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de Alimentos

Executive Board
Third Regular Session

Rome, 19 - 22 October 1998

PROJECTS FOR EXECUTIVE BOARD APPROVAL

Agenda item 8



Distribution: GENERAL
WFP/EB.3/98/8-A

11 September 1998
ORIGINAL: ENGLISH

DEVELOPMENT PROJECT ECUADOR 3096.02

Targeted school feeding in deprived and indigenous areas

Total cost to WFP	7.5 million dollars
Number of beneficiaries	500,000 schoolchildren
Total food cost	5,175,000 dollars
Total cost to government	34.3 million dollars
Duration of project	Four years (1999–2002)

All monetary values are expressed in United States dollars. One United States dollar equalled 5,152 sucres in June 1998.

ABSTRACT

Ecuador is a low-income, food-deficit country, with an income per capita of 1,500 dollars in 1996. It has 12 million inhabitants, four million of whom live in poverty. Of the latter, 1.5 million live in extreme poverty. This is the last phase of WFP support to Ecuador's school feeding programme. The project will continue targeting 500,000 of the poorest schoolchildren (25 percent of all schoolchildren) aged 5 to 14. They are enrolled in the basic education programme (one year of pre-school, six of elementary and three of middle school) in about 7,000 public schools in deprived rural and indigenous areas. It will address the short-term hunger of these pupils, many of whom do not eat before reaching school. Thus food aid will contribute to improving their attention span and learning capacity. The project will also contribute to reducing anaemia and other nutritional deficiencies through added micronutrients, and the intensity and incidence of intestinal parasites through deworming treatments. It will also promote gender awareness among the entire school community. The project will assist in setting up a durable, fully funded national mechanism for assuring a continuing school feeding service to be executed nationally while WFP gradually phases out. The present project is cooperating in the areas of education, health, nutrition and food security with the World Bank, Inter-American Development Bank (IDB), UNESCO, UNDP, World Health Organization/Pan-American Health Organization (WHO/PAHO), UNICEF and national agencies.

The average profile of the assisted Ecuadorian girl child is as follows: awakened at dawn, she may or may not have had a warm cereal beverage, taken in an unhygienic household environment. She may have to go to the fields with her mother or tend the cattle or stay home and mind younger siblings. If she is not busy with the chores, parents are happy to send her to school, where she will be occupied and fed. The long walk to school is often taken on an empty stomach. Usually hungry, the child sits in an uncomfortable classroom and learns by rote from the teacher. Hunger is apparent in the clouded eyes and the apathy. The latrines are usually dirty and unhygienic—when operational. The teacher is committed but has few teaching materials. The child's concentration is fixed on the arrival of the mid-morning WFP snack, which somewhat revives the attention span. In the afternoon, she returns home to await the later arrival of her mother from the fields who will prepare the only real meal of the day consisting of cereals and sometimes pulses or vegetables. The child will spend her youth afflicted by malnutrition and anaemia, and very often infested by parasites. There are no books in the house to stimulate the child. The parents are usually functionally or totally illiterate.

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NOTE TO THE EXECUTIVE BOARD

This document contains recommendations for review and approval by the Executive Board.

Pursuant to the decisions taken on the methods of work by the Executive Board at its First Regular Session of 1996, the documentation prepared by the Secretariat for the Board has been kept brief and decision-oriented. The meetings of the Executive Board are to be conducted in a business-like manner, with increased dialogue and exchanges between delegations and the Secretariat. Efforts to promote these guiding principles will continue to be pursued by the Secretariat.

The Secretariat therefore invites members of the Board who may have questions of a technical nature with regard to this document, to contact the WFP staff member(s) listed below, preferably well in advance of the Board's meeting. This procedure is designed to facilitate the Board's consideration of the document in the plenary.

