USAID/Peru

FY 1982 ANNUAL BUDGET SUBMISSION

Table of Contents

		Page
1. Table I -	Long Range Plan	1
	Narrative	3
2. Table III -	Project Obligations by Appropriation Account	6
3. Table IV -	Project Budget Data	11
	Project Narratives	16
4. Decision Package Narrative		
A. Minimum		43
B. Current		45
C. AAPL		50
5. Table V -	Proposed Program Ranking	51
6. Workforce and Operating Expenses		
A. Table VI -	Project Summary	55
B. Table VII -	Operating Expense Funded Personnel	56
C. Table VIII -	Operating Expense Summary	58
D. Table IX -	Position Requirements	60
7. Table X -	Special Concerns	64
8. PL 480 Narrative		65
A. Table XI - PL 480 Title I/III Requirements		75
B. Table XII - PL 480 Title I/III Supply & Distribution		76
C. Table XIII - PL 480 Title II		77

B

TABLE I

LONG RANGE PLAN BY APPROPRIATION ACCOUNT
($ Thousands)

Decision Unit: USAID/Peru

	FY 1980	FY 1981	FY 1982 REQUEST			PLANNING PERIOD			
	Est.	Est.	Minimum	Current	AAPL	1983	1984	1985	1986
Development Assistance									
Agriculture, Rural Dev. and Nutrition									
Grants	3,285	5,000	3,775	4,575	4,575	3,853	3,950	4,400	4,800
Loans	9,000	22,500	-	19,000	19,000	30,000	40,000	45,000	50,000
Population									
Grants	340	770	420	420	420	1,400	1,400	1,400	1,400
Loans	-	-	-	-	-	-	-	-	-
Health									
Grants	520	920	520	520	520	1,000	1,100	1,200	1,300
Loans	-	5,000	9,000	9,000	9,000	5,000	-	5,000	-
Education									
Grants	510	940	420	1,020	1,020	1,325	1,500	1,000	1,000
Loans	-	-	-	-	-	-	10,725	-	-
Selected Devevelopment Activities									
Grants	270	750	70	520	520	922	1,325	1,000	900
Loans	-	-	-	-	5,000	6,500	-	11,000	20,600

	FY 1980	FY 1981	FY 1982 REQUEST			Planning Period			
	Est.	Est.	Minimum	Current	AAPL	1983	1984	1985	1986
SUB-TOTAL FUNCTIONAL ACCOUNTS									
Grants	4,925	8,380	5,205	7,055	7,055	8,500	9,275	9,000	9,400
Loans	9,000	27,500	9,000	28,000	33,000	41,500	50,725	61,000	70,600
Other DA Accounts									
Grants	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
Economic Support Fund									
Grants	-	-	-	-	-	-	-	-	-
Funds	-	-	-	-	-	-	-	-	-
TOTAL DA AND ESF	13,925	35,880[1/]	14,205	35,055	40,055	50,000	60,000	70,000	80,000
PL 480 (non-add)									
Title I (of which Title III)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Title II	(21,200)	(28,800)	(31,500)	(31,500)	(31,500)	(29,900)	(25,100)	(22,200)	(13,600)
Housing Guaranties (non-add)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
TOTAL Personnel									
USDH	23	24	21	25	26	28	28	30	30
FNDH	60	60	60	60	60	62	62	64	64

1/ Funds for Upper Huallaga project (related to narcotics control program) will be additional in FY 81. See decision package narrative for present status of project development.

Table I Narrative

The Mission's FY 1982 CDSS suggested that some increase in direct hire staff in the project management area would be required during the planning period. The Personnel Planning Level assigned to the USAID for the FY 82 AAPL level (USDH-26, FNDH-60, exclusive of non-Mission specific support) reflects our recommendations and is fully compatible with the programmed AAPL assistance level. While the AAPL and current level programs are substantially larger and more complex than our present program level, efficiency measures discussed below will permit the Mission to administer a larger program at the approved personnel planning level. To reach this level we will add two US direct hire positions over the FY 81 level, and will maintain the same number of FN direct hires. Yet it must be recognized that these personnel planning levels represent the absolute minimum required to effectively manage a development assistance program at the AAPL level.

The two new USDH positions required are in the Urban Development and Rural Development Offices. In addition to the Mission's Housing Guarantee program which has now reached annual levels of $25 million, the AAPL will permit an active assistance program in the urban sector. By FY 82, the Mission will have undertaken two new OPGs, one to provide credit to newly created small urban enterprises, and the other for technical assistance to urban Savings and Loan associations. In FY 82, the Mission will begin a grant project to upgrade Municipal Development planning and management, as well as a loan for Urban Small Businesses. The Urban Development Division also manages the market town component of an on-going Integrated Regional Development project.

At the current and AAPL levels, the Mission would also require an additional Rural Development position to help manage the large number of area specific rural development activities. A new complex project, Sub-Tropical Lands II (Pichis-Palcazu) will be added to a program containing three on-going integrated regional development projects--in the Huallaga Central, Cajamarca/Junin and (possibly) the Upper Huallaga regions.

Efficient project management will permit the Mission to keep below the Personnel Planning Level in both FY 81 and the FY 82 current level. Three IDIs on board in FY 81 (Program, Capital Development and Agriculture) would be absorbed in FY 82 at the current level which would still require considerable USDH staff (25) to implement a number of new projects, and monitor a large number of on-going projects, terminated projects with substantial pipelines, and a large portfolio of OPGs. At this point, the Mission expects no additional FN direct hire requirement above the 60 approved in the Personnel Planning Level.

Among the most important efficiency measures taken by the Mission is the use of OPGs to substantially shift management responsibilities to private voluntary organizations. For example, the USAID has been able to expand its Title II program fourfold over the past three years while only recently increasing its USDH staff by one position. While OPGs do permit the Mission to considerably reduce its management burden, they have also proven to be quite costly, requiring annual obligations to four volags totalling approximately $330,000 per year to defray personnel and related expenses. We expect this amount to decrease as the GOP becomes more able to increase its subsidies for volag program administration. Over half of our total OPG portfolio is now devoted to small, pilot projects in the areas of integrated rural development, campesino and urban vocational skills training, and provision of social and technical services for the most marginal rural and urban populations. These projects should theoretically reduce our management responsibilities; however, in those cases in which we work with local PVOs which, while enthusiastic, nevertheless lack project management experience, the Mission must devote considerable time at the early stages of project implementation to assist these groups. The payoff is great, however. These local volag projects tend to be among the most innovative and replicable on a wider scale. Once the local PVO personnel gain management experience, the USAID workload can be expected to diminish substantially.

Title XII has also been utilized effectively to reduce Mission workload. An FY 80 Agriculture Research, Extension and Education Loan was developed under Title XII auspices. A consulting group recruited and approved by Title XII conducted the preliminary studies, and it is likely that a consortium of US universities, again under Title XII auspices, will provide technical assistance under the project. The Mission's management burden may be diminished by the Title XII connection since procurement, training and other functions will be shifted to the contractor. But as we explained in the CDSS, four or five additional AID contract employees in Peru will also signify additional work for the Mission in non-project management areas, e.g. controller operations, executive office functions, as well as require some DH project management staff.

Another efficiency measure adopted by the Mission is the financing of grant projects as companions to major loans. In these cases, contract technicians (Peruvians, to the extent possible) will help reduce the Mission's management burden. More extensive replication of successful AID projects can also reduce the Mission's burden, since GOP personnel have gained sufficient experience to be able to assume greater management responsibilities as in the case of Treated Sewage for Irrigation and Sierra Lakes Fisheries. We must acknowledge the fact, however, that even the replication of a successful project in other regions requires modifications and these

projects must still be managed by the Mission. Replication may not necessarily permit a decrease in direct hire personnel. In addition, the Mission is able to minimize its direct hire staff requirements through its strategy of concentrating project activities in specific geographic regions.

While the introduction of these efficiency measures have permitted the Mission to maintain a lean direct hire staff, we have taken additional measures to maintain a low direct hire/program ratio. One is to rely more heavily on foreign nationals--making better use of Mission direct hire positions, expanding local contracts, and, where possible, shifting more responsibility to counterpart organizations, e.g. special project Directorates. In Peru local employees fill key professional positions within the Mission (e.g. Chief engineer, assistant program officer, financial analyst, deputy executive officer, assistant health officer, Director's secretary). Local contracts have also permitted the Mission to expand its capacity to perform in-depth evaluations. Another measure is to devote a certain portion of the portfolio to larger and less complex projects, e.g. Rural Enterprises and Rural Agribusiness which are currently being implemented through intermediate credit institutions of excellence which supervise and implement a complex range of activities.

The Mission believes that the Personnel Planning Level approved for the AAPL program will permit us to effectively manage a program consistent with the strategy proposed in the CDSS. The Mission has already introduced or plans to utilize the majority of efficiency measures discussed in the CDSS and ABS guidance and has identified other appropriate measures discussed above.

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
FY 1980 TO FY 1982
($ thousands)

Decision Unit USAID/Peru

APPROPRIATION ACCOUNT	FY 1980	FY 1981	FISCAL YEAR 1982 MINIMUM	FISCAL YEAR 1982 CURRENT	FISCAL YEAR 1982 AAPL
Agriculture, Rural Dev. and Nutrition					
527-0149 Soybean & Corn Production (G)	427	-	-	-	-
527-0150 Use of Treated Sewage for Irrigation (G)	20	-	-	-	-
527-0162 Appropriate Rural Technol. (G)	150	400	185	185	185
527-0166 Technical Support (G)	490	250	300	300	300
527-0170 On-Farm Water Management (G)	117	-	-	-	-
527-0174 Cooperative Dev. Bank (BANCOOP) (G)	241	-	-	-	-
527-0178 Integrated Reg. Dev. (G)	100	440	210	210	210
527-0184 OPG CARE - DALPRA Community Food Production (G)	100	100	-	-	-
527-0186 OPG CARE - Urban Feeding Program (G)	300	250	243	243	243
527-0192 Agriculture Research & Ext. (G)	400	500	500	500	500
(L)	9,000	-	-	-	-
527-0196 OPG CARITAS - Expanded Feeding Program (G)	150	-	150	150	150
527-0202 Land Use Inventory Env. Planning (G)	200	500	300	300	300

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
FY 1980 TO FY 1982
($ thousands)

Decision Unit USAID/Peru

APPROPRIATION ACCOUNT	FY 1980	FY 1981	FISCAL YEAR 1982 MINIMUM	FISCAL YEAR 1982 CURRENT	FISCAL YEAR 1982 AAPL
Agriculture, Rural Dev.(Con'd)					
527-0206 OPG SEPAS/CWS - Reforestation Food for Work (G)	190	150	-	-	-
527-0210 Nutrition Planning (G)	-	397	400	400	400
527-0212 OPG OFASA/SAWS - Food for Work in the PP.JJ. (G)	200	-	200	200	200
527-0214 Watershed Management & Afforestation (G)	-	200	200	200	200
(L)	-	10,000	-	-	-
527-0220 Soil Conservation (G)	200	513	287	287	287
527-0226 Small Hydro Development (G)	-	1,000	-	-	-
(L)	-	10,000	-	-	-
527-0229 Use of Treated Sewage for Irrigation II (L)	-	2,500	-	-	-
527-0231 OPG SEPAS/CWS - Expanded Reforestation Food for Work (G)	-	-	300	300	300
527-0232 OPG IPFE - Expanded Campesino Training (G)	-	-	200	200	200
527-0233 Small Farm Production Systems (G)	-	-	300	300	300
527-0235 Fresh Water Fisheries in the Sierra (G)	-	-	-	300	300
527-0236 OPG FFD - Regional University Outreach (G)	-	300	-	200	200

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
FY 1980 TO FY 1982
($ thousands)

Decision Unit USAID/Peru

APPROPRIATION ACCOUNT	FY 1980	FY 1981	FISCAL YEAR 1982 MINIMUM	FISCAL YEAR 1982 CURRENT	FISCAL YEAR 1982 AAPL
Agriculture, Rural Dev. (Con't)					
527-0237 BANCOOP Small Farmer Credit (L)	-	-	-	4,000	4,000
527-0238 Agriculture Statistics (G)	-	-	-	300	300
527-0240 Sub Tropical Land II (Pichis Palcazu) (L)	-	-	-	15,000	15,000
SUB-TOTAL	12,285	27,500	3,775	23,575	23,575
Population					
527-0208 Technical Support (G)	40	20	20	20	20
527-0223 Health and Population Services for Marginal Urban Areas (G)	-	400	400	400	400
527-0224 Sur Medio Health & Family Planning (G)	150	350	-	-	-
527-0228 OPG Marcelino Insitute - Family Planning Consulting Center (G)	150	-	-	-	-
SUB-TOTAL	340	770	420	420	420
Health					
527-0167 Technical Support (G)	20	20	20	20	20
527-0221 Health Environmental Sanitation (G)	-	150	150	150	150
(L)	-	5,000	-	-	-

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
FY 1980 TO FY 1982
($ thousands)

Decision Unit USAID/Peru

APPROPRIATION ACCOUNT	FY 1980	FY 1981	FISCAL YEAR 1982 MINIMUM	FISCAL YEAR 1982 CURRENT	FISCAL YEAR 1982 AAPL
Health (Cont'd)					
527-0223 Health and Population Services for Marginal Urban Areas (G)	-	350	350	350	350
527-0224 Sur Medio Health and Family Planning (G)	450	350	-	-	-
527-0225 Day Care Demonstration in Poor Areas (G)	50	50	-	-	-
527-0230 Primary Health II (L)	-	-	9,000	9,000	9,000
SUB-TOTAL	520	5,920	9,520	9,520	9,520
Education					
527-0161 Pre-School Education as a Catalyst from Comm. Dev. (G)	400	500	280	280	280
527-0168 Technical Support (G)	40	40	40	40	40
527-0181 OPG Fe y Alegría - Vocational Training in PP.JJ. (G)	70	-	-	-	-
527-0215 Southern Sierra Education Sector (G)	-	400	-	600	600
527-0234 OPG Fe y Alegría - Expanded Vocational Trng. in PP.JJ. (G)	-	-	100	100	100
SUB-TOTAL	510	940	420	1,020	1,020
Selected Dev. Activities					
527-0061 Special Projects (G)	50	50	50	50	50

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
FY 1980 TO FY 1982
($ thousands)

Decision Unit USAID/Peru

APPROPRIATION ACCOUNT	FY 1980	FY 1981	FISCAL YEAR 1982 MINIMUM	FISCAL YEAR 1982 CURRENT	FISCAL YEAR 1982 AAPL
Selected Dev. Act. (Cont'd)					
527-0169 Technical Support (G)	20	20	20	20	20
527-0188 OPG ASPADERUC - Water Managment in Small Communities (G)	100	-	-	-	-
527-0195 OPG ACOMUC - Expanded Rural Women Trng. Program (G)	25	75	-	-	-
527-0197 OPG ACJ/YMCA - Community Dev. Leadership Support (G)	-	105	-	-	-
527-0243 OPG-MDM-Legal & Social Services for Women (G)	-	100	-	-	-
527-0218 Credit for Low Income Neighborhood (G)	-	200	-	200	200
527-0222 Regional Development Coordination (G)	-	200	-	-	-
527-0239 Municipal Development (G)	-	-	-	250	250
527-0241 Urban Small Business in PP.JJ. (L)	-	-	-	-	5,000
527-0242 OPG CRS-Economic Integration of Rural Women (G)	75	-	-	-	-
SUB-TOTAL	270	750	70	520	5,520
TOTAL ALL DA APPROPRIATION ACCOUNTS	13,925	35,880	14,205	35,055	40,055

TABLE IV PROJECT BUDGET DATA

DECISION UNIT: USAID/Peru

PROJECT NUMBER	PROJECT TITLE	G/L	OBLIGATION DATE INITIAL	OBLIGATION DATE FINAL	DATE OF NEXT PLANNED NON-ROUTINE EVAL.	ESTIMATED U.S. DOLLAR COST ($000) CUM. PIPELINE AS OF 9/30/79	FY 1980 OBLIG.	FY 1980 EXPEND.	FY 1980 CUM. PIPELINE	FY 1981 OBLIG.	FY 1981 EXPEND.	FY 1981 CUM. PIPELINE	FY 1982 MAPL OBLIG.	FORWARD FUNDED TO (MO/YR)	FUTURE YEAR OBLIGATIONS
	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION														
527-0149	Soybean and Corn Production	G	TQ	1980		630	427	579	478	-	478	-	-	-	-
527-0150	Use of Treated Sewage for Irrigation	G	1977	1980	12/80	14	20	22	12	-	12	-			
527-0162	Appropriate Rural Technologies	G	1978	1982	6/80	481	150	225	406	400	400	406	185	3/83	-
527-0166	Technical Support	G	1978	Cont'd	n/a	126	490	528	88	250	255	83	300	11/82	Continuing
527-0170	On-Farm Water Management	G	1978	1980		181	117	252	46	-	46	-	-	-	-
527-0174	Cooperative Dev. Bank (BANCOOP)	G	1979	1980	12/80	217	241	389	69	-	69	-	-	-	-
527-0178	Integrated Regional Development	L	1979	1979		15,000	-	207	14,793	-	3,862	10,931	-	-	-
		G	1979	1981		300	100	200	200	440	550	90	210	12/83	-
527-0184	OPG CARE Community Food Produc	G	1979	1981		85	100	100	85	100	100	85	-	-	-
527-0186	OPG CARE - Urban Feeding Prog.	G	1980	1982		-	300	200	100	250	200	150	243	4/83	-
527-0192	Agriculture Research and Ext.	G	1980	1984		-	400	30	370	500	600	270	500	3/83	800
		L	1980	1980		-	9,000	-	9,000		1,200	7,800	-	-	
527-0196	OPG CARITAS-Expanded Feeding Program	G	1980	1982		-	150	75	75	-	75	-	150	7/82	-
527-0202	Land Use Inventory Env. Planning	G	1980	1982		-	200	-	200	500	400	300	300	9/83	-
527-0206	OPG SEPAS/CWS - Reforestation Food for Work	G	1979	1981		56	190	190	-	150	150	-	-	-	-
527-0210	Nutrition Planning	G	1981	1983		-	-	-	-	397	200	197	400	10/82	403
527-0212	OPG OFASA/SAWS - Food for Work in the Pueblos Jovenes	G	1980	1982		-	200	50	150	-	150	-	200	5/83	-

AID 1330 8 (4-80)

TABLE IV PROJECT BUDGET DATA

DECISION UNIT: USAID/Peru

PROJECT NUMBER	PROJECT TITLE	G/L	OBLIGATION DATE INITIAL	OBLIGATION DATE FINAL	DATE OF NEXT PLANNED NON-ROUTINE EVAL.	ESTIMATED U.S DOLLAR COST ($000) CUM. PIPELINE AS OF 9/30/79	FY 1980 OBLIG.	FY 1980 EXPEND.	FY 1980 CUM. PIPELINE	FY 1981 OBLIG.	FY 1981 EXPEND.	FY 1981 CUM. PIPELINE	FY 1982 SAFL OBLIG.	FORWARD FUNDED TO (MO/YR)	FUTURE YEAR OBLIGATIONS
	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION (Cont'd)														
527-0214	Watershed Management and Afforestation	G	1981	1983						200	50	150	200	9/84	600
		L	1981	1981		-	-	-	-	10,000	1,000	9,000	-	-	-
527-0220	Soil Conservation	G	1980	1982		-	200	-	200	513	713	-	287	7/83	-
527-0226	Small Hydro Development	G	1981	1981		-	-	-	-	1,000	200	800	-	-	-
		L	1981	1981		-	-	-	-	10,000	2,000	8,000	-	-	-
527-0229	Use of Treated Sewage for Irrigation II	L	1981	1981		-	-	-	-	2,500	300	2,200	-	-	-
527-0231	OPG/SEPAS/CWS - Expanded Reforestation Food for Work	G	1982	1984		-	-	-	-	-	-	-	300	11/82	600
527-0232	OPG IPFE - Expanded Campesino Training	G	1982	1982		-	-	-	-	-	-	-	200	3/84	-
527-0233	Small Farm Production Systems	G	1982	1984		-	-	-	-	-	-	-	300	9/83	150
527-0235	Fresh Water Fisheries in the Sierra	G	1982	1984		-	-	-	-	-	-	-	300	9/83	100
527-0236	OPG FDN - Regional University Outreach	G	1981	1982		-	-	-	-	300	200	100	200	1/83	-
527-0237	BANCOOP Small Farmer Credit	L	1982	1982		-	-	-	-	-	-	-	4,000	9/86	-
527-0238	Agriculture Statistics	G	1982	1984		-	-	-	-	-	-	-	300	11/82	200
527-0240	Sub-Tropical Lands Development II (Pichis Palcazu)	L	1982	1982		-	-	-	-	-	-	-	15,000	6/87	-

