

UNCLASSIFIED

Annual Budget Submission

FY 1985

PERU



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Washington, D.C. 20523

UNCLASSIFIED

USAID/PERU
FY 1985 ANNUAL BUDGET SUBMISSION

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USAID/PERU ACTION PLAN
FY84-85

Background

USAID/Peru is currently operating under an approved Country Development Strategy Statement which was designed in 1978 and updated three years ago. Many of the key elements of that strategy remain valid. Yet numerous changes in Peru, including widespread natural disasters and growing economic problems, require that the Mission undertake a thorough revision of its strategy. This exercise is being carried out in FY83 and will be presented to AID/W early in FY84. While the Mission's Action Plan is not based on a completed strategy, current events in Peru and Mission management considerations are shaping an interim strategy which defines the current Action Plan. As background, this strategy is presented before outlining specific USAID objectives.

Five factors play a key role in USAID/Peru's Action Plan for FY84-85 and in the Mission's evolving development strategy. They are: (1) Peru's rapidly deteriorating economic situation; (2) a serious liquidity crisis affecting the Peruvian private sector; (3) the natural disasters which have afflicted Peru in 1983; (4) a small, yet growing and persistent terrorist movement; and (5) the electoral process in 1984 and 1985 which will lead to a new president in July 1985.

Peru's rapidly deteriorating economic situation has been amply described in cables (see LIMA 3986, LIMA 4289) and the May 1983 Embassy Economic Trends report. These reports describe an economy in the midst of a severe recession and an economic environment approaching critical proportions. Indications of the seriousness of this situation include an annual inflation rate of over 100 per cent, growing unemployment, dwindling international reserves, severely depressed fiscal revenues, and a negative growth rate projected by business sources at eight per cent (although some forecast a much more profound economic retrenchment). Assuming that the traditional (18-24 month) lag between U.S. recovery and recovery in countries such as Peru remains valid, the economic situation in Peru will remain serious during FY84 and FY85.

The deterioration of the economic environment has a number of implications for development efforts. Without sustained economic growth, development is obviously a precarious undertaking. GOP attempts to control inflation by reducing budget deficits will restrict counterpart funding for development projects--including those considered top priority by high level GOP officials. And as described below, the private sector, traditionally the leader of economic recovery, faces a serious liquidity crisis.

Peru has apparently been successful in renegotiating its external debt with commercial creditors and will renegotiate its debt to foreign governments in the near future through the Paris Club mechanism. However, the GOP's effort to provide overall balance of payments relief has interfered with private international credit arrangements and created a situation in which the private sector stands a good chance of being the most adversely affected.

The Mission's private sector assessment, prepared by Coopers and Lybrand, indicates that credit is at a critical point, with virtually no funds available to businesses. Funds are limited, at any interest rate, for even the best business borrowers. This illiquidity, particularly for working capital, could lead to the bankruptcy of a large number of firms that otherwise should be in the economic mainstream when the Peruvian economy recovers from the current economic recession. There have already been several bank failures.

Peru's deep recession has been exacerbated by the natural disasters affecting much of the country. Floods, mudflows and landslides in the northern and central parts of Peru have caused major infrastructure damages and production losses (see our recent PID and prior cables). In the Southern departments of Puno, Cuzco, and Apurimac, drought has destroyed potatoes and other basic cash and food staples (100% in some areas), eroding an already weak income and nutritional base and reducing the indirect savings in the form of livestock and seeds of thousands of poor farmers. Total damages from the floods and drought exceed \$700 million. Naturally, relief and reconstruction efforts will absorb human and financial resources that would otherwise be available for investment in development projects in 1984 and 1985.

A still small, yet growing and persistent terrorist movement has further augmented Peru's woes during the last year and has caused serious economic dislocations in Ayacucho and other departments. Far from being contained, the Sendero Luminoso (SL) has recently staged well coordinated nationwide attacks against police posts and economic/energy infrastructure. The SL does not present a military threat at any foreseeable time. Nevertheless, the terrorist movement, combined with economic recession, and natural disasters, aggravates pressures on a still fragile democratic political system--and these pressures will only increase as the 1985 elections draw closer. To date, the SL has concentrated its operations in the Department of Ayacucho and three other south central sierra departments that constitute its home base--although there are recent indications that SL is expanding its operations into urban areas such as Lima. To neutralize support for the SL in those areas now under emergency rule, the GOP has embarked on an ambitious development plan for the four departments (see a recent cable for USAID comments on the Plan). However, the recession, fiscal crunch, and disaster relief operations will severely limit the GOP's ability to implement this plan.