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PROBLEM ANALYSIS

1. Ecuador is a low income, food-deficit country attempting to overcome a huge external debt, growing fiscal deficit and high inflation through a strict policy of fiscal austerity. The side effects of controlling inflation and reducing the debt have negatively affected food production and social sector programmes, in particular education and health, creating a marked deterioration in the distribution of incomes, salaries, employment, and access to social services. All these factors have increased the incidence of poverty. The vulnerable and poorer sectors of the population have been the hardest hit by the structural adjustment programme.
2. FAO's Aggregate Household Food Security Index, determined in 1990 and 1992, established a value for Ecuador of 86.4 out of 100, indicating a lack of family food security. In the period 1992–96, Ecuador dropped from 68th to 74th place in the Human Development Index of the United Nations Development Programme (UNDP).
3. Approximately four million Ecuadorians, representing 35 percent of the population, live in poverty; of these, 1.5 million live in extreme poverty and are unable to satisfy their basic needs. Their annual income is almost 70 percent lower than the country's average per capita income of 1,500 dollars. One out of every four persons in urban areas and seven out of 10 in rural areas are poor, according to 1996 data.
4. Poverty among indigenous people, representing about 12 percent of the population, is 14 points above the average rural poverty level and 32 above the national average. Eighty-five percent of indigenous people in rural areas live under the poverty line. In 1994 they had an annual per capita income of under 216 dollars.
5. The inequality in health conditions between rural and urban areas is striking. In 1995, more than half of Ecuadorians (55 percent) did not have access to health care for lack of money; 62 percent of these were rural people.
6. Malnutrition afflicts more than half the rural population. A study of malnutrition and socio-economic conditions in Ecuador (1994) noted that the prevalence of chronic malnutrition is 30.5 percent for the entire country, meaning that large numbers of the population are not reaching their full growth potential. Malnutrition is highest in the rural sierra and rural coast.
7. Among the total school population, the average prevalence of protein-energy malnutrition is 50 percent and in rural areas 60 percent. Iron deficiency and anaemia affect 37 to 40 percent of all schoolchildren, causing serious repercussions for their physical and mental health and, eventually, their learning capacity. The average attendance of pupils during the 10 years of basic education, ranging from the ages of 5 to 14, is five to six years; there are high levels of absenteeism (30 percent in rural and about 10 percent in urban areas), and high drop-out rates (53 percent in rural areas, 11 percent in urban). Enrolment in rural areas remains 10 points lower than the national average.
8. A national study of counties with more than 50 percent indigenous people found the lowest national indicators of health and education and high illiteracy rates. The rates of malnutrition and infant mortality in predominantly indigenous counties were much higher than those in other poor areas of the country.
9. Indigenous women have the worst educational indicators. While illiteracy among indigenous men is 27.7 percent, for indigenous women it is 43.5 percent. The



non-indigenous population has an illiteracy rate of 7.7 percent for men and 10.5 percent for women. The opening of educational opportunities in rural areas generally slowed down in the nineties, but the organization of bilingual education improved with the establishment of the National Directorate for Intercultural Bilingual Education (1992), the National Council for Planning and Development of Indigenous People and Afro-Ecuadorians (CONPLADEIN), and recently (1997), the "Development Project for Indigenous People and Afro-Ecuadorians (PRODEPINE)" funded by the World Bank and IFAD.

10. Confronted with such large-scale poverty, hunger and malnutrition, the Government has targeted education, health, nutrition and food security as priorities within an integrated social policies model, in cooperation with projects of WFP, the World Bank, IDB, UNESCO, UNDP, United Nations Population Fund (UNFPA), United Nations Fund for Women (UNIFEM) and others. The National Development Council (CONADE) is currently defining development strategies and plans to coordinate activities with poverty-oriented groups representing the most vulnerable social sectors.
11. The National Council for Education (1996) is to lead the drive for better quality education within the framework of "social reconstruction". The Social Agenda for Ecuador (1997–2007), prepared by the Technical Secretariat of the Social Front, identifies as a priority a policy on food promotion and nutritional and educational assistance to mothers and children who are living in extreme poverty. The importance given to food security by the Government is embodied in a Government Decree setting up a National Executive Committee for Food Security to intensify and diversify production systems, transfer appropriate technology, and provide credits for administration and commercial training in relevant areas.
12. The problem of hunger in Ecuador will not be corrected in the short term, considering the present socio-economic conditions of the country, severely worsened by the effects of El Niño, which hit the country during the first semester of 1998. Therefore, in harmony with the Social Agenda for Ecuador (1997–2007), protection for the extremely poor population will have to be maintained until the long-term socio-economic benefits of structural adjustment measures take effect.

Previous WFP assistance

13. Ecuador 3096.00—School feeding programme in depressed Areas (1990)—had a budget of 8.1 million dollars and completed its first phase in December 1993. An inter-agency evaluation mission in May 1993 decided that there were serious difficulties in the administration and execution of the project, resulting in a limited impact. Nevertheless, the mission recommended an extension of the project because of the acute malnutrition in the country and the role for WFP in catalyzing aid from many donors to support the enormous financial and management effort made by the Government.



