

UNCLASSIFIED

Annual Budget Submission

FY 1989

PERU

JUNE 1987



Agency for International Development
Washington, D.C. 20523

**THIS BUDGET SUBMISSION HAS BEEN
PREPARED BY THE A.I.D. FIELD MISSION.**

**IT IS PREPARED ANNUALLY AND USED
FOR PLANNING PURPOSES IN THE FIELD
AND IN WASHINGTON.**

**IT DOES NOT REPRESENT
OFFICIAL AGENCY POLICY.**

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FY 1989 ANNUAL BUDGET SUBMISSION
TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT
(\$000)

	FY 1986 ACTUAL	FY 1987 ESTIMATE	--FY 1988-- CP ESTIMATE	FY 1989 AAPL	-----PLANNING PERIOD-----			
					1990	1991	1992	1993
AGRICULTURE, RURAL DEV. AND NUTRITION								
TOTAL	7,125	4,850	5,133	5,000	5,000	5,000	5,056	5,000
GRANTS	7,125	4,850	5,133	5,000	5,000	5,000	5,056	5,000
LOANS	--	--	--	--	--	--	--	--
POPULATION PLANNING								
TOTAL	1,800	2,000	1,800	2,300	2,800	2,800	2,800	3,100
GRANTS	1,800	2,000	1,800	2,300	2,800	2,800	2,800	3,100
LOANS	--	--	--	--	--	--	--	--
(CENT PROC COMMOD)		--	(1,450) ^{1/}	(1,150) ^{1/}				
HEALTH AND CHILD SURVIVAL								
TOTAL	3,289	4,800	4,367	3,925	3,900	4,308	3,500	3,794
GRANTS	3,289	4,800	4,367	3,925	3,900	4,308	3,500	3,794
LOANS	--	--	--	--	--	--	--	--
EDUCATION								
TOTAL	2,500	1,150	1,150	1,425	1,681	566	1,263	631
GRANTS	2,500	1,150	1,150	1,425	1,681	566	1,263	631
LOANS	--	--	--	--	--	--	--	--
SELECTED DEVELOPMENT ACTIVITIES								
TOTAL	2,873	1,700	1,750	1,550	1,059	1,970	2,200	2,472
GRANTS	2,873	1,700	1,750	1,550				
LOANS	--	--	--	--				
SUBTOTAL FUNCTIONAL ACCOUNTS								
TOTAL	17,587	14,500	14,200	14,200	14,440	14,644	14,819	14,997
GRANTS	17,587	14,500	14,200	14,200	14,440	14,644	14,819	14,997
LOANS	--	--	--	--	--	--	--	--
INTERNATIONAL DISASTER ASSISTANCE								
TOTAL	--	--	--	--	--	--	--	--
GRANTS	--	--	--	--	--	--	--	--
LOANS	--	--	--	--	--	--	--	--
TOTAL DA ACCOUNT								
TOTAL	17,587	14,500	14,200	14,200	14,440	14,644	14,819	14,997
GRANTS	17,587	14,500	14,200	14,200	14,440	14,644	14,819	14,997
LOANS	--	--	--	--	--	--	--	--
ECONOMIC SUPPORT FUND								
TOTAL	7,000	4,750	10,000	10,000	10,165	10,312	10,436	10,561
GRANTS	7,000	4,750	10,000	10,000	10,165	10,312	10,436	10,561
LOANS	--	--	--	--	--	--	--	--

^{1/} Includes \$600,000 for project 527-0285, Child Survival, in FY 88 and FY 89

	FY 1986	FY 1987	--FY 1988--	FY 1989	-----PLANNING PERIOD-----			
	ACTUAL	ESTIMATE	CP ESTIMATE	AAPL	1990	1991	1992	1993
DA AND ESF TOTAL								
TOTAL	24,587	19,250	24,200	24,200	24,605	24,956	25,255	25,558
GRANTS	24,587	19,250	24,200	24,200	24,605	24,956	25,255	25,558
LOANS	--	--	--	--	--	--	--	--
PL 480								
TITLE I	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
TITLE III	--	--	--	--	--	--	--	--
TITLE II	(7,952)	(7,974)	(8,152)	(8,348)	(8,348)	(8,348)	(8,348)	(8,348)
SECTION 416	(5,500)	(10,800)	--	--	--	--	--	--
HOUSING								
GUARANTIES	--	--	--	--	--	--	--	--

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE IV PROJECT BUDGET DATA

Country: PERU

PROJECT NUMBER AND TITLE	G/L	OBLIG. DATE- INIT	FIN	AUTH	PLAN	PACD	FY 86 PIPE- LINE	ESTIMATED US DOLLAR COST (\$000)		FY 1989 AAPL	SUB X PVO SPECIAL CAT 88/89 CODES					
								---FY 1987--- OBL EXP	---FY 1988--- OBL EXP							
-----MORTGAGE END OF FY 1987																
527-0000 Program Development and Support	G	1974	C	--	--	C	6,603	1,359	680	1,560	600	859	600	FNP	10	--
527-0178 Integrated Regional Development	G	1979	1983	1,600	1,600	12/31/88	1,600	21	--	21	--	--	--	FNSA	--	--
527-0178 Integrated Regional Development	L	1979	1983	15,000	15,000	12/31/88	15,000	2,422	--	350	--	350	--	FNSA	--	--
527-0192 Ag Research, Extension and Education	G	1980	1987	9,650	10,650	8/31/87 ^{1/}	9,650	4,725	1,000	4,506	--	1,219	--	FNEX	--	--
527-0192 Ag Research, Extension and Education	L	1980	1987	9,000	9,000	8/31/87 ^{1/}	9,000	410	--	286	--	124	--	FNEX	--	--
527-0202 Land Use Inventory & Env Planning/ONERN	G	1980	1985	1,600	1,600	6/30/87	1,600	359	--	200 ^{2/}	--	--	--	FNLD	--	--
527-0219 Extension of Integrated Primary Health	G	1979	1985	700	700	12/31/86	700	325	--	314 ^{2/}	--	--	--	FNNI	--	--

^{1/} PACD being extended through 6/30/88

^{2/} Balance to be deb

PROJECT NUMBER AND TITLE	G/L	INIT	DATE-	-TOTAL COST-	PACD	FY 86	PIPE-	FY 86	ESTIMATED US DOLLAR COST (\$000)		FY 1989	SUB % PVO SPECIAL
									FIN	PLAN		
AGRICULTURE, RURAL DEV. AND NUTRITION (Cont'd)												
527-0219												
IIN Coop Agreement												
Extension of Integrated												
Primary Health	G	1979	1985	400	12/31/86	400	55	491/				
527-0220												
Soil Conservation	G	1980	1986	1,600	12/31/86	1,575	106	106				
527-0226												
Small Hydro Dev	G	1981	1984	1,000	5/19/87	750	438	380		582/		
527-0226												
Small Hydro Dev	L	1981	1984	9,000	5/19/87	9,000	2,522	2,270		2522/		
527-0231												
Expanded Reforestation												
Program - OFC	G	1982	1986	1,225	5/31/87	1,225	292	292				
527-0238												
Agricultural Planning												
and Institutional Dev	G	1983	1988	6,000	12/31/88	4,480	1,162	470	1,372	400	660	
527-0238												
Agricultural Planning												
and Institutional Dev	L	1983	1985	11,000	12/31/88	11,000	6,927		2,000		3,500	
527-0240												
Central Selva												
Resource Management	G	1982	1986	4,000	9/30/87 ^{1/}	4,000	1,195		1,145		(2,500) ^{3/}	1,000
527-0240												
Central Selva												
Resource Management	L	1982	1986	18,000	9/30/87 ^{3/}	18,000	14,189		2,900		1,000 ^{3/}	

^{1/} Balance to be deob

^{2/} PACD to be extended through 11/19/87

^{3/} Proposed project extension with deob/reob funds

PROJECT NUMBER AND TITLE	G/L	-OBLIG. DATE- INIT FIN	-TOTAL COST- AUTH PLAN	PACD	-----ESTIMATED US DOLLAR COSTI (\$000)-----				SUB % PVO SPECIAL CAT 86/89 CODES				
					OBLIG THRU FY 86	PIPE- LINE	--FY 1987-- OBL EXP	MORTGAGE END OF FY 1987		OBL EXP	FY 1988-- AAPL	FY 1989	
527-0244 Upper Huallaga Area Development	G	1981 1988	3,000 3,000	9/15/88	3,000	381	--	381	--	--	FNLS	--	WID/ WA/RM
527-0244 Upper Huallaga Area Development	L	1981 1981	15,000 15,000	9/15/88	15,000	2,624	--	2,000	--	624	FNLS	--	WID/ WA/RM
527-0247 Expanded Feeding Program (OFASA) - OPG	G	1983 1987	1,120 1,120	12/31/87	1,120	400	150	380	--	170	FNNI	--	WID
527-0248 CARITAS Feeding Program - OPG	G	1984 1987	425 425	8/31/87	425	271	100	228	--	143	FNNI	--	WID
527-0261 Basic Infrastructure for Pueblos Jovenes	G	1984 1987	775 775	12/31/87	775	254	75	277	--	52	FNNI	--	--
527-0265 Private Sector Ag Investment Promotion	L	1983 1983	10,000 10,000	3/31/88	10,000	5,024	--	2,094	--	2,930	FNPE	--	--
527-0277 Disaster Relief and Rehabilitation	G	1983 1983	1,000 1,000	5/31/87	1,000	124	--	124	--	--	SDSS	--	--
527-0282 Agricultural Tech Transformation	G	1987 1992	-- 16,100	8/31/92	--	--	2,100	--	14,000	3,233	FNAL	3,400	RM

1/ PACD to be extended

PROJECT NUMBER AND TITLE	G/L	INIT	DATE-	-TOTAL COST-	PACD	OBLIG THRU		MORTGAGE		FY 1987	OBL	EXP	FY 1988	OBL	EXP	FY 1989	AABL	SUB % PVO SPECIAL	
						86	87	86	87										88
-----ESTIMATED US DOLLAR COST (\$000)-----																			
527-0293																			
Technoserve - Coop																			
Management - OPG	G	1985	1987	750	9/30/87	550	72	200	272										
527-0294																			
PVO Network - OPG	G	1985	1985	260	11/30/87	260	84		84										
527-0310																			
Ag Marketing/Agri-																			
business Improvement	G	1988	1992	2,500						2,500	500	350	500	500	500	500	FNMS	75	--
527-9999																			
Private and Voluntary																			
Organizations - OPGs	G	1978	C	4,075				75	20	4,000	400	400	400	400	500	500	FNNL/ FNMC	--	--
TOTAL FOR ACCOUNT				122,105		144,855		4,850	23,811	20,900	5,133	15,891	5,000						
GRANTS				35,105		57,855		4,850	11,711	20,900	5,133	6,911	5,000						
LOANS				87,000		87,000			11,900			8,780							

AGRICULTURE, RURAL DEV.
AND NUTRITION (Cont'd)

PROJECT NUMBER AND TITLE	G/L	OBLIG. DATE- INIT FIN	-TOTAL COST- AUTH PLAN	PACD	FY 86 THRU FY 86	FY 86 PIPE- LINE	ESTIMATED US DOLLAR COST (\$000)		FY 1988-- EXP	FY 1989 AAPL	SUB % PVO SPECIAL CAT 88/89 CODES		
							---FY 1987--- OBL EXP	END OF FY 1987 MORTGAGE					
HEALTH													
527-0000 Program Development and Support	G	1974 C	---	C	3,758	1,551	578	1,545	400	704	400	HEPP	--
527-0219 Extension of Integrated Primary Health	L	1979	5,800	5,800	12/31/86	5,800	955	947 ^{1/}	---	---	---	HEDH	--
527-0221 Rural Water Systems & Env Sanitation	G	1980	1,000	1,000	6/30/89	1,000	462	200	---	150	---	HEWS	--
527-0221 Rural Water Systems & Env Sanitation	L	1980	10,000	10,000	6/30/89	10,000	5,987	2,300	---	2,000	---	HEWS	--
527-0224 Sur Medio Health and Family Planning	G	1980	800	800	6/30/85	800	52 ^{1/}	---	---	---	---	HEDH	--
527-0230 Integrated Family Planning and Health	L	1981	4,000	4,000	12/31/86	4,000	961	961	---	---	---	HEDH	--
527-0231 Expanded Reforestation Program - OPG	G	1986	75	75	5/31/87	75	75	6 ^{1/}	---	---	---	HEEH	--
527-0247 Expanded Feeding Program (OFASA) - OPG	G	1986	175	175	12/31/87	175	135	96	---	39	---	HEEH	--
527-0248 CARITAS Feeding Program - OPG	G	1986	125	125	8/31/87	125	125	40	---	85	---	HEEH	--