AID 1330.8 (4-80)

TABLE IV PROJECT BUDGET DATA

DECISION UNIT: USAID/Peru

PROJECT NUMBER	PROJECT TITLE	G/L	OBLIGATION DATE: INITIAL	OBLIGATION DATE: FINAL	DATE OF NEXT PLANNED NON-ROUTINE EVAL.	ESTIMATED U.S. DOLLAR COST ($000): CUM. PIPELINE AS OF 9/30/79	FY 1980: OBLIG.	FY 1980: EXPEND.	FY 1980: CUM. PIPELINE	FY 1981: OBLIG.	FY 1981: EXPEND.	FY 1981: CUM. PIPELINE	FY 1982 APPL. OBLIG.	FORWARD FUNDED TO (MO/YR)	FUTURE YEAR OBLIGATIONS
	POPULATION														
527-0208	Technical Support	G	1974	Cont.	n/a	42	40	62	20	20	30	10	20	10/82	Continuing
527-0223	Health and Population Services for Marginal Urban Areas	G	1981	1983		-	-			400	300	100	400	3/83	300
527-0224	Sur Medio Health and Family Planning	G	1980	1981	10/80	-	150	50	100	350	300	150	-	-	-
527-0228	OPG Marcelino Institute - Family Planning Consulting Center	G	1980	1980		-	150	55	95	-	95	-	-	-	-
	HEALTH														
527-0167	Technical Support	G	1979	Cont.	n/a	4	20	19	5	20	21	4	20	10/82	Continuing
527-0221	Health Environmental Sanitation	L	1981	1981		-	-	-	-	5,000	1,500	3,500	-	10/84	-
		G	1981	1983		-	-	-	-	150	100	50	150	10/83	200
527-0223	Health and Population Services for Marginal Urban Areas	G	1981	1983		-	-	-	-	350	100	250	350	3/83	300
527-0224	Sur Medio Health and Family Planning	G	1980	1981	10/80	-	450	200	250	350	350	250	-	-	-
527-0225	OPG/Day Care Demonstration in Poor Areas	G	1980	1981		-	50	40	10	50	35	25	-	-	-
527-0230	Primary Health II	L	1982	1982		-	-	-	-	-	-	-	9,000	10/84	-
	EDUCATION														
527-0161	Pre-School Education an a Catalyst for Community Dev.	G	1979	1982		420	400	200	620	500	900	220	280	9/83	-

AID 1330 8 (4-80)

TABLE IV PROJECT BUDGET DATA

DECISION UNIT: USAID/Peru

PROJECT NUMBER	PROJECT TITLE	G/L	OBLIGATION DATE INITIAL	OBLIGATION DATE FINAL	DATE OF NEXT PLANNED NON-ROUTINE EVAL.	ESTIMATED U.S DOLLAR COST ($000) CUM. PIPELINE AS OF 9/30/79	FY 1980 OBLIG.	FY 1980 EXPEND.	FY 1980 CUM. PIPELINE	FY 1981 OBLIG.	FY 1981 EXPEND.	FY 1981 CUM. PIPELINE	FY 1982 AAPL OBLIG.	FORWARD FUNDED TO (MO/YR)	FUTURE YEAR OBLIGATIONS
	EDUCATION (Cont'd)														
527-0168	Technical Support	G	1974	Cont.	n/a	11	40	30	21	40	40	21	40	10/82	Continuing
527-0181	OPG Fe y Alegria - Vocational Training in Pueblos Jovenes	G	1978	1980	3/81	38	70	47	61	-	61	-	-	-	-
527-0215	Southern Sierra Education Sector	G	1981	1984		-	-	-	-	400	250	150	600	-	2,000
527-0234	OPG Fe y Alegria - Expanded Vocational Training in the Pueblos Jovenes	G	1982	1984		-	-	-	-	-	-	-	100	11/82	200
	SELECTED DEVELOPMENT ACTIVITIES														
527-0061	Special Projects	G	1963	Cont.	n/a	30	50	56	24	50	45	29	50	12/82	Continuing
527-0169	Technical Support	G	1974	Cont.	N/a	7	20	23	4	20	19	5	20	10/82	Continuing
527-0188	OPG ASPADERUC - Water Management in Small Communities	G	1979	1980		100	100	100	100	-	57	43	-	-	-
527-0195	OPG ACOMUC - Expanded Rural Women Training	G	1980	1981		-	25	25	-	75	50	25	-	-	-
527-0197	OPG ACJ/YMCA Community Dev. Leadership Support	G	1981	1981		-	-	-	-	105	90	15	-	-	-
527-0218	Credit for Low Income Neighborhood	G	1981	1983		-	-	-	-	200	100	100	200	11/82	175
527-0222	Regional Development Coordination	G	1981	1981		-	-	-	-	200	75	125	-	-	-

AID 1330 8 (4-80)

TABLE IV PROJECT BUDGET DATA

DECISION UNIT: USAID/Peru

PROJECT NUMBER	PROJECT TITLE	G/L	OBLIGATION DATE INITIAL	OBLIGATION DATE FINAL	DATE OF NEXT PLANNED NON-ROUTINE EVAL.	ESTIMATED U.S. DOLLAR COST ($000) CUM. PIPELINE AS OF 9/30/79	FY 1980 OBLIG.	FY 1980 EXPEND.	FY 1980 CUM. PIPELINE	FY 1981 OBLIG.	FY 1981 EXPEND.	FY 1981 CUM. PIPELINE	FY 1982 SAFL OBLIG.	FORWARD FUNDED TO (MO/YR)	FUTURE YEAR OBLIGATIONS
	SELECTED DEVELOPMENT(Cont'd)														
527-0239	Municipal Development	G	1982	1984		-	-	-	-	-	-	-	250	6/83	500
527-0241	Urban Small Business in Pueblos Jovenes	L	1982	1982		-	-	-	-	-	-	-	5,000	1/86	-
527-0242	OPG CRS Economic Integration of Rural Women	G	1980	1980		-	75	-	75	-	75	-	-	-	-
527-0243	OPG MDM - Provision Legal and Social Services for Women	G	1981	1981		-	-	-	-	100	25	75	-	-	-

AID 1330 8 (4-80)

Project No. and Title: 527-0229
Use of Treated Sewage for Irrigation

Loan Funding:

FY 1981: $ 2,500,000

Project Purpose: To increase food production through the expansion of arable land along Peru's densely populated coastal desert by irrigating barren land with treated sewage effluent.

Background: The continuing stagnation of Peru's agricultural sector has resulted in severe shortages of food commodities and vastly increased imports of basic foods. The problem has been aggravated by the extremely rapid growth rate of the country's urban coastal population primarily resulting from waves of migration from the rural sierra. The urban centers require increasing amounts of food each year, yet their disorderly horizontal expansion has resulted in the loss of scarce and potentiably valuable agricultural land in their surrounding areas.

The explosive urban coastal growth has also produced severe pressures on obsolete basic utility systems. Sewage disposal constitutes a particularly serious problem; since treatment facilities have been either non-existent or overloaded, city systems discharge directly into rivers or the ocean, causing serious environmental problems. In recent years, several coastal cities have adopted the use of oxidation ponds for sewage disposal. Yet, in most cases the oxidation treatment is inadequate, and no use is made of the effluent. In a country with a severe shortage of water for irrigation, this constitutes a waste of a scarce vital resource.

In an effort to find a solution to these problems, AID initiated in 1977 a pilot project in the southern coastal city of Tacna, providing grant funds to construct the infrastructure required to utilize treated effluent for the irrigation of barren land and to provide the technical support needed to assure optimal agricultural production. This pilot project has been remarkably successful. The effluent from the existing sewerage treatment facility of Tacna has been used to irrigate 200 hectares of desert land which is now in full production providing a high economic return of the initial investment. A one year project extension has recently been approved to complete research on effluent, soils, crops and users epidemiological control and for the identification of sites for project replication.

The GOP has expressed considerable interest in loan financing of similar activities in a number of urban coastal cities, including Chimbote, Trujillo and Chiclayo, all among the largest urban areas outside of Lima. Loan funds would finance construction of basic infrastructure, e.g. irrigation canals and small water control structures. It is expected that the loan will finance six to eight sub-projects which will provide irrigation to a minimum of 1500 hectares. While some of the sub-projects will use existing sewage treatment facilities, others will include the construction of oxidation lagoons. The availability of desert or barren land accessible to the effluent by gravity will be one of the basic conditions for the selection of project sites.

The proposed program will include three phases: sub-project design, infrastructure construction and agricultural development. Regional Development Organizations (ORDE's) will develop and implement the sub-projects through their regional Directorates. In each region the Agriculture Directorate will be responsible for the construction of the irrigation infrastructure and for the organization of the agricultural activities, the Housing Directorate will construct and operate the sewage treatment facilities, and the Health Directorate will develop and implement environmental and epidemiology control systems.

It is expected that the project will be implemented in 42 months. Studies and sub-project development may be completed in the first twelve months and construction work at the end of the second year. This would leave 18 months for agricultural development activities, which will include extension and possibly the provision of agricultural credit to participants in the project.

Target Group: Direct beneficiaries will be the urban poor who have recently migrated to the urban coastal cities and who lack the basic skills necessary to find employment. The majority of these migrants, living in pueblos jovenes that surround the cities, have been either agricultural workers or subsistence farmers in neighboring rural departments; the project will afford these families the possibility of a source of income from farming. Other urban residents will benefit from the increased availability of foodstuffs produced on the formerly barren land near the cities.

Project No. and Title: 527-0231
OPG SEPAS Expanded Reforestation

Grant Funding:

FY 1982 : $300,000

Life of Project: $900,000

Project Purpose: To continue and expand the innovative "Program of Reforestation using Food Assistance" being carried out in eight sierra departments with the cooperation of SEPAS and the Government of Peru.

Background: Peru's impoverished sierra exhibits numerous symptoms of underdevelopment. Underemployment is chronic; nutrition levels are low; agriculture production is stagnant due, in part, to soil erosion and lack of irrigation water; and there is a severe lack of fuelwood due to centuries of de-forestation. Reforestation is an obvious response to these problems, and the Government of Peru as well as private organizations have been engaged in tree-planting operations for many years. However, these efforts were highly localized. There was minimal coordination among public and private groups, and communities had little immediate incentive to engage in intensive reforestation activities. In FY 1979 USAID, SEPAS (the local affiliate of Church World Service) and the Ministry of Agriculture organized a new program aimed at overcoming earlier difficulties and achieving a major expansion in sierra reforestation. A unified program was created to link the eight sierra departments in a common effort. An AID OPG financed a joint SEPAS - GOP administrative apparatus for the program, as well as the cost of seedlings. Title II food in the amount of $1.3 million annually was programmed for community workers engaged in seedling production and tree-planting operations. Teams of field workers were organized to promote the program in selected communities.

After one year of implementation, results have been impressive. Over 11 million seedlings have been produced and planted on 8,000 hectares of eroded land in the eight departments — a level higher than planned. One department reported more trees planted in the last year than in the previous five. About 20,000 persons received Title II rations for work performed during the planting season or for year-round work, in the case of families engaged in seedling production. Teamwork between SEPAS and the GOP has been good, and the GOP has supplied adequate counterpart ($120,000 equivalent in

1979). The PVO provides accountability to AID in the use of food, plus community organization skills; the government provides technical expertise and transportation facilities in forestry, as well as nutrition education and assistance in Title II food distribution.

Project Description: This successful program deserves to be continued and expanded because it addresses successfully several of the severe development problems of the sierra. Activities will be concentrated in the same eight departments, where the need for reforestation will continue to be unmet. Technical innovations such as "floating nurseries", which locate seedling production in communities and under community management will be encouraged. The new project will provide technical assistance in forestry, which the Ministry of Agriculture has requested, to upgrade the quality of Ministry personnel. The nutrition education and community organizations aspects of the reforestation effort will be strengthened through the provision of higher quality teaching materials. Ties between this project and the GOP's investments in sierra irrigation will be strengthened, i.e. the reforestation required as part of irrigation schemes can be provided through the SEPAS food-for-work activity.

The project anticipates planting 80 million trees on some 60,000 hectares in three years.

Target Group: The project will impact on 40,000 poor, rural residents of sierra villages during each of the project's three years. Participating communities tend to be extremely poor, in part because their lands are so seriously eroded. Families working year-round in nursery operations (whether government-owned or community-based) are among those most at risk nutritionally and receive their pay exclusively in Title II food. Title II resources in the amount of $2.5 million will be required each year during the life of the new project.

Project No. and Title: 527-0232
OPG IPFE, Expanded Campesino Training

Grant Funding:

FY 1982: $200,000

Life of Project: $200,000

Project Purpose: To increase agricultural production and productivity for approximately 5,000 farmers residing in Campesino Communities and small, independent farmers and their families in the Peruvian sierra and ceja de selva through the expansion of an on-going training program. The training will involve the development, demonstration and testing the effectiveness of alternative, low cost training packages.

Background: One of Peru's major development problems is continuing low agricultural productivity which results in only a subsistence standard of living for the great majority of the country's rural inhabitants -- nearly eight million people. Domestic production of basic food items has chronically lagged behind the population growth rate, giving rise to food shortages, high food imports and price increases to Peruvian consumers. The situation is exacerbated by a limited productive land base with large numbers of small farmers and members of campesino communities working in subsistence agriculture and sorely lacking in information of technological improvements that would permit them to raise their agricultural productivity and their low standard of living.

Despite GOP efforts and accomplishments under the Agrarian Reform, only 25% of the small farmer population --those who are members of the larger and more productive cooperatives and other associative enterprises-- received benefits under the reform. GOP extension activities and programs do not reach most of the remaining 75% of the country's small independent farmers operating outside of the auspices of the Agrarian Reform.

AID has provided OPG funds to the Peruvian Institute for Educational Development (IPFE) since FY 1978 to conduct training in basic agricultural production techniques for that segment of the rural poor population not currently served by GOP institutions. IPFE, a non-profit, private organization, has in the past 16 years made a significant contribution to the development of Peru's human resources, through promotion of skills training, sponsoring, organizing, conducting and administering educational courses and programs. This has been a pilot program in which IPFE has developed, demonstrated and tested the effectiveness of an audio-visual training methodology.

To date, IPFE has successfully carried out approximately 200 short-term courses in subject areas relevant to small farmer needs, such as improved agronomic practices, livestock and poultry care, crop and food storage, animal and human nutrition. Over 2,000 farmers have received training in selected areas of the sierra and high jungle. The IPFE training program has been utilized in other USAID projects which include campesino training components, e.g. DALPRA Community Food and Nutrition and ACOMUC Rural Campesina Training, and Subtropical Lands Development.

The proposed project would continue USAID assistance to IPFE to enable the organization to continue and expand its training activities, to reach a larger number of farmers with a broader range of subject areas relevant to small farmer needs. IPFE will continue to prepare technological packages containing training methodologies, materials, course content, etc., which will be made available to GOP and private and international institutions which provide assistance to Peru's small farmers. The project will also attempt to strengthen IPFE's ties with other Peruvian private and governmental organizations with a view to generating a self-sustaining, fee-for-service operation in the future.

Target Group: An additional 5,000 small farmer families operating outside the cooperative or associative enterprise sector will receive training. All project sites will fall within poor provinces of the sierra and high jungle.

Project No. and Title: 527-0233
Small Farmer Production Systems

Grant Funding:

FY 1982 : $300,000

Life of Project: $450,000

Project Purpose: To assist selected provincial universities, rural research institutes and training centers to carry out agricultural research, extension and education activities directed towards the problems of small farmers in four selected areas of the sierra and ceja de selva (high jungle). Project activities would address specific problems of small farmer production systems in these selected areas and would be used as a basis for evaluating the feasibility of a national decentralized production systems research and extension program to be carried out by the GOP.

Background: Traditionally, agricultural research in Peru and most LDC's is crop-specific, directed largely to the needs of monoculture farmers rather than to the smaller farmers who produce a variety of crops in their limited holdings. The Agrarian Reform in Peru has led to an increase in the number of small farms. Data from the 1972 Agricultural Census indicate that about 40% (430,000) of all sierra and high jungle farm units are between one and five hectares in size. The vast majority of these farmers do not have access to credit or technical assistance. Moreover, the small farmers are not monoculturists but practice diversified crop cultivation. Current research on the production techniques of small farmers is scarce. Thus, there exists a great need to investigate in an integral manner soil management, fertilization/composting, crop and forage association, rotations, etc., specific to the diversified cultivation practices of the small farmers.

Project Description: Under this proposed project, grant funds would be provided to The National Institute of Agricultural Research (INIA) and channeled to selected provincial universities, rural research institutions and training centers to assist them in surveying the typical croping systems, agro-socioeconomic conditions, and constraints in selected areas populated largely by small farmers, and to develop improved production systems and to test them through on-farm field trials. Since the applied systems are experimental in nature, certain production inputs would be grant financed. A small contingency insurance fund would be maintained in order to reimburse the farmer should the production from the experimental plot not equal the normal return under the traditional system.

Each local institution would form a multidisciplinary team composed of an agronomist, entomologist and agricultural economist who would develop simple farm records, improved systems feasible under existing local conditions and needs, and aid in the dissemination of successful results (a process which would be facilitated by the demonstration effects since the demonstration plots would be in-situ). The proposed grant would also provide for training, technical assistance, transportation (motorcycles) for the technicians, and periodic meetings and seminars to exchange ideas and results of the applied research. The project would be coordinated by a Peruvian professional based at INIA, who would monitor and evaluate the project's progress and aid in development of similar programs to be implemented in other areas of the country where small farms predominate. Possible institutions receiving grant funds include the provincial universities and research/training centers in Huancayo, Cajamarca, Huanuco, Pasco and Puno and/or other institutions to be identified. Grant funds would also cover the expenses of the project coordinator based at INIA. By the end of the project INIA will have established a permanent unit to aid in the implementation and coordination of Small Farmer Production Systems in other areas of the country.

Target Group: Direct project beneficiaries will be the small farmers from the test areas who adopt the improved agricultural productivity systems. Indirect beneficiaries will be small farmers from other areas of the country who will receive assistance from an expanded small farmer production systems applied research and extension program.

Project No. and Title: 527-0235
OPG Fresh Water Fisheries in the Sierra

Grant Funding:

FY 1982 : $300,000

Life of Project: $400,000

Project Purpose: To increase income and protein diet of the rural poor campesino communities in the Department of Junin through the establishment of a Departmental lake management/marketing service cooperative to be established and initially administered by a VolAg.

Background: The low income and inadequate nutrition of campesino communities bordering lakes in Junin is partly the result of the limited agricultural potential of these high lying areas. One of the main income generating activities for many communities is raising sheep. A relatively simple income generating and nutrition-complementing activity for this area is the extensive production of trout through the exploitation of an underutilized resource (lakes) in the area.

According to a preliminary (1980) "National Inventory of Lakes and Impoundments" conducted by the GOP, Peru contains 12,201 lakes and 261 impoundments, most of which are located in the sierra. These bodies of water have multiple use potential in agriculture, energy, industry, mining and fish production, yet a very small fraction is exploited. The most important lakes productively utilized are in the Department of Junin, which also appears to have the highest proportion of lakes relative to its area. A large number of the lakes are accessible. Thus, other conditions permitting, many of the lakes should be suitable for extensive production of low cost trout. Moreover, unlike other sierra areas with potential for trout production, Junin is linked to the Lima market by good roads and a railroad, and has been targeted in the Mission's CDSS as one of the three top priority areas towards which the Mission intends to direct the bulk of its resources for agriculture and rural development.

Project Description: The Mission has had considerable success with a pilot trout breeding project in Ancash (Fresh Water Fisheries 527-0144). The activities in this proposed project will replicate, to a large extent, the lakes component of the earlier project.

