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Programme
Alimentaire
Mondial

World
Food
Programme

Programa
Mundial
de Alimentos

Executive Board
Second Regular Session

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PROGRESS REPORTS ON APPROVED PROJECTS

Agenda item 5 e)

PROJECT PERU 4512

Integrated support for the peri-urban sector in Peru

Total food cost	13 719 152 dollars
Total cost to WFP	18 451 143 dollars
Date approved by the CFA	22 May 1992
Date plan of operations signed	1 October 1992
Date notification of readiness accepted	18 December 1992
Date of first distribution	15 July 1993
Duration of WFP assistance	Three years
Duration of project as at 30 September 1995	Two years and two months

All monetary values are expressed in United States dollars, unless
otherwise stated.



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1. This document is submitted for information to the Executive Board.
2. Pursuant to the decisions taken on the methods of work by the Executive Board at its First Regular Session, 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.
3. 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.
4. The WFP staff dealing with this document are:

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5. Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact the Documents Clerk (tel.: 5228-2641).

PURPOSE OF THE PROJECT AND OF WFP ASSISTANCE

1. The long-term objective of the project is to help improve the living conditions of the most economically vulnerable population living in the marginal urban areas.
2. The immediate objectives are to:
 - a) improve the availability, access and consumption of food for economically vulnerable population groups in marginal urban areas through people's canteens (including training in food and canteen management);
 - b) reduce the incidence of ingestion-related diseases, with special emphasis on gastro-intestinal infections, particularly cholera, by improving the basic sanitation infrastructure and training in nutrition and hygiene.

IMPLEMENTATION

3. The project is implemented under the general responsibility of the Programa Nacional de Asistencia Alimentaria (PRONAA) in the Ministry of the Presidency, which is the channel of communication between WFP and the Government on policy matters and is responsible for project logistics. The technical secretariat of the project includes PRONAA, the Ministry of Health, CARITAS del Peru and WFP, and is responsible for implementation and the purchasing and distribution of commodities. In each of the project areas, local committees are responsible for programming project activities including environmental sanitation works and training. These committees are composed of local representatives from PRONAA, CARITAS, and the Ministry of Health and beneficiary groups. The full-time permanent project staff consists of seven persons from PRONAA, ten from CARITAS and five from the Ministry of Health. There are an additional 250 staff from operational units of CARITAS and PRONAA, who work part-time on the project, plus approximately 600 volunteers from various parishes.
4. The project is implemented in the semi-urban areas of Piura, Chiclayo, Trujillo, Lima, Callao and Arequipa, the six largest cities of Peru, where the impact of the economic crisis and structural adjustment has been most severe. Many of the beneficiaries have only recently migrated from rural areas.
5. The food is prepared in the people's canteens and served as cooked meals. The canteens are managed by women who live in the project area. WFP food assistance represents 40 to 50 percent of the cost of the meal served. The beneficiaries pay the equivalent of 0.25 to 0.30 dollars for each meal, which is approximately 60 percent of the costs. With funds generated, women responsible for the canteens purchase other foods from the local market in order to complete the ration and prepare the meal. Other purchases include kerosene, water, spices, etc.



FOOD MANAGEMENT

6. At the request of the Government, the original WFP commitment was changed from 57,806 tons of wheat flour to 38,700 tons of maize and 52,150 tons of wheat on a value basis. The original commitment of 2,401 tons of vegetable oil was not changed. The cereals are monetized to purchase local foods, while the vegetable oil is for direct distribution. Part of the funds from monetization (1,147 tons) are used to purchase materials for the food-for-work component and to support monitoring and evaluation activities. In addition, food commodities for direct distribution have been donated to the project by the European Union (12,414 tons) and the Government of Italy (827 tons) on a bilateral basis.
7. WFP-supplied commodities arrive at the port of Callao. The oil is transported by PRONAA to Caritas and PRONAA warehouses at the project site from where the canteens draw their needs. The grain supplied is either sold at the port upon arrival or transferred to PRONAA warehouses in Callao for eventual sale. The funds generated from such sales are managed jointly by WFP and PRONAA and utilized for the purchase of local food by CARITAS and PRONAA. A total of 60,244 tons had been received (19,868 tons of wheat, 38,379 tons of maize and 1997 tons of oil) as of 30 September 1995.
8. Post-c.i.f. losses amounted to 192 tons (0.5 percent of the total received) of maize caused by the high humidity content of the maize on arrival, which resulted in fungus infestation, and 0.15 ton (almost 0.01 percent of the total received) of vegetable oil lost during internal transport.
9. WFP-supplied commodities were sold by public auction by PRONAA in close collaboration with WFP following government rules and procedures. There was a problem with the maize received since it was inferior in the grade requested, making it difficult to sell in the local markets. The maize was sold at 160 dollars a ton and the total amount generated, including interest and income from the sale of empty bags, was 7,138,124 dollars. The wheat was monetized at 220 dollars a ton for a total of 4,370,960 dollars. Both operations were cost-effective compared to c.i.f. prices.
10. The funds have been used in accordance with the plan of operations. A total of 7,231,269 dollars was spent on the purchase of local foods, and 202,666 dollars on the purchase of construction materials, training courses and monitoring. Detailed accounts, reports and bank statements are kept at the country office in Lima.
11. Local food purchases up to 30 September 1995 amounted to 14,616 tons, consisting of 1,921 tons of cereals, 6,659 tons of pulses, 3,279 tons of frozen and dried salted fish, 428 tons of canned fish, and 2,329 tons of Andean food products. Local food purchases are made in the project areas through a commercial bank with branch offices in the various project areas using payment orders that ensures timely payment to suppliers. Special current accounts have been opened in each branch and earn 12 percent interest a year.