14. Ecuador 3096.01 was approved in May 1994 for a period of three years, with a budget of 10.5 million dollars. A WFP/UNESCO/UNDP pre-appraisal mission for the second expansion of this project visited Ecuador from 24 November to 10 December 1997. The principal recommendations of the mission are being addressed in this phase, in particular; that of merging the Operational School Feeding Unit of the Ministry of Education and Culture (MEC/UOCE) and the UNDP Management Unit into one semi-autonomous unit, linked to MEC, and determining new roles and responsibilities.

PROJECT OBJECTIVES AND EXPECTED OUTPUTS

15. The project's long-term objective is to provide poor and indigenous schoolchildren with supplementary feeding thus assuring their daily food security.
16. The project's immediate objectives are:
- a) establish an efficient and durable School Feeding Programme and create adequate conditions for WFP's phase-out; and
 - b) relieve short-term hunger through targeting poor and indigenous schoolchildren, thus
 - i) providing children in targeted schools with a daily food ration of 400 kilocalories;
 - ii) assuring better health and nutrition levels;
 - iii) contributing to the improvement of their scholastic performance, helping to reduce drop-out rates and improve the concentration of pupils; and
 - iv) reducing repetition rates.

Outputs

17. The expected outputs are as follows:
- a) A phasing-out strategy will be implemented, resulting in a national management capacity to carry out a self-executing School Feeding Programme with an adequate funding mechanism in place.
 - b) A national sustainable School-Feeding Programme will function daily and cover no less than 500,000 children (25 percent of the present number) in basic education in about 7,000 schools over a minimal period of about 160 days, with an annual consumption of 80 million fortified rations.
 - c) An overall improvement in attendance and retention and an increased attention span through cooperative activities concentrated in the participating schools.

ROLE AND MODALITIES OF FOOD AID

Functions

18. Food aid will serve as a highly nutritive supplement to relieve short-term hunger, and as an incentive for regular attendance and other educational benefits. It will also play a role in introducing training in gender awareness. In addition, the feeding programme will act as a vehicle for deworming schoolchildren and introducing concepts of environmental health and safe water, thus benefiting the entire school community.



19. Owing to its rigorous targeting of severely deprived school communities, marked by insufficient food availability, the project will take the lead in addressing hunger, one of the major effects of poverty. Consequently, it will act as a catalyst by encouraging and drawing additional social investments in marginalized areas, from other possible sources also committed to improving education and protecting the poorest population.

Food inputs and commodity justification

20. WFP will provide approximately 3,000 tons of wheat, 6,000 tons of wheat flour or its equivalent in grains and 1,800 tons of skimmed milk. The wheat flour will be used directly in the preparation of the biscuit and the beverage, and the wheat will be sold, at no less than the market value, in order to purchase local food, as per document WFP/EB.A/97/5-A—“Policies on the Use of WFP Food Aid in Relief and Development Activities; Monetization”. WFP reserves the option of providing cash for direct purchase of local foods, depending on its resource situation.
21. Wheat production in Ecuador is low and internal demand is met essentially through imports (about 350,000 tons a year). The sale of wheat has proved to be a viable mechanism for introducing exchange with local products. It produces a return of about 5–10 points higher than the WFP c.i.f. value. Local foods to be purchased are mentioned in paragraph 36.
22. The school meal, consisting of a biscuit and beverage, provides 400 calories, or 20 percent of the daily requirement, with a margin of more or less five percent. It is in accord with the following parameters: 12 percent of the calories are contributed by protein and between 25 and 35 percent by fats. The beverage must provide 60 grams per ration for a total of 120 calories. The biscuits weigh 60 grams, for a total of 280 calories. Flexibility will be allowed for the private food companies to experiment with milk substitutes which could be served cold, particularly in hot areas, or with biscuits of different formulas and flavours to increase acceptability and compatibility with local food habits. The association of private initiatives in school feeding is part of the phasing-out strategy.
23. Micronutrients will be added to the snack. They will consist mainly of vitamins A and C (the latter in order to improve iron absorption), iron and folic acid (for anaemia associated with the lack of this nutrient). WFP has obtained a grant from the Women’s Health and Micronutrients Facility of Canada for 107 tons of micronutrients, covering requirements for the next two years. It includes a cash element for monitoring and evaluation (M&E) and training, and two million deworming tablets.