^{1/} Balance to be deobligated

PROJECT NUMBER AND TITLE	G/L	OBLIG. DATE- INIT FIN	-TOTAL COST- AUTH PLAN	PACD	OBLIG THRU FY 86	PIPE- LINE	--FY 1987--		OBL	EXP	FY 1988-- EXP	FY 1989 AAPL	SUB & PVO SPECIAL CAT 88/89 CODES	WA/ WID/ CS
							END OF FY 1987	MORTGAGE						
-----ESTIMATED US DOLLAR COST (\$000)-----														
HEALTH (Cont'd)														
527-0261 Basic Infrastructure for Pueblos Jovenes	G	1986	125	125	12/31/87	125	125	--	50	--	75	--	HEEH	--
527-0294 PVO Network - OPG	G	1985	700	700	11/30/88	700	700	--	320	--	310	--	HEEH	25 CS
527-0297 CARE Community Health Program - OPG	G	1986	42	42	12/31/87	42	39	--	39	--	--	--	HEEH	25 CS
527-0308 IIN Private Sector Nutrition for Child Survival	G	1986	914	914	12/31/88	914	898	--	360	--	400	--	HEEH	-- CS
527-0309 UPCH Training Physicians and Nurses	G	1986	150	150	7/31/87 ^{1/}	150	121	--	100	--	21	--	HECS	-- CS
527-0311 PRISMA-Identification of High Risk Families to Reduce Child Mort (Op. Research)	G	1986	980	980	7/31/89	358	311	622	365	--	365	--	HEEH	25 CS
527-0313 Andean Peace Scholarship Program	G	1987	--	300	--	--	--	100	--	200	75	100	SDTE	-- WID
TOTAL FOR ACCOUNT			24,886	25,186		28,022	12,497	1,300	7,329	200	500	4,224	500	
GRANTS			5,086	5,386		8,222	4,594	1,300	3,121	200	500	2,224	500	
LOANS			19,800	19,800		19,800	7,903	--	4,208	--	--	2,000	--	

^{1/} PACD to be extended through 12/31/87

PROJECT NUMBER AND TITLE	G/L	OBLIG. DATE- INIT	FIN	DATE-	AUTH	PLAN	PACD	OBLIG THRU FY 86	PIPE- LINE	ESTIMATED US DOLLAR COST (\$000)		FY 1987-- EXP	MORTGAGE END OF FY 1987	OBL	FY 1988-- EXP	FY 1989 AAPL	SUB CAT	% PVO SPECIAL 88/89 CODES	
										--FY 1987-- OBL	--FY 1988-- OBL								
EDUCATION AND HUMAN RESOURCES																			
527-0000																			
Program Development and Support	G	1974	C		--	--	C	1,280	45	30	58	C		25	34	25	EHPP	--	--
527-0266																			
Vocational Education in Pueblos Jovenes	G	1983	1986		480	6/30/87		480	92	--	92	--		--	--	--	EHVT	--	--
527-0272																			
Private Sector Management Improv	G	1985	1990		7,000	12/31/91		3,239	2,960	720	990		3,041	725	1,484	1,000	EHMA	--	--
527-0288																			
Narcotics Education & Public Awareness	G	1985	1988		750	9/30/90		750	750	--	550	--		--	200	--	EHZZ	--	--
527-0304																			
Expansion of Vocational Training - OPG	G	1986	1986		80	6/30/89		80	41	--	41	--		--	--	--	EHVT	--	--
527-0313																			
Andean Peace Scholarship Program	G	1987	1989		--	9/30/91		--	--	400	--	800		400	200	400	SDTE	--	WID
TOTAL FOR ACCOUNT					8,310			5,829	3,888	1,150	1,731	3,841	1,150	1,150	1,918	1,425			
GRANTS					8,310			5,829	3,888	1,150	1,731	3,841	1,150	1,150	1,918	1,425			
LOANS					--			--	--	--	--	--	--	--	--	--			

PROJECT NUMBER AND TITLE	G/L	OBLIG. INIT	DATE- FIN	-TOTAL COST- AUTH PLAN	PACD	OBLIG FY 86	THRU FY 86	FY 86 PIPE- LINE	-----ESTIMATED US DOLLAR COST (\$000)-----				SUB CAT	% PVO 88/89	SPECIAL CODES
									--FY 1987-- OBL EXP	MORTGAGE END OF FY 1987	--FY 1988-- OBL EXP	FY 1989 AAPL			
SELECTED DEVELOPMENT ACTIVITIES															
527-0000															
Program Development and Support	G	1974	C	--	C	3,145	603	350	712	C	350	498	450	SD1L	--
527-0061															
Special Development Activities	G	1963	C	--	C	1,699	46	100	110	C	100	100	100	SDSH	--
527-0241															
Urban Small Enterprise Development	L	1982	1983	10,000	10,000	10,000	2691/	--	--	--	--	--	--	SDPE	--
527-0274															
Micro Enterprise Promotion - OPG	G	1984	1985	714	714	413	413/	--	413/	--	--	--	--	SDPE	--
527-0277															
Disaster Relief and Rehabilitation	L	1983	1985	3,000	3,000	3,000	148	--	148	--	--	--	--	SDSS	--
527-0298															
Private Sector Policy Planning and Inst Development - ILD	G	1985	1987	1,200	1,200	950	324	250	443	--	--	131	--	SDZZ	--
527-0298															
Private Sector Policy Planning and Inst Development	G	1985	1989	4,800	4,800	1,500	1,425	1,000	650	2,300	1,300	1,000	1,000	SDPP	--
TOTAL FOR ACCOUNT															
GRANTS				19,714	19,714	21,008	3,228	1,700	2,476	2,300	1,750	1,729	1,550		
LOANS				6,714	6,714	8,008	2,811	1,700	2,328	2,300	1,750	1,729	1,550		
				13,000	13,000	13,000	417	--	148	--	--	--	--		

1/ A portion of this amount will be debilitated

PROJECT NUMBER AND TITLE	G/L	OBLIG. INIT	DATE-	-TOTAL COST-	PACD	ESTIMATED US DOLLAR COST (\$000)		FY 86 PIPE	FY 86 LINE	MORTGAGE		FY 1988-- OBL	FY 1988-- EXP	FY 1989 AAPL	SUB % PVO SPECIAL CAT 88/89	SPECIAL CODES
						FIN	AUTH			PLAN	EXP					
ECONOMIC SUPPORT FUND																
527-0244 Upper Huallaga Area Development	G	1986	1986	5,400	5,400	9/15/88	5,400	5,369	---	2,700	---	2,669	---	---	FNLJD	---
527-0282 Agricultural Tech Transformation	G	1987	1987	2,700	2,700	8/31/92	---	2,700	---	---	---	800	---	---	FNAI	RM
527-0288 Narcotics Education & Public Awareness	G	1985	1989	3,250	3,250	9/30/90	600	600	1,000	250	1,650	850	800	800	EHZ2	55
527-0303 Administration of Justice	G	1986	1989	1,000	3,850	12/31/87	1,000	1,000	850	680	2,000	1,000	1,500	1,000	ES22	---
527-0306 Policy and Program Improvement I	G	1988	1988	5,150	5,150	---	---	---	---	---	5,150	5,150	5,150	---	ESCT	---
527-0306 Policy and Program Improvement II	G	1989	1989	5,250	5,250	---	---	---	---	---	5,250	---	5,250	5,250	ESCT	---
527-0312 Targeted Area Dev in the Upper Huallaga	G	1988	1991	10,000	10,000	---	---	---	---	---	10,000	2,300	1,500	2,350	FNSA	WLD/ WA
527-0313 Andean Peace Scholarship Program	G	1987	1989	1,500	1,500	9/30/91	---	---	200	---	1,300	700	200	600	SDTE	---
TOTAL FOR ACCOUNT				9,650	37,100		7,000	6,969	4,750	3,630	25,350	10,000	12,619	10,000		
GRANTS				9,650	37,100		7,000	6,969	4,750	3,630	25,350	10,000	12,619	10,000		
LOANS				---	---		---	---	---	---	---	---	---	---		

I/ PACD to be extended

NON-ADD ADDENDUM TO TABLE IV
REGIONAL PROJECTS

PROJECT NUMBER AND TITLE	G/L	INIT	DATE- FIN	AUTH	PLAN	PACD	FY 86	PIPE- LINE	ESTIMATED US DOLLAR COST (\$000)		FY 1988-- OBL	FY 1989 AAPL	SUB CAT	PVO SPECIAL 88/89 CODES		
									1987-- OBL	1987-- EXP						
AGRICULTURE, RURAL DEV. AND NUTRITION																
598-0622	G	1982	1984	293	293	12/31/88	293	44	--	42	--	2	--	SDTE	--	
LAC Training Init																
598-9999	G	1986	1986	166	166	6/30/87	166	123	--	123	--	--	--	SDSS	--	
Potato Seed Emergency Distribution Program CARE																
931-1311	G	1981	1988	6,527	6,527	12/31/90	5,151	81	588	377	588	650	--	FNDS	--	BD
Tropical Soils																
931-1328	G	1981	1988	10,369	10,369	9/30/90	8,933	--	718	382	718	804	--	FNLK	--	RM
Small Ruminants																
TOTAL FOR ACCOUNT																
GRANTS																
LOANS																

NON-ADD ADDENDUM TO TABLE IV
REGIONAL PROJECTS

PROJECT NUMBER AND TITLE	G/L	INIT	DATE-	FIN	AUTH	PLAN	PACD	FY 86	PIPE	FY 86	LINE	ESTIMATED US DOLLAR COST (\$000)		FY 1987	OBL	EXP	FY 1988	OBL	EXP	FY 1989	AAPL	SUB	CAT	% PVO SPECIAL	88/89 CODES	
												THRU	END OF													
EDUCATION AND HUMAN RESOURCES																										
598-0640																										
CONFIEP-LAC Training Initiatives II																										
	G	1985	1986		200	200	12/31/88	200	125		31						94									
598-0640																										
INP-LAC Training Initiatives II																										
	G	1985	1987		358	358	12/31/88	358	305		219						238									
598-0640																										
NAPA-LAC Training Initiatives II																										
	G	1986	1986		265	265	12/31/88	265	253		165						88									
TOTAL FOR ACCOUNT																										
					823	823		823	683		415						420									
					823	823		823	683		415						420									
					--	--		--	--		--						--									

NON-ADD ADDENDUM TO TABLE IV
REGIONAL PROJECTS

PROJECT NUMBER AND TITLE	G/L	OBLIG. DATE- INIT FIN	-TOTAL COST- AUTH PLAN	PACD	FY 86 PIPE- LINE	ESTIMATED US DOLLAR COST (\$000)				FY 1989 AAPL	SUB % PVO SPECIAL CAT 88/89 CODES	
						OBLIC THRU FY 86	EXP FY 1987	OBL FY 1987	EXP FY 1987			OBL FY 1988
SELECTED DEVELOPMENT ACTIVITIES												
936-5542 Research on Mechanisms and Processes which Control Colonization and Post Catastrophic Recuperation of Benthic Resources	G	1985 1985	150 150	12/31/88	150 94	34	38	---	---	---	---	---
936-5542 UPCH-Proteolytic Enzymes of Fasciola Hepatica	G	1984 1984	150 150	5/31/87	150 2	2	---	---	---	---	---	SDCI/ HECK
936-5542 Maintenance and Sanitation of Andean Tuber Crops	G	1984 1984	150 150	9/30/87	150 46	46	---	---	---	---	---	SDCI/ FNDS
936-5542 Use of Agrobacterium Plasmid Vectors to Modify Nut Value of Potatoes	G	1984 1984	147 147	7/31/87	147 51	51	---	---	---	---	---	SDCI/ FNDS
936-5542 IIN-Use of Bioelectrical Impedance to Measure Malnutrition and Dehydration	G	1986 1986	50 50	12/31/87	50 49	44	5	---	---	---	---	SDCI/ HECK