OPG assistance will be provided to finance the establishment of a lake management/marketing service cooperative to be located in the Department of Junin. The functions of the coop include: (a) contracting Biology/Lake Management specialists to select lakes feasible for subsequent evaluation in terms of productivity and holding capacity, after a preliminary priorization based on accessibility, ownership rights, size, etc., (b) stocking and harvesting lakes, (c) transporting fingerlings from hatchery (Huancayo, Junin) to lakes and market-size trout from lakes to the coop headquarters for processing (smoking) and subsequent shipment to consumption centers (smoked or frozen), (d) training. The grant would finance lake evaluation, stocking and harvesting equipment, vehicles and trucks, processing equipment, personnel expenses, initial stock of fingerlings for each selected lake. Each campesino community which has the ownership rights to a lake could become a member of the cooperative with stock and dividends proportional to trout marketed through the coop. By the end of the project, the VolAg will have trained local management and technicians and the service coop will be in a self-financing position.

Target Group: The direct beneficiaries of this proposed project will be residents of the campesino communities, the poorest group of the Peruvian sierra, who become members of the Service coop.

Project Title and No.: 527-0236
OPG Fundación para el Desarrollo Nacional -- Regional University Outreach

Grant Funding:

FY 1981 : $300,000
FY 1982 : $200,000

Life of Project: $500,000

Project Purpose: To help Peru's regional universities play a stronger role in local rural development.

Background: Peru's provincial universities have the potential to play a more active role in the development of the regions in which they are located. In some instances, groups of professors, e.g. in Cajamarca, have formed private organizations to assist nearby communities to realize self-help investments (roads, schools, small irrigation). In others, university departments seek to carry out modest-scale extension services to small farmers. Still others conduct micro-level socio-economic research upon which GOP agencies and foreign donors sometimes base new development projects. Because the potential contributions of these universities are so varied, the Mission plans to use a flexible funding mechanism, represented in this case by the Fundación para el Desarrollo, a PVO formed by professors at the National Agrarian University and by other individuals prominent in the agricultural sector in Peru.

Project Description: Provincial universities will submit outreach project proposals to the Fundación para el Desarrollo for financing, with USAID approval. This procedure will obviate the need for professors at each university to form their own PVO --a cumbersome process vis a vis the GOP. Project selection criteria will be developed as part of project design. At this point, we can simply say that each sub-project will contribute to the development of small farmers and rural communities in the university's zone of location.

One possible first project (for purposes of illustration) is with the National University San Cristobal de Huamanga, in Ayacucho, to provide extension services to local farmers. The University has three areas of agricultural land located in each of the three natural zones of the department: high jungle (60 has), sierra valley (168 has) and high sierra (600 has). These lands are presently under-utilized. The University has expressed a desire

to more effectively exploit these lands to generate increased income for the university and also to use them for expanded applied research and extension on crop and livestock production problems faced by local farmers. The knowledge gained would be transferred to small farmers through a self-financed university extension program that would include demonstration plots, small farmer training programs, and the utilization of university professors and students as extension agents.

Target Group: Small farmers and campesino communities in the sierra and high jungle would be the principal beneficiaries. Numbers are impossible to determine at this time. However, the OPG in Cajamarca (cited before) benefits about 4,000 persons.

Project No. and Title: 527-0237
Small Farmer Credit (BANCOOP)

Loan Funding:

FY 1982: $ 4,000,000

Project Purpose: The Project's purposes are: (i) to expand credit availability for the rural poor, and (ii) to strengthen a private institution's (The National Cooperative Bank) ability to provide development banking services to the rural poor.

Background and Project Description: The lack of production credit is a severe constraint on improving the productivity and living standard of Peru's rural poor. Institutional channels for reaching the rural poor target group, the small farmer and artisan, are largely absent. Risks of lending to the poor are high, as are the portfolio costs of administering smaller loans.

Under an existing loan signed in 1976 (Agricultural Cooperative Federations Development) A.I.D. is facilitating the flow of credit to Peru's Agrarian Reform enterprise (associative groups of farmers which were created through the 1968 land reform). Other donors, principally the IDB and IBRD, are reaching others in this group through credit programs with the GOP's Agrarian Bank. However, a large segment of the rural poor, including over 800,000 sierra small farmer and artisan families living in states of poverty similar to the pre-reform era, are not members of associative enterprises and have little access to official or other institutional credit.

A current USAID Grant Project has assisted BANCOOP to provide financial and technical assistance to farmers in low - income central sierra and ceja de selva areas, and to demonstrate the ability of small farmers to generate additional savings and increase their own sources of lending capital through a pilot savings mobilization program. A.I.D. believes that this group's credit needs can be met, at least partially, through an expanded program of the National Cooperative Bank (BANCOOP), since many small independent farmers and artisans belong to the "traditional sector" credit unions and agricultural service cooperatives (in contrast to government-sponsored production cooperatives) which BANCOOP services. No other donors are providing assistance to this neglected sector which falls squarely within USAID's priority target population.

The strengthening of institutional channels serving the small - farmer target group is a key element of USAID's development strategy. The project's target group includes agricultural service, credit, and artisan cooperatives representing roughly 100,000 rural families in selected areas of the sierra and ceja de selva. BANCOOP will provide these cooperatives with development banking services consisting of both credit, in the form of short-term production credit for agricultural and working capital needs and medium-term credit for varied productive activities, as well as a pilot program of technical assistance in cooperative management.

Target Group: It is presently planned that the Project will concentrate on five areas: Loreto, Huanuco, Pasco - Junin, Cajamarca, Piura. The Mission's rationale for the selection of the five proposed Project areas is based on three factors. First, all of the areas are located in either sierra or ceja de selva departments or inland sierra areas of coastal departments; thus, the Project's geographical focus is consistent with USAID's strategy of concentrating assistance in sierra and ceja de selva areas. Second, each of the areas is located within a working distance of one of the existing or planned BANCOOP Branch Offices in Pucallpa, Piura, Chiclayo, Tingo Maria, Trujillo and Huancayo. And finally, all five of the proposed areas exhibit a predominance of the Project's principal target group of Agriculture Service Cooperatives (CAS) and rural credit cooperatives.

Project No. and Title: 527-0238
Agricultural Statistics

Funding:

FY 1982: $300,000
Life of Project: $500,000

Project Purpose: To improve the relevance, timeliness, and reliability of basic production data for important crop and livestock activities by developing the information base necessary for the GOP to formulate consistent, coherent short and long term development policies for the agricultural sector.

Background: The agricultural statistics system has deteriorated so greatly over the past 12 years, that it is at this stage practically impossible for the GOP to formulate a consistent and reliable set of agricultural policies, basic data on production, acreage, and yields of important food crops. For example, the Annual Agricultural Statistics Summary has not been published in the past two years. Given unreliable and insufficient data, there can be little analytical input into policy decisions; policies are made without benefit of greatly needed factual information. The reasons for the deficiencies in the collection, processing, and analysis of information include the following: (a) Lack of a list frame for sampling in the Sierra and high jungle, where no cadaster is available, as it is on the coast, where the Agrarian Reform was implemented. (b) Statistical field personnel are immobile and ineffective due to lack of resources and training in data collection techniques, and inadequate supervision; (c) Tabulation and processing is performed by hand since computer processing of data is not utilized.

Project Description: The project will address the problems described above through the provision of technical assistance, training, field support, and data processing equipment. The agencies to be involved in the Project include the offices of planning (OSPA), statistics (OSE), data processing, and cadaster of the Ministry of Agriculture and Food (MAA) as well as the National Office of Environmental and Natural Resources (ONERN).

The Project represents an amplification and extension of on-going AID sponsored activities in agricultural statistics. An evaluation of agricultural statistics was conducted in May 1979. Based on the evaluation, AID commissioned a study by a Peruvian working group to establish an overall plan for the development of agricultural statistics. Selected aspects of the plan will be implemented in the coming year utilizing PL 480 resources and technical assistance from the U.S. Bureau of the

Census (FSSA 1-78). The grant project will directly support and complement these activities.

Project Beneficiaries: The group most likely to benefit from improved agricultural policies based upon an improved information base will be small farmers in the Peruvian Sierra. Unfavorable price policies and inefficient programs such as government monopolies on fertilizer sales and commodity purchases have greatly affected the production of potatoes, wheat, barley, and livestock. Sierra farmers are the primary producers of these commodities. In addition, to the extent that more favorable agricultural policies increase food production, the cost of food to urban consumers should decline in the long run.

Project No. and Title: 527-0240
Sub-Tropical Lands Development II (Pichis-Palcazu)

Loan Funding:

FY 1982: $ 15.0 million

Project Purpose: To develop the agricultural potential in the Pichis-Palcazu area of the high jungle in the Department of Pasco. This area contains an estimated 415,000 hectares of land suitable for intensive agriculture, pasture and managed forestry which is presently unused or undeveloped. The project would finance the investments required to bring this area into production utilizing the low cost methodology being introduced by the A.I.D. financed Sub-Tropical Lands Development Project in the high jungle Huallaga Central area.

Background: A substantial amount of land suitable for agriculture is situated in major river valleys along the lower eastern slopes of the Andes. Two such valleys, the Pichis and the Palcazu, are located directly across the Andes from Lima, the capital city of Peru with a population of over 4 million. Notwithstanding the relative proximity of Pichis-Palcazu to the largest market center in Peru, these rich agricultural valleys have remained undeveloped due to a lack of access roads to connect them to the existing road networks crossing the Sierra to the major market and export centers on the coast.

The National Office for Natural Resource Evaluations (ONERN) undertook a pre-feasibility study of the area in 1970, which identified the best location for land routes into the valleys. ONERN has also carried out detailed soil studies and land use capability studies of the area, which they expect to complete by the end of 1980. Based upon these studies, the GOP has constructed some 60 kms. of road from Villa Rica into the area. It is expected that a service track of about 40 kms. will be completed by the end of 1980, which will then connect Puerto Bermudez, the principal settlement in the area, to the highway that leads to the coast. Upgrading of the service track to an all-weather road and extension of the trunk road along each valley floor is scheduled for 1981/82.

As these and other penetration roads have been constructed into the high jungle areas, they have attracted spontaneous migration from the sierra, a common occurrence since new areas of the high jungle offer the only alternative to coastal cities for the sierra rural poor seeking an improved livelihood. Unfortunately, without proper tools and a knowledge of tropical agriculture, the new migrants offer little to the develop-

ment of these areas, utilizing slash and burn, subsistence farming methods. Stable agriculture, practiced by a few earlier settlers, is limited to narrow bands along the rivers and, more recently, along the trunk roads.

Project Description: Previous GOP efforts to increase food production and employment by opening up new lands in the high jungle have fallen short of their objectives because year-round access to markets was not assured and the new settlers frequently simply transferred their subsistence type farming from one area to the other. Moreover, the extensive use of slash and burn methods are destroying valuable timber on non-agricultural lands and are creating serious erosion problems. Directed colonization projects, which have attempted to provide a full range of economic and social services, have resulted in a prohibitive cost per beneficiary. The solution is to create the catalytic conditions necessary to support spontaneous settlement by providing those inputs needed to develop permanent agriculture and greatly increase food production on soils suitable for that purpose. Such investments will create the economic conditions needed to justify and support future social services, and provide the basis for greatly increased investments from the private sector.

The proposed project will finance physical infrastructure in the form of access roads, minimal market facilities and machinery services related to land clearing and soil preparation. These are to be carried out in conjunction with supporting services such as allocation and titling of agricultural lands, agricultural extension activities in tropical agriculture, and a credit delivery system for crop production and for on-farm improvements. AID support will also be used to develop forest resources, environmental control and other efforts to develop the areas and to identify investment opportunities.

Host Country: The Project will require the creation of a special project executive directorate with a basic complement of personnel to administer and execute the multisectorial activities through agreements with various GOP ministries and agencies and by contracts with private engineering and construction firms. The Project will also require, as host country inputs, personnel for cadastral surveys and titling; extension activities; marketing facilities; machinery centers; road maintenance; and food production credit. Host country responsibilities will also include maintenance of the main trunk roads that are linked to the national highway system.

Target Group: The central thesis of this proposed project is that agricultural and forestry development in this central high jungle region will directly benefit the existing settlers in the area as well as new settlers attracted to the area, which are expected to total 20,000 rural families by the end of the proposed Project period. The large majority of the settlers are, and will continue to be, rural poor from the Sierra and urban poor from the coast, who originally immigrated from sierra communities in search of employment.

Project No. and Title: 527-0230
Integrated Primary Health II

Loan Funding:

FY 1982: $ 9 million

Project Purpose: To continue to support the Ministry of Health's program of strengthening and entending basic health and family planning activities to the rural and marginal urban population with emphasis on community participation, including environmental sanitation and community education.

Background: The severe health problems confronting a large portion of Peru's population -- problems among the worst of all the Latin Americancountries -- are largely the result of the maldistribution of public sector health services, the high rate of population growth and the serious economic and fiscal constraints of recent years which have not permitted the Ministry of Health (MOH) to build an institutional capacity to address major health issues. In rural areas, approximately 50% of the general mortality rate is composed of children under five years. Infant morality is estimated at 120 per 1000 with maternal mortality estimated at 40 per 10,000 live births. The principal causes of death are infectious and parasitic diseases which are susceptible to control through vaccinations and sanitary measures. The health problem is complicated by malnutrition which is associated with the basic cause of approximately 60% of total deaths of children under five.

The problem centers on the need to extend the existing health care structure into rural and marginal urban areas in order to reach the unserved and underserved population. To accomplish this objective, the GOP developed a plan of primary health care assistance which includes:(a) activities required to satisfy basic health necessities, i.e. simple curative and preventive services, and (b) community development activities such as environmental sanitation. The USAID FY 1979 Integrated Primary Health program includes loan and grant financing to assist the MOH in its effort to develop a primary health care system and begin implementation of a five-year national plan. Activities implemented under this program include: (1) the provision of medicines and medical equipment for 1,200 health posts and basic transportation to extend critically needed preventive services, e.g. immunizations, family planning information and prenatal care, and curative services, especially focused on mothers and children, including oral rehydration, tuberculosis control; (2) community education and support of sanitation activities, providing basic materials and equipment needed to develop simple health education activities at the community level; (3) training of health auxiliaries, community health promotors, and traditional midwives;

(4) strengthening MOH capability in data collection and processing, health research and project evaluation; and (5) technical assistance in public health, logistic systems, health care management, training, etc. A complementary loan/grant project providing potable water facilities in small rural sierra communities will be financed in FY 1981.

The proposed project would continue the activities begun under the initial project but include greater emphasis on community education, to include outreach in the formal education system, and a stronger family component, including a referral system to medical centers and regional hospitals and hopefully provision of contraceptives by community promotors. Health planning and management at the regional level would also be strengthened. All $9 million of this loan is shown from the AID health appropriation. However, once the family planning component is better defined it will be possible to split-fund the project between health and family planning.

Host Country: The principal implementing agency responsible for the overall project will be the MOH, Office of Director General for Program. Implementation of the health services component will be the responsibility of the Director of each of the Health regions. The Health Regions will be responsible for the execution of the project service components, training in cooperation with the central level MOH Directorates, and environmental sanitation and community education in cooperation with the regional development committees (ORDE's).

Target Group: The primary beneficiaries of the project will be approximately four million rural inhabitants, who will receive the benefits of increased access to medically-trained personnel, information on ways and means to protect their health, and improved preventive and curative services. Women (pregnant or of child-bearing age) and children will receive the most direct benefits through immunization, family planning information and maternal-child health care. Benefits to the rural poor at large also will occur through access to referral and treatment services and instruction in nutrition and environmental sanitation.

Project No. and Title: 527-0234
OPG Fe y Alegria, Expanded Vocational Training Program in the Pueblos Jovenes

Grant Funding:

FY 1982: $100,000

Life of Project: $300,000

Project Purpose: To provide basic skills training to urban youth in the poor pueblos jovenes, thereby increasing their employability and potential earning power.

Background: Fe y Alegria, a voluntary agency involved in providing basic education and useful skills training to under-privileged groups, is administered by Jesuit missionaries and operates in eight Latin American countries. Since it began functioning in Peru in 1966, Fe y Alegria has established educational facilities currently serving a population of over 30,000 students from the poorest sectors of Peruvian society, primarily from the low-income marginal areas, pueblos jovenes, which surround the country's urban centers. Girls and women make up about half the participants in Fe y Alegria programs.

Fe y Alegria presently operates 28 Education Centers in Lima's slums and in Cuzco, Cajamarca and Piura. These centers are built with the assistance of community groups willing to make self-help efforts towards contributing to the construction and maintenance of the centers. While all the centers provide formal educational training through the high school level, in several schools basic vocational education in employable trades is offered.

AID has been providing OPG funds to Fe y Alegria since 1978 to permit the VolAg to develop and expand its Educational Centers' manual skills programs. Grant funds have been used to finance the building and equipping of 30 workshops in ten schools. High schools youths have received job-related training during three-year programs and adults receive intensive one-year training programs. Vocational training has been provided in such marketable skills as carpentry, electrical and auto repair, dressmaking and typing. Under the OPG project, which ends this year, over 10,000 youths and adults have received training.

The new OPG will focus on the improved quality of Fe y Alegria programs as well as expansion of outreach. For example, AID will help finance studies which will assist Fe y Alegria to focus its programs on special

educational problems, such as low female participation rates. New programs -- for example in vocational training for girls -- will be planned based on these studies and will be implemented under the OPG.

Target Group: The beneficiaries of this project will be the additional students (number yet to be determined) receiving vocational skills training. These youths and adults, residing in urban slums, are primarily from families who have migrated from the sierra in search of employment and education opportunities. The great majority of the urban migrant population lacks basic job skills, and the GOP does not have the resources to provide vocational education at the level required.

Project No. and Title: 527-0239
Municipal Development

Grant Funding:

FY 1982 : $250,000

Life of Project: $750,000

Project Purpose: To assist the GOP's decentralized development strategy by strengthening the responsibilities and capabilities of municipal governments.

Background: During the past few years the GOP has been actively promoting a program to decentralize development planning and implementation throughout the country. This strategy is attempting to reverse such historical factors as: (a) preferential and concentrated investment patterns favoring Lima and other coastal cities, (b) a failure of a "trickle down" process between the modern urban industrial sector and the lagging agricultural sector. The strategy entails creation of a number of regional development organisms (ORDEs) with their own staffs, operating budgets and responsibilities for implementing all sectoral programs within their geographic jurisdictions. The GOP has also delegated increasing responsibilities to the departmental development committees for the establishment of regional plans that would provide the basis for future investments in their respective areas.

While the GOP decentralized strategy has begun to dismantle an overly-centralized, Lima-based decision making apparatus, the role and responsibilities of the municipalities within the regional development organisms and departmental committees has remained undefined, especially in the more isolated areas far removed from departmental or provincial capitals. Although municipal governments are the only institutions with which the majority of Peruvians have daily contact, they have been unable to respond to the needs and demands of their constituents due to lack of administrative and financial capacity. They perform only the most basic functions such as street cleaning, garbage collection, and establishing and maintaining municipal markets. Even these functions are often not performed well. The power to tax property, a potential source of revenue for local governments, has remained with the central government. Most major public works projects (schools, hospitals, water and sewerage systems, etc.) have been provided by the appropriate central government agency.

Peru has become increasingly aware of the need to strengthen the role of the municipal government as part of the decentralization program. One of the first agenda items of the newly-elected Congress will be to review and approve a new municipal law that will provide for municipal elections and establish a new tax base to generate the revenue to permit municipal government to provide basic services to its citizens.

Project Description: Throughout Latin America AID has had considerable experience and success in supporting the establishment of municipal institutes which have worked with national and municipal governments to strengthen local institutions' capacity to undertake local development projects. The proposed project will help the GOP establish a new technical/credit organization that would provide technical assistance to municipal governments in such areas as land tax surveys and property tax procedures, establishment of municipal budgeting procedures, designing local service projects, and participation in the development of regional plans and policies. Initial focus would be on municipalities in those areas where USAID is concentrating its loan resources (e.g., Integrated Regional Development, Sub-tropical Lands Development).