PROJECT STRATEGY

Implementation strategy

24. The MEC/UOCE Unit is the overall responsible body for implementing the project. At the central level, the project is staffed by a Project Director, six teachers to act as monitors and trainers (formerly called national coordinators), an accountant, an information specialist, two secretaries and a driver. MEC has also appointed 20 professionals as provincial coordinators who act as key field agents to advise on the selection of the targeted schools, together with provincial MEC authorities, to monitor the programme and to mobilize additional human resources from other local projects



25. During this final phasing-out period, UNDP (through an expansion of project ECU/94/017) and WFP will continue to be responsible for providing support and advisory services to UOCE, and assist in the management of counterpart funds. However, more emphasis will be placed on the basic strategy of consolidating the School Feeding Programme, and building a national operational, financial and administrative management capacity. The UNDP support team will consist of a Chief Technical Advisor (CTA), combining management, nutritional and educational skills, responsible for operationalizing a fully empowered UOCE with a single system of collection and processing of information, and two consultants in food industry management, plus administrative staff. Field supervisors will be hired to control the fulfilment of contractual obligations by the private companies, and for advising and assisting the provincial MEC coordinators.
26. Based on the recommendations of the pre-appraisal mission, MEC has agreed to give UOCE more autonomy and UNDP has agreed that its current Management Unit be integrated within UOCE. This new body, called the School Feeding Unit (UCE) has recently been allocated an office and budget by MEC. Prior to the commencement of this expansion, the roles and responsibilities of UCE will be redefined in close consultation with all parties concerned, and will be described in the revised "Procedures Manual".
27. UCE will assure a more decentralized execution of the School Feeding Programme through intensive training and upgrading of the provincial coordinators and the promotion of increased inter-agency, inter-institutional cooperation in the field.
28. MEC will continue to provide funds from the national budget to cover the costs of contracting private companies for the production and distribution of the rations. It will also cover the administrative and technical costs of monitoring and evaluating the programme.
29. UCE, committees of parents, school directors and teachers will assure the active, ongoing participation of the community in the School Feeding Programme. Both parents and children are especially motivated in the poorest regions, where there is the greatest participation of the community and where parents contribute to providing transportation and storage of the food.
30. WFP and UCE are already administrating the Canadian donation of micronutrients and deworming tablets with the relative funds for teaching materials and M&E. An initial task consists of conducting a baseline study and selecting indicators which will allow the measurement of impact and cost-effectiveness. WFP, WHO/PAHO, UCE and the Ministries of Health and Education have set up a technical group to plan, execute and monitor the implementation of these components. This donation will cover needs for the next two years. Additional funding will be negotiated for the remaining period of the project.



Food logistics

31. The donated food will be handled by MEC/UCE with the advisory services of WFP and UNDP. This includes importation activities (official permits, legal procedures, customs formalities), receipt in the docks or company warehouses, storage in central warehouses or docks, conservation in storage, and transport and delivery to contracted companies.
32. Having proved efficient in the previous phase, the delivery of the food will follow the same practice as before. The wheat, wheat flour and dried milk will arrive at the ports of Guayaquil or Manta. The commodities will then be delivered to the private companies who prepare the school meals.
33. The private food industry will be responsible for processing and distributing the meal to the schools on a monthly or bi-monthly basis. It will report on anomalies observed during food delivery to the schools, on accessibility, storage conditions, actual number of students served and the acceptability of the snack. WFP, besides providing the donated food, will continue managing the acquisition and/or donation of micronutrients, deworming tablets and kitchen utensils for the schools and assist the Government and UCE in coordinating the execution of these components.
34. WFP will assist in financing and, together with UNDP, organizing the training of all participating personnel from MEC and UCE, including provincial coordinators, school directors, teachers and parents.
35. Parents organized in associations, committees or school councils, and other staff working in schools will participate in receiving, storing, preparing, providing additional local ingredients and delivering the meals to the pupils.

Generated funds

36. Approximately 3,000 tons of wheat will be sold at c.i.f. value in the local markets in accordance with the procedures established by WFP and the Ministry of Agriculture and Livestock. Local foods which constitute some of the ingredients of the biscuit and beverage will be purchased locally with these funds, such as: sugar, soya flour, fat, salt, baking powder and powdered milk. WFP, depending on its resource situation, may supply cash directly for these local purchases.
37. The funds will be deposited to a bank account managed by the WFP country office under a trust fund modality. All disbursements will be requested by MEC. The disbursements will allow the local purchase of commodities constituting the school snack. The bank account will be subject to normal auditing procedures.