The institutionalization of Peruvian democracy will be critically tested during the Presidential and legislative elections scheduled for 1985. The elections will mark an important transition point for Peruvian democracy and determine whether many of the new development initiatives begun by the Belaunde administration (particularly the private sector and high jungle strategies) will be continued during the second half of the 1980s. In FY 1985, the elections may also slow down the GOP decision making process for some development projects prior to and after the elections, until a new administration assumes the government and defines its development orientation.

In addition to the external factors listed above, the Mission's current project portfolio, and the management resources required for expeditious implementation, are also major factors in determining the Mission's Action

Plan and the number and nature of the projects that we will undertake during the FY84-85 planning period.

Towards a USAID Strategy

The factors listed above and other variables related to them point towards an evolving USAID strategy and development program for FY84-85. The central features of this program are:

- assisting the GOP to meet macroeconomic financing requirements and to more adequately finance and carry out its disaster reconstruction program
- concentrating staff resources on project implementation and successfully implementing and substantially completing by the end of FY 85 a major portion of those projects now ongoing in the USAID portfolio, particularly those encountering implementation problems
- limiting major starts of public sector projects during FY84-85--and particularly limiting the number of projects requiring significant GOP capital and recurrent cost contributions
- emphasizing private sector-oriented initiatives to promote economic recovery and limit the call on GOP counterpart requirements
- further developing the analytical base for policy dialogue and new program initiatives in agriculture, nutrition, health and other sectors, and continuing to strengthen institutional capacity to carry out new policies and programs.

This "bridge" strategy is reflected in the budgets presented for FY84 and FY85. The Mission will limit the number of major new starts to private sector initiatives, including an effort to increase private sector dissemination of family planning services. Smaller efforts in agriculture, nutrition and health will provide technical assistance, training, and will improve the analytical and institutional base described above for new programs with the new government taking office in 1985. Projects listed in these budgets address constraints and opportunities identified in CDSS-oriented studies which are being carried out this year or the preliminary conclusions of studies now completed. They include the Presidential Agricultural Mission Report, assessments of Peruvian irrigation systems, agriculture, nutrition, cooperatives, PVOs, the private sector and other studies and evaluations.

In summary, the principal objectives of the USAID strategy during FY 84-85 are: (1) to assist the GOP meet its macroeconomic financing requirements; (2) to successfully implement and substantially complete the ongoing portfolio; (3) to expand support for private sector development; and (4) to lay the analytic, programmatic and institutional base so that a major new USAID program can quickly begin in FY-1986 when a new government assumes office in Peru. Through ongoing and new projects, the Mission will continue to work with the GOP in promoting sound economic and social policies, strengthening local public and private sector institutions, increasing the transfer and diffusion of suitable development technologies, and promoting private sector participation in the development process.

Implied in the strategy is the flexibility to respond to key factors identified earlier (Peru's economic situation and budget constraints, the illiquidity of the private sector, natural disasters, the terrorist movement, the presidential elections and new administration in 1985, and the availability of Mission staff). Implementation of the proposed strategy will be dependent on performance and progress on the totality of these considerations. A considerable improvement in Peru's economy by early FY85, for example, may permit the GOP to undertake additional activities in that year which are in line with AID priorities. For this reason, we include as FY85 shelf projects a number of larger efforts in line with sectoral strategies now being formulated in preparation for the CDSS. These projects will be supported by the analyses being completed in FY84 and FY85. The Mission will have these projects ready to implement in FY85, if conditions permit, or in FY86.

Operational Objectives

The Mission's operational objectives for the FY84-85 period, presented below, are based on this bridge strategy presented above. A complete CDSS strategy, which we will present to Washington early in FY84, will further define these objectives.

