the government of Indonesia had not provided adequate health coverage. The community health centers used food as an incentive for women to attend classes in nutrition and family planning. According to project officials, although the women served were poor, they were not screened for nutritional status and were not necessarily the poorest. Maternal and child health projects sponsored by PVOs in Honduras and Ghana provided food to poor mothers. The Honduran project provided food to persons who were not eligible under the project criteria, according to a recent evaluation and local project officials. PVO officials told us the project in Ghana may not have served the poorest mothers because they lacked the status to join the informal socializing of mothers who came to the centers.

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**Figure II.2: Maternal and Child Health  
Direct Feeding Project in Honduras**



In commenting on a draft of this report, AID said it recognizes, as the PVOS do, that it is not always possible to reach the most vulnerable groups in a society. It also stated that

“. . . the goal of food aid programs under Title II must be to assist the poor and hungry. However, there are many factors which go into designing a successful sustainable development project. For example, it is often essential that recipients bring some small personal resources to an activity, even if only their labor. Some level of receptivity to change is usually important. Simple access can be a problem in some countries. All these factors make it difficult for a pvo to identify and target groups and individuals that are absolutely the most needy in a country.”

Food-for-work projects are usually considered self-targeting to the poorest because the work is difficult and wages are low. The objectives of food-for-work projects were generally to offer short-term employment and improve infrastructure, such as roads or sewers. Rations are usually based on the amount and difficulty of the work performed and are not usually calculated to improve nutritional status for the workers and their families. Infrastructure improvement projects are based on the assumption that, in

addition to short-term employment provided through the project, the workers benefit from community improvements.

In most projects we visited, the participants were considered poor but did not have to be among the most vulnerable populations to participate. For example, in Ghana, the food-for-work project targeted seasonally employed agricultural laborers between harvests. In Indonesia, a food-for-work project was constructing a dam and an irrigation system for a community that had not been served by the government. Although these villagers were not food insecure, rice was provided in payment for labor. Project officials said that the workers could sell the rice and use this income to purchase other types of foods. However, the PVO did not track how the rice was used.

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**Infrastructure**  
**Improvements Are Usually**  
**Small and**  
**Community-Based**

Food-for-work projects are usually small-scale, local infrastructure improvement efforts. For example, in Honduras, food-for-work projects supported the construction of sewage lines, drainage ditches, and sidewalk and street construction and repairs. In Ghana, water wells, latrines, and schools were completed, and in Indonesia, food-for-work projects upgraded irrigation systems and built a small dam.

Although many of the infrastructure projects were small in scale, the beneficiaries told us that the projects had significantly improved their living conditions. In Ghana, prior to the completion of a well-digging food-for-work project (see fig. II.3), the villagers used unclean water from a river about 1 kilometer away from the village. One beneficiary told us that since the villagers had started using the well water, the children's health had improved greatly and the incidence of guinea worm disease had sharply declined. In Honduras, beneficiaries told us that the sewage and drainage improvements kept the latrines from filling up during heavy rains and reduced the incidence of malaria, dengue fever, and illnesses among the children (see fig. II.4).

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**Appendix II  
Impact and Targeting of Direct Feeding  
Projects**

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**Figure II.3: Well Built by Food-for-Work  
Project in Ghana**



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**Figure II.4: Drainage Ditch Built by  
Food-for-Work Project in Honduras**



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**Appendix II**  
**Impact and Targeting of Direct Feeding**  
**Projects**

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Many of the PVOs' infrastructure projects also produced results in addition to the planned infrastructure. For example, an Indonesian dam and reservoir project enabled the local farmers to increase their crop production from one crop of rice to two crops per year. After the dam was completed, the villagers not only increased their crop production, but also used the reservoir for raising fish (see fig. II.5).

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**Figure II.5: Dam Built by**  
**Food-for-Work Project in Indonesia**



In Honduras, a community project coordinator told us that besides constructing a sewage drainage system, the community, with the PVO's help, had resolved other problems with the municipality, such as land titling, electricity, and water hook-up. The coordinator did add, however, that he had encountered problems keeping "trained" workers (i.e., bricklayers). The trained participants were able to get jobs at the government public works program making over three times the daily ration. Although unplanned, one of the long-term impacts may be enabling workers to get higher-paying jobs.