Target Group: The target group would include families residing in the secondary and tertiary urban centers of the Sierra and Ceja de Selva. Many of these families have left marginally productive jobs in rural areas in search of employment, education and health facilities for their families. Residents of rural municipalities would benefit from the improved services provided by their municipal governments.

Proj. No. and Title: 527-0241
Urban Small Business

Loan Funding:

FY 1982: $ 5.0 million

Project Purpose: The purpose of the Project is to develop and expand urban enterprises (cottage industry, small manufacturing, services, tourism and commerce) by improving the access of such firms to credit, appropriate technologies, and technical assistance.

Background and Description: Over the past decade Metropolitan Lima has experienced a crowding phenomenon which afflicts almost all other Latin American capitals and major cities. Natural population growth has been augmented by greater migration from the countryside, yielding a net population gain exceeding the increases in employment opportunities and social services available to the urban poor. The effects of this imbalance -- rising unemployment, the appearance and expansion of slum areas -- and their long-term consequences are recognized by the Government of Peru.

Project activities will include the development of a revolving urban credit fund, urban enterprise promotion, expanded technical assistance capacity, greater outreach capability, further reduction in credit barriers, and the institutionalization of urban small enterprise development lending concepts within the Peruvian Industrial Bank, (BIP) the credit institution presently implementing the USAID's Rural Enterprises programs. Most of the A.I.D. loan resources will be used to capitalize a revolving credit fund with a small portion of A.I.D. money set aside to provide technical assistance and commodities to the BIP. The BIP will provide counterpart funding to capitalize the revolving credit fund, as well as implement the program and provide technical assistance to sub-borrowers.

Specifically, in the target areas, the activities of the Project will contribute to:

- development and strengthening of urban enterprises;
- generation of new employment opportunities;
- generation and improved distribution of income; and
- increased and self sustaining levels of economic activity.

Target Group: This Project is directed toward the poor of Peru's major metropolitan areas, especially Lima.

Project No. and Title: 527-0243
MDM OPG: Provision of Legal and Social Services for Marginal Urban Women

Grant Funding:

FY 1981: $100,000

Life of Project: $100,000

Project Purpose: To provide women residents of marginal urban settlements with effective legal and social services.

Background: USAID/Peru is presently financing a one year OPG to enable Movimiento Derechos de la Mujer, MDM, to set the foundations for this project. This is being accomplished by 1) development of an educational program to orient, inform and advise women in urban slums of their legal and social rights and 2) training of MDM volunteers to enable the organization to provide an effective service to women in need of legal and social assistance. This first project contemplates the establishment of four public education committees in Lima's pueblos jovenes which will serve as headquarters for MDM's educational campaigns and provide the necessary feedback on the needs and concerns of pueblo joven dwellers. These four committees will also operate as store front offices for the legal advisory center to be financed under the proposed OPG. The center will provide the following services:

- Information on Legal Rights and Available Resources: to be provided to individuals and groups regarding their rights and resources as Peruvian citizens, as women and as wives. The center will research existing laws, legal and social services resources and develop directories and pamphlets.

- Counseling and Legal Service: Staff, volunteers and part-time law and psychology students will assist women, and men, in determining their needs and the assistance required. The center will provide the services of a lawyer, a volunteer or hired part-time professional, for cases requiring specific legal attention.

- Referral Service: the centers will refer women to other appropriate agencies providing legal or social services beyond the scope of the headquarters.

The Center will be staffed by MDM volunteers who will do the screening of patients and take care of the administrative matters. Part-time legal, psychology and social worker students, and part-time salaried professionals will provide services at the Center. MDM is entering agreements with a number of national and community

organizations, including Universities, to engage their members and constituencies in the program. The Center will charge for services on a sliding scale, or ability to pay basis -- ranging from a token payment to a full fee -- depending on the income of the women seeking assistance.

Target Group: Beneficiaries of the project will be the estimated 4,000 women per year who will receive information, referral, counseling and legal assistance through MDM's service center and the branch offices in Lima's pueblos jovenes.

Decision Package: Minimum

The Mission has organized a minimum program of $ 14 million in loans and grants, exclusive of PL 480 Titles I and II and HIG resources. This level reflects new obligations for on-going grant projects, companion grants to on-going loans and OPGs. Only one new project, a second Primary Health Loan, would be achievable at this level. While the broad mix of on-going projects represents the Mission's efforts to continue its presence in all major sectors of AID's priority concerns -- agriculture, health, education -- the modest program level permitted at the minimum would require the Mission to abandon major new efforts required to accomplish its CDSS strategy goals in the areas of sierra and high jungle economic growth and urban basic human needs. The only new initiative would consist of continued support to the GOP's effort to broaden primary health care and reduce fertility throughout the sierra, reflecting the Mission's top priority in sierra social programs. Although on-going projects initiated in prior years would maintain a USAID presence in the agriculture sector, we would not be able to provide the resources required to stimulate sierra and high jungle growth nor widen our geographic focus beyond that already covered. We would also have to reduce our efforts to provide on-farm inputs, including greatly needed credit, to small independent farmers and campesino communities as well as attenuate efforts toward improving small scale infrastructure in the sierra and high jungle -- both major thrusts of the USAID strategy.

Although the minimum level would permit us to continue programs in health and family planning and rural sanitary infrastructure, the effort already underway to improve education programs and infrastructure in the southern sierra -- a high priority of the CDSS Sierra Social Program strategy -- would have to be abandoned. With the exception of on-going OPGs, most with Title II feeding components, the Mission's effort to alleviate the plight of the country's urban poor, a major part of our strategy, would be significantly reduced.

Thus, since the minimum level would only permit the Mission to sustain a relatively modest program consisting of on-going projects and only one new program, we would be precluded from making any major new initiatives required to respond to Peru's serious poverty problems. We would not have the resources needed to influence the new government to effect policy initiatives reflecting our areas of concern. In addition, since the establishment of a consortium of major donors by FY 82 is a real possibility, the Mission would lose the opportunity to play an important role in a new dialogue with the GOP, without resources available for new initiatives.

An extremely important factor, and one which strongly militates against consideration of program funding at the minimum level, is the

accession to power this year of a new civilian government after twelve years of military rule. The results of the recent elections have unequivocally demonstrated the Peruvian population's commitment to democratic ideals. The new President's commitment to these ideals and to growth with equity is equally solid. The elections have awakened demands and increased expectations for immediate social and economic improvements to which the new President will be eager to respond. Yet,he will be presiding over a nation whose economy, while slowly recovering from recurrent crisis, is nevertheless still plagued with problems that beg for solution - high inflation, slow growth, stagnant agricultural sector, and extremely high rates of underemployment and unemployment. The U.S. will be supportive of the new regime. We can expect the new government to make urgent requests to AID for development assistance. Thus it is of utmost importance for AID to commit the resources required to be able to respond favorably. The US assistance program must play a vital role in demonstrating strong support for the new democratic government and the steps it takes to promote long-term growth, social equality, and alleviate persistent rural and urban poverty.

At the minimum, the Mission's direct hire staffing requirement would begin to decline, although on-going projects would still require considerable staff management, at least in FY 82. We would not need to absorb IDIs in Capital Development and Agriculture, who will have ended their internship, nor would we need to maintain the position of program economist. In addition, we would consider the elimination of one of our three positions in Capital Development.

Decision Package: Current

Although the loan/grant program reached $35 million in FY 1979, AID's FY 80 funding difficulties appear to have dictated a modest program level of $13 million for the OYB. Thus, the "current" FY 82 level of $35 million in grants and loans would represent a welcome expansion over FY 80 and a return to the upward trend of FY 79. The "current" activities in all major sectors would permit us to proceed along the lines outlined in the CDSS strategy and have a tangible impact on the problem of poverty. The current level would also afford AID the opportunity to participate in a dialogue with the new government on development issues, to respond positively to requests for development assistance, and along with other major donors, to influence new GOP policy initiatives.

On the issue of policy, the expansion of the USAID program in recent years has had a major impact on GOP institutional decisions. The Sub-Tropical Lands project motivated the GOP to establish a Special Project Directorate in the project area with complete autonomy to manage funds and direct project activity. The Integrated Regional Development project will follow the same pattern. The Military government's major investment priorities, however, have emphasized costly, large-scale infrastructure, including coastal irrigation schemes, which will not have a tangible short-term effect on AID's target group. At this early stage, we believe that USAID and the new civilian government will share mutual priorities which emphasize investment in the sierra and high jungle areas and the broadening of social programs in these areas. In addition, a large loan and grant portfolio would permit us to retain credibility among other donors and the GOP, something we will have lost if our present funding level continues.

A large part of the FY 82 current level represents on-going grant and OPG financing with the addition of the Primary Health loan included in the minimum. The current level would add new grants in the priority areas of sierra agricultural production, small farmer credit, and a major new loan for the integrated development of a high jungle region, as well as permit the continued funding of an education program for the marginal southern sierra population. The program would also include $31 million in Title II resources utilized in conjunction with long-range development projects and $20 million in Title I to help meet the demand for basic foodstuffs and support the Peruvian national budget in growth-with-equity projects. Housing Investment Guarantees of $25 million would assist the Mission in fulfilling its urban basic human need goals.

FY 82 will be a critical year for the Mission's family planning program. Until now, we have been confronted with a government policy that, while at times has appeared to be receptive to broad delivery of family planning services, has nevertheless proceeded extremely cautiously in its actions. The Mission has found it necessary to limit its efforts to grant and OPG projects that provide services to limited numbers of women. With the accession to power of the new civilian government, we are sanguine about the prospects of providing services on a nation-wide basis. Our optimism is not groundless; the new government was decidedly supportive of family planning during its initial rule in the 1960's and the newly elected President has during the electoral campaign stressed the country's inordinate population growth as a severe development constraint. The Mission will emphasize the delivery of family planning services in its FY 82 Primary Health loan. The next few years should, therefore, provide AID with a great opportunity in an area of major concern. Considerably more resources must be forthcoming over the next several years to encourage the GOP's efforts.

The CDSS establishes three basic priorities for AID development assistance: sierra social programs, to deliver direct benefits in health, family planning, nutrition, and education; sierra and high jungle economic growth, to create a growth dynamic for the highlands and adjacent jungle areas; and urban basic human needs, to address the problems caused by explosive rural-to-urban migration. By FY 82, we will have an active AID program addressing these priorities, although substantially greater resources above the current level must be committed to enable us to effectively assist in resolving Peru's persistent poverty problems.

Top priority social programs in health population, education and nutrition will continue to be implemented with prior and current (FY 82) year loan and grant funds. The Mission's most important new program - to extend and broaden primary health care to over 1000 health posts and build new facilities throughout the country - would be financed at the minimum level. We will continue to finance a Nutrition Planning grant which will identify, evaluate and formulate policies and programs to alleviate chronic and acute malnutrition among the country's most vulnerable groups. Once the most effective programs are identified, the Mission will begin development of a follow-on nutrition loan for FY 83. The results of an on-going grant project to develop and implement alternative low-cost pre-school

education programs for disadvantaged children in the southern sierra will be assessed to determine the feasibility of subsequent loan financing. At the current level, we will be able to continue financing a large education sector grant for the southern sierra which delivers a range of education services to the most deprived region of Peru.

Within the current level, the strategy of promoting sierra and high jungle growth would receive the largest portion of both on-going and new funding. By FY 82 the Mission will already be implementing an ambitious program in such critical areas as agricultural research and extension, provision of on-farm agricultural inputs and technologies, irrigation and environmental protection, rural mini-hydro energy generation, reforestation, rural small business and rural infrastructure. New projects in these areas will appear in FY 82. Two new OPGs, replicating successful projects, will be financed: one will utilize audio-visual methodology to provide training in agricultural production techniques to the small, independent farmer and campesino communities, and the other project will build the simple infrastructure required for trout-breeding in the sierra, with the goal of increasing income and improving nutritional status of residents of isolated campesino communities.

A new FY 82 initiative, which will have a major impact in relieving constraints to increased production in the impoverished independent farming sector, is in the provision of credit to finance on-farm investments. While technologies to increase productivity and production have been available, the adoption of these agricultural techniques, inputs and small capital improvements by the independent small farmer of the sierra has been impeded by the lack of credit channels. An AID specific-support grant to BANCOOP (1978) has built up that credit institution's capacity to serve as an alternative credit mechanism; the FY 82 loan to BANCOOP will provide the institution with capital to offer expanded credit at market rates to the rural sierra farmer.

The CDSS discusses the Mission's decision to address rural poverty problems more effectively by concentrating its resources in sierra/high jungle subregions which demonstrate the greatest productive capacity and potential and could serve as "receptor" areas for migration from poorer adjacent areas of the sierra. In its Integrated Regional Development (Junin/Cajamarca) and Sub-tropical Lands (San Martin) projects, USAID is financing infrastructure in rural and market towns, transportation networks and labor-intensive public works (e.g. irrigation, health posts and shoolrooms). At the FY 82 current level, the Mission will be able to replicate a similar integrated rural development loan in the high jungle area of Cerro de Pasco (Pichis-Palcazu).

The Mission plans to request FY 81 funds (additional to the FY 81 CP level of $30 million) to finance a rural development loan for the Upper Huallaga (Huanuco-Tingo Maria) high jungle area, in conjunction with a State Department-financed effort to control the illicit cultivation of coca in the area, which is a major coca growing region and the source of raw materials for much of the illegal narcotics trade. A major U.S. objective is to reduce significantly the illicit excess of coca crop; the AID development project in the area can potentially assist in reducing the production of narcotics and promote alternate development. The Embassy and USAID are presently financing a rural development study of the region so that a detailed plan for coca transition/rural development combined with increased enforcement and control measures can be presented to the new civilian government. This project is cited in a footnote to Table 1 and is shown as an additional requirement in view of its exceptional nature and its high USG priority.

The serious problems confronting the urban poor are addressed in the CDSS as the third major USAID strategy. The CDSS distinguishes between programs designed to alleviate urban poverty through the provision of social services and food assistance, and programs that stimulate urban development, i.e. to foster policies that serve a pattern of balanced urban-rural growth. To alleviate urban malnutrition, the Mission will continue in FY 82 to provide Title II food and OPG assistance for urban food for work programs. In addition to resolving nutritional deficiencies, these programs are designed to have a substantial and lasting development impact. For example, an on-going OPG with CARE will provide food to workers and their families who donate their labor to build basic infrastructure-- schools, health posts, streets and sidewalks-- in Lima's pueblos jovenes. The CARE program provides a greatly needed impetus toward multisectoral planning and policy-making on the urban level. Another on-going grant project provides health and family planning services in marginal urban areas whose residents presently have little or no access to these services. A new OPG with Fe y Alegria will continue a successful program of vocational skills training to youths living in urban slums.

At the current level, the Mission would be unable to make a major new effort in stimulating urban development, with the exception of the continuing Housing Guarantee Program which now provides $25 million annually to furnish basic services (water, sewerage, electricity) to low-income urban neighborhoods.

The Mission would, however, finance two new grants. One would be a pilot project to stimulate the growth of new credit channels (private housing cooperatives and credit union system) to provide home improvement financing in poor neighborhoods. The other grant would furnish technical assistance to improve planning and delivery of services by municipalities.

As mentioned above, Title II and OPG funds are important instruments of the Mission's assistance activities in nutrition. In response to the acute malnutrition that has accompanied Peru's economic recession, the Mission has quadrupled its food donation program. This high level should be maintained until the economy improves to the extent that real incomes of the country's poor majority begin to appreciably increase, and at least achieve pre-1975 levels, not likely before FY 1982. As it has grown in the past years, the Mission's Title II program has shifted its emphasis away from short-term emergency relief to more substantive development activity. Our Title II program presently utilizes OPG resources in support of such long-range development programs as reforestation, basic infrastructure, pre-school education and primary health care.

GOP public revenues will continue to be weak despite improvements in certain macroeconomic indicators. Therefore, although the priorities of the new civilian government will be consonant with those of AID, the GOP investment budget will continue to be lean. Local currencies generated under the PL 480 Title I program will be essential to the successful implementation of AID's assistance program by serving to finance certain counterpart costs to AID grant and loan projects. Title I will also permit the financing of investments which complement and support AID grant and loan projects. For example, past Title I proceeds have been used to finance road maintenance in the Sub-Tropical Lands project area. In addition (and as discussed in the separate narrative on food assistance) in FY 82, Peru's food import requirements will continue to be high.

At the current level, direct hire staffing will remain almost the same as in FY-81 -- 25 USDH. The IDIs in Capital Development and Rural Development would be absorbed into new positions. With a small Education portfolio--one on-going project and only one new grant--no additional staff in Human Resources will be required. A new Agriculture position would be needed to manage the large number of new grants in that sector. The Mission would be able to manage the substantial portfolio of on-going and new grants and loans by applying the management policies, discussed in Table 1 narrative, that insure the most effective utilization of direct hire staff.

Decision Package: AAPL

While the AAPL level of $ 40 million in grants and loans is considerably lower than the FY 82 funding proposed in the CDSS, it would permit the Mission to undertake activities in all major sectors of the USAID strategy. Yet, the AAPL level is still insufficient from the standpoint of effectively reducing the magnitude of rural and urban poverty in Peru. The modest increase over the current level which the AAPL represents would enable the Mission to broaden its urban sector strategy by including a loan to provide credit for small business in urban slums. Based on our successful experience in assisting small rural enterprise in the sierra (Rural Enterprises I,II) the Urban Small Business program would generate new employment opportunities and increase income of the urban poor by offering credit and technical assistance to new cottage industries, small manufacturing services, tourism, and commerce enterprises in the urban slums.

The AAPL level would not give the Mission all the latitude it requires to respond to requests from the civilian government for development assistance during a period when it will be incumbent upon us to encourage the GOP in its efforts to increase incomes, food production, provide a wide range of social services to the nation's most deprived groups, and foster the economic growth of the sierra and high jungle -- all declared goals of the new government.

As we discussed in the CDSS, the new government will be confronted with demands for increased social expenditures, especially in health and education, and for employment generation. These demands will come at a time when Peru has barely recaptured a non-inflation generating fiscal equilibrium, and also during a period in which the debt service ratio will reach 40% of the GOP investment budget. The survival of the democratic government will depend on a fiscal program that conforms to domestic revenue constraints, but also responds to obvious immediate human needs.

A consortium of donors would be the proper forum for encouraging the GOP to increase its central government investment allocation to social programs and sierra/high jungle economic growth activities. By FY 82, it would be realistic to expect that GOP investments totalling approximately $ 450 million could be made available for a poverty-related program to leverage between $ 200-300 million in aid donor support, of which AID loans, grants and HIGs should provide $ 60-85 million. More AID resources that those assigned at the AAPL will be required to reach this level.

At the AAPL level, direct hire staffing will increase by only one position, in Urban Development, reflecting the project management responsibilities of the new Urban Small Business program.