(1) Support for Economic Recovery

Economic recovery and sustained growth are necessary for development. Without economic growth, development will be severely curtailed at a time when a fragile democratic system may be under tremendous pressures. To regenerate growth, Peru's most immediate needs are balance of payments and budget support. Therefore, the Mission will:

- design and implement an Economic Support Fund (ESF) Package that will cushion the disruptions caused by economic problems, natural disasters, and terrorism (see Project Description for further discussion of this ESF program).
- support GOP stabilization measures and IMF goals in accordance with LAC Regional Strategy by providing local currency-generating assistance through PL-480 Title I and other instruments under the ESF Program.

(2) Disaster Relief and Reconstruction Actions

Peru faces enormous investment needs to attend to relief and reconstruction efforts required by the most serious natural disasters in Peru's modern history. Therefore, USAID will:

- provide assistance to make operational the GOP's coordinating and implementing mechanisms for its relief and reconstruction program This will involve assistance to the Ministry of Economy, Finance and Commerce's Relief and Reconstruction Coordinating Unit, Departmental Development Corporations and other national and local level agencies engaged in reconstruction activities.

- implement a \$35.6 million PL-480 and Development Assistance disaster package to finance priority projects. These will include emergency relief (additional medicines and vaccines, food, temporary shelter, essential public services), and rehabilitation and reconstruction activities (repair and construction of public infrastructure, housing, and agricultural infrastructure, inputs and distribution marketing systems).
- design and implement additional reconstruction activities that may be provided from a Disaster Assistance Supplemental or other sources to further support and expand GOP reconstruction activities.
- supplement other available resources by providing a \$10 million HC for disaster-related housing and urban services rehabilitation and reconstruction activities.

(3) Improve Implementation of Ongoing Projects

Implementing the ongoing portfolio will be an across the board major USAID priority during FY84-85. Special attention will be given to six major projects that have encountered serious delays and whose combined pipeline is over \$52 million. They are 0192 Agriculture Research, Extension and Education, 0226 Small Hydro Development, 0178 Integrated Regional Development, 0219 Extension of Integrated Primary Health, 0230 Integrated Health and Family Planning, and 0221 Rural Water Systems and Environmental Sanitation.

By the end of FY85, the Mission expects to have these projects substantially disbursed (fully disbursed for 0219 and nearly disbursed for 0178) and almost fully committed. Specific targets by project, and actions to be undertaken to improve implementation, will be provided in the Mission's Quarterly Reports through which implementation performance will be monitored. General management steps to achieve implementation goals include:

- continue to improve USAID operations to emphasize implementation including assigning a Contracting Officer to USAID/Peru and providing inhouse training of USDH and FSN staff in implementation procedures.
- carry out evaluations of all projects cited above during FY84. Contract assistance will be used to carry out evaluations and outline steps to improve project implementation (see Evaluation Plan).

While recucing the pipeline will be a major implementation concern, it is not the only factor to be considered in carrying out AID projects. The Mission has noted previously that if expenditures were our principal goal, 0178 Integrated Regional Development, 0226 Small Hydro and perhaps other projects could have had considerably smaller pipelines, but at the cost of inadequate achievement of their intended institution-building (or related) objectives. The above implementation targets reflect our belief that conditions are now right for expeditious implementation consistent with our overall development objectives for these projects. The general economic conditions facing Peru, enormously complicated by the disasters, will obviously be major external factors conditioning project implementation.

(4) Policy Dialogue Agenda

Since 1980 the GOP has made fundamental economic policy changes to implement a market-led development strategy. Yet further changes are needed in key sectors while pressures to retrogress on progress to date are increasing. An important objective of USAID/Peru will be to undertake a cross-sectoral policy dialogue with the GOP to support policies necessary for sound, broadly based development. The Mission will:

- assist the GOP to implement more rational agricultural producer price policies and enhance the rational use of scarce resources. Through the Agricultural Policy Formulation and Management Project, a sectoral analysis group will be established within the Ministry of Agriculture to advise the Minister on key policy areas. During FY84 and FY85, Group studies will include analysis and recommendations on agricultural pricing, subsidies, marketing, credit, export promotion and other policy areas. Through the Group and direct conversations, USAID will maintain a continuous dialogue on agriculture policy both with the Ministry of Agriculture and its dependencies (particularly the Agrarian Bank) and with other agencies influencing sector policies (particularly the Ministry of Economy, Finance and Commerce).
- support a strong GOP family planning policy and, in accordance with the LAC Regional Strategy Paper, emphasize progress on policies affecting private sector distribution mechanisms. A new project in FY84 will expand private sector distribution of contraceptives in Peru. Project negotiations and discussions with the National Population Council and the GOP will provide a continuing forum for discussions of this issue.
- promote policies that increase the efficiency and cost-effectiveness of health services delivery through ongoing projects and the 0271 Health Policy, Planning and Human Resource Development Project to be authorized in FY 85.
- help establish policies that promote maintenance of the value of resources committed to the shelter sector and equitable resource allocation. A FY84 grant will fund specific studies and facilitate decision-making on how best to carry out policy objectives embodied in the multi-year HG package that the grant supports.
- encourage more detailed analyzes of GOP decentralization policies and urban and municipal development approaches within the context of the Mission's restructured Integrated Regional Development Project and ongoing urban policy studies and other projects.
- promote policies that expand private sector participation in development and carry out a dialogue with the GOP on policies which currently impede productive employment generation and private sector expansion.
- encourage and promote a strong GOP coca eradication policy.

- further expand the analytical base for future development policy discussions. In particular USAID will lay the foundation and strengthen institutional mechanisms that could influence the GOP's own policy alternatives and decisions in the future. This will be accomplished through ongoing and new FY 84 and FY 85 projects that will strengthen the data base necessary for policy decisions and forums to discuss policy alternatives (such as 0271 Health Policy and Planning, 0270 National Nutrition Development and 0259 Urban Development and Housing Sector Support). Some of these efforts have already started as part of the CDS and project development process (studies on cooperatives, nutrition status, the private sector assessment, the Presidential Agricultural Mission and 0238, Agriculture Policy Formulation and Management to be authorized in FY 83 and ongoing urban policy studies).
- closely coordinate policy issues with other donors, particularly IBRD and IDB, to ensure mutually reinforcing donor positions and enhance policy impacts.

(5) Institution Building Objectives

Consistent with Agency and LAC Policies, the Mission will strengthen the planning and administrative capacity of public and private sector institutions in agriculture, health and other key sectors. Ongoing and new projects work within the context of AID's model of carrying out specific project components as a means to develop a capacity to undertake self-sustaining development programs. To achieve institution-building goals, the Mission will:

- expand training programs in AID assisted sectors in FY84 and FY85. In FY84 the Mission will design and begin implementation of a three-year OPG designed to expand training opportunities now available through the regional training initiatives program. Moreover, the Agricultural Policy Formulation and Management Project will significantly increase top quality human resources in agriculture as will its health analogue, Health Policy, Planning and Human Resource Development (FY85--see Project Description).
- in line with LAC strategy, improve the operations of GOP institutions by expanding management-related technical assistance and training. Particularly in the agriculture and health sectors, emphasis will be placed on creating a critical mass of trained professionals to better prepare and manage service delivery systems.
- strengthen local institutions to implement the training objectives described above. While U.S. training is desirable and will be expanded under Mission programs, USAID projects will also strengthen existing local institutions to provide training at lower costs for a greater number of participants. The Agricultural Policy Formulation and Management Project, for example, will strengthen the technical programs of the National Agrarian University and establish an Agricultural Economics Ph.D. program within the Universidad del Pacifico. Similarly, a School of Public Health Administration will

be established under the FY85 Health Policy Planning and Human Resources Development Project. The Graduate School of Business (ESAN) or a similar institution will play a key role in the Mission's private sector efforts.

- assist the GOP to carry out its decentralization policy through ongoing programs where decentralization is a key objective (0178 IRD, 0192 REE, 0219 and 0230 Health Projects, 0221 Rural Water Systems, etc.).
- continue to strengthen the institutional capacity of GOP and Voluntary Agencies implementing the PL-480 Title II program and continue efforts to integrate the PL-480 Title I and Title II program into the Mission's development strategy.