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## Planning for Maintenance Is Critical to Sustainability

Whether a project leads to improvements over the long term depends on how well it is maintained. If an infrastructure project is well-designed, a maintenance plan is part of the project design. We saw evidence that some PVOS plan for maintaining projects. For example, in Indonesia, a PVO had assisted in the design and building of a small dam. The PVO helped the local nongovernmental organization design a local maintenance fund and a plan for maintaining the dam. On the other hand, some PVO projects did not include planning for the project's maintenance. Project officials in Honduras told us they had not completed a maintenance plan yet, although the municipal infrastructure project providing food-for-work had been ongoing for 4 years.

Field site visits and past evaluations suggest that projects' implementation can be improved. For example, in Ghana, we observed a food-for-work project where two wells were to be built; however, only one well was completed. The unfinished well, which was started in 1991, had collapsed during construction.

PVOS' project evaluations we reviewed recommended several things that PVOS can do to improve project design and implementation, such as the following:

- Design the project on the community's perceived needs.
- Begin with an agreed-upon plan to phase out food-for-work in an area.
- Plan for project maintenance, including the constraints and possible contingency actions.
- Increase the amount of money available for tools and other supplies for construction.
- Provide better training for the local communities.

Long-term impact of direct feeding projects also may depend on the continuing support of the community or the recipient government. We saw projects where the PVOS had planned for the project's maintenance, but the community had difficulties maintaining the project as planned. For example, in Honduras, one community encountered problems with the drainage ditches, completed under a food-for-work project, not draining properly. According to PVO officials, they had provided instruction to this community for maintaining the ditches. To maintain the proper drainage, residents had to keep the ditches free of debris. However, according to local residents, not all of the residents had maintained the system properly. In Ghana, a PVO had assisted the community in digging a well in 1991. However, at the time of our visit in 1994, debris had filled the holes

in the well's sides where the water entered so that the well had dried up. According to PVO officials, although the villagers had been taught how to unplug the well, the villagers had not unplugged the holes and were instead waiting for the PVO or the government to unplug the sides and make the well functional again. Without the well, the villagers were using a mountain stream that during the dry season was considered unclean. At the time of our visit, no action had been taken to make the well operational.

Some PVOs have been successful in overcoming some of these obstacles to ensure long-term impacts of their projects. In the three countries we visited, we saw successful projects where PVOs have encouraged village or community participation, used appropriate technologies, provided education and training, planned for sustainability, and strengthened local institutions.

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## **Data on Project Impacts Lacking**

As we reported in our 1993 report,<sup>2</sup> AID is implementing its food aid programs without empirical evidence that they enhance food security. AID has not yet developed methodologies for measuring what the long-term impacts of its food aid programs are or whether food aid is an efficient method for achieving or sustaining the food security objective. Further, it has not gathered data to support its assumptions about the positive long-term impacts of food aid programs, even where an impact might be measurable.

Until recently, AID and the PVOs' evaluations of direct feeding activities have centered on improving management accountability for the food resources. Evaluations have measured outputs, such as the number of children fed or miles of road paved, rather than the project's impacts. PVO officials agreed that baseline data measuring the degree of food insecurity were not usually gathered. Officials from one PVO acknowledged that baseline data were available in only about 15 percent of their food projects.

In the three countries we visited, most PVOs' projects lacked baseline data or recent evaluations, making it difficult to assess the impact of the direct feeding programs on long-term food security. In Indonesia, the PVOs' most recent evaluations of the maternal and child health and food-for-work programs were in 1989 and 1990. In Honduras, the PVOs' food-for-work and

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<sup>2</sup>Food Aid: Management Improvements Are Needed to Achieve Program Objectives (GAO/NSIAD-93-168, July 23, 1993).

housing sanitation projects did not have baseline data to measure the community's present situation in order to demonstrate any future impact that these projects might have. In Ghana, the PVOS' food-for-work projects measured the number of trees planted, schools built, and wells dug; however, the PVOS did not assess the impact of these activities. In a food-for-work project in Ghana that built wells, the PVO tracked the number of wells constructed. However, the PVO does not generally follow up to determine if after the well was completed the villagers had used it, whether they maintained it, or whether it had collapsed.