Bureau Code: 05 Decision Code:

TABLE V - FY 1982 PROPOSED PROGRAM RANKING

DECISION UNIT
USAID/Peru

RANK	DECISION PACKAGES/PROGRAM ACTIVITY		PIPELINE/ ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING ($000)		WORKFORCE (Number of Positions)			
								USDH		FNDH	
	DESCRIPTION					INCR	CUM	INCR	CUM	INCR	CUM
	DECISION PACKAGE MINIMUM										
	Projects with Pipeline										
	527-0148	Education Service Centers	P	G	FN	(252)	(252)				
	527-0155	Agriculture Coop. Federations	P	L	FN	(4,390)	(4,642)				
	527-0156	Sierra Water and Land Use	P	L	FN	(1,816)	(6,458)				
	527-0163	Development of Sub-Tropical Lands	P	L	FN	(4,111)	(10,569)				
	527-0176	Rural Enterprises II	P	L	FN	(4,489)	(15,058)				
	527-0178	Integrated Regional Development	P	L	FN	(10,931)	(25,989)				
	527-0184	OPG CARE-Community Food Production - DALPRA	P	G	FN	(85)	(26,074)				
	527-0188	OPG Water Management in Small Communities	P	G	FN	(43)	(26,117)				
	527-0192	Agriculture Research and Extension	P	L	FN	(7,800)	(33,917)				
	527-0195	OPG ACOMUC Expanded Rural Women Training	P	G	SD	(25)	(33,942)				
	527-0197	OPG ACJ/YMCA-Community Development Leadership Support	P	G	SD	(15)	(33,957)				
	527-0243	OPG MDM - Legal and Social Services for Women	P	G	SD	(75)	(34,032)				
	527-0214	Watershed Management and Afforestation	P	L	FN	(9,000)	(43,032)				
	527-0219	Extension of Integrated Primary Health		G		(1,652)	(44,684)				
			P	L	HE	(324)	(45,008)				
	527-0221	Health Environmental Sanitation	P	L	HE	(3,500)	(48,508)				
	527-0222	Regional Development Coordination	P	G	SD	(125)	(48,633)				
	527-0224	Sur Medio Health and Family Planning	P	G	PN/HE	(400)	(49,033)				
	527-0225	Day Care Demonstration in Poor Areas	P	G	HE	(25)	(49,058)				
	527-0226	Small Hydro Development	P	G	FN	(800)	(49,858)				
			P	L	FN	(8,000)	(57,858)				

AID 1330-9 (4-80)

Bureau Code: 05 Decision Code:

TABLE V - FY 1982 PROPOSED PROGRAM RANKING

DECISION UNIT: USAID/Peru

RANK	DECISION PACKAGES/PROGRAM ACTIVITY DESCRIPTION	PIPELINE/ ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING ($000) INCR	PROGRAM FUNDING ($000) CUM	WORKFORCE (Number of Positions) USDH INCR	USDH CUM	FNDH INCR	FNDH CUM
	527-0229 Use of Treated Sewage for Irrigation II	P	L	FN	(2,200)	(60,058)				
	Sub-Total (non Add)				(60,058)					
	New and Continuing Projects									
1	527-0192 Agriculture Research and Extension	O	G	FN	500	500				
2	527-0178 Integrated Regional Development	O	G	FN	210	710				
3	PL 480 Title II				(31,500)	710				
4	527-0186 OPG CARE Urban Feed-Program				243	953				
5	527-0230 Primary Health II	N	L	HE	9,000	9,953				
6	527-0186 Nutrition Planning	O	G	FN	400	10,353				
7	527-0166 Technical Support	O	G	FN	300	10,653				
8	527-0223 Health and Population Services for Marginal Urban Areas	O	G	PN HE	400 350	11,053 11,403				
9	PL 480 Title I				(20,000)	11,403				
10	527-0231 OPG/SEPAS Expanded Reforestation Food for Work	N	G	FN	300	11,703				
11	527-0196 OPG/CARITAS Expanded and Improved Feeding Program	O	G	FN	150	11,853				
12	527-0212 OPG OFASA Second Food for Work in Pueblos Jovenes	O	G	FN	200	12,053				
13	527-0214 Watershed Management and Afforestation	O	G	FN	200	12,253				
14	527-0202 ONERN Land Use Inventory, Environmental Planning	O	G	FN	300	12,553				

AID 1330-9 (4-80)

Bureau Code: 05 Decision Code:

TABLE V - FY 1982 PROPOSED PROGRAM RANKING

DECISION UNIT
USAID/Peru

RANK	DECISION PACKAGES/PROGRAM ACTIVITY		PIPELINE/ ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING ($000)		WORKFORCE (Number of Positions)			
	DESCRIPTION					INCR	CUM	USDH		FNDH	
								INCR	CUM	INCR	CUM
15	527-0220	Soil Conservation	O	G	FN	287	12,840				
16	527-0232	OPG/IPFE-Campesino Training	N	G	FN	200	13,040				
17	527-0233	Small Farm Production System	N	G	FN	300	13,340				
18	527-0234	OPG/Fe y Alegria Expanded Vocational Training	N	G	EH	100	13,440				
19	HIG					(25,000)	13,440				
20	527-0161	Pre-School Education as a Catalyst for Community Development	O	G	EH	280	13,720				
21	527-0162	Appropriate Rural Technologies	O	G	FN	185	13,905				
22	527-0221	Health Environmental Sanitation	O	G	HE	150	14,055				
23	527-0168	Technical Support	O	G	EH	40	14,095				
24	527-0167	Technical Support	O	G	HE	20	14,115				
25	527-0169	Technical Support	O	G	SD	20	14,135				
26	527-0061	Special Projects	O	G	SD	50	14,185				
27	527-0208	Technical Support	O	G	PN	20	14,205				
28	Basic Workforce							-	21	-	60
29	Worforce Increment for Project Design							-	-	-	-
	Total Minimum Package and Related Worforce					14,205		21		60	
	DECISION PACKAGE CURRENT										
30	527-0235	Fresh Water Fisheries in the Sierra	N	G	FN	300	14,505	-	21	-	60
31	527-0236	Regional University Outreach OPG Fundación para el Desarrollo	O	G	FN	200	14,705	-	21	-	60

AID 1330-9 (4-80)

Bureau Code: 05 Decision Code:

TABLE V - FY 1982 PROPOSED PROGRAM RANKING

DECISION UNIT
USAID/Peru

RANK	DECISION PACKAGES/PROGRAM ACTIVITY		PIPELINE/ ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING ($000)		WORKFORCE (Number of Positions)			
	DESCRIPTION					INCR	CUM	USDH		FNDH	
								INCR	CUM	INCR	CUM
32	527-0215	Southern Sierra Education Sector	O	G	EH	600	15,305	-	21	-	60
33	527-0237	BANCOOP Small Farmer Credit	N	L	FN	4,000	19,305	1	22	-	60
34	527-0238	Agriculture Statistics	N	G	FN	300	19,605	1	23	-	60
35	527-0218	Credit for Low Income Neighborhood	O	G	SD	200	19,805	-	23	-	60
36	527-0239	Municipal Development	N	G	SD	250	20,055	-	23	-	60
37	527-0240	Sub-Tropical Lands II (Pichis Palcazu)	N	L	FN	15,000	35,055	1	24	-	60
	Workforce Increment Current Package							1	25	-	60
	Total Current Package and Related Workforce					20,850		4		-	
	DECISION PACKAGE AAPL										
38	527-0241	Urban Small Business (Pueblos Jovenes)	N	L	SD	5,000	40,055	1	26	-	60
	Total AAPL Package and Related Workforce					5,000		1			

AID 1330-9 (4-80)

TABLE VI
PROJECT SUMMARY

NUMBER OF PROJECTS

	FY 79	FY 80	FY 81	FY 82 MIN	FY 82 CURR	FY 82 AAPL
IMPLEMENTATION AT BEGINNING OF YEAR.....	22	31	38	34	34	34
MOVING FROM DESIGN TO IMPLEMENTATION DURING YEAR.....	11	10	12	5	10	11
DESIGN FOR FUTURE YEAR IMPLEMENTATION.....	16	3	6	6	8	10
SUBTOTAL.....	49	44	56	45	52	55
NUMBER OF NON-PROJECT ACTIVITIES.....	7	8	8	9	9	9
TOTAL.....	56	52	64	54	61	64

NUMBER OF PROJECTS MOVING FROM DESIGN TO IMPLEMENTATION BY PROJECT SIZE

AID'S CONTRIBUTION TO LIFE OF PROJECT COST

	FY 79	FY 80	FY 81	FY 82 MIN	FY 82 CURR	FY 82 AAPL
LESS THAN $1 MILLION.....	7	7	5	4	7	7
$1 TO $5 MILLION.....	1	2	4	-	1	1
$5 TO $15 MILLION.....	2	1	3	1	1	2
$15 TO $25 MILLION.....	1	-	-	-	1	1
MORE THAN $25 MILLION.....	-	-	-	-	-	-

TABLE VII
OPERATING EXPENSE FUNDED PERSONNEL
YEAR END POSITIONS

FUNCTIONS	FY 79				FY 80				FY 81			
	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT
Executive Direction	2	1			2	2			2	2		
Program Planning	3	3			3	4			3	4		
Project Design	4	2			5	5			5	5		
Project Implementation	8	18			10	19			11	19		
Financial Management	2	11	0	1	2	10	0	2	2	11	0	4
Mission Support	1	20	0	2	1	18	0	3	1	19	0	5
Non Mission Specific					1				1			
TOTAL.....	20	55	0	3	24	58	0	5	25	60	0	9
PLUS: PASAs (OE & Program)												
LESS: JAO Details		IDIs				IDIs				IDIs		
MODE Required	20	1			24	2			25	3		

TABLE VII

FUNCTIONS	FY 82 MINIMUM				FY 82 CURRENT				FY 82 AAPL			
	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT
Executive Direction	2	2			2	2			2	2		
Program Planning	2	4			3	4			3	4		
Project Design	4	5			5	5			6	5		
Project Implementation	10	19			12	19			12	19		
Financial Management	2	11	0	4	2	11	0	4	2	11	0	4
Mission Support	1	19	0	5	1	19	0	5	1	19	0	5
Non Mission Specific	1				1				1			
TOTAL.....	22	60	0	9	26	60	0	9	27	60	0	9
PLUS: PASAs (OE & Program)												
LESS: JAO Details		IDIs				IDIs				IDIs		
MODE Required	22	0			26	0			27	0		

TABLE VIII

OPERATING EXPENSE SUMMARY

COST SUMMARIES	FY 1979			FY 1980			FY 1981		
	($000's)	Related Workyear	Unit Cost	($000's)	Related Workyear	Unit Cost	($000's)	Related Workyear	Unit Cost
US Direct Hire	942.5	18.8	50.1	1,013.4	21.4 1/	47.4	1,236.6	23.7 1/	52.2
FN Direct Hire	370.7	56.5	6.6	409.8	57.2 2/	7.2	511.5	60.7 2/	8.4
US Contract Pers.	-	-	-	-	-	-	-	-	-
FN Contract Pers.	14.2	4.4	3.2	12.6	3.8	3.3	35.0	9.0	3.9
Housing Expense	200.0	20.8	9.6	164.1	22.0 3/	7.5	273.7	25.0 3/	10.9
Office Operations	435.9	xx	xx	367.6	xx	xx	510.1	xx	xx
Total Budget	1,963.3	xxx	xxx	1,967.5	xx	xx	2,566.9	xx	xx
Mission Allotment	1,184.8	xxx	xxx	1,106.2	xx	xx	1,544.1	xx	xx
FAAS	18.2	xxx	xxx	20.3	xx	xx	19.1	xx	xx
Trust Fund	-	xxx	xxx	-	xx	xx	-	xx	xx

1/ Workforce includes one part time (0.7). Workforce does not include IDIs.
2/ Workforce includes one part time (0.7).
3/ Workforce includes IDIs.

TABLE VIII

COST SUMMARIES	FY 1982 MINIMUM			FY 1982 CURRENT			FY 1982 AAPL		
	($000's)	Related Workyear	Unit Cost	($000's)	Related Workyear	Unit Cost	($000's)	Related Workyear	Unit Cost
US Direct Hire	1,206.7	22.7 1/	53.2	1,416.3	26.7 1/	53.0	1,484.8	27.7 1/	53.6
FN Direct Hire	591.2	60.7 2/	9.7	591.2	60.7 2/	9.7	591.2	60.7 2/	9.7
US Contract Pers.	-	-	-	-	-	-	-	-	-
FN Contract Pers.	40.5	9	4.5	40.5	9	4.5	40.5	9	4.5
Housing Expense	238.6	22	10.8	266.7	26	10.3	273.8	27	10.1
Office Operations	490.9	xx	xx	490.9	xx	xx	490.9	xx	xx
Total Budget	2,567.9	xx	xx	2,805.6	xx	xx	2,881.2	xx	xx
Mission Allotment	1,529.2	xx	xx	1,582.6	xx	xx	1,608.4	xx	xx
FAAS	22.6	xx	xx	22.6	xx	xx	22.6	xx	xx
Trust Fund	-	xx	xx	-	xx	xx	-	xx	xx

1/ Workforce includes 1 part time (0.7).
2/ Workforce includes 1 part time (0.7).

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING
POSITION REQUIREMENTS - FY 1980- 1982
(By Function, Organizational Unit, Position Title and Professional Speciality)

DECISION UNIT: USAID/Peru

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	NUMBER OF POSITIONS									
	FY 1980		FY 1981		FY 1982					
					Minimum		Current		AAPL	
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH
EXECUTIVE DIRECTION										
Director	1		1		1					
Deputy Director	1		1		1					
All Other (Non-Professional)		2		2		2				
Sub-Total (Executive Direction)	2	2	2	2	2	2				
PROGRAM PLANNING										
Program Office										
Program Officer	1		1		1					
Ass't Program Officer					1					
Program Economist	1		1				1			
Professional Ass't - Program		2		2		2				
Assistant Program - IDI	1		1							
All Other (Non-Professional)		2		2		2				
Sub-Total (Program Planning)	3	4	3	4	2	4	1			
PROJECT DESIGN AND IMPLEMENTATION										
Office of Development Resources										
Capital Development Resources Officer	1		1		1					
Capital Projects Development Officer	1		1		1					
All Other (Non-Professional)		1		1		1				
Capital Development Division										
Capital Projects Development Officer	1		1		1					
Capital Projects Development Officer - IDI	1		1				1			
Financial and Economic Analyst		1		1		1				
All Other (Non-Professional)		1		1		1				

AID 1330-18 (4-80)

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING
POSITION REQUIREMENTS - FY 1980 - 1982
(By Function, Organizational Unit, Position Title and Professional Speciality)

DECISION UNIT
USAID/Peru

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	NUMBER OF POSITIONS									
	FY 1980		FY 1981		FY 1982					
					Minimum		Current		AAPL	
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH
Urban Development Division										
Urban Development Officer	1		1		1					
Ass't Urban Development Officer		1		1		1			1	
All Other (Non-Professional)		1		1		1				
Office of Sectorial and Technical Services										
General Development Officer	1		1		1					
All Other (Non-Professional)		1		1		1				
Rural Development Division										
Project Manager (Agr.)	1		1		1		1			
Project Manager (Agr./Regional Dev.Planning)	1		1		1					
Agricultural Advisor	1		1		1					
Program Analyst (Agr.)			1		1					
Project Ass't - Agr.	1		1				1			
Project Ass't - Agr.Prog.		1		1		1				
All Other (Non-Professional)		2		2		2				
Engineering and Implementation Division										
Chief, Engineering and Implementation		1		1		1				
Engineers		3		3		3				
All Other (Non-Professional)		1		1		1				
Program Office										
Food for Peace Division										
Food for Peace Officer	1		1		1					
Ass't Food for Peace Officer	1	1	1	1	1	1				
Project Ass't		1		1		1				
All Other (Non-Professional)		1		1		1				

AID 1330-18 (4-80)

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING
POSITION REQUIREMENTS - FY 1980-1982
(By Function, Organizational Unit, Position Title and Professional Speciality)

DECISION UNIT
USAID/Peru

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	NUMBER OF POSITIONS									
	FY 1980		FY 1981		FY 1982					
					Minimum		Current		AAPL	
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH
Office of Health, Education and Nutrition										
General Development Officer	1		1		1					
All Other (Non-Professional)		1		1		1				
Office of Health and Population										
Health and Population Officer	1		1		1					
Ass't Health/Population Officer		2		2		2				
All Other (Non-Professional)		1		1		1				
Community Services Division										
Project Manager	1		1		1					
Project Ass't - HRD		1		1		1				
Training Officer		1		1		1				
All Other (Non-Professional)		1		1		1				
Sub-Total (Project Design and Implementation)	15	24	16	24	14	24	3		1	
FINANCIAL MANAGEMENT										
Controller's Office										
Controller	1		1		1					
Accountant Financial Analyst	1		1		1					
Financial Analyst		2		2		2				
Accountant		5		5		5				
Accounting Ass't		2		2		2				
Specialist Travel		1		1		1				
All Other (Non-Professional)		1		1		1				
Sub-Total (Financial Management)	2	11	2	11	2	11				

AID 1330-18 (4-80)

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING
POSITION REQUIREMENTS - FY 1980- 1982
(By Function, Organizational Unit, Position Title and Professional Speciality)

DECISION UNIT
USAID/Peru

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	NUMBER OF POSITIONS									
	FY 1980		FY 1981		FY 1982					
					Minimum		Current		AAPL	
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH
MISSION SUPPORT										
Executive Office										
Executive Officer	1		1		1					
Deputy Executive Officer		1		1		1				
Contracting Ass't		1		1		1				
Senior Specialist - Personnel		1		1		1				
Translator		1		1		1				
Specialist - C&R		1		1		1				
Specialist - Procurement		1		1		1				
Ass't Procurement		1		1		1				
General Services Officer		1		1		1				
All Other (Non-Professional)		11		11		11				
Sub-Total (Mission Support)	1	19	1	19	1	19				
TOTAL INCREMENT	23		24	60	21	60	4	-	1	-
CUMULATIVE TOTAL	23	60	24	60		60	25	60	26	60
PERSONNEL PLANNING LEVEL	24	60	26	60					26	60
NON - MISSION SUPPORT										
Regional Legal Advisor	1		1		1					

AID 1330-18 (4-80)

DECISION UNIT: USAID/Peru

TABLE X SPECIAL CONCERNS
ADDITIONAL PROJECTS

PROJECT NUMBER AND TITLE	APPROP	CONCERN CODE		FUNDING FOR SPECIAL CONCERN ($000)				
						FY 1982		
		PRIME	SUB 1/	FY 1980	FY 1981	MINIMUM	CURRENT	AAPL
527-0150 Use of Treated Sewage	F & N	ENVR	5	20				
527-0232 OPG IPFE Campesino Training	F & N	PVOL				200		
527-0231 OPG SEPAS Reforestation FFW	F & N	PVOL				300		
		ENVR	3			250		
527-0221 Environmental Health & Sanitation	Health	ENVR	6		5,150	150		
527-0226 Rural Energy Alternatives	F & N	ENER			10,000			
527-0229 Use of Treated Sewage II	F & N	ENVR	5		2,500			

1/ Use only for Environment Activities

FY 1982 ANNUAL BUDGET SUBMISSION
PROJECT BUDGETS AND OBLIGATIONS
TO MEET SPECIAL CONCERNS
(THOUSANDS OF DOLLARS)

DECISION UNIT: 527 PERU

TABLE X

PROJECT NUMBER AND TITLE: 5270195 ACOMUC EXPANDED RUR WOMEN TRNG PRG - OPG APPROPRIATION: SELECTED DEVELOPMENT ACTIVITIES

A. BUDGET IN CP: FY 1980 - $ 25 BUDGET IN ABS: FY 1980 - $ 25

FY 1981 - $ 75 FY 1981 - $ 75

FY 1982 - MINIMUM: $_____ CURRENT: $_____ AAPL: $_____

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

AOP ITEM	SUB-CONCERN CODE	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN CP	1981 BUDGET IN ABS	1982 BUDGET IN ABS MINIMUM:	1982 BUDGET IN ABS CURRENT:	1982 BUDGET IN ABS AAPL:
2817	FVDL	$ 25	$ —	$ 75	$ —	$ —	$ —	$ —
	WID	# 25	# 25	# 75	# 25			

FY 1982 ANNUAL BUDGET SUBMISSION
PROJECT BUDGETS AND OBLIGATIONS
TO MEET SPECIAL CONCERNS
(THOUSANDS OF DOLLARS)

DECISION UNIT: 527 PERU

TABLE X

PROJECT NUMBER AND TITLE: 5277777 INSTITUTO MARCELINO - OPG APPROPRIATION: POPULATION PLANNING

A. BUDGET IN CP: FY 1980 - $ 150 BUDGET IN ABS: FY 1980 - $ 150

FY 1981 - $ 0 FY 1981 - $ —

FY 1982 - MINIMUM: $ — CURRENT: $ — AAPL: $ —

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	SUB-CONCERN CODE	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN CP	1981 BUDGET IN ABS	1982 BUDGET IN ABS MINIMUM:	1982 BUDGET IN ABS CURRENT:	1982 BUDGET IN ABS AAPL:
2813	PVO/L	$ 150	$ 150	$ 0	$ —	$ —	$ —	$ —