GOVERNMENT'S CONTRIBUTION

12. The total government contribution, including CARITAS support, amounted to approximately 1,260,000 dollars or 54 percent of the prorated commitment as at 30 September 1995.

EXTERNAL ASSISTANCE

13. Apart from the donation of commodities from the European Union and Italy, the project has received non-food items from Canada, Austria and the European Union for a total value of 257,387 dollars.

ASSESSMENT

14. Overall project implementation is satisfactory and the immediate objectives are being achieved. The number of beneficiaries reached through the canteens (213,310) is over 125 percent of the prorated target as shown in the annex. The additional contributions received from bilateral sources have permitted this increase.
15. The environmental sanitation component has only partially reached its targets. Nevertheless, the construction of these systems, and particularly of latrines, constitutes an important health asset for the population in the prevention of disease. The implementation of this component has been slow due to the lack of technical assistance which was supposed to have been provided by the Ministry of Health, and to the relatively inexperienced project staff. At present, project staff receive technical support from NGOs working in the same areas. It has also been noted that the Government is contracting sanitation work in the Lima/Callao area in view of the acute difficulties confronted in the metropolitan area. As a consequence, the project may re-target its activities to other new urban centres in order to avoid duplication.
16. The project is contributing to the development of women through their participatory role in the administration and implementation of the project, as well as from training in the management of canteens and related nutritional science. The targeted training activities are considered overly ambitious, particularly since the budget assigned for this purpose amounts to 38,000 dollars.
17. The administrative structure of the project is adequate even though hindered by continuous staff changes requiring repeated training exercises. CARITAS satisfactorily implements approximately 70 percent of the project and is reaching all its goals as planned; the Government, through PRONAA, implements the remaining 30 percent. Implementation in Lima and Callao carried out by PRONAA is slower than programmed because the staff do not receive appropriate logistic support, equipment and supervisory personnel from central administration.
18. Logistics are carefully planned in view of limited storage capacities found in some municipalities, such as Piura and Arequipa. Due to the financial constraints of the Government and of some of the operational units, CARITAS has had to transport



commodities from PRONAA's central stores to its warehouses in order to avoid delays in deliveries to project sites.

CONCLUSIONS

19. The poorest population of the outlying areas of the most important cities have access to more adequate diets because of the food rations distributed in the canteens implemented by the project. Most important, approximately 51 percent of this assistance reaches children below six years of age and 21 percent assists expectant and nursing mothers and female heads of households. Other beneficiaries include the unemployed and the elderly.
20. Monetization is successfully carried out. The prices obtained are above c.i.f. prices and consequently monetization has proved to be cost-effective as long as the quality specifications of the commodity shipped correspond to local buyers' specifications. Monetization has allowed the rationalized use of project resources by altering the ration in order to obtain a balanced nutritional content, as well as indirectly creating incentives to local food producers. However, the type of food commodities purchased locally should be reviewed because of the current availability of certain commodities which WFP could supply direct, such as canned fish.
21. Commodities donated by other donors (the European Union and Italy) have further increased the diversity of the meals served, as well as the number of beneficiaries.
22. The training provided has had a positive impact on the beneficiary population: important changes can be seen in the improved management and use of the commodities, a better recording and control system, an adequate system for disposal of solid and liquid waste and major participation in the organization of soup-kitchens.
23. Although incomes and living conditions of the population in the urban and marginal areas are still of extreme poverty, the main reason for the project's existence, the need for dietary support to low-income families through people's canteens seems to be less urgent. Therefore, in any future phase, emphasis should be placed on the more sustainable components of the project such as nutrition, hygiene education and environmental sanitation.



COMPARISON OF TARGETS AND ACHIEVEMENTS (as at 30 September 1995)

Component	Targets		Achievements	
	According to plan of operations	Prorated as at 30/09/95	As at 30/09/95	% of prorated targets
CANTEENS				
No. of canteens	1 750	1 750	2 220	125
No. of beneficiaries	175 000	175 000	213 310	122
Women and children	157 500	157 500	153 580	98
Other vulnerable people	17 500	17 500	59 730	341
No. of rations	157 500 000	87 500 000	138 450 000	158
ENVIRONMENTAL SANITATION				
Water systems				
Built	175	58	20	34
Population covered	126 000	41 760	14 400	34
Latrines				
Built	21 000	7 000	5 800	83
Population covered	126 000	42 000	34 800	83
Rations distributed	2 563 000	672 000	469 812	70
Workdays				
Women	213 583	56 000	44 800	80
Men	213 583	56 000	35 200	63
TRAINING				
Trainees				
In hygiene and nutrition	50 000	16 600	11 509	69
In environmental sanitation	42 000	14 000	3 300	24