Discussions are underway between AID and the PVOS on what data to collect and how to monitor and assess projects' impact. For example, a rapid appraisal assessment process is being tested that would determine food security status in a cost-effective manner by identifying and collecting a few key indicators. In commenting on a draft of this report, AID said that it agrees with our observation that AID and the PVOS must do a better job evaluating the impact of title II development projects, and it has taken steps toward developing and applying methodologies. Among other efforts, in February 1994, AID circulated to PVOS a report that recommended means for improving design and evaluation of title II programs; and in spring 1994, a multidisciplinary team of PVOS and AID evaluation experts conducted a comprehensive evaluation of the CARE India project, the largest title II program in the world, with a goal of more comprehensive assessment of impact. According to food policy experts, when such indicators are developed and tracked, PVOS will have more than anecdotal evidence to evaluate a project's success.

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# Case Study Summaries

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## Title II Food Aid in Ghana

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### Food Needs

AID's World Food Day Report classifies Ghana as food insecure.<sup>1</sup> More than one-third of Ghana's population faces some food insecurity problems. Some households, especially the urban poor, are food insecure throughout the year, although for most households food insecurity is mainly a seasonal occurrence. Ghana's northern and coastal savannah regions, particularly in certain remote areas of the country, are the least food secure regions. In contrast to several other African countries where the diet is often only one or a few staples, Ghana's food production and consumption pattern is widely diverse and varies by region. Ghana is self-sufficient in many of the locally produced food crops, with the major exception of rice. Ghana imports about 50 percent of its rice.

Key problems contributing to Ghana's food insecurity are poverty, compounded by a poor distribution system, and the inefficient use of resources. Ghana's high annual population growth rate of 3.1 percent adds to the country's food insecurity. With an average income of about \$400 per year, in 1992, households spent an average of 49 percent of their income for food. With a population of over 16 million, more than 36 percent of the population is chronically malnourished. Although Ghana's trend for total food production has been positive since 1983, the extent of Ghana's food security is still highly dependent on climatic conditions, such as droughts, insects, and crop pests.

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### PVOs' Activities Using Food Aid in Ghana

Three PVOs received title II food in Ghana in fiscal year 1994: CRS, ADRA, and Technoserve. CRS and ADRA both have direct feeding programs and monetization programs. Technoserve's title II program sold (monetized) 100 percent of the donated commodities to generate local currency for an income-generation project. Table III.1 indicates the title II commodity amounts that AID has approved for PVOs' nonemergency projects in Ghana. The commodities approved for Ghana were rice, bulgur, wheat soy blend, sorghum grits, and wheat.

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<sup>1</sup>AID uses five basic indicators for the reported countries, including GNP per capita, average daily per capita calorie availability, under-5 mortality rate, gross foreign exchange earnings, and gross domestic food production.

**Table III.1: Title II-Approved Nonemergency Projects for Sponsors in Ghana (Fiscal Year 1994)**

Dollars in thousands			
Sponsor	Metric tons	Commodity value	Freight cost
ADRA			
Food-for-work	981	\$ 288.1	\$ 122.6
Other	10,559	1,514.7	819.9
<b>Subtotal</b>	<b>11,540</b>	<b>1,802.8</b>	<b>942.5</b>
CRS			
Food-for-work	346	72.0	43.2
Maternal and child health	1,946	519.6	243.3
School feeding	1,005	209.0	125.6
Other	12,063	1,769.4	972.4
<b>Subtotal</b>	<b>15,360</b>	<b>2,570.0</b>	<b>1,384.5</b>
Technoserve	8,000	1,080.0	600.0
<b>Total</b>	<b>34,900</b>	<b>\$5,452.7<sup>a</sup></b>	<b>\$2,927.1<sup>a</sup></b>

<sup>a</sup>Figures do not add due to rounding.

### Catholic Relief Services

CRS established its mission in Ghana in 1956. CRS's primary direct feeding projects include maternal and child health activities; institutional feeding (preschool and school lunch programs) and other child feeding; farmer training; and general relief for disaster victims, the elderly, and other vulnerable or needy groups. The most recent evaluation noted that in fiscal year 1990, CRS assisted about 160,000 beneficiaries using food aid in Ghana.

In Ghana, CRS provides take-home rations to girls who enroll and attend school. CRS's premise is that educating females will reduce poverty through greater economic opportunity, improve productivity of women, and ease population pressure by delaying childbearing. In October 1991, CRS began collecting data to determine whether the take-home rations were, in fact, increasing girls' enrollment and attendance. At the end of the second year, attendance at schools providing rations was approximately 9 percent higher than attendance at schools providing no rations.