PROJECT NUMBER AND TITLE: 5270061 SPECIAL DEVELOPMENT ACTIVITIES APPROPRIATION: SELECTED DEVELOPMENT ACTIVITIES

A. BUDGET IN CP: FY 1980 - $ 50 BUDGET IN ABS: FY 1980 - $ 50

FY 1981 - $ 50 FY 1981 - $ 50

FY 1982 - MINIMUM: $ 50 CURRENT: $ 50 AAPL: $ 50

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	SUB-CONCERN CODE	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN CP	1981 BUDGET IN ABS	1982 BUDGET IN ABS MINIMUM:	1982 BUDGET IN ABS CURRENT:	1982 BUDGET IN ABS AAPL:
1979	WID	$ 25	$ 25	$ 0	$ —	$ —	$ —	$ —

FY 1982 ANNUAL BUDGET SUBMISSION
PROJECT BUDGETS AND OBLIGATIONS
TO MEET SPECIAL CONCERNS
(THOUSANDS OF DOLLARS)

PROJECT NUMBER AND TITLE: 5270162 APPROPRIATE RURAL TECHNOLOGY APPROPRIATION: AGRICULTURE, RURAL DEV. AND NUTRITION

A. BUDGET IN CP: FY 1980 - $ 200 BUDGET IN ABS: FY 1980 - $ 150
FY 1981 - $ 490 FY 1981 - $ 400
FY 1982 - MINIMUM: $ 185 CURRENT: $ 185 AAPL: $ 185

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	CONCERN	SUB-CODE	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN CP	1981 BUDGET IN ABS	1982 BUDGET IN ABS MINIMUM:	1982 BUDGET IN ABS CURRENT:	1982 BUDGET IN ABS AAPL:
1682	ENLR		$ 36	$ 36	$ 103	$ 103	$ 25	$ 25	$ 25

PROJECT NUMBER AND TITLE: 5270170 ON-FARM WATER MANAGEMENT APPROPRIATION: AGRICULTURE, RURAL DEV. AND NUTRITION

A. BUDGET IN CP: FY 1980 - $ 117 BUDGET IN ABS: FY 1980 - $ 117
FY 1981 - $ 0 FY 1981 - $ —
FY 1982 - MINIMUM: $ — CURRENT: $ — AAPL: $ —

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	CONCERN	SUB-CODE	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN CP	1981 BUDGET IN ABS	1982 BUDGET IN ABS MINIMUM:	1982 BUDGET IN ABS CURRENT:	1982 BUDGET IN ABS AAPL:
2630	ENVR	5	$ 117	$ 117	$ 0	$ —	$ —	$ —	$ —

FY 1982 ANNUAL BUDGET SUBMISSION
PROJECT BUDGETS AND OBLIGATIONS
TO MEET SPECIAL CONCERNS
(THOUSANDS OF DOLLARS)

PROJECT NUMBER AND TITLE: 5270178 INTEGRATED REGIONAL DEVELOPMENT APPROPRIATION: AGRICULTURE, RURAL DEV. AND NUTRITION

A. BUDGET IN CP: FY 1980 - $ 300 BUDGET IN ABS: FY 1980 - $ 100
FY 1981 - $ 350 FY 1981 - $ 440
FY 1982 - MINIMUM: $ 210 CURRENT: $ 210 AAPL: $ 210

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	CONCERN	SUB-CODE	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN CP	1981 BUDGET IN ABS	1982 BUDGET IN ABS MINIMUM:	1982 BUDGET IN ABS CURRENT:	1982 BUDGET IN ABS AAPL:
17A	ENER	3	$ 10	$ 10	$ 25	$ 50	$ 25	$ 25	$ 25

PROJECT NUMBER AND TITLE: 5270181 FE Y ALGERIA VUCATIONAL EDUCATION - OPG APPROPRIATION: EDUCATION AND HUMAN RESOURCES

A. BUDGET IN CP: FY 1980 - $ 70 BUDGET IN ABS: FY 1980 - $ 70
FY 1981 - $ 0 FY 1981 - $ —
FY 1982 - MINIMUM: $ — CURRENT: $ — AAPL: $ —

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	CONCERN	SUB-CODE	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN CP	1981 BUDGET IN ABS	1982 BUDGET IN ABS MINIMUM:	1982 BUDGET IN ABS CURRENT:	1982 BUDGET IN ABS AAPL:
2H15	PVOL		$ 70	$ 70	$ 0	$ —	$ —	$ —	$ —

FY 1982 ANNUAL BUDGET SUBMISSION
PROJECT BUDGETS AND OBLIGATIONS
TO MEET SPECIAL CONCERNS
(THOUSANDS OF DOLLARS)

PROJECT NUMBER AND TITLE: 5270186 CARE URBAN FEEDING PROGRAM - OPG APPROPRIATION: AGRICULTURE, RURAL DEV. AND NUTRITION

A. BUDGET IN CP: FY 1980 - $ 300 BUDGET IN ABS: FY 1980 - $ 300
FY 1981 - $ 250 FY 1981 - $ 250
FY 1982 - MINIMUM: $ 243 CURRENT: $ 243 AAPL: $ 243

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	CONCERN	SUB-CODE	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN CP	1981 BUDGET IN ABS	1982 BUDGET IN ABS MINIMUM:	1982 BUDGET IN ABS CURRENT:	1982 BUDGET IN ABS APPL:
2810	PVOU		$ 300	$ 300	$ 250	$ 250	$ 243	$ 243	$ 243

PROJECT NUMBER AND TITLE: 5270188 ASPADERUC WATER MGT SMALL COMM - OPG APPROPRIATION: SELECTED DEVELOPMENT ACTIVITIES

A. BUDGET IN CP: FY 1980 - $ 100 BUDGET IN ABS: FY 1980 - $ 100
FY 1981 - $ 0 FY 1981 - $ —
FY 1982 - MINIMUM: $ — CURRENT: $ — AAPL: $ —

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	CONCERN	SUB-CODE	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN CP	1981 BUDGET IN ABS	1982 BUDGET IN ABS MINIMUM:	1982 BUDGET IN ABS CURRENT:	1982 BUDGET IN ABS APPL:
2816	PVOW/L		$ 100	$ 100	$ 0.	$ —	$ —	$ —	$ —

FY 1982 ANNUAL BUDGET SUBMISSION
PROJECT BUDGETS AND OBLIGATIONS
TO MEET SPECIAL CONCERNS
(THOUSANDS OF DOLLARS)

PROJECT NUMBER AND TITLE: 5270196 CARITAS EXPANDED/IMPRD FEEDING PRG - OPG APPROPRIATION: AGRICULTURE, RURAL DEV. AND NUTRITION

A. BUDGET IN CP: FY 1980 - $ 150 BUDGET IN ABS: FY 1980 - $ 150
FY 1981 - $ 150 FY 1981 - $ —
FY 1982 - MINIMUM: $ 150 CURRENT: $ 150 AAPL: $ 150

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	CONCERN	SUB-CODE	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN CP	1981 BUDGET IN ABS	1982 BUDGET IN ABS MINIMUM:	1982 BUDGET IN ABS CURRENT:	1982 BUDGET IN ABS APPL:
1788	PVOL		$ 150	$ 150	$ 150	$ —	$ 150	$ 150	$ 150

PROJECT NUMBER AND TITLE: 5270202 LAND USE INVENTORY/UNERN APPROPRIATION: SELECTED DEVELOPMENT ACTIVITIES

A. BUDGET IN CP: FY 1980 - $ 500 BUDGET IN ABS: FY 1980 - $ 200
FY 1981 - $ 450 FY 1981 - $ 500
FY 1982 - MINIMUM: $ 300 CURRENT: $ 300 AAPL: $ 300

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	CONCERN	SUB-CODE	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN CP	1981 BUDGET IN ABS	1982 BUDGET IN ABS MINIMUM:	1982 BUDGET IN ABS CURRENT:	1982 BUDGET IN ABS APPL:
2632	LDVR	1	$ 500	$ 200	$ 450	$ 500	$ 300	$ 300	$ 300

FY 1982 ANNUAL BUDGET SUBMISSION
PROJECT BUDGETS AND OBLIGATIONS
TO MEET SPECIAL CONCERNS
(THOUSANDS OF DOLLARS)

PROJECT NUMBER AND TITLE: 5270209 LEGAL AND SOCIAL SERVICES/URB WOMEN - DP APPROPRIATION: SELECTED DEVELOPMENT ACTIVITIES

A. BUDGET IN CP: FY 1980 - $ 0 BUDGET IN ABS: FY 1980 - $ —
FY 1981 - $ 100 FY 1981 - $ 100
FY 1982 - MINIMUM: $ — CURRENT: $ — AAPL: $ —

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	SUB-CONCERN CODE	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN CP	1981 BUDGET IN ABS	1982 BUDGET IN ABS MINIMUM:	1982 BUDGET IN ABS CURRENT:	1982 BUDGET IN ABS AAPL:
2812	PVOL	$ 0	$ —	$ 100	$ 100	$ —	$ —	$ —
	HRTS				100			
	WID				100			

PROJECT NUMBER AND TITLE: 5270212 OFASA SECOND FOOD FOR WORK PROJECT - DPG APPROPRIATION: AGRICULTURE, RURAL DEV. AND NUTRITION

A. BUDGET IN CP: FY 1980 - $ 200 BUDGET IN ABS: FY 1980 - $ 200
FY 1981 - $ 200 FY 1981 - $ —
FY 1982 - MINIMUM: $ 200 CURRENT: $ 200 AAPL: $ 200

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	SUB-CONCERN CODE	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN CP	1981 BUDGET IN ABS	1982 BUDGET IN ABS MINIMUM:	1982 BUDGET IN ABS CURRENT:	1982 BUDGET IN ABS AAPL:
2812	PVOL	$ 200	$ 200	$ 200	$ —	$ 200	$ 200	$ 200

FY 1982 ANNUAL BUDGET SUBMISSION
PROJECT BUDGETS AND OBLIGATIONS
TO MEET SPECIAL CONCERNS
(THOUSANDS OF DOLLARS)

PROJECT NUMBER AND TITLE: 5270214 WATER SHED MANAGEMENT — APPROPRIATION: AGRICULTURE, RURAL DEV. AND NUTRITION

A. BUDGET IN CP: FY 1980 - $ 0 BUDGET IN ABS: FY 1980 - $ —
FY 1981 - $ 10200 FY 1981 - $ 10200
FY 1982 - MINIMUM: $ 200 CURRENT: $ 200 AAPL: $ 200

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	CONCERN	SUB-CODE	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN CP	1981 BUDGET IN ABS	1982 BUDGET IN ABS MINIMUM:	1982 BUDGET IN ABS CURRENT:	1982 BUDGET IN ABS AAPL:
2631	ENVR	3	$ 0	$ —	$ 10200	$ 10200	$ 200	$ 200	$ 200

PROJECT NUMBER AND TITLE: 5270215 SOUTHERN SIERRA EDUCATION SECTOR — APPROPRIATION: EDUCATION AND HUMAN RESOURCES

A. BUDGET IN CP: FY 1980 - $ 0 BUDGET IN ABS: FY 1980 - $ —
FY 1981 - $ 300 FY 1981 - $ 400
FY 1982 - MINIMUM: $ — CURRENT: $ 600 AAPL: $ 600

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	CONCERN	SUB-CODE	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN CP	1981 BUDGET IN ABS	1982 BUDGET IN ABS MINIMUM:	1982 BUDGET IN ABS CURRENT:	1982 BUDGET IN ABS AAPL:
25	WID		$ 0	$ —	$ 150	$ 150	$ —	$ 250	$ 250

FY 1982 ANNUAL BUDGET SUBMISSION
PROJECT BUDGETS AND OBLIGATIONS
TO MEET SPECIAL CONCERNS
(THOUSANDS OF DOLLARS)

PROJECT NUMBER AND TITLE: 5270220 SOIL CONSERVATION

APPROPRIATION: AGRICULTURE, RURAL DEV. AND NUTRITION

A. BUDGET IN CP: FY 1980 - $ 400 BUDGET IN ABS: FY 1980 - $ 200
FY 1981 - $ 513 FY 1981 - $ 513
FY 1982 - MINIMUM: $ 287 CURRENT: $ 287 AAPL: $ 287

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	CONCERN	SUB-CODE	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN CP	1981 BUDGET IN ABS	1982 BUDGET IN ABS MINIMUM:	1982 BUDGET IN ABS CURRENT:	1982 BUDGET IN ABS APPL:
2033	ENVR	4	$ 400	$ 200	$ 513	$ 513	$ 287	$ 287	$ 287

PROJECT NUMBER AND TITLE: 5270225 DAY CARE SERVICES - OPG

APPROPRIATION: HEALTH

A. BUDGET IN CP: FY 1980 - $ 50 BUDGET IN ABS: FY 1980 - $ 50
FY 1981 - $ 50 FY 1981 - $ 50
FY 1982 - MINIMUM: $ — CURRENT: $ — AAPL: $ —

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	CONCERN	SUB-CODE	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN CP	1981 BUDGET IN ABS	1982 BUDGET IN ABS MINIMUM:	1982 BUDGET IN ABS CURRENT:	1982 BUDGET IN ABS APPL:
2E14	PVOL		$ 50	$ 50	$ 50	$ 50	$ —	$ —	$ —
	WID			# 50		# 50			

FY 1982 ANNUAL BUDGET SUBMISSION
PROJECT BUDGETS AND OBLIGATIONS
TO MEET SPECIAL CONCERNS
(THOUSANDS OF DOLLARS)

PROJECT NUMBER AND TITLE: 5270226 RURAL ENERGY ALTERNATIVES APPROPRIATION: AGRICULTURE, RURAL DEV. AND NUTRITION

A. BUDGET IN CP: FY 1980 - $ 0 BUDGET IN ABS: FY 1980 - $ —
FY 1981 - $ 3192 FY 1981 - $ 11000
FY 1982 - MINIMUM: $ — CURRENT: $ — AAPL: $ —

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	SUB-CONCERN	SUB-CODE	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN CP	1981 BUDGET IN ABS	1982 BUDGET IN ABS MINIMUM:	1982 BUDGET IN ABS CURRENT:	1982 BUDGET IN ABS AAPL:
/c	ENER		$ 0	$ —	$ 3192	$ 11000	$ —	$ —	$ —

FY 1982 ANNUAL BUDGET SUBMISSION
PROJECT BUDGETS AND OBLIGATIONS
TO MEET SPECIAL CONCERNS
(THOUSANDS OF DOLLARS)

DECISION UNIT: 527 PERU

TABLE X

PROJECT NUMBER AND TITLE: 5270197 ACS COMMUNITY DEV LEADERSHIP - DPG APPROPRIATION: SELECTED DEVELOPMENT ACTIVITIES

A. BUDGET IN CP: FY 1980 - $ 75 BUDGET IN ABS: FY 1980 - $ —

FY 1981 - $ 0 FY 1981 - $ 105

FY 1982 - MINIMUM: $ — CURRENT: $ — AAPL: $ —

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	CONCERN	SUB-CODE	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN CP	1981 BUDGET IN ABS	1982 BUDGET IN ABS MINIMUM:	1982 BUDGET IN ABS CURRENT:	1982 BUDGET IN ABS AAPL:
2616	PVTY L		$ 75	$ —	$ 0	$ 105	$ —	$ —	$ —

FOOD ASSISTANCE

PL 480 Title I

The Title I program in Peru began in FY 1978 when the Peruvian economy was suffering a severe depression. One of its justifications at that time was balance of payments relief —Peru was at a point where it had very little foreign exchange to import basic foodgrains. However in the Mission's mind, the balance of payments argument even in 1978 was never the overriding justification for the Title I program in Peru. Rather, the Mission argued from the outset that Title I could have a powerful development impact, particularly in the areas of food production and the alleviation of malnutrition.

The development argument for Title I in Peru still holds. As the Mission's FY 1982 CDSS argues, the country's debt service ratio will remain extremely high through most of the 1980s and the central government budget will be inadequate to finance the social and economic investments which Peru needs to make progress in solving its poverty problems. Thus, PL 480 Title I local currency should continue to be made available to finance high priority development activities at least through the early 1980's.

USAID/Peru has successfully negotiated with the Government of Peru a plan for the use of Title I local currencies under each PL 480 Agreement since FY 1978. The FY 1980 agreement makes this arrangement much more explicit by including a separate Memorandum of Understanding with two annexes detailing the way in which local currencies generated under Title I will be spent. Annex A specifies the use of local currency in connection with AID loan and grant projects. Annex B assigns funds to high priority projects of the Government of Peru and USAID; for example, financing is provided to construct and maintain penetration roads into the high jungle — an important focus of AID Strategy in Peru. Funds are also provided for rural health care, for improvement of agricultural statistics, and for the construction of food storage facilities in the high jungle and the sierra. Nearly two million dollars worth of local currency is assigned to a new program of USAID and the Government of Peru in the Pueblos Jovenes of Lima. This program combines an AID OPG (with CARE), Title II food, and Title I local currency in a program directed at improving nutrition conditions in urban slums and creating the physical infrastructure for an improved quality of life in these areas.

We expect that in the next two years even greater demands will be made upon the Title I program in terms of local currency financing. The new civilian government will be seeking to implement a variety of new programs, some of which will lend themselves to the utilization of Title I resources. We might be requested, for example, to assist

in financing a major rural public works program to create jobs and provide low cost physical infrastructure in rural communities. A program like this could be financed partially through Title I local currency resources because the funds would be used in labor-intensive activities which would not require a great deal of forward planning (disbursement would therefore be rapid). Another possible use (especially in the upcoming FY 1981 program) could be the provision of agricultural credit and short term technical assistance to farmers in the region of Tingo Maria who have given up coca production for other crops. Of course, the CARE-GOP program in the Lima pueblos jovenes will continue through FY 1985, with an annual requirement of Title I local currency of at least $2 million (equivalent).

As far as the ABS is concerned, we kept the Title I planning level at $20 million for FY 1981 and 1982, in recognition of AID/W guidance that Title I resources are expected to be extremely tight in the next few years. However, based on requests by the GOP for additional development resources and in the context of an active AID consortium for Peru), USAID may be requesting additional amounts in these fiscal years. Because Peru's rice import requirement is expected to be great during this time (and because there is no UMR, as yet, for rice) it would be quite feasible to expand the program beyond $20 million.

PL 480 Title II

Introduction

As discussed in the FY 1982 CDSS, the Mission sees a strong need for continued high levels of Title II support through FY 82. We based this request on the conviction that levels of malnutrition are not likely to improve, even in urban Peru, before that time, and because the program we have devised in Peru will continue to be directed at activities with a high development content. Moreover, the new civilian government in Peru can be expected to favor the creation of labor-intensive public works in rural and urban areas as ameans of gaining popular support and creating jobs. This kind of activity lends itself to food-for-work, and we expect considerable pressure to increase food-for-work levels. USAID will want to respond positively and creatively to requests from the Peruvian public sector during the early years of the new government. FY 82 is expected to be the high-water mark for Title II with decreases possible in subsequent years.

Following are the projected Title II figures for Peru between FY 1980 and FY 1982.

	FY-1980 No. of Recipients	Value $	FY-1981 No. of Recipients	Value $	FY-1982 No. of Recipients	Value $
	(000)	(Millions)	(000)	(Millions)	(000)	(Millions)
C.R.S.	473	10.9	473	11.1	473	11.7
CARE	-	-	45	2.5	60	3.3
SAWS	133	7.1	143	7.5	143	7.7
CWS	20.4	1.3	25.5	1.6	40	2.5
School Feeding	500	4.8 1/	500	6.1	500	6.3
TOTAL	1,126.4	23.3	1,186.5	28.8	1,216	31.5

1/ The difference between the 1980 figure and 1981 figure is attributed to (a) differences in the unit costs of food and (b) a carry-over of 1979 food (about 3,400 mt at $1.5 million) to 1980 due to extended 1979 teacher strike.

The Programs

A discussion of plans for the future for each of the five programs follows. An attempt has been made to address issues raised in STATE 123625 dated May 10, 1980.

The CRS program is the Mission's largest and was increased by about 50% in FY 78 in response to a deteriorating nutrition situation resulting from the country's economic crisis. An evaluation of this program was performed by the GOP and the AID Mission in January 1980, offering a recommendation for improved administration of the program. The Mission is, at present, in the process of negotiating with CARITAS (the Peruvian counterpart organization) a new OPG which will provide annual funding through FY 1982 to carry out the feeding program at its expanded level of 473 thousand recipients. Although this level can begin to decline in FY 1983, we believe that a large and continuing CRS/CARITAS program should be an essential element in the attack on chronic malnutrition in this country during most of the decade of the 1980's. The CARITAS program has the most impressive outreach of any feeding program in Peru and is best able to address the problems of communities in the isolated sierra, where over 6 million of Peru's poorest citizens live.