NON-ADD ADDENDUM TO TABLE IV
REGIONAL PROJECTS

PROJECT NUMBER AND TITLE	G/L	OBLIG. DATE-- INIT FIN	-TOTAL COST-- AUTH PLAN	PACD	OBLIG THRU FY 86	PIPE- LINE	ESTIMATED US DOLLAR COST (\$000)				SUB CAT	% PWO SPECIAL 88/89 CODES	
							--FY 1987-- OBL EXP	MORTGAGE END OF FY 1987	--FY 1988-- OBL EXP	FY 1989 AAPL			
SELECTED DEVELOPMENT ACTIVITIES (Cont'd)													
936-5542 IIN-Safety & Efficacy of Sewage Grown Duckweed as Feed for Poultry	G	1984 1984	150 150	6/30/87	150	7	7	--	--	--	--	SDCI/ FNDS	--
936-5542 UPCH-The Usefulness of Traditional Peruvian Remedies for Diarrhea Parasites	G	1986 1986	150 150	12/31/88	150	150	55	--	--	75	--	SDCI/ HECR	--
936-5542 UPCH-Naturally Occurring Plasmids and Heavy Metal Resistance of <i>Thiobacillus</i> <i>ferrooxidans</i>	G	1984 1984	124 124	4/30/87	124	2	2	--	--	--	--	SDCI	--
936-5542 UPCH-Rapid Diagnosis of Human Leishmaniasis	G	1985 1985	139 139	11/30/87	139	44	40	--	--	4	--	SDCI/ HECK	--
936-5542 UPCH-Proteolytic Enzymes Evaluation as Purified Antigens in Diagnosis of Fascioliasis in Peru	G	1987 1987	150 150	12/31/89	--	--	25	150	--	65	--	SDCI/ HECK	--
936-5542 UPCH-Cysticercosis New Opportunities for Targeting Detection and Treatment Using Elisa Technology	G	1987 1987	150 150	12/31/89	--	--	25	150	--	65	--	SDCI/ HECK	--

NON-ADD ADDENDUM TO TABLE IV
REGIONAL PROJECTS

PROJECT NUMBER AND TITLE	G/L	INIT	DATE- FIN	-OBLIG. AUTH	-TOTAL COST- PLAN	PACU	ESTIMATED US DOLLAR COST (\$000)				FY 1989 AAPL	SUB % CAT	PVO SPECIAL 88/89 CODES		
							OBLIG THRU FY 86	FY 86 PIPE- LINE	--FY 1987-- OBL EXP	MORTGAGE END OF FY 1987				--FY 1988-- OBL EXP	SDCI/ HECK
SELECTED DEVELOPMENT ACTIVITIES (Cont'd)															
936-5542															
UPCH-Studies in Trans- mission of Cryptospor- idium: A Pathogen Associated with Both Malnutrition & Infant Mortality															
	G	1987	1987	150	150	12/31/89	--	--	150	25	--	--	65	--	--
TOTAL FOR ACCOUNT															
				1,660	1,660		1,210	445	450	356	--	--	317	--	--
				1,660	1,660		1,210	445	450	356	--	--	317	--	--
				--	--		--	--	--	--	--	--	--	--	--
COUNTRY TOTAL															
				19,838	19,838		16,576	1,376	1,981	1,695	1,306	1,306	2,193	--	--
				19,838	19,838		16,576	1,376	1,981	1,695	1,306	1,306	2,193	--	--
				--	--		--	--	--	--	--	--	--	--	--

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 1
FORESTRY
(\$000)

527 - Peru			LIFE	FY 87	FY 88	FY 89
APPROPRIATION ACCOUNT		L/G	OF	ESTIMATE	ESTIMATE	AAPL
PROJECT NO.	TITLE		PROJECT			
Agriculture, Rural Dev. and Nutrition						
5270231	Expanded Reforestation Prog OPG	G	1,225	--	--	--
5270240	Central Selva Resource Management Project	L	1,991 ^{1/}	--	--	--
		G	1,660 ^{1/}	--	270	210
5279999	Private and Voluntary Org.	G	1,000	75	85	100
9311311	Tropical Soils - CRSP	G	(653)	(80)	(80)	--
	Appropriation Total		5,876	75	355	310
	Country Total		5,876	75	355	310

^{1/} LOP loan amount includes proposed project extension thru 9/90; LOP grant for proposed extension includes deob/reob for FY 88, FY 89.

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 2
INTEGRATED RESOURCE MANAGEMENT
(\$000)

527 - Peru

APPROPRIATION ACCOUNT PROJECT NO. TITLE	L/G	LIFE OF PROJECT	FY 87 ESTIMATE	FY 88 ESTIMATE	FY 89 AAPL
Agriculture, Rural Dev. and Nutrition					
5270240 Central Selva Resource Management Project	G L	940 ^{1/} 911 ^{1/}	-- --	-- 110	-- 100
5270282 Agricultural Technology Transformation Project	G	2,500	--	500	500
9311311 Tropical Soils - CRSP	G	(4,569)	(500)	(500)	--
Appropriation Total		4,351	--	610	600
Country Total		4,351	--	610	600

^{1/} LOP loan amount includes proposed project extension thru 9/90; LOP grant for proposed extension includes deob/reob for FY 88, FY 89.

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 3
BIOLOGICAL DIVERSITY
(\$000)

527 - Peru

APPROPRIATION ACCOUNT PROJECT NO. TITLE	L/G	LIFE OF PROJECT	FY 87 ESTIMATE	FY 88 ESTIMATE	FY 89 AAPL
Agriculture, Rural Dev. and Nutrition					
5270240 Central Selva Resource Management Project	G	152 ^{1/}	--	--	--
	L	280 ^{1/}	--	120	80
9311328 Small Ruminants - CRSP	G	(10,369)	(718)	(718)	--
Appropriation Total		432	--	120	80
Country Total		432	--	120	80

^{1/} LOP loan amount includes proposed project extension thru 9/90; LOP grant for proposed extension includes deob/reob for FY 88, FY 89.

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 4
CHILD SURVIVAL
(\$000)

527 - Peru

APPROPRIATION ACCOUNT PROJECT NO. TITLE	L/G	LIFE OF PROJECT	FY 87 ESTIMATE	FY 88 ESTIMATE	FY 89 AAPL
Health					
5270231 Expanded Reforestation Prog OPG	G	75	--	--	--
Other CS Functions	G	(75)	--	--	--
5270247 Expanded Feeding Program (OFASA) OPG	G	175	--	--	--
Other CS Functions	G	(175)	--	--	--
5270248 Caritas Feeding Program OPG	G	125	--	--	--
Other CS Functions	G	(125)	--	--	--
5270261 Basic Infrastructure in Pueblos Jovenes	G	75	--	--	--
Other CS Functions	G	(75)	--	--	--
5270311 Identification of High Risk Families to Reduce Child Mortality	G	686	435.4	--	--
Oral Rehydration	G	(98)	(62.2)	--	--
Immunizations	G	(147)	(93.3)	--	--
Nutrition	G	(294)	(186.6)	--	--
High Risks Births	G	(98)	(62.2)	--	--
Other CS Functions	G	(49)	(31.1)	--	--
Appropriation Total		1,136	435.4	--	--
Child Survival					
5270285 Child Survival Action Project	G	18,000	3,500	3,867	3,425
Oral Rehydration	G	(1,254)	(200)	(300)	(250)
Immunizations	G	(2,144)	(800)	(1,000)	(344)
Nutrition	G	(504)	(50)	(100)	(150)
High Risks Births	G	(3,105)	(700)	(800)	(850)
Other CS Functions	G	(10,993)	(1,750)	(1,667)	(1,831)
Appropriation Total		18,000	3,500	3,867	3,425
Country Total		19,136	3,935.4	3,867	3,425
Oral Rehydration		(1,352)	(262.2)	(300)	(250)
Immunizations		(2,291)	(893.3)	(1,000)	(344)
Nutrition		(798)	(236.6)	(100)	(150)
High Risks Births		(3,203)	(762.2)	(800)	(850)
Other CS Functions		(11,492)	(1,781.1)	(1,667)	(1,831)

FY 1989 ANNUAL BUDGET SUBMISSION
 TABLE IV ATTACHMENT 5
 DA AND ESF DIRECT DOLLAR COMMITMENTS
 (US\$ Thousands)

		FY 89	
		Local PVOs and NGOs	US PVOs
<u>ARDN</u>			
	527-9999 OPGs (Food Assistance)	250	250
<u>HEALTH</u>			
	527-0285 Child Survival Action Project	350	--
	TOTAL DA	600	250
 <u>ESF</u>			
	527-C288 CEDRO - Narcotics Education Initiatives	230	--
	TOTAL ESF	230	--

FY 1989 ANNUAL BUDGET SUBMISSION
 TABLE IV ATTACHMENT 5
 EXPENDITURE OF NON-PROJECT ASSISTANCE
 LOCAL CURRENCY GENERATIONS FOR USE BY PVOs-NGOs
 (US\$ Thousands)

	FY 89	
	<u>Local PVOs and NGOs</u>	<u>US PVOs</u>
<u>FROM ESF GENERATIONS</u>	--	--
<u>FROM DA GENERATIONS</u>	--	--
<u>FROM PL-480 GENERATIONS</u>	1,500	1,000
CARE (0261), ADRA (0247)	--	1,000
CARITAS (0248), SEPAS (0231)	1,500	--

FY 1989 ANNUAL BUDGET SUBMISSION
 TABLE IV ATTACHMENT 5
 ESF AND DA DOLLAR COMMITMENTS FOR
 MICRO AND SMALL ENTERPRISE PROGRAMS
 (US\$ Thousands)

	FY 89
<u>ESF DOLLAR COMMITMENTS</u>	--
For Micro Enterprises	
- For Credit	--
- For TA/Training	--
For Small Enterprises	
- For Credit	--
- For TA/Training	--
For Small Farmer	
- For Credit	--
- For TA/Training	
-- Upper Huallaga	--
<u>DA DOLLAR COMMITMENTS</u>	--
For Micro Enterprises	
- For Credit	--
- For TA/Training	
-- CONFLEP (0298)	--
For Small Enterprises	
- For Credit	--
- For TA/Training	
-- CONFLEP (0298)	--
-- Central Selva (0240)	--
For Small Farmer	
- For Credit	--
- For TA/Training	
-- IRVG (PD&S)	--
-- OPG Technoserve (0293)	--
-- Central Selva (0240)	--

FY 1989 ANNUAL BUDGET SUBMISSION
 TABLE IV ATTACHMENT 5
 EXPENDITURE OF NON-PROJECT ASSISTANCE
 LOCAL CURRENCY GENERATIONS FOR MICRO AND
 SMALL ENTERPRISE PROGRAMS
 (US\$ Thousands)

	FY 89
<u>FROM ESF GENERATIONS</u>	--
For Micro Enterprises	
- For Credit	--
- For TA/Training	--
For Small Enterprises	
- For Credit	--
- For TA/Training	--
For Small Farmer	
- For Credit	--
- For TA/Training	--
<u>FROM DA GENERATIONS</u>	8,000
For Micro Enterprises	
- For Credit	--
- For TA/Training	--
For Small Enterprises	
- For Credit	
-- FRI (Fondo Redescuento Agro-Industrial)	8,000
- For TA/Training	--
For Small Farmer	
- For Credit	--
- For TA/Training	--
<u>FROM PL-480 GENERATIONS</u>	5,000
For Micro Enterprises	
- For Credit	--
- For TA/Training	--
For Small Enterprises	
- For Credit	
-- Section 108	4,000
- For TA/Training	--
For Small Farmer	
- For Credit	
-- Regular PL-480	--
-- Section 108	1,000
- For TA/Training	--

AID PROGRAM IN FY 1989
ANNUAL BUDGET SUBMISSION
TABLE V - PROPOSED PROGRAM RANKING
(\$000)

RANK	PROJECT	TITLE	NEW/ CONT	LOAN/ GRANT	PROGRAM FUNDING (\$000)		
					APPROP	INCR	CUM
1	527-0282	Agricultural Technology Transformation	0	G	FN	3,400	3,400
2	527-0285	Child Survival Action	0	G	CS	3,425	6,825
3	527-0306	Policy and Program Improvement II	0	G	ESF	5,250	12,075
4	527-0310	Agriculture Marketing Agribusiness Improvement	0	G	FN	500	12,575
5		PL 480 Title I	0	L		(20,000)	12,575
6	527-0269	Private Sector Family Planning	0	G	PN	2,200	14,775
7	527-0298	Private Sector Policy Planning	0	G	SD	1,000	15,775
8	527-0272	Private Sector Management Improvement	0	G	EH	1,000	16,775
9	527-0999	Private and Voluntary Organizations	N	G	FN	500	17,275
10		PL 480 Title II	0	G		(8,348)	17,275
11	527-0000	Program Dev. and Support	0	G	FN	600	17,875
12	527-0312	Targeted Area Dev.	0	G	ESF	2,350	20,225
13	527-0288	Narcotics Education and Public Awareness	0	G	ESF	800	21,025
14	527-0313	Administration of Justice	0	G	ESF	1,000	22,025
15	527-0000	Program Dev. and Support	0	G	SD	450	22,475
16	527-0313	Andean Peace Scholarship	0	G	ESF	600	23,075
17	527-0061	Special Projects	0	G	SD	100	23,175
18	527-0000	Program Dev. and Support	0	G	HE	400	23,575

AID PROGRAM IN FY 1989
ANNUAL BUDGET SUBMISSION
TABLE V - PROPOSED PROGRAM RANKING
(\$000)

RANK	PROJECT	TITLE	NEW/ CONT	LOAN/ GRANT	APPROP	PROGRAM FUNDING (\$000)	
						INCR	CUM
19	527-0000	Program Dev. and Support	0	G	HE	25	23,600
20	527-0000	Program Dev. and Support	0	G	PN	100	23,700
21	527-0313	Andean Peace Scholarship	0	G	EH	400	24,100
22	527-0313	Andean Peace Scholarship	0	G	HE	100	24,200

LOCAL CURRENCY USE PLAN

Expected sources of local currency for the period covered are PL-480, title I commodities (\$20 million from the 1987 agreement and \$20 million from 1988), a Section 416-sugar quota grant of \$10.8 million (1987), a monetized Title II of roughly \$2.9 million (1987) and a projected \$10 million in ESF in 1988 and 1989. ESF for 1986 and 1987 was projected and is not included in Table VI. Expenditures take place in the following year.