### Adventist Development and Relief Agency

ADRA's involvement in the title II program in Ghana dates from Ghana's 1983-84 food shortage. In 1985, using the infrastructure it had developed during the food shortage period, ADRA began development-oriented activities. ADRA's projects provide food through the following activities: agro-forestry (tree seedling and food crop planting); school, latrine, and well construction; and general relief to disaster victims, elderly, and other

vulnerable or needy groups. According to the most recent evaluation, ADRA assisted over 42,000 beneficiaries in Ghana in fiscal year 1990.

Since 1988, ADRA has provided food-for-work as part of an agro-forestry project in which selected rural communities plant tree seedlings for later harvest and sale as firewood. Another component of the project is growing food crops on the same land that has been cleared for planting trees, before the trees grow large enough to shade the crops. According to ADRA officials, these projects have resulted in increased food harvests and income generation to farmers through the sale of firewood. According to AID officials, this project did not promote sustainable development because the long-term demand for firewood is declining due to the increased use of propane gas and charcoal in Ghana.

#### Technoserve

Technoserve's monetization program in Ghana is intended to enhance food security through agricultural income-generating activities. Technoserve has used monetization funds to assist rural businesses in palm-oil processing and marketing, cereals marketing, and nontraditional export development.

In Ghana, Technoserve provides assistance and training to 18 cooperatives that are operating, or are in the process of installing, village-based, fee-for-service palm-oil processing mills. The mills provide an alternative to state-owned mills that are located long distances from producing areas and generally pay the producers very little for their palm fruits. The cooperatives provide rural employment and income for farmers, processors, transporters, and numerous others, enabling them to stay in their villages instead of moving to urban areas in search of employment. According to AID, Technoserve's activities promote rural income generation and national food security and offer innovative ways to effectively sustain development programs in rural communities.

#### Other Food Programs

In addition to these pvos, the World Food Program also has emergency and nonemergency feeding programs in Ghana.<sup>2</sup> The World Food Program activities include food-for-work projects for railway, port, highway, and feeder road construction; supplementary feeding and nutritional education projects; and emergency food distribution for Togolese refugees.

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<sup>2</sup>The World Food Program did not receive title II commodities for Ghana programs in fiscal year 1994.

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## Title II Food Aid in Honduras

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### Food Need

According to the 1993 World Food Day report, Honduras is considered borderline food insecure. Problems contributing to food insecurity include poor farming practices, as well as poverty, all leading to insufficient diets and lack of sanitation. The government of Honduras has limited access to hard currency with which to purchase food commercially. Environmental degradation of the land from traditional farming practices and deforestation has also produced declining crop yields. Honduras is a net importer of food crops, especially in the basic commodities of corn, beans, and rice, although its exports of nontraditional agricultural products have increased.

Honduras is considered one of the poorest countries in the western hemisphere, with an estimated population of 5.4 million in 1993 and 1992 gross national product of \$634 per capita. According to AID, approximately 62 percent of the Honduran population does not consume the recommended caloric level per day. Poverty has also contributed to the lack of sanitation, which is one of the worst problems facing Honduras. Thirty-eight percent of the households lack appropriate excreta disposal, and 36 percent do not have access to safe water. Honduras' poverty problem is aggravated by the rapid population growth of about 2.8 percent per year.

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### PVOs' Activities Using Food Aid in Honduras

CARE is the only U.S. PVO conducting title II direct feeding programs in Honduras. The Cooperative Housing Foundation sold its title II commodities to fund a project to improve housing sanitation. In addition to U.S. food assistance, several other food aid donors, including the World Food Program, have programs in Honduras. Table III.2 indicates the approved title II amounts for nonemergency projects in Honduras in fiscal year 1994 by sponsor and project type. The approved commodities for Honduras included red beans, yellow corn, corn soy masa flour, bulgur, vegetable oil, corn soya blend, and wheat.

**Table III.2: Title II-Approved  
Nonemergency Projects for Sponsors  
in Honduras (Fiscal Year 1994)**

Dollars in thousands			
Sponsor	Metric tons	Commodity value	Freight cost
CARE			
Food-for-work	808	\$ 379.4	\$ 88.7
Maternal and child health	5,979	3,273.7	727.7
School feeding	2,813	791.7	351.6
<b>Subtotal</b>	<b>9,600</b>	<b>4,444.8</b>	<b>1,168.0</b>
Cooperative Housing Foundation	3,000	405.0	225.0
World Food Program	4,800	647.3	377.5
<b>Total</b>	<b>17,400</b>	<b>\$5,497.1</b>	<b>\$1,770.5</b>