Outreach and flexibility are the central strengths of the CRS/CARITAS program. To require it to concentrate on a few selected varieties of food-for-work projects (as is suggested in the May 10 cable) would undermine these essential strengths. In addition, we feel that CARITAS food-for-work activities are already directed to many of the kinds of projects mentioned in the cable, i.e. potable water, sanitation, irrigation, and other similar rural infrastructure activities. Our evaluation, which was pouched to Washington in February 1980, tends to bear out this perception.

As to possible improvements in the CRS/CARITAS program, the Mission believes that the most important areas are those of basic program administration, i.e. handling and warehousing of food, accountability for food delivered to project sites, regular supervision, and forward planning. We intend to incorporate ways to achieve these improvements into the new OPG agreement which will be signed in June.

To summarize, then, we believe that the CRS/CARITAS program is quite well-targeted in terms of kinds of projects and target group. It makes little sense to earmark OPG funds to specific kinds of projects at this time.

Regarding Church World Service (CWS), one of the Mission's most important initiatives for FY 1982 will be doubling in size of the reforestation program that is being carry out by SEPAS (the local

affiliate of CWS) and the Government of Peru in eight departments of the Sierra. This program presently utilizes about 1.3 million dollars worth of Title II food which is supplied to 20,000 recipients. The new program would double the value of the food and the number of recipients.

This project demonstrates dramatically the development potential of Title II in Peru. It has just completed the first year of implementation, and the results are very good. An evaluation of the program held in Huancayo recently indicates that food has been a powerful incentive to encourage Sierra communities to participate in the arduous, year-round task of planting and caring for trees. The program has utilized innovations such as "floating nurseries" whereby communities themselves are taught to establish and manage nurseries for the production of trees, which are then planted by the entire community during the planting season. The director of Ministry of Agriculture operations in a major region of the Sierra said that more trees have been planted in his region through the SEPAS program in the last year than had been planted in all five previous years under a government program that did not utilize food. USAID is conducting, at present, its own evaluation of this project and will advise Washington of results of this evaluation as soon as it is finished.

To summmarize, we believe the CWS/SEPAS program deserves extremely high priority in Title II allocations over the next several years.

CARE's new food-for-work program in the Lima slums has been described in several long cables (e.g. LIMA 10846 of December 28, 1979). The Mission has made this program the recipient of a large OPG, and Title I local currencies have also been assigned by the Government of Peru to get the program underway. USAID believes that it will not be difficult to move from 45,000 recipients in FY 1981 to 60,000 recipients in FY 1982. Therefore, we tend to disagree with the expectation expressed in Washington's May 10 cable that the program will move slowly in its first year. As it is designed, the program will have a strong institutional impact, since it is being carried out through a multi-sectoral planning group involving representatives of concerned GOP ministries and private agencies -- a first of its kind for urban development in Peru.

The SAWS (Seventh Day Adventist) program is (as noted in the May 10 cable) in transition. The program expanded in 1978 to encompass an emergency food-for-work activity in the Lima area and grew quickly to its current level of 133,000 recipients. SAWS and its local counterpart organization OFASA are to be congratulated for their rapid response to a genuine situation of human need in Lima. At this point SAWS/OFASA is seeking to improve the "quality" of projects

within its Lima program. To permit the program to finance more permanent kinds of investments, the AID Mission has successfully requested that the Government of Peru assign SAWS $200,000 worth of soles generated by Title I sales. Also, SAWS will be a regular member of the multisectoral planning commision which the Peruvian government has established to carry out the CARE urban food for work program. Nevertheless, we anticipate that over the period FY 1980 through 1982 the number of OFASA recipients in Lima will decline as nutrition conditions begin to improve.

SAWS/OFASA has just become involved in the GOP program of primary health care, and this involvement will take up the slack caused by declining a food distribution in Lima, i.e. the total number of SAWS recipients should stay the same through FY 1982. Under the primary health program, SAWS/OFASA will provide food to young children who have been identified by rural health promotors as being at severe risk nutritionally. SAWS/OFASA has begun working in the health region which has its headquarters in Ica. There, AID and the Government of Peru are carrying out a pilot program of rural health care combined with family planning services. USAID's primary health care project also operates throughout Peru (i.e. in all of Peru's departments) so that the demand for maternal/child feeding through SAWS/OFASA will grow rapidly over the next several years. Thus, SAWS/OFASA's new emphasis in Peru will be on the highest priority recipient group for Title II (child feeding) within a loan/grant program which has extremely high priority in the USAID development strategy, i.e. primary health care. The OFASA program was evaluated by the Mission and the GOP in December, 1979, and this evaluation is available in Washington. The administration of the program has been very solid, and the Mission has just signed up another OPG agreement with OFASA to carry forward the program.

School feeding is the one program which is carried out without the assistance of a voluntary organization. When the Government of Peru (Ministry of Health) assumed full responsibility for this program in 1973, this was seen in the Mission and by Washington as a positive step toward greater government involvement in the task of improving nutritional levels in Peru. It was also seen as a difficult administrative challenge for the government. Experience has verified both of these predictions. The Ministry of Health has put together an administrative team to manage the program and has assigned public treasury funds (about $5.2 million last year) for this purpose. In recent years, the government has also budgeted substantial amounts of public funds to buy locally-produced food for use in the program. In 1979, 7,000 mt was purchased. At the same time, the program has been plagued with administrative problems. Programs in the sierra seem to be more effectively

managed than those on the coast. Some of this difference arises from the fact that rural communities in the sierra have a strong tradition of participation in programs of this kind. For example, local PTA's in many sierra departments spend a great deal of time and scarce community resources in picking up food from warehouses, preparing food and distributing it to school children, and growing food locally for use in the program. Though the program is less effective on the coast, it is important to the government politically in such major urban areas as Lima and Trujillo.

The government has asked the Mission to double the size of the school lunch program in Peru. We have not been encouraging, in view of the mixed experience we have had with GOP administration, as well as our convictions that in the medium term this program should be phased over to the GOP. It should be possible to accomplish a phase-out by the mid 1980's, if the GOP's willingness to fund the program out of the public treasury continues (as we think it will).

Title II and USAID Strategy

Looking at the Title II program from the standpoint of each individual voluntary agency obscures somewhat the contribution of this major input of USG resources to USAID's overall development strategy in Peru. In the FY 1981 and FY 1982 CDSS's (and in the FY 1981 ABS) the Mission attempted to show how Title II program relates to each of the three major elements in the Mission strategy.

Sierra Social Programs attempts to improve the health, nutrition and educational situation of the sierra poor, and the Title II program reinforces the Mission's strategy in this area in a number of ways, including the SAWS/OFASA contribution to the rural primary health program; the nutritional impact of food for work in the chronic food-deficit communities of the sierra; and the school lunch program. In education, the Mission has just begun a program for the improvement and expansion of pre-school education in the departments of Puno and Cuzco. Title II food will be supplied to children attending pre-school centers in this, the most marginal area of the sierra.

In FY 81 USAID plans to initiate a national-level nutrition planning project which will provide the basis for joint GOP-USG policies on Title II program levels and emphasis. A nutrition planning group will be set up in the National Planning Institute, and this group will be encouraged from the outset to undertake studies in cooperation with USAID and voluntary organizations to determine the best uses of Title II and other-donor food resources in reaching specific nutritional objectives. Regional-level nutrition planning units will also be established within each of Peru's regional development committees. These units will attempt to deal with local problems of malnutrition. Food assistance

will be one of the nutrition interventions that will be considered in developing plans to overcome local dietary deficiencies. Ongoing feeding programs within a region (for example, CRS, SAWS, Church World Service, World Food Program) can be focused more carefully, based on the work of regional planning units. Field workers of voluntary agencies and GOP organizations which carry out Title II programs will represent a valuable source of knowledge about local nutrition conditions and past successes and failures. USAID believes that nutrition planning represents an important opportunity for improved Title II programming in Peru.

The sierra and high jungle economic growth portion of the Mission strategy contains seven discrete elements: rural infrastructure, agriculture research and extension, on-farm agricultural inputs, rural enterprise, natural resource preservation and renewal, appropriate technology, and energy power. Many food for work programs in the sierra contribute directly to the achievement of goals within these categories. Rural infrastructure, for example, is constantly being created under food for work programs of CRS and SAWS. Community-based rural public works, pioneered under Title II, are being amplified with some modifications under an ongoing loan for the integrated regional development of Junin and Cajamarca departments. The Mission's goals with respect to natural resource preservation and renewal are being futhered through the CWS/SEPAS reforestation program.

The third part of the USAID strategy is called "urban basic human needs". Clearly, the emergency feeding activity of SAWS/OFASA and the more development-oriented new project of CARE are Title II efforts related to this strategy component.

Peru's Current Economic Situation and Prospects for Improved Nutrition Levels

The relationship between Peru's economic situation and the Mission's Title II planning deserves a more detailed discussion at this point.

Reports coming out of Peru over the past six months have stressed the severity of the problem of malnutrition, while at the same time reporting an improved balance of payments and general economic situation. Both perceptions are true. The nutrition picture continues to be bleak despite recent improvements in the economy. Moreover, we estimate that even in the medium-term, improved economic conditions will affect only what the Mission has called acute malnutrition, an urban phenomenon resulting from losses of real income during the late 1970's. Chronic malnutrition represents the more permanent problem of rural underdevelopment, especially in the sierra.

The question of how long Peru should continue to receive high levels of funding for Title II in urban areas depends on the ability of the economy to overcome, to some extent, the problem of acute malnutrition. We estimate that the process of recuperation of the urban economy in Peru will take between two and four years. Thus even if things go very well for Peru, the ABS year (FY 82) will still be within a period of fairly severe acute malnutrition in urban areas.

The performance of Peru's external sector in 1979 was good. Export earnings amounted to $3,467.2 million as compared to $1,940.7 million in 1978 and to the Central Bank projection for 1979 of $2,299 million. Higher earnings resulted principally from sharp price increases for copper, silver and petroleum. Non-traditional exports also rose to $668.5 million as compared with $330 million in 1978. The $1,485.9 million increase in Peru's net international reserve position is partly the result of the government's stabilization program, i.e. the program initiated in the second half of 1978, but mostly it is due to favorable trends in international commodity prices.

A note of caution, however -- the Central Bank's current cash foreign exchange position of about $1.0 billion does not appear terribly substantial if set against total external debt of $8.8 billion (end of 1978) and a GDP of $12 - 13 billion. The following figures show projected earnings and high debt service ration for the period 1979 to 1983. Projection A represents the Mission's estimates as of September 1979, while Projection B is the estimate of the President of the Peruvian Central Bank (January 1980).

	Millions of U.S. Dollars				
	1979	1980	1981	1982	1983
A. Export Earnings	3,149	3,419	4,151	4,887	5,655
B. Export Earnings	3,467	4,032	4,436	4,879	5,367
Ratio of Public Sector Debt Service to Exports:					
A.	22.6	35.1	30.1	26.8	22.6
B.	24.9	35.0	33.4	30.0	28.6

Looking at the next few years, a recent survey reporting the opinions of twenty business and financial leaders in Peru produced the following predictions:

1. An increase in the rate of growth ranging from 3.7% growth to 5 - 6% for 1980.

2. Continued inflation, which is not likely to come down significantly in 1980 (the rate for the entire year of 1979 was on the order of 67%).

3. Recent increases in minerals prices are generating the financial resources that will permit the government to expand investment in mining and other fields over the coming years (i.e. 1981 and 1982). A corresponding increase in foreign private investment is also anticipated.

4. The level of real wages will improve, but not rapidly. Real wages may go up 6% in 1980. An increase in this magnitude, or in the modest magnitudes that are likely for 1981 and 1982, will not produce a marked improvement in nutritional levels of the urban poor population, particularly as rural in-migration continues high.

5. If these trends in the Peruvian economy continue, national per capita income will only reach the level of the mid 1970's by about 1983.

The Mission intends to monitor the urban nutrition situation, especially in the pueblos jovenes of Lima, by repeating periodically the kind of analysis represented in TO AID A-19 of May 7, 1979, which indicated (based on sample survey data) that about 1/2 million people in Lima were at risk nutritionally. Of course, chronic malnutrition in the sierra represents a longer-range problem which must be addressed with a sustained program of social and economic development and with local nutrition interventions of the kind that will be devised under the Mission's new FY 81 Nutrition Planning Project.

Future Title II Levels

Peru is likely to require high levels of Title II support through the early to mid 1980's. However, the size of the program can decline, beginning in FY 83, if such declines are based on sound planning. The long-range goal should be to shift the burden of dealing with malnutrition to local institutions and to the local production system. Working together, the US and Peru must seek realistic alternatives to continued high levels of USG food support. For example, food donated from abroad can be replaced with locally-produced food; weaning foods using local products can be created and utilized in government programs; and agricultural extension can stimulate increased food production in poor communities. USAID visualizes that phase-over will occur first in the school feeding program.

TABLE XI
Country: PERU
P.L. 480 TITLE I/III REQUIREMENTS
(Dollars in Millions, Tonnage in Thousands)

COMMODITIES	FY 1980 Agreement		FY 1980 Shipments		FY 1980 Carry into FY 1981		Estimated FY 1981 Agreement		Estimated FY 1981 Shipments		Estimated FY 1981 Carry into FY 1982		Projected FY 1982 Agreement		Projected FY 1982 Shipments		Projected FY 1982 Carry into FY 1983	
	$	MT	$	MT	$	MT	$	MT	$	MT	$	MT	$	MT	$	MT	$	MT
Rice																		
Title I	20.0	53	20.0	53	-	-	20.0	47	20.0	47	-	-	20.0	45	20.0	45	-	-
Total																		
Of which Title III																		
Total																		

COMMENT: See note accompanying supply/distributor table (following page).

FY 1982 ANNUAL BUDGET SUBMISSION

TABLE XII

COUNTRY: PERU

PL 480 TITLE I/III

Supply and Distribution
(000 Metric Ton)

STOCK SITUATION	FY 1980	Estimated FY 1981
Commodity - Wheat		
Beginning Stocks	100	120
Production	90	95
Imports	830	835
Concessional	-	-
Non-Concessional	-	-
Consumption	900	930
Ending Stocks	120	120
Commodity - Rice		
Beginning Stocks	80	100
Production	210	300
Imports	260	200
Concessional	53	47
Non-Concessional	207	153
Consumption	450	500
Ending Stocks	100	100
Commodity -		
Beginning Stocks		
Production		
Imports		
Concessional		
Non-Concessional		
Consumption		
Ending Stocks		

Comment: Data represents an update of FAS "Peru Agriculture Situation Report" (1-28-80). 1981 figures are, of course, highly speculative. For example, rice production is shown as increasing over 1980 due to what is only a hoped-for improvement in drought conditions which have plagued northern Peru for the past three years. At any rate, rice production is not expected to reach historic levels due to the relative attractiveness of world cotton prices--many coastal farmers are moving out of rice into more-profitable cotton. Wheat is included in the above supply/distribution table. Though we now believe that the entire PL 480 Title I program for the next several years will be made up of rice, wheat also remains a possibility. The current UMR is 740,000 tons.

FY 1982 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 1982

I. Country : PERU

Sponsor's Name : CATHOLIC RELIEF SERVICES

A. Maternal and Child Health — Total Recipients 105,000

Nº of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
105,000	C.S.M.	1,386	731
105,000	S.F. Flour	693	311
105,000	S.F. Bulgur	1,386	571
-	S.F. Corn meal	-	-
105,000	Rice	660	327
105,000	Oil	666	742
Total MCH		4,791	2,682

B. Pre School Child Feeding — Total Recipients 36,000

Nº of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
36,000	C.S.M.	357	188
36,000	S.F. Flour	713	320
36,000	S.F. Bulgur	357	147
-	S.F. Cornmeal	-	-
36,000	Rice	339	168
36,000	Oil	171	190
Total Pre School Feeding		1,937	1,013

C. Other Child Feeding — Total Recipients 52,000

Nº of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
52,000	C.S.M.	686	362
52,000	S.F. Flour	1,109	499
52,000	S.F. Bulgur	554	228
-	S.F. Cornmeal	-	-
52,000	Rice	528	261
52,000	Oil	330	368
Total O.Ch.F.		3,207	1,718

D. Food for Work — Total Recipients 280,000

Nº of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
280,000	S.F. Flour	2,772	1,247
280,000	S.F. Cornmeal	2,772	1,109
280,000	Rice	2,638	1,308
280,000	S.F. Bulgur	2,772	1,142
280,000	Oil	1,333	1,486
Total F.F.W.		12,287	6,292

FY 1982 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 1983

I. Country : PERU

Sponsor's Name : CATHOLIC RELIEF SERVICES

A. Maternal and Child Health — Total Recipients 105,000

N° of Recipients by Commodity	Name of Commodity	KGS (Thousands)	Dollars
105,000	C.S.M.	1,386	731
105,000	S.F. Flour	693	311
105,000	S.F. Bulgur	1,386	571
-	S.F. Corn meal	-	-
105,000	Rice	660	327
105,000	Oil	666	742
Total MCH		4,791	2,682

B. Pre School Child Feeding — Total Recipients 36,000

N° of Recipients by Commodity	Name of Commodity	KGS (Thousands)	Dollars
36,000	C.S.M.	357	188
36,000	S.F. Flour	713	320
36,000	S.F. Bulgur	357	147
-	S.F. Corn meal	-	-
36,000	Rice	339	168
36,000	Oil	171	190
Total Pre-School Feeding		1,937	1,013

C. Other Child Feeding — Total Recipients 52,000

N° of Recipients by Commodity	Name of Commodity	KGS (Thousands)	Dollars
52,000	C.S.M.	686	362
52,000	S.F. Flour	1,109	499
52,000	S.F. Bulgur	554	228
-	S.F. Cornmeal	-	-
52,000	Rice	528	261
52,000	Oil	330	368
Total O.Ch.F.		3,207	1,718

D. Food for Work — Total Recipients 207,000

N° of Recipients by Commodity	Name of Commodity	KGS (Thousands)	Dollars
207,000	S.F. Flour	1,863	838
207,000	S.F. Cornmeal	1,863	745
207,000	Rice	1,867	926
207,000	S.F. Bulgur	1,863	768
207,000	Oil	972	1,084
Total F.F.W.		8,428	4,361

FY 1982 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 1984

I. Country : PERU

Sponsor's Name : CATHOLIC RELIEF SERVICES

A. Maternal and Child Health — Total Recipients 105,000

Nº of Recipients by Commodity	Name of Commodity	KGS (Thousands)	Dollars
105,000	C.S.M.	1,386	731
105,000	S.F. Flour	693	311
105,000	S.F. Bulgur	1,386	571
-	S.F. Corn meal	-	-
105,000	Rice	660	327
105,000	Oil	666	742
Total MCH		4,791	2,682

B. Pre School Child Feeding — Total Recipients 36,000

Nº of Recipients by Commodity	Name of Commodity	KGS (Thousands)	Dollars
36,000	C.S.M.	357	188
36,000	S.F. Flour	713	320
36,000	S.F. Bulgur	357	147
-	S.F. Corn meal	-	-
36,000	Rice	339	168
36,000	Oil	171	190
Total Pre-School Feeding		1,937	1,013

C. Other Child Feeding — Total Recipients 52,000

Nº of Recipients by Commodity	Name of Commodity	KGS (Thousands)	Dollars
52,000	C.S.M.	686	362
52,000	S.F. Flour	1,109	499
52,000	S.F. Bulgur	554	228
-	S.F. Cornmeal	-	-
52,000	Rice	528	261
52,000	Oil	330	368
Total O.Ch.F.		3,207	1,718

D. Food for Work — Total Recipients 157,000

Nº of Recipients by Commodity	Name of Commodity	KGS (Thousands)	Dollars
157,000	S.F. Flour	1,413	636
157,000	F.F. Cornmeal	1,413	565
157,000	Rice	1,416	702
157,000	S.F. Bulgur	1,413	582
157,000	Oil	737	822
Total F.F.W.		6,392	3,307