Since the reinitiation of the Title I program in Peru (1978-1979) local currency generated by sale of Title I commodities (and above mentioned related sources) has been used to finance counterpart for AID projects, as well as selected projects of international donors (notably IDB and World Bank). Amounts generated in excess of these needs have been used to finance other priority development projects of the Peruvian government. Availability of these "surpluses" had been an important source of leverage for AID in its first efforts at policy dialogue with the GOP. However, in recent years higher counterpart requirements of AID projects and the disappearance of a "carry-over" amount generated by special programs from earlier years (e.g., the Disaster Program loan counterpart) have eliminated such surpluses. Local currency programming continues to provide a basis for policy dialogue.

Local currency uses are negotiated with the Peruvian government, usually with the Budget Office and National Planning Institute which are jointly responsible for setting and maintaining GOP investment priorities. Use of local currency as counterpart for AID projects has been essential to their timely implementation and was a key factor in reducing the large AID pipeline of several years ago.

Although several of the new sources of local currency are earmarked for specific purposes, the total available for support in 1988 should be adequate. The amount projected for 1989 is substantially lower and will with some difficulty cover Mission needs, especially with the increasing pressure from the Peruvian government to channel some to their own high priority projects. Since local currency is used to support all projects requiring local counterpart its use is closely tied to overall development strategy and specific Mission objectives. Special mention should be made of the use of existing sources, and of proposed ESF to support high priority programs in narcotics, administration of justice and the Sierra Emergency Zone. All three programs are linked by their efforts to counteract factors threatening political stability. ESF will also be used to provide counterpart for existing and proposed credit programs for the private sector, an extremely high priority given our emphasis and that of the GOP on private sector reactivation.

FY 1989 ANNUAL BUDGET SUBMISSION

Table VI: Expenditures of Local Currency Generations
(all in the U.S. dollar equivalents, and in \$ Millions)

<u>Source/Purposes</u>	<u>1986 ACTUAL</u>	<u>1987 EST.</u>	<u>1988 PLANNED</u>	<u>1989 PROP</u>
I. <u>ECONOMIC SUPPORT FUND</u>				
A. Public Development Activities	--	--	<u>3</u>	<u>6.5</u>
1. Agriculture (AID project)	--	--	1	1
2. Narcotics (AID project)	--	--	1.5	3.0
3. Administration of Justice (AID project)	--	--	0.5	1
4. Other GOP	--	--	--	1.5
B. Private Sector Programs	--	--	<u>2</u>	<u>3</u>
1. Private Sector Credit (AID project)	--	--	2	3
C. Public Sector Recurrent Budget	--	--	--	--
D. AID Operating Expenses (Trust Funds)	--	--	--	<u>0.5</u>
II. <u>DEVELOPMENT ASSISTANCE</u>				
A. Public Development Activities	--	--	--	--
B. Private Sector Programs	--	--	--	--
C. Public Sector Recurrent Budget	--	--	--	--
D. AID Operating Expenses (Trust Funds)	--	--	--	--
SUBTOTAL ESF & DA	--	--	5	10

FY 1989 ANNUAL BUDGET SUBMISSION
 Table VI: Expenditures of Local Currency Generations
 (all in the U.S. dollar equivalents, and in \$ Millions)

<u>Source/Purposes</u>	<u>1986 ACTUAL</u>	<u>1987 EST.</u>	<u>1988 PLANNED</u>	<u>1989 PROP</u>
III. <u>PL 480 AND SECTION 416</u>				
A. Public Development Activities	<u>21.9</u>	<u>19.7</u>	<u>18.7</u>	<u>12.2</u>
1. Agriculture	11.1	10.5	12.2	7.2
2. Health	3.3	1.5	1.0	1.0
3. COOP-Community Dev.	2.0	1.4	1.0	1.0
4. Narcotics	2.4	2.7	2.7	2.0
5. Administration of Justice	0.2	0.8	0.8	1.0
6. South Sierra	2.9	--	--	--
7. Other GOP	--	2.8	1.0	--
8. Other Donors	--	--	--	--
B. Private Sector Programs	<u>2.1</u>	<u>2.4</u>	<u>10.0</u>	<u>7.0</u>
1. PVOs	1.2	2.0	5.0	3.0
2. PRIDA - Credit	0.9	0.4	--	--
3. Private Sector Credit	--	--	5.0	4.0
C. Public Sector Recurrent Budget	<u>1.0</u>	<u>1.4</u>	<u>2.8</u>	<u>1.8</u>
1. FFD Logistical Support	1.0	0.4	0.8	0.8
2. Child Survival	--	1.0	2.0	1.0
D. AID Operating Expenses (Trust Funds)	--	--	<u>0.5</u>	--
<hr/>				
SUBTOTAL PL 480 AND SECTION 416	25	23.5	32	21
TOTALS	25	23.5	37	31

Table VIII (a) OE Narrative

A. Summary

The Mission management strategy is consistent with and flows from the overall U.S. Policy in Peru and decisions taken in AID/W during the Action Plan review. Workforce and OE dollar control levels established by STATE 36581 have been adhered to. The management strategy takes account of a substantial decrease in overall Mission size with the phasing out of the major program of reconstruction in the aftermath of the El Niño natural disaster of 1983. These reductions of program funded personnel attached to the Mission will be achieved by the end of 1987. These reductions along with a 35% reduction in USDH staff since 1985 permit the realization of some significant savings, especially the rentine of space in the new AID leased building to

(\$000, Total OE Budget)

<u>Function Code</u>	<u>FY-87</u>	<u>FY-88</u>	<u>% Change</u>	<u>FY-89</u>	<u>FY -89 % Change from FY 88</u>
U100	\$1,941.3	\$1,887.7	- 2.8	\$1,810.3	- 4.1
U200	847.0	1,059.7	+ 25.1	1,377.6	+ 30.0
U300	1,300.8	1,574.4	+ 21.0	1,990.5	+ 26.4
U400	286.7	332.5	+ 16.0	618.9	+ 86.1
U500	<u>1,891.3</u>	<u>1,594.0</u>	<u>- 15.7</u>	<u>2,466.1</u>	<u>+ 54.7</u>
Total OE	\$6,267.1	6,448.3	+ 2.9	8,263.4	+ 28.2

1) US Direct Hire, U-100

Minor cost decreases between fiscal years reflect the shrinkage in USDH workyears and reduced costs due to timing of post assignment and home leave travel.

2) Foreign National Direct Hire, U-200

Cost changes are fully driven by domestic inflation and GOP exchange rate management policy. Budgeted units are straight-lined but unit cost increases are projected based on current experience of authorized increases in the Post Joint Compensation Plan.

3) Contract Personnel, U-300

Again, cost changes are driven by pressures on local currency costs. The rate of increase between FY87 and FY88 is slightly less than between FY88 and FY89 due to the decrease in units financed in FY88 under function code U-306, Manpower costs. A decrease of 14% in the number of units to be obligated is planned in order to comply the the FY88 budget target.

4) Housing, U-400

The function code reflects the gradual rise in residential lease costs in Lima. These cost are not increasing at the same rate as other local costs because rents are historically dollar-based and a shrinking expatriate community, due to security conditions, is slowing housing demand expansion. Also reflected in the 86.1% increase from FY88 to FY89 is the impact of zero non-expendable replacement property procurement budgeted in FY88. Due to budget restrictions, procurements have been deferred until FY89.

5) Office Operations, U-500

Office operations expenses are projected to decrease by 15.7% from FY87 to FY88 and increase 54.7% from FY88 to FY89. While upward pressure of local costs exists as noted above, cuts had to be made in FY88 to meet the established budget level. Again, all non-expendable property procurement was postponed in FY88 and added to the FY89 estimate. The feasibility of postponing procurement at this Mission is unrealistic. Vehicles and other NXP meet replacement criteria now.

C. Management Improvements

The Mission will continue to limit the number of project management units in the portfolio by concentrating investments in high priority sectors as outlined earlier in this ABS. Also projects currently being designed will seek to narrow the implementation focus to fewer primary implementing organizations. This consolidation will avoid increased demands on Mission staff for analysis of activity plans, budget reviews, commodity procurement assistance and verifying allowability of incurred costs. Project designs will also seek to use the expertise of contractor and grantee intermediaries to take greater responsibility for activity implementation and further lessen demands on the Mission for logistic/implementation support.

The Mission also has plans to revise and improve its organizational structure. A basic change involves the elimination of the Office of Health, Nutrition and Education and the establishment of the Office of Human Resources. The Human Resources Office will be composed of four divisions: Health and Nutrition, Population, Training and Social Development, and Food for Development. In addition, the Capital Development Division will be integrated into the Program and Project Development Office. The Agriculture and Rural Development Office will eliminate the Rural Development Division while continuing the Agriculture Planning, Agricultural Human/Natural Resource Development and Production Technology divisions. Also the Administration of Justice activities will be moved to the Development Resources Office. The primary purposes of these organizational modifications are to separate management staff functions from operational functions, create a more efficient structure to administer programs, systematize project development tasks and improve internal controls through a more rational segregation of duties/responsibilities within the Mission.

A primary improvement during this year will be the consolidation of Mission management into a single office building. This will enhance inter-office communication by eliminating fragmentation of Mission offices and will streamline management procedures and administrative support requirements. The building change will also allow the Mission to review, revise and tighten motor pool management procedures, NXP movement and control, and security

policies. The physical security program in the new building, with the on-going installation of an optimum Public Access Control system, will achieve the management goal of alleviating building security preoccupations in Lima, one of the most security sensitive posts in Latin America.

Also with the relocation of USAID office facilities this year, plans to incorporate rent and utility offsets will begin to take effect. Reduced cost estimates for rent and operations of the new facility are factored in the budget for space to be occupied by USIS/Peru and the Embassy Medical Unit. The Mission plans to continue this approach to utilize any available office space to reduce Mission budget requirements for rent and related costs.

The Mission will continue to draw upon the Agency's Internal Control Assessment process to examine and improve our internal controls. Currently two local CPA firms are under IQC contract to the Mission to perform a range of financial reviews/analyses of assistance recipients. Their work performance has proven to be of high quality and very cost effective in monitoring financial accountability. The Internal Control Assessment process and the annual review/certification of the adequacy of Mission internal controls has identified eight actions to improve our controls. Five actions have been completed and three are in process of implementation.

Also during FY 1986 and FY 1987, the Mission has received substantial audit coverage by the RIG/A/T with ten audit reports issued during the period. This represents a significant increase in IG oversight of portfolio activities over previous years. During this period the Mission has closed twenty audit recommendations and nine others are under review/implementation.

The MACS automated accounting system is now fully operational and planned system enhancements are a major automation objective during the Action Plan period. Also the Mission has automated its NXP records to strengthen property inventory controls. While automated applications have also been implemented for payrolls, payables tracking system and quarters allowance payments, several improvements to these PC systems are planned during the FY87-FY89 period to improve internal controls over Mission disbursement procedures.