CARE

CARE's direct feeding activities in Honduras, administered through the Ministries of Health and Education and the National Welfare Board, include school feeding, maternal and child health, and urban food-for-work projects. CARE began working in Honduras in 1954 to respond to the emergency needs of flood victims. CARE/Honduras, through its counterpart agencies, has developed an extensive direct feeding program. Through the Ministry of Education, CARE supplies snacks to about 300,000 students and a school breakfast to about 2,300 students in primary schools throughout the country. In its maternal and child health projects, CARE works with (1) the Honduran Ministry of Health to provide dry rations at 302 health centers with 44,000 beneficiaries and (2) the National Social Welfare Board to provide daily meals to 72,500 beneficiaries at 1,100 on-site feeding centers.

CARE has been active in training local nongovernmental organizations and strengthening its counterpart institutions so that the responsibility for administering the school feeding and maternal and child health projects can be transferred to the government of Honduras. The latest evaluation of the school feeding and maternal and child health projects reviewed how well the counterparts were able to administer the direct feeding activities. It found that the government counterparts must learn a variety of tasks, principally administrative, in order to assume total management. In addition, this evaluation made several recommendations to promote greater accountability and improve logistics. In certain cases, the management of the food itself has required the formation of village groups, which have organized community activities, such as school gardens, tree nurseries, and animal husbandry projects, all of which helped to sustain local programs.

CARE's Municipal Infrastructure and Technical Assistance project is an urban sanitation and infrastructure food-for-work project in northern Honduras. The project provides technical assistance and training to municipalities for improving basic services on a cost-recovery basis. The project targets urban communities characterized by high rates of unemployment and limited public services. Project participants construct or improve basic infrastructure, including potable water systems, storm and sewage drainage, and sidewalk/street repairs within the participants' community. CARE has worked with the local communities and municipalities to develop the skills to (1) improve local infrastructure, (2) increase community participation, and (3) strengthen the municipal governments' ability to provide basic services. CARE project staff have conducted workshops and on-site training in administration, supervision, and construction techniques, which CARE reported had improved teamwork and technical skills in the community and municipal governments. CARE also reported that the infrastructure project completed 20 improvements, out of a target of 21, in 10 municipalities in fiscal year 1993. These projects included latrines, potable water systems, and sewage-and water-drainage systems.

#### The Cooperative Housing Foundation

The Cooperative Housing Foundation monetizes 100 percent of title II commodities to fund a project to improve housing sanitation in Honduras. With the proceeds from the commodity sale, the Cooperative Housing Foundation is expanding an ongoing sanitation and housing improvement project. These funds will be added to an existing revolving fund through which local nongovernmental organizations' activities make small loans to families for housing-sanitation improvements, such as building a latrine, shower, or water storage unit. Although the sale of title II commodities had not been completed when we were in Honduras, we observed housing improvements completed through this project, and beneficiaries reported improvements in sanitation. The Cooperative Housing Foundation plans to expand to other communities in Honduras by using the proceeds from the commodity sale.

#### Other Food Programs

The World Food Program also receives title II funds and conducts food-for-work and maternal and child health direct feeding activities through the government of Honduras.

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## Title II Food Aid in Indonesia

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### Food Need

AID considers Indonesia a relatively food secure country. Since 1984, the country has maintained self-sufficiency in rice. Indonesia imports less than 10 percent of its rice needs and exports about similar quantities. Although Indonesia has reached food security on a national basis, some regions still suffer from food insecurity because of poor distribution and low income. Some areas of Indonesia have limited water supplies, poor agricultural practices, and suffer from deforestation. The northern and eastern islands, in particular, have limited access to food supplies due to transportation, storage, and distribution problems. According to AID, poverty has declined roughly 50 percent in Indonesia from 54 million in 1976 to an estimated 27 million people in 1990. However, about 15 percent of the population remains below the poverty line. AID/Indonesia reported that a recent Indonesian government survey found that 30 percent of Indonesian villages are still poor. AID estimates that the average per capita income is about \$600.