Phasing out

38. The extent of food insecurity in Ecuador has led WFP to redefine its role in such a way that its support to national development, particularly its participation in overcoming poverty and hunger, has a greater impact. To this end, the Country Strategy Outline (CSO) submitted to the Executive Board at its Second Regular Session of 1998, has presented a country strategy for food aid to the year 2002, through the proposed creation of a Food Compensation Fund (FOCAL).
39. FOCAL is conceived as a financial and strategic mechanism for planning and coordinating the funding of programmes and projects related to food security. It will assure funding of projects and initiatives intended to reduce poverty and food insecurity. It will constitute a strategic reserve responding to disasters and emergencies with food resources.



40. In the case of the School Feeding Programme, discussions are ongoing as to the Government's role in the continuation of this programme at the end of WFP's assistance. As the Government fully takes over continuation of the Programme, FOCAL would be instrumental in making this possible. In such an event, resources from MEC would be administered by FOCAL in a coordinated manner. A first important step in this direction was the recent decision by the Ministry of Finance to create an automatic mechanism providing funds weekly for the School Feeding Programme, from the National Treasury, to be placed in the custody of the Central Bank.
41. FOCAL is conceived in such a way that its administrative costs will be covered through interest earned on its investments. FOCAL would avoid the expensive formalities, delays and uncertainties typical of resources to be obtained from the State's General Budget. Once operational, FOCAL will therefore constitute a sustainable mechanism permitting a smooth phasing-out.
42. Given the strategy of gradual withdrawal of WFP from the project during the next four years, WFP would assume approximately 28 percent of the costs in the first year, 20 in the second year, 15 in the third and 10 in the fourth year. The Ecuadorian Government will provide principal funding of about 31.2 million dollars.
43. The relatively modest WFP share in the overall cost of the School Feeding Programme under this last phase is compensated by other non-financial benefits such as WFP's drawing power and catalytic capacity for additional social investments concentrated in the participating school communities and other non-Government support and funding. Since the presentation of the CSO document and its indicative planning figure in May 1998 WFP's contribution to school feeding has been readjusted in terms of the yearly proportion. The WFP proportion as shown below will be 23, 19, 14 and 10 percent, from year 1 to 4.

COST STRUCTURE WITH PHASING-OUT MECHANISM (in dollars)					
	1st year	2nd year	3rd year	4th year	Total
	(23/77)	(19/81)	(14/86)	(10/90)	
WFP contribution	2 674 000	1 910 000	1 433 000	983 000	7 000 000
Government contribution	8 876 000	8 140 000	8 367 000	8 910 000	34 200 000
Total	11 550 000	10 050 000	9 800 000	9 893 000	41 200 000

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	(23/77)	(19/81)	(14/86)	(10/90)	
WFP contribution	2 674 000	1 910 000	1 433 000	983 000	7 000 000
Government contribution	8 876 000	8 140 000	8 367 000	8 910 000	34 200 000
Total	11 550 000	10 050 000	9 800 000	9 893 000	41 200 000



BENEFICIARIES AND BENEFITS

44. The direct beneficiaries are about 500,000 schoolchildren (approximately 25 percent of the total school enrolment) living in rural and marginalized urban areas in 20 provinces of the country. These comprise the Central and Western Sierra, the Amazonian and the Coastal Provinces (the latter badly hit by El Niño). The participating children live in great poverty and are affected by malnutrition. They are enrolled in the basic education programme, which covers one year of pre-school, six years of elementary and three of middle school. Their age ranges from 5 to 14 years. By including these ages, no child attending school in the areas where the feeding programme is implemented will be excluded from the feeding programme.
45. This population will continue to benefit 160 days year from a highly nutritious food supplement which will reduce hunger, improve overall health and allow them to participate more fully in school and family life. The School Feeding Programme encourages other institutions to participate in activities such as deworming and health sanitation, improvement of school infrastructure, and increasing family and community awareness of educational and health matters.