D. Trust Fund

The Mission was successful in FY 1985 in negotiating a Trust Fund deposit as part of a cash transfer program, which is now fully disbursed. While repeated attempts have been made by the Mission to initiate other cash transfer activities, which included trust fund deposits, none have come to fruition. Since FY 1985, the only non-project assistance activity in the portfolio has been food assistance - PL 480 Title I, Title II and Section 416 Sugar Quota Grant. The Mission has submitted a proposal (Lima 5937) to utilize local currency generations under the FY87 Section 416 Grant through

the Trust Fund to defray Mission costs directly related to developing, coordinating and implementing food assistance, nutrition and agricultural development activities. Local currency equivalent to \$500,000 is planned to be generated in FY87 and expended in FY88.

A further Trust Fund generation is planned under the ESF cash transfer program in FY88 to be expended in FY89 and is reflected in the Table VIII budget data.

Organization USAID/PERU
 Budget Plan Code COEA FY 1987

TABLE VIII
 (\$000)

<u>Expense Category</u>	<u>Func. Code</u>	<u>Dollars</u>	<u>Trust Funds</u>	<u>Total</u>	<u>Units</u>
<u>U.S. Direct Hire</u>	<u>U100</u>	<u>1,941.3</u>		<u>1,941.3</u>	
* U.S. Full time Basic Pay	U101	1,064.0		1,064.0	19.5 1/
* U.S. Part time Basic Pay	U102	28.0		28.0	0.8
Differential Pay	U103	159.6		159.6	
Other AID/W Funded Code 11	U104	167.8		167.8	
Other Mission Funded Code 11	U105				
* Education Allowances	U106	122.8		122.8	17.0
Retirement	U107	92.2		92.2	
Cost of Living Allowances	U108				
Other AID/W Funded Code 12	U109	25.3		25.3	
Other Mission Funded Code 12	U110	9.0		9.0	
* Post Assignment Travel	U111	25.1		25.1	11.0
* Post Assignment Freight	U112	156.9		156.9	11.0
* Home Leave Travel	U113	30.7		30.7	7.0
* Home Leave Freight	U114	22.2		22.2	7.0
* Education Travel	U115				
* R & R Travel	U116	20.7		20.7	9.0
* Other Code 215 Travel	U117	17.0		17.0	6.0
<u>Foreign National Direct Hire</u>	<u>U200</u>	<u>847.0</u>		<u>847.0</u>	
* F.N. Basic Pay	U201	537.6		537.6	45.7
* Overtime/Holiday Pay	U202	13.0		13.0	1.5
All Other Code 11 - F.N.	U203	5.3		5.3	
All Other Code 12 - F.N.	U204	155.2		155.2	
Benefits - Former F.N. Pers.	U205	135.9		135.9	
<u>Contract Personnel</u>	<u>U300</u>	<u>1,300.8</u>		<u>1,300.8</u>	
* PASA Technicians	U301				
* U.S. PSC Salaries/Benefits	U302	106.7		106.7	2.2
All Other U.S. PSC Costs	U303	50.2		50.2	
* F.N. PSC Salaries/Benefits	U304	671.9		671.9	80.0
All Other F.N. PSC Costs	U305	14.6		14.6	
* Manpower Contracts	U306	457.4		457.4	78.1
<u>Housing</u>	<u>U400</u>	<u>286.7</u>		<u>286.7</u>	
* Residential Rent	U401	40.4		40.4	3.0
Residential Utilities	U402	1.8		1.8	
Maintenance & Renovation	U403	1.0		1.0	
* Quarters Allowances	U404	223.0		223.0	17.7
Residential Furniture/Equip	U405				
Trans/Freight - Code 311	U406	1.7		1.7	
* Security Guard Services	U407	15.6		15.6	8.0
Official Residence Allowance	U408	1.2		1.2	
Representation Allowance	U409	2.0		2.0	

* Unit data must be provided.

1/ Includes 0.5 IDI

Organization USAID/PERU
 Budget Plan Code COEA

TABLE VIII
Continued
 (\$000)

<u>Expense Category</u>	<u>Func. Code</u>	<u>Dollars</u>	<u>Trust Funds</u>	<u>Total</u>	<u>Units</u>
<u>Office Operations</u>	<u>U500</u>	<u>1,891.3</u>		<u>1,891.3</u>	
Office Rent	U501	736.1		736.1	
Office Utilities	U502	85.0		85.0	
Building Maint/Renovation	U503	111.1		111.1	
Office Furniture/Equipment	U504	0.8		0.8	
Vehicles	U505	49.3		49.3	
Other Equipment	U506	20.3		20.3	
Transportation/Freight	U507	11.0		11.0	
Furn/Equip/Veh Repair/Maint	U508	35.3		35.3	
Communications	U509	133.1		133.1	
* Security Guard Services	U510	75.0		75.0	17.5
Printing	U511	4.5		4.5	
* Site Visits - Mission	U513	40.0		40.0	114.0
* Site Visits - AID/W	U514	15.0		15.0	7.0
* Information Meetings	U515	20.5		20.5	10.0
* Training Attendance	U516	12.0		12.0	5.0
* Conference Attendance	U517	20.0		20.0	12.0
* Other Operational Travel	U518	2.5		2.5	1.0
Supplies & Materials	U519	305.8		305.8	
PAAS	U520	66.0		66.0	
Contract Consulting Services	U521				
Contract Mgt/Prof. Services	U522	12.0		12.0	
Special Studies/Analyses	U523				
All Other Code 25	U524	136.0		136.0	
TOTAL OPERATING EXPENSE BUDGET		<u>6,267.1</u>		<u>6,267.1</u>	
Reconciliation		1,602.9		1,602.9	
Operating Budget Requirements					
636(c) Requirements	U601	-.-		-.-	
TOTAL ALLOWANCE REQUIREMENTS	U000	<u>4,664.2</u>		<u>4,664.2</u>	

OTHER INFORMATION

Dollar Requirements for Local Currency Purchases 2,703.2
 Exchange Rate Used (Average rate for FY 86/87) 27.75 intis to \$ 1.00
 Estimated Inflation Rate 100%

NOTE: FUNCTION CODE U512 (BIG OPERATIONAL TRAVEL) IS NO LONGER A VALID CODE.
 ALL BIG OPERATIONAL TRAVEL WILL BE CHARGED TO FUNCTION CODES U513
 THROUGH U518 AS APPROPRIATE.

* Unit data must be provided.

Organization USAID/PERU
 Budget Plan Code COFA FY-1988

TABLE VIII
 (\$000)

<u>Expense Category</u>	<u>Func. Code</u>	<u>Dollars</u>	<u>Trust Funds</u>	<u>Total</u>	<u>Units</u>
<u>U.S. Direct Hire</u>	<u>U100</u>	<u>1,887.7</u>		<u>1,887.7</u>	
* U.S. Full time Basic Pay	U101	1,028.0		1,028.0	19.0
* U.S. Part time Basic Pay	U102	28.0		28.0	0.8
Differential Pay	U103	154.2		154.2	
Other AID/W Funded Code 11	U104	162.5		162.5	
Other Mission Funded Code 11	U105				
* Education Allowances	U106	121.4		121.4	18.5
Retirement	U107	89.1		89.1	
Cost of Living Allowances	U108				
Other AID/W Funded Code 12	U109	26.6		26.6	
Other Mission Funded Code 12	U110	5.0		5.0	
* Post Assignment Travel	U111	25.1		25.1	11.0
* Post Assignment Freight	U112	159.5		159.5	11.0
* Home Leave Travel	U113	29.8		29.8	8.0
* Home Leave Freight	U114	24.0		24.0	8.0
* Education Travel	U115				
* R & R Travel	U116	16.5		16.5	7.0
* Other Code 215 Travel	U117	18.0		18.0	6.0
<u>Foreign National Direct Hire</u>	<u>U200</u>	<u>1,059.7</u>		<u>1,059.7</u>	
* F.N. Basic Pay	U201	698.9		698.9	45.7
* Overtime/Holiday Pay	U202	17.0		17.0	1.5
All Other Code 11 - F.N.	U203	6.9		6.9	
All Other Code 12 - F.N.	U204	160.2		160.2	
Benefits - Former F.N. Pers.	U205	176.7		176.7	
<u>Contract Personnel</u>	<u>U300</u>	<u>1,074.4</u>	<u>500.0</u>	<u>1,574.4</u>	
* PASK Technicians	U301				
* U.S. PSC Salaries/Benefits	U302	156.7		156.7	3.0
All Other U.S. PSC Costs	U303	69.2		69.2	
* F.N. PSC Salaries/Benefits	U304	362.5	500.0	862.5	70.0
All Other F.N. PSC Costs	U305	36.0		36.0	
* Manpower Contracts	U306	450.0		450.0	67.0
<u>Housing</u>	<u>U400</u>	<u>332.5</u>		<u>332.5</u>	
* Residential Rent	U401	42.9		42.9	3.0
Residential Utilities	U402	2.6		2.6	
Maintenance & Renovation	U403	1.5		1.5	
* Quarters Allowances	U404	264.5		264.5	19.0
Residential Furniture/Equip	U405				
Trans/Freight - Code 311	U406				
* Security Guard Services	U407	12.0		12.0	6.0
Official Residence Allowance	U408	5.5		5.5	
Representation Allowance	U409	3.5		3.5	

* Unit data must be provided.

Organization USAID/PERU
 Budget Plan Code COEA

TABLE VIII
 Continued
 (\$000)

<u>Expense Category</u>	<u>Func. Code</u>	<u>Dollars</u>	<u>Trust Funds</u>	<u>Total</u>	<u>Units</u>
<u>Office Operations</u>	U500	<u>1,594.0</u>		<u>1,594.0</u>	
Office Rent	U501	591.1		591.1	
Office Utilities	U502	120.0		120.0	
Building Maint/Renovation	U503	25.0		25.0	
Office Furniture/Equipment	U504				
Vehicles	U505				
Other Equipment	U506				
Transportation/Freight	U507				
Furn/Equip/Veh Repair/Maint	U508	45.9		45.9	
Communications	U509	140.0		140.0	
* Security Guard Services	U510	55.0		55.0	14.0
Printing	U511	2.0		2.0	
Site Visits - Mission	U513	48.0		48.0	125.0
* Site Visits - AID/W	U514	18.0		18.0	8.0
* Information Meetings	U515	25.0		25.0	11.0
* Training Attendance	U516	14.0		14.0	5.0
* Conference Attendance	U517	24.0		24.0	12.0
* Other Operational Travel	U518	3.0		3.0	1.0
Supplies & Materials	U519	283.0		283.0	
FAAS	U520	50.0		50.0	
Contract Consulting Services	U521				
Contract Mgt/Prof. Services	U522				
Special Studies/Analyses	U523				
All Other Code 25	U524	150.0		150.0	
TOTAL OPERATING EXPENSE BUDGET		<u>5,948.3</u>	<u>500.0</u>	<u>6,448.3</u>	
Reconciliation		1,538.4		1,538.4	
Operating Budget Requirements					
636(c) Requirements	U601	--		--	
TOTAL ALLOWANCE REQUIREMENTS	U000	<u>4,409.9</u>	<u>500.0</u>	<u>4,909.9</u>	

OTHER INFORMATION

Dollar Requirements for Local Currency Purchases 2,634.2
 Exchange Rate Used (Average rate for FY 87/88) 45.79 Intis to \$1.00
 Estimated Inflation Rate 100%

NOTE: FUNCTION CODE U512 (PIC OPERATIONAL TRAVEL) IS NO LONGER A VALID CODE.
ALL PIC OPERATIONAL TRAVEL WILL BE CHARGED TO FUNCTION CODES U513
THROUGH U518 AS APPROPRIATE.

* Unit data must be provided.