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### PVOs' Activities Using Food Aid in Indonesia

Three PVOs conduct Public Law 480 title II projects in Indonesia, although only one PVO has a project with a direct feeding component. CRS manages both direct feeding and monetized development activities, while the other two PVOs—CARE and the National Cooperative Business Association (NCBA)—manage projects funded through monetization of title II commodities. In addition to the World Food Program, CRS has been the only PVO to receive title II assistance since fiscal year 1989. Table III.3 lists the approved quantities under title II nonemergency programs for CRS and World Food Program projects in Indonesia. The commodities approved were rice, wheat, and wheat soy blend. Both CARE and NCBA operate their projects from the proceeds of commodities sold in fiscal year 1989.

**Table III.3: Title II-Approved  
Nonemergency Projects for Sponsors  
in Indonesia (Fiscal Year 1994)**

Dollars in thousands			
Sponsor	Metric tons	Commodity value	Freight cost
CRS			
Food-for-work	3,695	\$1,662.8	\$461.9
Maternal and child health	1,555	634.0	194.4
Other	8,000	1,080.0	600.0
<b>Subtotal</b>	<b>13,250</b>	<b>3,376.8</b>	<b>1,256.3</b>
World Food Program	5,200	702.0	390.0
<b>Total</b>	<b>18,450</b>	<b>\$4,078.8</b>	<b>\$1,646.3</b>

Catholic Relief Services

CRS has been providing food assistance in Indonesia for over 30 years. CRS manages its title II assistance in three program areas: (1) maternal and child health care, (2) food-for-work, and (3) enterprise development. Through local counterparts, CRS' maternal and child health project supports improved health care for mothers and children at health centers in poor, rural villages. The project uses food as an incentive for mothers to bring their children for preventive care but claimed no nutritional goals. In the health centers we visited, participants were selected on the basis of income and background (social and religious). Project officials considered the food incentive successful in improving health coverage. They told us that many more women participate in the health program than those who have received food because word of the health services had spread from those who receive the food supplement to other women of the village. In fiscal year 1993, the CRS counterparts conducted health activities at 736 community health centers and served 42,291 participants. However, according to the project officials, this project did not reach the poorest villagers because they could not afford transportation to the village health center.

The goal of CRS' food-for-work project is to improve income from agricultural production. Activities include (1) water resource development projects, such as dams, reservoirs, irrigation systems, and drainage canals; (2) soil conservation projects, such as terracing; and (3) agricultural intensification, such as swamp reclamation. The food-for-work program completed 301 infrastructure and agricultural projects in fiscal year 1993. Improvements include construction of drainage ditches, irrigation canals, terraced farmland, 4 small dams, and over 891 hectares of new farmland opened. Over 122,900 recipients received rice rations.

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CRS' goal for the microenterprise project is to increase off-farm income generation opportunities for the rural poor. Through local counterparts, CRS provides funds from monetized title II commodities to establish local savings and loan networks for the rural poor. These projects focus on poverty alleviation, but not on food security specifically. Mission and CRS officials agree that the size of the title II distribution program in Indonesia is too small to affect national-level food security. Nevertheless, CRS officials told us that the title II program has had a positive impact on the local level.

## CARE

CARE has been working in Indonesia since 1967. CARE currently manages a water and sanitation project under a title II no-cost extension until July 22, 1996. With monetization proceeds, CARE helps communities work together to design, organize, build, and maintain village water and sanitation systems. CARE provides technical assistance on the design and construction of the systems. CARE also provides community training on (1) how to finance projects through user fees and (2) health and hygiene education. This project was part of a community-based water and sanitation project funded through AID/Washington called Water and Sanitation for a Healthier Environmental Setting project, which ended in fiscal year 1991. This project increased rural communities' access to reliable and safe water supplies and sanitation facilities.

## The National Cooperative Business Association

NCBA has managed two title II monetization projects during the last 5 years. NCBA, through cooperative-building efforts, uses monetization proceeds to expand Indonesia's nontraditional exports, such as processed cinnamon, vanilla, and cocoa. One project was designed to improve the indigenous capacity to develop production and marketing services for food crops, livestock, and fishery production.<sup>3</sup> The project targeted small farmers who had the potential to increase their production. By the end of the project, in mid-1992, economic activity developed under the project provided full-time employment to about 11,000 people and part-time employment to an additional 5,000 people. The other NCBA monetization project is designed to create a cooperative that will provide financing for the agribusiness sector.<sup>4</sup>

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<sup>3</sup>The Cooperative Agribusiness Enterprise Development Project was approved as a \$2,838,194 title II monetization project.

<sup>4</sup>This project, the Indonesia Enterprises and Trade Development Project, was approved as a \$4,629,770 title II monetization project.

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