Targeting

46. As a follow-up to the recommendations of the WFP/UNESCO/UNDP pre-appraisal mission, a new, more relevant targeting system was designed jointly by WFP, MEC, UCE and the UNDP support team, with the assistance of the Technical Secretariat of the Social Front (Interministerial planning body). The new targeting will be implemented in May 1998 in schools on the coast and in October 1998 in schools in the Sierra and Oriente. The basic rationale is to determine on the coast the levels of rural poverty, per province, according to the official poverty map—"Geography of Poverty in Ecuador": 1996 (updated 1998)—and to assign priority quotas accordingly.
47. Targeting is based on three criteria:
- priority will be given on the basis of poverty indices to establish provincial school coverage;
 - the best use will be made of limited resources available; and
 - increased and more active involvement of the provincial MEC coordinators in the actual selection of schools and in the monitoring of the programme will be allowed, thus promoting responsibility and accountability.
48. Each MEC provincial coordinator will be responsible for selecting the participating schools. Priority will be given to rural bilingual schools with a small student body (in no case more than 200). This will favour indigenous children, schools with a single teacher and those located close to other participating schools in order to concentrate operations. Special care will be taken not to duplicate the efforts of other school feeding programmes such as the one carried out by the Episcopal Conference.
49. Poverty maps confirm that the provinces with the highest concentration of indigenous population (more than 50 percent) coincide with the those having the highest indices of poverty—above 82 percent. This shows that the indigenous societies are the poorest of the poor and that the new targeting system will give priority to the children from these communities.



Anticipated effects of the project on women

50. Forty-nine percent of all beneficiaries of the project are girls, despite the fact that:
- girls often have to remain home to take care of sick children; b) girls have more household tasks than boys; and c) more boys than girls get registered at the higher levels. Mothers often contribute with tasks such as assisting in the delivery of food, taking charge of storage, cooking, and providing additional nutrients. These tasks imply an additional workload for the already overburdened women, who are often single parents. The project will therefore carefully analyse the modality and extent of mothers' participation in the project. Participating mothers will receive special training programmes and the daily micronutrient-enhanced nutritious school snack, thus improving their educational and nutritional status.
51. One of the goals of the UCE provincial coordinators who, along with the Project Director, will be requested to the project authorities to be women, is to upgrade the role of women and girls by enhancing the value and importance of their work in the project and society. Inspection visits have confirmed fulfilment of this goal.
52. Educational materials will contain references to the gender-specific conditions of schoolchildren. All statistical information is already disaggregated by gender. The physical condition of young girls will be improved through the intake of micronutrients, in particular iron.

PROJECT SUPPORT

53. There are ongoing national projects with which WFP and MEC interact regularly. The total value of these projects is indicated below. It is not possible to determine exactly what portion is linked to the WFP/MEC project at this point in time.

Project	Value (dollars)
World Bank (EB/PRODEC) Improving the quality of urban basic education	89 000 000
Inter-American Development Bank (PROMECEB) Improving the quality of primary education in low-income rural and urban areas: materials, teacher training, structures	45 000 000
UNDP/FASBASE Improvement/expansion of health, water and sanitation	70 000 000
UNESCO Nutrition and social themes in adult education; bilingual education for indigenous people	undetermined undetermined
UNICEF ("Healthy Schools"): curricular reform, teaching materials, nutrition and health	180 000
UNIFEM Women in development	3 100 000



54. Recent consultations with EB/PRODEC raise the possibility of closer cooperation with WFP, in particular targeting school feeding in a few selected poor urban schools participating in that project. An EB/PRODEC study on "factors influencing scholastic success" is to be published shortly.
55. Ways are being defined to channel more resources to improving school infrastructure (construction of kitchens and sanitary services), and providing utensils and school texts with educational messages about nutrition, health, hygiene, basic sanitation and safe water. Improved coordination with the Ecuadorian Episcopal Council (PROENCO/Caritas) project, which manages a school feeding programme for indigenous people in the Rural Sierra, will permit a rationalization in the coverage of both projects.
56. Inter-agency coordination is also taking place with WHO/PAHO and UNICEF in the context of the deworming and micronutrient components through the setting up of a monitoring and evaluation system and the development of educational materials.
57. At the provincial level, more systematic coordination with the local health services will take place to benefit participating schools, extending these services to the surrounding communities.