Organization USAID/PERU
 Budget Plan Code COEA

FY 1989
 TABLE VIII
 (\$000)

<u>Expense Category</u>	<u>Func. Code</u>	<u>Dollars</u>	<u>Trust Funds</u>	<u>Total</u>	<u>Units</u>
<u>U.S. Direct Hire</u>	<u>U100</u>	<u>1,810.3</u>		<u>1,810.3</u>	
* U.S. Full time Basic Pay	U101	1,028.0		1,028.0	19.0
* U.S. Part time Basic Pay	U102	28.0		28.0	0.8
Differential Pay	U103	154.2		154.2	
Other AID/W Funded Code 11	U104	162.5		162.5	
Other Mission Funded Code 11	U105				
* Education Allowances	U106	121.8		121.8	19.5
Retirement	U107	89.1		89.1	
Cost of Living Allowances	U108				
Other AID/W Funded Code 12	U109	26.6		26.6	
Other Mission Funded Code 12	U110	5.0		5.0	
* Post Assignment Travel	U111	18.5		18.5	5.0
* Post Assignment Freight	U112	84.0		84.0	5.0
* Home Leave Travel	U113	14.0		14.0	5.0
* Home Leave Freight	U114	15.5		15.5	5.0
* Education Travel	U115				
* R & R Travel	U116	44.1		44.1	13.0
* Other Code 215 Travel	U117	19.0		19.0	6.0
<u>Foreign National Direct Hire</u>	<u>U200</u>	<u>1,377.6</u>		<u>1,377.6</u>	
* F.N. Basic Pay	U201	908.6		908.6	45.7
* Overtime/Holiday Pay	U202	22.0		22.0	1.5
All Other Code 11 - F.N.	U203	9.0		9.0	
All Other Code 12 - F.N.	U204	208.3		208.3	
Benefits - Former F.N. Pers.	U205	229.7		229.7	
<u>Contract Personnel</u>	<u>U300</u>	<u>1,490.5</u>	<u>500.0</u>	<u>1,990.5</u>	
* PSEA Technicians	U301				
* U.S. PSC Salaries/Benefits	U302	164.5		164.5	3.0
All Other U.S. PSC Costs	U303	72.6		72.6	
* F.N. PSC Salaries/Benefits	U304	621.2	500.0	1,121.2	79.0
All Other F.N. PSC Costs	U305	24.7		24.7	
* Manpower Contracts	U306	607.5		607.5	67.0
<u>Housing</u>	<u>U400</u>	<u>618.9</u>		<u>618.9</u>	
* Residential Rent	U401	47.1		47.1	3.0
Residential Utilities	U402	3.3		3.3	
Maintenance & Renovation	U403	2.0		2.0	
* Quarters Allowances	U404	292.6		292.6	19.0
Residential Furniture/Equip	U405	162.6		162.6	
Trans/Freight - Code 311	U406	81.3		81.3	
* Security Guard Services	U407	20.0		20.0	6.0
Official Residence Allowance	U408	6.0		6.0	
Representation Allowance	U409	4.0		4.0	

* Unit data must be provided.

Organization USAID/PERU
 Budget Plan Code COEA

TABLE VIII
 Continued
 (\$000)

<u>Expense Category</u>	<u>Func. Code</u>	<u>Dollars</u>	<u>Trust Funds</u>	<u>Total</u>	<u>Units</u>
Office Operations	U500	2,466.1		2,466.1	
Office Rent	U501	644.4		644.4	
Office Utilities	U502	156.0		156.0	
Building Maint/Renovation	U503	80.0		80.0	
Office Furniture/Equipment	U504	120.3		120.3	
Vehicles	U505	107.0		107.0	
Other Equipment	U506	123.4		123.4	
Transportation/Freight	U507	93.6		93.6	
Furn/Equip/Veh Repair/Maint	U508	59.7		59.7	
Communications	U509	191.1		191.1	
* Security Guard Services	U510	74.2		74.2	14.0
Printing	U511	2.5		2.5	
* Site Visits - Mission	U513	57.6		57.6	137.0
* Site Visits - AID/W	U514	21.5		21.5	9.0
* Information Meetings	U515	30.0		30.0	12.0
* Training Attendance	U516	17.0		17.0	6.0
* Conference Attendance	U517	29.0		29.0	13.0
* Other Operational Travel	U518	3.4		3.4	1.0
Supplies & Materials	U519	397.4		397.4	
FAAS	U520	50.0		50.0	
Contract Consulting Services	U521				
Contract Mgt/Prof. Services	U522				
Special Studies/Analyses	U523				
All Other Code 25	U524	208.0		208.0	
TOTAL OPERATING EXPENSE BUDGET		7,763.4	500.0	8,263.4	
Reconciliation		1,538.4		1,538.4	
Operating Budget Requirements					
636(c) Requirements	U601	--		--	
TOTAL ALLOWANCE REQUIREMENTS	U000	6,225.0	500.0	6,725.0	

OTHER INFORMATION

Dollar Requirements for Local Currency Purchases 4,236.7
 Exchange Rate Used (Average rate for FY 88/89) 75.55 Intis to \$1.00
 Estimated Inflation Rate 100%

NOTE: FUNCTION CODE U512 (PIC OPERATIONAL TRAVEL) IS NO LONGER A VALID CODE.
ALL PIC OPERATIONAL TRAVEL WILL BE CHARGED TO FUNCTION CODES U513
THROUGH U518 AS APPROPRIATE.

* Unit data must be provided.

Organization USAID/PERU

TABLE VIII(b)
Information on U.S. PSC Costs

<u>Job Title/Description</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>
1. Administrative Assistant to Mission Director	32.0 (9/1/87 - 8/31/88)	32.0 (9/1/88 - 8/31/89)	33.6 (9/1/89 - 8/31/90)
2. Executive Management Officer	21.0 (1/1/88 - 3/31/88)	69.3 (4/1/88 - 3/31/89)	72.8 (4/1/89 - 3/31/90)
3. Supervisor Financial Analyst	32.0 (0.2 work years)	-	-
4. Assistant to Executive Officer Assist Executive Officer in all functions.	25.6 (2/15 - 7/30/87)	-	-
5. Short-Term Contracts	46.3 (0.5 work years)	124.6 (1.0 work year)	130.7 (1.0 work year)
	<u>156.9</u>	<u>225.9</u>	<u>237.1</u>

Organization USAID/PERU

TABLE VIII(c)
All Other Code 25 Detail

<u>Description</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>
Xerox copying machine rental	14.1 (03/87-10/87)	28.5 (10/87-10/88)	38.5 (10/88-10/89)
Other services (Secretaries/ Clerical, non-personal services)	121.9	121.5	169.5
	<u>136.0</u>	<u>150.0</u>	<u>208.0</u>

Organization USAID/PERU

TABLE VIII(d)
Manpower Contract Detail

<u>Description</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>
Drivers/Maintenance/Janitorial Serv.	457.4 (78.1 wkys)	450.0 (67.0 wkys)	607.5 (67.0 wkys)

ADP Narrative

USAID/Peru continues to be a heavy user of both data processing and word processing resources. With major hardware procurements executed in FY's 85, 86 and 87 the USAID has been able to generate an intense effort to increase user capabilities via in house training initiatives and begin maximizing expertise in MACS, DATEL, BATCH Tracking plus project monitoring programs. Increased emphasis has been given to introduce and refine data processing expertise since word processing capability in the Mission is very high.

Technical offices are receiving in-house training in

- Multiplan
- Lotus 1-2-3
- D Base II
- Word Processing

Programs developed include:

- Local Payroll
- USPSC Payroll
- Operating Expenses
- Voucher Tracking
- Living Quarter Allowance
- Financial Activities Follow-up
- Contractors Compensation System
- NXP System, Expendable System
- Patrimonial System
- Personnel System
- Library System
- Procurement System
- WANG Equipment Control

Future Plans

Over the medium term, USAID/Peru plans to enhance its VS 100 operations with computer graphics and will integrate its PC and VS 100 operations.

While the data processing personnel in the controllers office are concentrating on MACS enhancements and integration, the Mission will direct their efforts to the following priority ADP applications:

- Project Management Actions Tracing System
- Mission Study and Reports Library System
- Enhanced Data Base of Economic Indicators (Macroeconomic Information)
- Inter-office Electronic Communication and Filing
- Maintenance Control
- Scholarship Directorate

It continues to be the Mission's goal to increase our WS/user percentage as much as possible. Terminal acquisition has meant heavy investment in memory upgrade, new disk drive and other expensive pieces of hardware that allows an increased number of peripherals to be connected to the CPU's.

The table below illustrates current workstation/user percentages and projections through the next three years:

	FY 87	FY 88	FY 89
- Workstations	67	67	75
- Users	119	119	119
- Ratio	0.56	0.56	0.63

Table VIII (e)

Obligation for Acquisition, Operation and use of
Information Technology Systems

ITEM AND EXPLANATION	FY 1987	FY 1988	FY 1989
1. <u>Capital Investment</u>			
A. <u>Purchase of hardware</u>			
2 PC-S1-2	X	-	
2 PC-PM002	X		
2 PC-PM101	X		
2 PC-PM004	X		
2 PC-PM141	X		
5 PC-AC001	X		
1 APC-PM029	X		
1 APC-PM036	X		
8 PC-S1-2	-	-	X
8 PC-PM002	-	-	X
8 PC-PM101	-	-	X
8 PC-PM004	-	-	X
8 PC-PM141	-	-	X
20 PC-AC001	-	-	X
4 DW/OS-55	-	-	X
	<hr/>	<hr/>	<hr/>
Total equipment Purchase	9.4	0	53.9
Note: All Wang equipment			

	FY 1987	FY 1988	FY1989
B. <u>Purchase of Software</u>			
DBASE III Plus, PACE, Lotus 2.0, Graphics Facility, Wang Office, SPSS, Microsoft Projects, Local Communications File Sharer, etc.	15.2	12.3	18.5
C. <u>Site Facility</u>			
Cost of proposed site construction to prepare for setting up a WANG VS or WANG OIS automation system, such as raised floors, walls, air conditioning and uninterruptible power sources.	4.0	3.0	3.0
SUBTOTAL	28.6	15.3	75.4

2. <u>Personnel</u>	FY 1987	FY 1988	FY1989
<u>A. Total Compensation, Benefits and Travel</u>			
Personnel Compensation and Benefits	55.2	58.3	62.4
Travel			
LAC Automation Workshop	3.9	3.9	3.9
MACS Users Conference	5.4	5.4	5.4
Wang Training	0.0	5.0	5.0
	—	—	—
Total Compensation, Benefits and Travel	64.5	72.6	76.7
 <u>B. Total Workyears</u>			
Number of Personnel engaged in			
Systems Management	1	1	1
Systems Operation	2	2	2
Programming and Systems Development	2	2	2
Clerical Support	0	0	0
(Personnel that use systems are not included)			
Total Person years	5	5	5

	FY 1987	FY 1988	FY1989
C. <u>Operations and Maintenance</u>			
(1) <u>Operations</u>			
Funds to be obligated for contractor services to operate a WANG VS computer or an OIS System (System administrator and staff, not workstation operators).	0.0	0.0	0.0
(2) <u>Maintenance</u>			
Obligations for contracts to maintain government owned equipment (hardware) and software that is to be acquired in 1A and 1B above.	0.0	0.0	0.0
D. <u>Systems Analysis and Programming</u>	0.0	0.0	0.0
E. <u>System Design and Engineering</u>	0.0	0.0	0.0
F. <u>Studies and Other</u>			
WPS Maintenance	0.0	0.0	6.0
SUBTOTAL COMMERCIAL SERVICES	0.0	0.0	6.0
	_____	_____	_____

3. Equipment Rental, Space and Other

Operating Costs

FY 1987 FY 1988 FY 1989

A. Lease of Equipment

Obligations for lease and maintenance of non-government owned equipment (rented equipment).

0.0 0.0 0.0

B. Space

Obligations for lease of space to house automation equipment, office space for personnel (direct-hire and contractor) involved in the information technology function (See 2A & 2B) including basic utilities and house-keeping services.

0.0 0.0 0.0

C. Supplies and Other Material

Obligations for supplies and software rental (not included in a rental contract for equipment)

25.0 25.0 25.0

D. Non-Commercial Training

Obligations for planning and conducting government operated training to prepare users to make effective use of resources.