FY 1982 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 1985

I. Country : PERU

Sponsor's Name : CATHOLIC RELIEF SERVICES

A. Maternal and Child Health — Total Recipients 105,000

Nº of Recipients by Commodity	Name of Commodity	KGS (Thousands)	Dollars
105,000	C.S.M.	1,386	731
105,000	S.F. Flour	693	311
105,000	S.F. Bulgur	1,386	571
-	S.F. Corn meal	-	-
105,000	Rice	660	327
105,000	Oil	666	742
Total MCH		4,791	2,682

B. Pre-School Child Feeding — Total Recipients 36,000

Nº of Recipients by Commodity	Name of Commodity	KGS (Thousands)	Dollars
36,000	C.S.M.	357	188
36,000	S.F. Flour	713	320
36,000	S.F. Bulgur	357	147
-	S.F. Corn meal	-	-
36,000	Rice	339	168
36,000	Oil	171	190
Total Pre-School Feeding		1,937	1,013

C. Other Child Feeding — Total Recipients 52,000

Nº of Recipients by Commodity	Name of Commodity	KGS (Thousands)	Dollars
52,000	C.S.M.	686	362
52,000	S.F. Flour	1,109	499
52,000	S.F. Bulgur	554	228
-	S.F. Cornmeal	-	-
52,000	Rice	528	261
52,000	Oil	330	368
Total O.Ch.F.		3,207	1,718

D. Food for Work — Total Recipients 107,000

Nº of Recipients by Commodity	Name of Commodity	KGS (Thousands)	Dollars
107,000	S.F. Flour	963	433
107,000	S.F. Cornmeal	963	385
107,000	Rice	965	479
107,000	S.F. Bulgur	963	397
107,000	Oil	500	557
Total F.F.W.		4.354	2,251

FY 1982 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 1986

I. Country : PERU

Sponsor's Name : CATHOLIC RELIEF SERVICES

A. Maternal and Child Health — Total Recipients 105,000

Nº of Recipients by Commodity	Name of Commodity	KGS (Thousands)	Dollars
105,000	C.S.M.	1,386	731
105,000	S.F. Flour	693	311
105,000	S.F. Bulgur	1,386	571
-	S.F. Corn meal	-	-
105,000	Rice	660	327
105,000	Oil	666	742
Total MCH		4,791	2,682

B. Pre School Child Feeding — Total Recipients 36,000

Nº of Recipients by Commodity	Name of Commodity	KGS (Thousands)	Dollars
36,000	C.S.M.	357	188
36,000	S.F. Flour	713	320
36,000	S.F. Bulgur	357	147
-	S.F. Corn meal	-	-
36,000	Rice	339	168
36,000	Oil	171	190
Total Pre-School Feeding		1,937	1,013

C. Other Child Feeding — Total Recipients 52,000

Nº of Recipients by Commodity	Name of Commodity	KGS (Thousands)	Dollars
52,000	C.S.M.	686	362
52,000	S.F. Flour	1,109	499
52,000	S.F. Bulgur	554	228
-	S.F. Cornmeal	-	-
52,000	Rice	528	261
52,000	Oil	330	368
Total O.Ch.F.		3,207	1,718

D. Food for Work — Total Recipients 82,000

Nº of Recipients by Commodity	Name of Commodity	KGS (Thousands)	Dollars
82.000	S F. Flour	738	332
82,000	S.F. Cornmeal	738	295
82,000	Rice	739	367
82,000	S.F. Bulgur	738	304
82,000	Oil	383	427
Total F.F.W		3,336	1,725

FY 1982 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

I. Country : PERU FY 1982

Sponsor's Name : Seventh Day Adventist

A. Maternal and Child Health — Total Recipients 18,000

N°of Recipients by Commodity	Name of Commodity	KGS (Thousands)	Dollars
18,000	Milled Rice Oats	259	145
18,000	Oil	87	97
18,000	Dry Milk	195	105
18,000	W.S.B.	216	110
18,000	C.S.M. Inst.	216	132
Total MCH		973	589

B. Other Child Feeding — Total Recipients 5,000

N°of Recipients by Commodity	Name of Commodity	KGS (Thousands)	Dollars
5,000	Milled Rice Oats	48	27
5,000	Oil	12	13
5,000	Dry Milk	54	29
5,000	W.S.B.	60	30
5,000	C.S.M. Inst.	60	37
Total O.C.F.		234	136

C. Food for Work — Total Recipients 120,000

N°of Recipients by Commodity	Name of Commodity	KGS (Thousands)	Dollars
120,000	S.F. Wheat Flour	2,304	1,037
120,000	S.F. Corn Meal	2,304	922
120,000	S.F. Bulgur	2,304	949
120,000	Milled Rice Oats	2,304	1,290
120,000	Oil	720	803
120,000	W.S.B.	1,800	913
120,000	C.S.M. Instant	1,800	1,096
Total F.F.W.		13,536	7,010

FY 1982 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 1983

I. Country : PERU

Sponsor's Name : Seventh Day Adventist

A. Maternal and Child Health — Total Recipients 18,000

N°of Recipients by Commodity	Name of Commodity	KGS	(Thousands) Dollars
18,000	Milled Rice or Oats	259	145
18,000	Oil	87	97
18,000	Dry Milk	195	105
18,000	W.S.B.	216	110
18,000	C.S.M. Inst.	216	132
Total MCH		973	589

B. Other Child Feeding — Total Recipients 5,000

N° of Recipients by Commodity	Name of Commodity	KGS	(Thousands) Dollars
5,000	Milled Rice or Oats	48	27
5,000	Oil	12	13
5,000	Dry Milk	54	29
5,000	W.S.B.	60	30
5,000	C.S.M, Inst.	60	37
Total O.C.F.		234	136

C. Food for Work — Total Recipients 110,000

N°of Recipients by Commodity	Name of Commodity	KGS	(Thousands) Dollars
110,000	S.F.Wheat Flour	2,112	950
110,000	S.F. Corn Meal	2,112	844
110,000	S.F. Bulgur	2,112	870
110,000	Milled Rice or Oats	2,112	1,183
110,000	Oil	660	736
110,000	W.S.B.	1,650	837
110,000	C.S.M. Instant	1,650	1,005
Total F. F. W.		12,408	6,425

FY 1982 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

I. Country : PERU FY 1984

Sponsor's Name : Seventh Day Adventist

A. Maternal and Child Health — Total Recipients 18,000

N°of Recipients by Commodity	Name of Commodity	KGS	(Thousands) Dollars
18,000	Milled Rice or Oats	259	145
18,000	Oil	87	97
18,000	Dry Milk	195	105
18,000	W.S.B.	216	110
18,000	C.S.M. Inst.	216	132
Total MCH		973	589

B. Other Child Feeding — Total Recipients 5,000

N°of Recipients by Commodity	Name of Commodity	KGS	(Thousands) Dollars
5,000	Milled Rice or Oats	48	27
5,000	Oil	12	13
5,000	Dry Milk	54	29
5,000	W.S.B.	60	30
5,000	C.S.M. Inst.	60	37
Total O.C.F.		234	136

C. Food for Work — Total Recipients 87,000

N°of Recipients by Commodity	Name of Commodity	KGS	(Thousands) Dollars
87,000	S.F. Wheat Flour	1,670	751
87,000	S.F. Corn Meal	1,670	668
87,000	S.F. Bulgur	1,670	688
87,000	Milled Rice or Oats	1,670	935
87,000	Oil	522	582
87,000	W.S.B.	1,305	661
87,000	C.S.M. Instant	1,305	795
Total F.F.W.		9,812	5,080

FY 1982 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 1985

I. Country : PERU

Sponsor's Name : Seventh Day Adventist

A. Maternal and Child Health — Total Recipients 18,000

N°of Recipients by Commodity	Name of Commodity	KGS	(Thousands) Dollars
18,000	Milled Rice or Oats	259	145
18,000	Oil	87	97
18,000	Dry Milk	195	105
18,000	W.S.B.	216	110
18,000	C.S.M. Inst.	216	132
Total MCH		973	589

B. Other Child Feeding — Total Recipients 5,000

N°of Recipients by Commodity	Name of Commodity	KGS	(Thousands) Dollars
5,000	Milled Rice or Oats	48	27
5,000	Oil	12	13
5,000	Dry Milk	54	29
5,000	W.S.B.	60	30
5,000	C.S.M. Inst.	60	37
Total O.C.F.		234	136

C. Food for Work — Total Recipients 77,000

N°of Recipients by Commodity	Name of Commodity	KGS	(Thousands) Dollars
77,000	S.F. Wheat Flour	1,478	665
77,000	S.F. Corn Meal	1,478	591
77,000	S.F. Bulgur	1,478	609
77,000	Milled Rice or Oats	1,478	828
77,000	Oil	462	515
77,000	W.S.B.	1,155	586
77,000	C.S.M. Instant	1,155	703
Total F.F.W.		8,684	4,497

FY 1982 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 1986

I. Country : PERU

Sponsor's Name : Seventh Day Adventist

A. Maternal and Child Health — Total Recipients 18,000

N°of Recipients by Commodity	Name of Commodity	KGS	(Thousands) Dollars
18,000	Milled Rice or Oats	259	145
18,000	Oil	87	97
18,000	Dry Milk	195	105
18,000	W.S.B.	216	110
18,000	C.S.M. Inst.	216	132
Total M.Ch.		973	589

B. Other Child Feeding — Total Recipients 5,000

N°of Recipients by Commodity	Name of Commodity	KGS	(Thousands) Dollars
5,000	Milled Rice or Oats	48	27
5,000	Oil	12	13
5,000	Dry Milk	54	29
5,000	W.S.B.	60	30
5,000	C.S.M. Inst.	60	37
Total O.C.F.		234	136

C. Food for Work — Total Recipients 57,000

N°of Recipients by Commodity	Name of Commodity	KGS	(Thousands) Dollars
57,000	S.F. Wheat Flour	1,094	492
57,000	S.F. Corn Meal	1,094	436
57,000	S.F. Bulgur	1,094	451
57,000	Milled Rice or Oats	1,094	613
57,000	Oil	342	381
57,000	W.S.B.	855	433
57,000	C.S.M. Instant	855	521
Total F.F.W.		6,428	3,327

FY 1982 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 1982

I. Country : PERU

Sponsor's Name : CHURCH WORLD SERVICE

A. Maternal and Child Health — Total Recipients 1,800

N° of Recipients by Commodity	Name of Commodity	KGS (Thousands)	Dollars
1,800	W.S.B.	12	6
1,800	Inst. C.S.M.	20	12
1,800	S.F. Bulgur	12	5
1,800	S.F. Flour	12	5
1,800	S.F. Oats or C.S.M.	12	6
1,800	S.F. Rice	12	6
1,800	Vegoil	9	10
1,800	N.F.D.M.	24	13
Total MCH		113	63

B. Other Child Feeding — Total Recipients 600

N° of Recipients by Commodity	Name of Commodity	KGS	Dollars
600	W.S.B.	8	4
600	Inst. C.S.M.	8	5
600	S.F. Bulgur	8	3
600	S.F. Flour	8	4
600	S.F. Oat or C.S.M.	8	4
600	S.F. Rice	8	4
600	Vegoil	3	3
Total O.C.F.		51	27

C. Food for Work — Total Recipients 37,600

N° of Recipients by Commodity	Name of Commodity	KGS	Dollars
37,600	S.F. Bulgur	1,092	450
37,600	S.F. Flour	1,092	491
37,600	S.F. Oats or C.S.M.	1,240	655
37,600	S.F. Rice	1,091	541
37,600	Vegoil	247	275
Total F.F.W.		4,762	2,412

FY 1982 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 1983

I. Country : PERU

Sponsor's Name : CHURCH WORLD SERVICE

A. Maternal and Child Health — Total Recipients 1,800

N° of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
1,800	W.S.B.	12	6
1,800	Inst. C.S.M.	20	12
1,800	S.F. Bulgur	12	5
1,800	S.F. Flour	12	5
1,800	S.F. Oats or C.S.M.	12	6
1,800	S.F. Rice	12	6
1,800	Vegoil	9	10
1,800	N.F.D.M.	24	13
Total MCH		113	63

B. Other Child Feeding — Total Recipients 600

N° of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
600	W.S.B.	8	4
600	Inst. C.S.M.	8	5
600	S.F. Bulgur	8	3
600	S.F. Flour	8	4
600	S.F. Oats or C.S.M.	8	4
600	S.F. Rice	8	4
600	Vegoil	8	3
Total O.C.F.		51	27

C. Food for Work — Total Recipients 37,600

N° of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
37,600	S.F. Bulgur	1,092	450
37,600	S.F. Flour	1,092	491
37,600	S.F. Oats or C.S.M.	1,240	655
37,600	S.F. Rice	1,091	541
37,600	Vegoil	247	275
		4,762	2,412

FY 1982 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 1984

I. Country : PERU

Sponsor's Name : CHURCH WORLD SERVICE

A. Maternal and Child Health — Total Recipients 1,800

N° of Recipients by Commodity	Name of Commodity	KGS	Dollars
1,800	W.S.B.	12	6
1,800	Inst. C.S.M.	20	12
1,800	S.F. Bulgur	12	5
1,800	S.F. Flour	12	5
1,800	S.F. Oats or C.S.M.	12	6
1,800	S.F. Rice	12	6
1,800	Vegoil	9	10
1,800	N.F.D.M.	24	13
		113	63

B. Other Child Feeding — Total Recipients 600

N° of Recipients by Commodity	Name of Commodity	KGS	Dollars
600	W.S.B.	8	4
600	Inst. C.S.M.	8	5
600	S.F. Bulgur	8	3
600	S.F. Flour	8	4
600	S.F. Oats or C.S.M.	8	4
600	S.F. Rice	8	4
600	Vegoil	8	3
		51	27

C. Food for Work — Total Recipients 37,600

N° of Recipients by Commodity	Name of Commodity	KGS	Dollars
37,600	S.F. Bulgur	1,092	450
37,600	S. F. Flour	1,092	491
37,600	S.F. Oats or C.S.M.	1,240	655
37,600	S.F. Rice	1,091	541
37,600	Vegoil	247	275
		4,762	2,412

FY-1982 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY-1985

I. Country: PERU

Sponsor's Name: Church World Service

A. Maternal and Child Health — Total Recipients: 1,800

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
1,800	W.S.B.	12	6
1,800	Inst. CSM	20	12
1,800	S.F. Bulgur	12	5
1,800	S.F. Flour	12	5
1,800	S.F. Oats or C.S.M.	12	6
1,800	S.F. Rice	12	6
1,800	Vegoil	9	10
1,800	N.F.D.M.	24	13
Total: MCH		113	63

B. Other Child Feeding — Total Recipients: 600

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
600	W.S.B.	8	4
600	Inst. C.S.M.	8	5
600	S.F. Bulgur	8	3
600	S.F. Flour	8	4
600	S.F. Oats or C.S.M.	8	4
600	S.F. Rice	8	4
600	Vegoil	3	3
Total: C.C.F.		51	27

C. Food for Work

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
37,600	S.F.Bulgur	1,092	450
37,600	S.F. Flour	1,092	491
37,600	S.F. Oats or C.S.M.	1,240	655
37,600	S.F. Rice	1,091	541
37,600	Vegoil	247	275
Total: FFW		4,762	2,412

FY-1982 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY-1986

I. Country: PERU
Sponsor's Name: Church World Service

A. Maternal and Child Health — Total Recipients: 1,800

No. of Recipients by Commodity	Name of Commodity	KGS (THousands)	Dollars
1,800	W.S.B.	12	6
1,800	Instant C.S.M.	20	12
1,800	S.F. Bulgur	12	5
1,800	S.F. Flour	12	5
1,800	S.F. Oats or C.S.M.	12	6
1,800	S.F. Rice	12	6
1,800	Vegoil	9	10
1,800	N.F.D.M.	24	13
Total: MCH		113	63

B. Other Child Feeding — Total Recipients: 600

No. of Recipients by Commodity	Name of Commodity	KGS (Thousands)	Dollars
600	W.S.B.	8	4
600	Inst. C.S.M.	8	5
600	S.F. Bulgur	8	3
600	S.F. Flour	8	4
600	S.F. Oats or C.S.M.	8	4
600	S.F. Rice	8	4
600	Vegoil	3	3
Total: O.C.F.		51	27

C. Food for Work — Total Recipients: 37,600

No. of Recipients by Commodity	Name of Commodity	KGS (Thousands)	Dollars
37,600	S.F. Bulgur	1,092	450
37,600	S.F. Flour	1,092	491
37,600	S.F. Oats or CSM	1,240	655
37,600	S.F. Rice	1,091	541
37,600	Vegoil	247	275
Total: F.F.W.		4,762	2,412

FY-1982 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY-1982

I. Country: PERU

Sponsor's Name: CARE

D. Food for Work — Total Recipients: 60,000

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
60,000	Whole Grain Rice	3,168	1,571
60,000	Whole Grain Wheat	1,980	582
60,000	Oil	396	442
60,000	S.F. Cornmeal	1,980	792
Total: F.F.W		7,524	3,387

FY-1982 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY-1983

I. Country: PERU

Sponsor's Name: CARE

D. Food For Work — Total Recipients: 100,000

No. of Recipients by Commodity	Name of Commodity	KGS (Thousands)	Dollars
100,000	Whole Grain Rice	5,280	2,619
100,000	Whole Grain Wheat	3,300	970
100,000	Oil	660	736
100,000	S.F. Cornmeal	3,300	1,320
Total FFW:		12,540	5,645

FY-1982 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY-1984

I. Country: PERU

Sponsor's Name: CARE

D. Food for Work — Total Recipients: 100,000

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
100,000	Whole Grain Rice	5,280	2,619
100,000	Whole Grain Wheat	3,300	970
100,000	Oil	660	736
100,000	S. F. Cornmeal	3,300	1,320
Total FFW:		12,540	5,645

FY-1982 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY-1985

I. Country: PERU

Sponsor's Name: CARE

D. Food for Work — Total Recipients: 100,000

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
100,000	Whole Grain Rice	5,280	2,619
100,000	Whole Grain Wheat	3,300	970
100,000	Oil	660	736
100,000	S. F. Cornmeal	3,300	1,320
Total FFW:		12,540	5,645

FY 1982 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

I. Country : PERU FY 1982

Sponsor's Name : Goverment of Peru

B. School Feeding Total Recipients 500,000

N°of Recipients by Commodity	Name of Commodity	KGS (Thousands)	Dollars
500,000	Inst. C.S.M.	2,000	1,218
500,000	S.F. Bulgur	2,000	824
500,000	S.F. Oats	2,000	1,120
500,000	Milled Rice	2,400	1,190
500,000	Dry Milk	2,800	1,509
500,000	Oil	400	446
Total Scool Feeding		11,600	6,307

ARS/mf.

FY-1982 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY-1983

I. Country: PERU

Sponsor's Name: Government of Peru

B. School Feeding — Total Recipients: 400,000

No. of Recipients by Commoditu	Name of Commodity	(Thousands) KGS	Dollars
400,000	Inst. C.S.M.	1,600	974
400,000	S. F. Bulgur	1,600	659
400,000	S.F. Oats	1,600	896
400,000	Milled Rice	1,920	952
400,000	Dry Milk	2,240	1,207
400,000	Oil	320	357
Total School Feeding		9,280	5,045

FY 1982 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 1984

I. Country : PERU

Sponsor's Name : Government of Peru

B. School Feeding Total Recipients 200,000

N° of Recipients by Commodity	Name of Commodity	KGS	Dollars
200,000	Inst. C.S.M.	800	487
200,000	S.F. Bulgur	800	330
200,000	S.F. Oats	800	448
200,000	Milled Rice	960	476
200,000	Dry Milk	1,120	604
200,000	Oil	160	178
Total School Feeding		4,640	2,523

FY-1982 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY-1985

I. Country: PERU

Sponsor's Name: Government of Peru

B. School Feeding Total Recipients: 100,000

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
100,000	Inst. C.S.M.	400	244
100,000	S. F. Bulgur	400	165
100,000	S. F. Oats	400	224
100,000	Milled Rice	480	238
100,000	Dry Milk	560	302
100,000	Oil	80	89
Total School Feeding		2,320	1,262