Non-food items

WFP

58. Under project 3096.01, WFP has provided a series of non-food items (NFI) such as drinking mugs, measurement cups, pots, stoves and gas cylinders. Considering the extreme poverty of the project's target group, these items have been essential in executing the programme. Additional kitchen utensils will be required under the present phase, totalling 93,000 dollars. Seeds for school gardens, at a cost of 17,500 dollars will also be donated as most of the rural schools have land for such use.
59. Provincial coordinators (20 for Spanish and 10 for bilingual schools) will receive motorcycles to enable them to visit schools in outlying areas, and to allow more regular monitoring (51,000 dollars).

Support of other donors

60. The Women's Health and Micronutrient Facility (Canada) will supply 161 tons of micronutrients at a value of 587,650 dollars and three million anti-parasite tablets worth 150,000 dollars.
61. School materials, audiovisuals and textbooks, at a value of three million dollars (direct link to WFP Project), will be provided by the World Bank Education Reform Programme.

Monitoring and Evaluation (M&E)

62. UCE will implement the overall M&E of the School Feeding Programme, to be outlined in a revised Procedures Manual; this will include:
 - a) mid-term and final evaluation exercises by WFP and the Government;
 - b) permanent monitoring of the private companies to oversee completion of their contracts;
 - c) technical control of the quality of the food at different stages; and



- d) verification at the school level of the delivery, management and daily distribution of the products and their acceptability.
63. In addition, a more precise evaluation of the M&E and training needs will be carried out before the start of this new phase. UNESCO will provide support for determining specific educational indicators to measure the effects of the project on children's attendance, retention rate and attention span. WHO/PAHO will assist in determining health and nutrition-related indicators to be applied for the basal study. The schools selected for this study will serve as a representative sample for the purposes of continued M&E. The same indicators used for monitoring will be used for evaluation.
64. At the provincial level, monitoring and evaluation will be carried out by the provincial coordinators in close association with the field monitors, the private companies, the school staff and the community. UCE will assist in carrying out training in these tasks.

PROJECT FEASIBILITY AND SUSTAINABILITY

Technical feasibility

65. The technical feasibility of the project was assessed by a WFP/UNESCO/UNDP pre-appraisal mission in November–December 1997.
66. In general the mission found that a major effort was made by MEC, assisted by WFP and UNDP, during project ECU 3096.01. It was found that considerable success had been achieved in setting up a system whereby serious private companies prepare and deliver to the most remote areas, at a very competitive cost, a high-quality semi-processed school lunch requiring a minimum of preparation. However, the mission also found out that not enough analysis had been made to assess the educational objectives of the project. Ongoing studies (EB/PRODEC-funded) will contribute to this initiative.
67. Concerning the objective of targeting 500,000 children for 160 days of the year during three years, the mission found that the project had been highly successful in 1997 in meeting the objective. Savings enabled increased coverage to 545,665 children in 7,283 schools.
68. In preparation for the next expansion, and in order to consolidate present achievements, the mission recommended the following:
- a) to avoid duplication between the MEC/UOCE staff and the UNDP Management Unit, setting up the UCE as a single governmental permanent unit with autonomous powers and independent funding;
 - b) revising the present targeting system to select schools on the basis of poverty as presented in the "Geography of Poverty in Ecuador", and other priority criteria such as size, location and number of teachers. A working group composed of UCE, WFP, and a statistician from MEC, with technical inputs from the Government has been set up; the recommendations of the working group are being implemented since May 1998; and
 - c) empowering provincial coordinators through training in project management, health and nutrition, M&E systems, gender analysis and community development.



Social viability and sustainability

69. The Government has given full commitment to the School Feeding Programme by setting up all the necessary financial and administrative mechanisms for the operational success of this programme at the central and provincial levels. It has also stated as priorities investments in health and education, as outlined in the Social Agenda for the period 1997-2007, and has proposed investing 2.5 percent of the gross domestic product (GDP) in education over a period of five years.
70. The importance given to food security by the Government is embodied in a Government Decree setting up a National Executive Committee for Food Security to intensify and diversify production systems, transfer appropriate technology and provide credit for administration and technical training in relevant areas. Activities will be accompanied by educational campaigns for preventive health care, reproductive health and for a healthy life style in general.
71. At the local level, the community is constantly showing its interest by supporting the Programme and fully participating in the activities promoted by the schools. During mission visits, mothers attend meetings, take active interest, express their viewpoints and confirm their commitment to the activities of the Programme. They reiterate their appreciation for the school feeding service, their willingness to contribute with local ingredients and with their labour, underlining the benefits it provides directly and indirectly for the entire family.