0.0 0.0 0.0

SUBTOTAL Equipment Rental, Space and
Other Operating Costs

25.0 25.0 25.0

	FY 1987	FY 1988	FY 1989
4. <u>Commercial Services</u>			
This includes obligations for services where payments are made to private industry.	0.0	0.0	0.0
A. <u>Computer Time</u>			
Obligations to fund contracts with a private firm to provide computer time to the Mission.	0.0	0.0	0.0
B. <u>Leased Telecommunications Services</u>			
Obligations for leased telephone lines and other telecommunications services to obtain data from other computers or to transmit data. For Missions, where applicable include, but identify separately, the lease of local telephone lines and modems to reach the American Embassy's Office of Communications for the purpose of transmission fo data to and from AID/W.			
Lease of telephone line for international tele-communication connection	4.0	4.4	5.6
<hr/>			
5. TOTAL DOLLARS	122.1	117.3	188.7
TOTAL WORKYEARS	5	5	5
<hr/>			

6. <u>MISSION ALLOWANCE LEVELS</u>	FY 1987	FY 1988	FY 1989
A. Amounts included in Mission allowances for existing systems (includes 2A, 3.) (Services for equipment in place only).	<u>89.5</u>	<u>97.6</u>	<u>101.7</u>
B. Amounts included in Mission allowances for new or expanded systems (includes 1, 2A and 4). (Equipment and services for new efforts beginning during the FY)/	<u>97.1</u>	<u>92.3</u>	<u>157.7</u>

TABLE VIII (f) - 1
TABLE VIII (f) 1
Report on Motor Vehicle Operations

A. <u>Numbers of Vehicles:</u>			
1. <u>Purchased Vehicles:</u>			
(a) Number of vehicles on-hand at start of year	13	11	8
(b) Plus Number of vehicles to be purchased during the year	3	0	6
(c) Less Number of vehicles to be disposed of during the year	5	3	3
(d) Number of vehicles on hand end of year	-----	-----	-----
	11	8	11
	=====	=====	=====
2. <u>Leased Vehicles:</u>			
Average number of leased vehicles in use during year	-----	-----	-----
B. <u>Estimated Obligations:</u>			
1. Vehicle Purchases	49.3	0	107.0
2. Special modifications (such as armor plating)	0	0	0
3. Transportation of purchased vehicles	5.5	0	18.5
4. Vehicle Leases			
5. Vehicle Maintenance/Repairs	3.9	4.2	5.2
6. Salaries/Benefits of Drivers/Dispatchers	54.2	57.6	59.0
7. Supplies/Materials/Gas/Oil	32.2	35.0	37.0
8. Rental of Warehouse/Garage space	6.0	6.0	6.0
9. Other Miscellaneous Costs	3.7	3.9	4.1
	-----	-----	-----
10. Total Obligations	154.8	106.7	236.8
	=====	=====	=====
C. <u>Estimated Disbursements:</u>			
1. Vehicle Purchases	83.3	49.3	53.0
2. Special modifications (such as armor plating)	0	0	0
3. Transportation of purchased vehicles	1.4	12.5	9.0
4. Vehicle Leases	0	0	0
5. Vehicle Maintenance/Repairs	1.1	1.6	1.8
6. Salaries/Benefits of Drivers/Dispatchers	88.8	60.0	60.0
7. Supplies/Materials/Gas/Oil	37.6	40.0	37.5
8. Rental of Warehouse/Garage space	6.0	6.0	6.0
9. Other Miscellaneous Costs	0	0	0
	-----	-----	-----
	218.2	169.4	167.3
	=====	=====	=====
D. Vehicles included in (A) above owned by A.I.D. but operated/maintenance by JAO/Embassy motor pool:			
(1) On-hand at start of year			
(2) To be purchased during the year			
(3) To be disposed during the year			

Country/Office PERU

FY 1989 ANNUAL BUDGET SUBMISSION

TABLE XI

P.L. 480 TITLE I/III REQUIREMENTS
(Dollars in Millions, Tonnage in Thousands)

	ACTUAL		ESTIMATED		PROJECTED	
	FY 1987		FY 1988		FY 1989	
	\$	MT	\$	MT	\$	MT
<u>COMMODITIES</u>						
<u>Title I</u>						
Wheat/Wheat Flour	13.0	117	20.0	185	20.0	182
Rice	7.0	38				
<u>Total</u>	<u>20.0</u>	<u>155</u>	<u>20.0</u>	<u>185</u>	<u>20.0</u>	<u>182</u>
of which						
Title III						

Total

COMMENT:

FY 1988 ANNUAL BUDGET SUBMISSION
TABLE XIII
PL 480 TITLE II

I. Country PERU

Sponsor's Name CATHOLIC RELIEF SERVICES

A. Maternal and Child Health.....			Total Recipients
			(Thousands)
No. of Recipients	Name of Commodity	KGS	Dollars
90.0	NFDM	1,440	158.8
90.0	VEGOIL	180	118.3
90.0	WHEAT FLOUR	2,520	433.4
Total MCH			4,140

B. Pre-school Feeding.....			Total Recipients
			(Thousands)
No. of Recipients	Name of Commodity	KGS	Dollars
30.0	NFDM	270	29.8
30.0	VEGOIL	135	88.8
30.0	WHEAT FLOUR	810	139.3
Total Pre-school Feeding			1,215

C. Other Child Feeding.....			Total Recipients
			(Thousands)
No. of Recipients	Name of Commodity	KGS	Dollars
30.0	NFDM	360	39.7
30.0	VEGOIL	180	118.3
30.0	WHEAT FLOUR	1,080	185.7
Total Other Child Feeding			1,620

D. Food For Work.....			Total Recipients
			(Thousands)
No. of Recipients	Name of Commodity	KGS	Dollars
225.5	NFDM	1,218	134.3
225.5	VEGOIL	406	266.7
225.5	WHEAT FLOUR	8,118	1,396.0
Total Food For Work			9,742

E. Other (Specify) OTHER CHILD FEEDING			Total Recipients
			(Thousands)
No. of Recipients	Name of Commodity	KGS	Dollars
30.0	NFDM	360	39.7
30.0	VEGOIL	180	118.3
30.0	WHEAT FLOUR	720	123.8
Total Other			1,260

II. Sponsor's Name CRS/CARITAS

III. Sponsor Total:Beneficiaries (000) 405.5 17,977 MT \$ 3,390.9

FY 1988 ANNUAL BUDGET SUBMISSION
TABLE XIII
PL 480 TITLE II

I. Country PERU

Sponsor's Name CHURCH WORLD SERVICE

A. Maternal and Child Health.....		Total Recipients	15.0
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
15.0	NFDM	180	19.9
15.0	VEGOIL	30	19.7
15.0	WHEAT FLOUR	420	72.2
<u>Total MCH</u>		<u>630</u>	<u>111.8</u>

B. Pre-school Feeding.....		Total Recipients	1.0
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
1.0	NFDM	12	1.3
1.0	WHEAT FLOUR	60	10.3
<u>Total Pre-school Feeding</u>		<u>72</u>	<u>11.6</u>

C. Other Child Feeding.....		Total Recipients	1.0
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
1.0	NFDM	12	1.3
1.0	WHEAT FLOUR	60	10.3
1.0			
<u>Total Other Child Feeding</u>		<u>72</u>	<u>11.6</u>

D. Food For Work.....		Total Recipients	40.0
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
40.0	NFDM	288	31.8
40.0	VEGOIL	96	63.2
40.0	WHEAT FLOUR	2,880	495.2
<u>Total Food For Work</u>		<u>3,264</u>	<u>590.2</u>

E.		Total Recipients	
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
<u>Total Other</u>			

II. Sponsor's Name CWS

III. Sponsor Total:Beneficiaries (000) 57.0 4,038 MT \$ 725.2

FY 1988 ANNUAL BUDGET SUBMISSION
TABLE XIII
PL 480 TITLE II

I. Country PERU

Sponsor's Name ADRA/OFASA

A. Maternal and Child Health.....		Total Recipients	102.0
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
102.0	BULGUR	2,100	387.5
102.0	NFDM	900	99.2
102.0	VEGOIL	150	98.6
Total MCH		3,150	585.3

B. Pre-school Feeding.....		Total Recipients	
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
Total Pre-school Feeding			

C. Other Child Feeding (30 days)		Total Recipients	9.4
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
9.4	BULGUR	525	96.8
9.4	NFDM	105	11.6
Total Other Child Feeding		630	108.4

D. Food For Work.....		Total Recipients	130.4
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
130.4	BULGUR	10,946	2,019.8
130.4	NFDM	1,095	120.7
130.4	VEGOIL	365	239.9
Total Food For Work		12,406	2,380.4

E. Other (Specify) General Relief		Total Recipients	3.8
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
3.8	BULGUR	840	155.0
3.8	NFDM	180	19.9
3.8	VEGOIL	30	19.7
Total Other		1,050	194.6

II. Sponsor's Name ADRA/OFASA

III. Sponsor Total:Beneficiaries (000) 245.6 17,236 MT \$ 3,268.7

FY 1988 ANNUAL BUDGET SUBMISSION

TABLE XIII
PL 480 TITLE II
FY 1989

I. Country PERU

Sponsor's Name CARE/PERU

A. Maternal and Child Health.....			Total Recipients
No. of Recipients			(Thousands)
by Commodity	Name of Commodity	KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total MCH			

B. Pre-school Feeding.....			Total Recipients
No. of Recipients			(Thousands)
by Commodity	Name of Commodity	KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total Pre-school Feeding			

C. Other Child Feeding.....			Total Recipients
No. of Recipients			(Thousands)
by Commodity	Name of Commodity	KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total Other Child Feeding			

D. Food For Work.....			Total Recipients
No. of Recipients			(Thousands)
by Commodity	Name of Commodity	KGS	Dollars
50.0	NFDM	360	40.6
50.0	RICE	3,600	664.1
50.0	VEGOIL	120	80.9
Total Food For Work		4,080	785.6

E.			Total Recipients
No. of Recipients			(Thousands)
by Commodity	Name of Commodity	KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total Other			

II. Sponsor's Name _____

III. Sponsor Total:Beneficiaries (000) 50.0 4,080 MT \$ 785.6

FY 1988 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 1989

I. Country PERU

Sponsor's Name CATHOLIC RELIEF SERVICES

A. Maternal and Child Health.....		Total Recipients	90.0
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
90.0	NFDM	1,440	162.6
90.0	VEGOIL	180	121.1
90.0	WHEAT FLOUR	2,520	443.8
<u>Total MCH</u>		<u>4,140</u>	<u>727.5</u>

B. Pre-school Feeding.....		Total Recipients	30.0
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
30.0	NFDM	270	30.5
30.0	VEGOIL	135	90.9
30.0	WHEAT FLOUR	810	142.6
<u>Total Pre-school Feeding</u>		<u>1,215</u>	<u>264.0</u>

C. Other Child Feeding.....		Total Recipients	30.0
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
30.0	NFDM	360	40.7
30.0	VEGOIL	180	121.1
30.0	WHEAT FLOUR	1,080	190.2
<u>Total Other Child Feeding</u>		<u>1,620</u>	<u>352.0</u>

D. Food For Work.....		Total Recipients	225.5
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
225.5	NFDM	1,218	137.5
225.5	VEGOIL	406	273.1
225.5	WHEAT FLOUR	8,118	1,429.5
<u>Total Food For Work</u>		<u>9,742</u>	<u>1,840.1</u>

E. Other (Specify) OTHER CHILD FEEDING		Total Recipients	30.0
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
30.0	NFDM	360	40.7
30.0	VEGOIL	180	121.2
30.0	WHEAT FLOUR	720	126.8
<u>Total Other</u>		<u>1,260</u>	<u>288.7</u>

II. Sponsor's Name CRS/CARITAS

III. Sponsor Total:Beneficiaries (000) 405.5 17,977 MT \$ 3,472.3

FY 1988 ANNUAL BUDGET SUBMISSION

TABLE XIII
PL 480 TITLE II

FY 1989

I. Country PERU

Sponsor's Name CHURCH WORLD SERVICE

A. Maternal and Child Health.....			Total Recipients
			(Thousands)
No. of Recipients	Name of Commodity	KGS	Dollars
by Commodity			
15.0	NFDM	180	20.4
15.0	VEGOIL	30	20.2
15.0	WHEAT FLOUR	420	73.9
<u>Total MCH</u>		<u>630</u>	<u>114.5</u>

B. Pre-school Feeding.....			Total Recipients
			(Thousands)
No. of Recipients	Name of Commodity	KGS	Dollars
by Commodity			
1.0	NFDM	12	1.4
1.0	WHEAT FLOUR	60	10.6
<u>Total Pre-school Feeding</u>		<u>72</u>	<u>12.0</u>

C. Other Child Feeding.....			Total Recipients
			(Thousands)
No. of Recipients	Name of Commodity	KGS	Dollars
by Commodity			
1.0	NFDM	12	1.4
1.0	WHEAT FLOUR	60	10.6
<u>Total Other Child Feeding</u>		<u>72</u>	<u>12.0</u>

D. Food For Work.....			Total Recipients
			(Thousands)
No. of Recipients	Name of Commodity	KGS	Dollars
by Commodity			
40.0	NFDM	288	32.6
40.0	VEGOIL	96	64.7
40.0	WHEAT FLOUR	2,880	507.0
<u>Total Food For Work</u>		<u>3,264</u>	<u>604.3</u>

E. Other (Specify)			Total Recipients
			(Thousands)
No. of Recipients	Name of Commodity	KGS	Dollars
by Commodity			
<u>Total Other</u>			

II. Sponsor's Name CWS

III. Sponsor Total:Beneficiaries (000) 57.0 4,038 MT \$ 742.8

FY 1988 ANNUAL BUDGET SUBMISSION
TABLE XIII
PL 480 TITLE II
FY 1989

I. Country PERU

Sponsor's Name ADRA/OFASA

A. Maternal and Child Health.....		Total Recipients	102.0
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
102.0	BULGUR	2,100	396.8
102.0	NFDM	900	101.6
102.0	VEGOIL	150	101.0
<u>Total MCH</u>		<u>3,150</u>	<u>599.4</u>