RISKS

72. The main risks to the project's continuity lie in the ongoing financial crisis in Ecuador: the effects of El Niño; the drop in oil prices and servicing of the external debt. A new Government taking over in August 1998 might redefine budgetary allocations. FOCAL will be an important instrument to ensure uninterrupted and sufficient financing for the Programme during the next phase, to protect it from these risks.
73. A series of actions need to be carried out prior to the plan of operations of the new project document which will determine the feasibility of the new expansion and the conditions for phasing out; these are:
- a) Defining the roles and responsibilities of the new UCE, including UNDP's input, and the strategy for empowering UCE at the central and provincial levels;
 - b) determining with MEC and other national authorities the future interaction with FOCAL and its operational set up;
 - c) revising the Procedures Manual; and
 - d) fine-tuning M&E criteria and designing new forms for data collection.

DISINCENTIVES, DISPLACEMENT AND DEPENDENCY

74. Agriculture is the predominant sector of the Ecuadorian economy, contributing more than any other sector to the GDP. Most cultivated lands are devoted to the production of food, but yields are low, especially cultivated grain, the production of which is decreasing.



Wheat production is insignificant. In order to satisfy national food requirements Ecuador must depend on food imports, with wheat being the principal one.

75. The production of milk and eggs is increasing but the total production, which comes mainly from small and medium producers, is consumed almost entirely by higher-income groups. The population at risk of food insecurity, WFP's target group, does not have access to these products owing to their insignificant purchasing power.
76. In 1996, Ecuador imported 350,000 tons of wheat and no dairy products. The quantities WFP will import are insufficient to represent any kind of risk to the local economy.

PROJECT COSTS

77. Detailed project cost are provided in Annexes I and II.

RECOMMENDATION OF THE EXECUTIVE DIRECTOR

78. The project is recommended for approval by the Executive Board.



ANNEX I

PROJECT COST BREAKDOWN

	Quantity (tons)	Average cost per ton	Value (dollars)
WFP COSTS			
A. Direct operational costs			
Commodity ¹	3 000	165	495 000
– Wheat	6 000	240	1 440 000
– Wheat flour	1 800	1 800	3 240 000
– DSM			
Total commodities	10 800		5 175 000
External transport	10 800	88.06	951 048
Landside transport	NA	NA	NA
Subtotal direct operational costs			6 126 048
B. Direct support costs (see Annex II for details)			
Subtotal direct support costs			506 100
Total direct costs			6 632 148
C. Indirect support costs (13.9 percent of total direct costs)			
Subtotal indirect support costs			921 869
TOTAL WFP COSTS			7 554 017
GOVERNMENT COSTS			
– Staff and monitoring (US \$300,000/year)			1 200 000
– Training			40 000
– Equipment			110 000
Vehicles (4)			
Computers (4)			
– Miscellaneous			200 000
– Cost-sharing fees over four years. (UNDP/WFP/FOCAL)			1 400 000
– Storage and handling			120 000
Subtotal			3 070 000
– Purchases (14 million), processing (7.1 million), distribution (6.6 million) and administration (3.5 million)			31 200 000
TOTAL GOVERNMENT COSTS			34 270 000
TOTAL PROJECT COSTS (WFP and Government)			41 824 017

WFP costs as a percentage of total project costs: 18 percent

¹ This is a notional food basket used for budgeting and approval purposes. The precise mix and actual quantities of commodities to be supplied to the project, as in all WFP-assisted projects, may vary over time depending on the availability of commodities to WFP and domestically within the recipient country.



ANNEX II

DIRECT SUPPORT REQUIREMENTS (dollars)
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Staff costs	
United Nations Volunteers	62 000
Local staff and temporaries	141 600
Subtotal	203 600
Technical support services	
Project appraisal/assessment	12 000
Project evaluation	16 000
Monitoring and evaluation	25 000
Subtotal	53 000
Travel and DSA	
In-country	20 000
Subtotal	20 000
Vehicle operations	
Maintenance	18 000
Subtotal	18 000
Non-food items	
Motorcycles and helmets (30)	51 000
Kitchen utensils (pots, cups)	93 000
Seeds (5,000 kilos)	17 500
Training material	50 000
Subtotal	211 500
TOTAL DIRECT SUPPORT COSTS	506 100