B. Pre-school Feeding.....		Total Recipients	
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
<u>Total Pre-school Feeding</u>			

C. Other Child Feeding (30 days)		Total Recipients	9.4
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
9.4	BULGUR	525	99.1
9.4	NFDM	105	11.9
<u>Total Other Child Feeding</u>		<u>630</u>	<u>111.0</u>

D. Food For Work.....		Total Recipients	130.4
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
130.4	BULGUR	10,946	2,068.3
130.4	NFDM	1,095	123.6
	VEGOIL	365	245.7
<u>Total Food For Work</u>		<u>12,406</u>	<u>2,437.6</u>

E. Other (Specify) General Relief		Total Recipients	3.8
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
3.8	BULGUR	840	158.7
3.8	NFDM	180	20.4
3.8	VEGOIL	30	20.2
<u>Total Other</u>		<u>1,050</u>	<u>199.3</u>

II. Sponsor's Name ADRA/OFASA

III. Sponsor Total:Beneficiaries (000) 245.6 17,236 MT \$ 3,347.3

FY 1988 ANNUAL BUDGET SUBMISSION
 TABLE XIII
 PL 480 TITLE II
 FY 1990

I. Country PERU

Sponsor's Name CARE/PERU

A. Maternal and Child Health.....			Total Recipients
No. of Recipients			(Thousands)
by Commodity	Name of Commodity	KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
<u>Total MCH</u>			

B. Pre-school Feeding.....			Total Recipients
No. of Recipients			(Thousands)
by Commodity	Name of Commodity	KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
<u>Total Pre-school Feeding</u>			

C. Other Child Feeding.....			Total Recipients
No. of Recipients			(Thousands)
by Commodity	Name of Commodity	KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
<u>Total Other Child Feeding</u>			

D. Food For Work.....			Total Recipients
No. of Recipients			(Thousands)
by Commodity	Name of Commodity	KGS	Dollars
50.0	NFDM	360	40.6
50.0	RICE	3,600	664.1
50.0	VEGOIL	120	80.9
<u>Total Food For Work</u>		<u>4,080</u>	<u>785.6</u>

E.			Total Recipients
No. of Recipients			(Thousands)
by Commodity	Name of Commodity	KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
<u>Total Other</u>			

II. Sponsor's Name _____

III. Sponsor Total:Beneficiaries (000) 50.0 4,080 MT \$ 785.6

FY 1988 ANNUAL BUDGET SUBMISSION
 TABLE XIII
 PL 480 TITLE II
 FY 1990

I. Country PERU

Sponsor's Name CATHOLIC RELIEF SERVICES/CARITAS

A. Maternal and Child Health.....		Total Recipients	90.0
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
90.0	NFDM	1,440	162.6
90.0	VEGOIL	180	121.1
90.0	WHEAT FLOUR	2,520	443.8
<u>Total MCH</u>		<u>4,140</u>	<u>727.5</u>

B. Pre-school Feeding.....		Total Recipients	30.0
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
30.0	NFDM	270	30.5
30.0	VEGOIL	135	90.9
	WHEAT FLOUR	810	142.6
<u>Total Pre-school Feeding</u>		<u>1,215</u>	<u>264.0</u>

C. Other Child Feeding.....		Total Recipients	30.0
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
30.0	NFDM	360	40.7
30.0	VEGOIL	180	121.1
30.0	WHEAT FLOUR	1,080	190.2
<u>Total Other Child Feeding</u>		<u>1,620</u>	<u>352.0</u>

D. Food For Work.....		Total Recipients	225.5
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
225.5	NFDM	1,218	137.5
225.5	VEGOIL	406	273.1
225.5	WHEAT FLOUR	8,118	1,429.5
<u>Total Food For Work</u>		<u>9,742</u>	<u>1,840.1</u>

E. Other (Specify) OTHER CHILD FEEDING		Total Recipients	30.0
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
30.0	NFDM	360	40.7
30.0	VEGOIL	180	121.2
30.0	WHEAT FLOUR	720	126.8
<u>Total Other</u>		<u>1,260</u>	<u>288.7</u>

II. Sponsor's Name CRS/CARITAS

III. Sponsor Total:Beneficiaries (000) 405.5 17,977 MT \$ 3,472.3

FY 1988 ANNUAL BUDGET SUBMISSION
 TABLE XIII
 PL 480 TITLE II
 FY 1990

I. Country PERU

Sponsor's Name CHURCH WORLD SERVICE

A. <u>Maternal and Child Health</u>			Total Recipients	15.0
			(Thousands)	
No. of Recipients by Commodity	Name of Commodity	KGS		Dollars
15.0	NFDM	180		20.4
15.0	VEGOIL	30		20.2
15.0	WHEAT FLOUR	420		73.9
<u>Total MCH</u>			<u>630</u>	<u>114.5</u>

B. <u>Pre-school Feeding</u>			Total Recipients	1.0
			(Thousands)	
No. of Recipients by Commodity	Name of Commodity	KGS		Dollars
1.0	NFDM	12		1.4
1.0	WHEAT FLOUR	60		10.6
<u>Total Pre-school Feeding</u>			<u>72</u>	<u>12.0</u>

C. <u>Other Child Feeding</u>			Total Recipients	1.0
			(Thousands)	
No. of Recipients by Commodity	Name of Commodity	KGS		Dollars
1.0	NFDM	12		1.4
1.0	WHEAT FLOUR	60		10.6
<u>Total Other Child Feeding</u>			<u>72</u>	<u>12.0</u>

D. <u>Food For Work</u>			Total Recipients	40.0
			(Thousands)	
No. of Recipients by Commodity	Name of Commodity	KGS		Dollars
40.0	NFDM	288		32.6
40.0	VEGOIL	96		64.7
40.0	WHEAT FLOUR	2,880		507.0
<u>Total Food For Work</u>			<u>3,264</u>	<u>604.3</u>

E. <u>Other (Specify)</u>			Total Recipients	
			(Thousands)	
No. of Recipients by Commodity	Name of Commodity	KGS		Dollars
_____	_____	_____		_____
_____	_____	_____		_____
<u>Total Other:</u>			_____	_____

II. Sponsor's Name CWS

III. Sponsor Total:Beneficiaries (000) 57.0 4,038 MT \$ 742.8

FY 1988 ANNUAL BUDGET SUBMISSION

TABLE XIII
PL 480 TITLE II

FY 1990

I. Country PERU

Sponsor's Name ADRA/OFASA

A. Maternal and Child Health.....		Total Recipients	
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
102.0	BULGUR	2,100	396.8
102.0	NFDM	900	101.6
102.0	VEGOIL	150	101.0
<u>Total MCH</u>		<u>3,150</u>	<u>599.4</u>

B. Pre-school Feeding.....		Total Recipients	
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
<u>Total Pre-school Feeding</u>			

C. Other Child Feeding (30 days)		Total Recipients	
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
9.4	BULGUR	525	99.1
9.4	NFDM	105	11.9
<u>Total Other Child Feeding</u>		<u>630</u>	<u>111.0</u>

D. Food For Work.....		Total Recipients	
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
130.4	BULGUR	10,946	2,068.3
130.4	NFDM	1,095	123.6
	VEGOIL	365	245.7
<u>Total Food For Work</u>		<u>12,406</u>	<u>2,437.6</u>

E. Other (Specify) (General Relief)		Total Recipients	
No. of Recipients		(Thousands)	
by Commodity	Name of Commodity	KGS	Dollars
	BULGUR	840	158.7
	NFDM	180	20.4
	VEGOIL	30	20.2
<u>Total Other</u>		<u>1,050</u>	<u>199.3</u>

II. Sponsor's Name ADRA/OFASA

III. Sponsor Total:Beneficiaries (000) 245.6 17,236 MT \$ 3,347.3

MISSION PRIVATIZATION PLANS

As noted in the previous ABS, the large degree of direct GOP participation in the economy and the pervasive over-regulation of economic activities, are underlying problems which impede Peruvian economic growth. To address these challenging concerns and at the same time be responsive to the controversial nature of privatization and deregulation activities in Peru, the Mission has developed a multifaceted privatization strategy. On the one hand, USAID is examining options for directly supporting GOP privatization efforts through providing technical assistance and training to CONADE, the state holding company, geared toward strengthening the capacity of this institution to design and implement a privatization program. On the other, through our portfolio of private sector and agricultural projects and our policy dialogue agenda, we are seeking means of expanding the role of Peru's private sector in the economy by: 1) reducing bureaucratic and regulatory constraints which extend GCP control; 2) reorienting key APRA officials away from statist policies and towards a more market-led model for economic growth; 3) providing technical assistance and training to key representative private sector organizations which are taking the lead both in expanding private sector participation in the economy and in presenting the GOP with sound technical analyses which demonstrate the costs of statism and excessive regulation.

Specific activities in support of the above include the recently completed PRE/Center for Privatization reconnaissance of CONADE to: a) review their privatization strategy; b) share with them the privatization experiences of other countries; and c) identify specific areas where AID could support their program. CONADE has taken credible steps which have demonstrated ample progress over the last 12 months on implementing privatization activities. These include the sale of three state companies to the private sector and important modifications to the 1987 Budget Law which, for the first time, allow CONADE to: a) modify the ownership structure of public enterprises; b) implement a program of selling these enterprises; and c) provide financial incentives for private sector buyers of the state companies. As a result of the reconnaissance visit, CONADE is now considering a modest, initial technical assistance and training package that would be implemented by the Center for Privatization, and possibly begin late this fiscal year.

The Mission is very pleased with the progress that has been made by CONADE to date. Only several months ago the topic of privatization was considered too politically controversial to be discussed by the GOP. While we are not sure whether CONADE will be able to accept the proposed AID assistance given the substantial opposition on the political left toward privatization, we will nonetheless continue to strengthen our relationship with the organization, and, to the extent possible, be prepared to provide assistance when political conditions are more favorable.

In addition to the above, selected projects in the USAID/Peru portfolio will continue to support privatization/deregulation efforts in Peru, as follows:

A) Our agriculture policy dialogue agenda (financed under the current Agricultural Planning and Institutional Development Project No. 527-0238 - \$16.4 million LOP, the Non-Traditional Agricultural Export Promotion, Project

No. 527-0166 - \$223,500 LOP, and the Organización Nacional Agraria Economic and Statistical Analysis Center Project No. 527-0166 - \$170,000 LOP) will continue to address bureaucratic constraints in the following areas: 1) non-traditional agricultural export promotion through simplification of export permit procedures and support for the establishment of trading companies; 2) public sector activity in agricultural marketing by shifting state enterprise responsibilities from direct marketing to that of promoting private sector modernization of marketing functions; 3) short-term credit and related services provision by shifting these from the Banco Agrario to the private commercial banking system, and analyzing ability of Banco Agrario divestiture of agricultural credit retailing functions in selected situations.

B) Continued implementation of the Policy Planning and Institutional Development Project (No. 527-0298, \$6.0 million LOP) provides the National Confederation of Private Enterprise Institutions (CONFIEP) with technical assistance and institutional support for economic analyses and promotes GOP-private sector dialogue policy reform. As the major representative of private enterprise in Peru, CONFIEP and its member associations are directly involved in policy dialogue with the GOP to prevent further public sector expansion into areas of economic activity now controlled by the private sector, as well as in promoting deregulation of business procedures and divestment of state owned enterprises. The project is both improving the quality of technical analyses which are the basis for CONFIEP's reform proposals to the GOP and providing organizational expertise to help CONFIEP organize its large and growing diversity of members into a strong and unified private sector front which commands the attention of the GOP. Continued support under this project also will be provided to the Institute of Liberty and Democracy which undertakes research on the role of the informal sector in the economy and advocates legislative reforms which reduce excessive government regulation of industry and commerce. Finally, this project will continue to support GOP efforts to stimulate private sector investment by assisting three key policy making entities in the analysis and dissemination of economic studies aimed at expanding private sector savings and investment in the economy. The Policy Planning and Institutional Development project will be the cornerstone of our private sector and deregulation efforts over the next several years.

C) New project starts in Agricultural Technology Transformation (Project No. 527-0282 - \$18.8 million LOP) and Non-Traditional Agricultural Export and Agribusiness Development (Project No. 527-0310 - \$2.5 million LOP) in FY 87 and 88, respectively, are planned to include: 1) activities to streamline the public agricultural technical and higher-education sector; 2) promotion of expanded agricultural research and extension in the private sector, and 3) strengthen the ability of private producer and user associations to take over other service functions that have been traditionally exercised by the public sector in Peru.