(6) Technology Transfer Goals

Technology transfer is a valued instrument in the USAID/Peru program, reflected in our agriculture, rural development and social sector portfolios, and is closely linked with the Mission's institution-building objectives. Reflecting Peru's priorities and AID's technical comparative advantages, the Mission will continue to emphasize technology transfer efforts in agriculture and will increase its efforts in health-related research and technologies. Mission targets include:

- increase crop yields through the application of improved technologies, particularly in selva rice, sierra potatoes, highland food grains and potential high value export products. By FY85, the seven agrarian regions under the 0192 REE project will be carrying out ongoing research and an organized and systematic extension effort will be in place.
- develop crop and crop system technologies for sub-tropical and tropical lands. Through two ongoing high jungle development projects (0244 Upper Huallaga Area Development and 0240 Central Selva Resource Management), small farmer production packages will be in place as a result of ongoing research efforts. Under 0240, expertise will be provided in the productive and rational exploitation of forests. The Mission will continue support to the Yurimaguas Experimental Research Station.
- fully institutionalize technologies introduced in ongoing programs. These include the methodology for economic analysis for small hydroelectric projects introduced in the Small Hydro Development Project (0226); and digital processing of landsat satellite data, thematic mapping and other technologies under 0202 ONERN-Land Use and Environmental Planning and other projects.
- support independent research in areas of concern to Peru and AID through centrally funded and non-project resources. In line with LAC's Health Sector Strategy, we will support indigenous and U.S. linked biomedical research including malaria, diarrheal vaccines, and oral rehydration.

- promote private sector technology transfer between U.S.-Peruvian and Peruvian business ventures.

(7) Private Sector Promotion

USAID Peru will continue to promote increased private sector involvement in the development process as a means to achieve AID's development objectives. In FY84 and FY85 the Mission will:

- respond to the critical financial crisis afflicting Peruvian businesses (see above and ESF Project Description).
- support the GOP's reprivatization programs. In collaboration with the PRE Bureau and U.S. business, the Mission will provide technical assistance and needed resources to facilitate the GOP's reprivatization policy.
- strengthen linkages between the "formal" and "informal" private sector and increase employment opportunities through ongoing and new programs. During FY84-85 the Mission will implement and expects rapid disbursement of the Urban Small Enterprises Promotion Project and will design and implement a new OPG to provide credit and technical assistance to small businessmen.
- design and implement at least two large private sector-oriented projects (see the Project Description for 0263 Non-traditional Export Promotion and Training and 0260 Agribusiness Investment Promotion) to promote employment and incomes, generate foreign exchange, and increase small farmer-business linkages
- promote commercial bank term lending in agriculture by implementing the Private Sector Agricultural Investment Promotion Project.
- increase the participation of the private sector in all Mission training programs, and support and implement ongoing vocational education and training skills programs to meet private sector human resources needs.
- look for ways of advancing our private sector objectives during the design and implementation of the disaster assistance program including exploring ways of increasing private sector responsibility for the maintenance and operation of irrigation systems.

The Action Plan for FY 84-85 is fully consistent with and directly supports the LAC regional strategy. It supports economic stabilization measures, as the LAC strategy accurately emphasizes, and contemplates actions dealing with structural reform of the Peruvian economy. These include policy dialogues and activities to promote export promotion, employment generation, private sector promotion including private sector involvement in family planning distribution systems, and public sector distributional concerns. In agriculture, health and family planning and other sectors, the USAID action plan stresses implementation of the Agency's priorities of policy dialogue, institution

building, private sector involvement, and technology transfer. The Action Plan is based on Peruvian realities and we believe its implementation will make a considerable contribution to development in Peru.

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 TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$'000)
 COUNTRY/OFFICE: PERU

	FY 1983 ESTIMATE	FY 1984		FY 1985 AAFL	Planning Period				
		CP	Estimate		1986	1987	1988	1989	
AGRICULTURE, RURAL DEV. & NUTRITION:									
TOTAL	15,411	20,770	17,595	17,400	12,925	29,475	4,550	30,800	
GRANTS	3,911	5,770	5,095	6,400	2,925	4,475	4,550	5,800	
LOANS	11,500	15,000	12,500	11,000	10,000	25,000	-	25,000	
POPULATION									
TOTAL	1,697	20	750	4,300	1,550	1,050	550	1,050	
GRANTS	1,697	20	750	4,300	1,550	1,050	550	1,050	
LOANS	-	-	-	-	-	-	-	-	
(CENT.PROC.COMMOD.)	(858)	(-)	(-)	(2,250)					
HEALTH									
TOTAL	520	3,020	100	1,250	1,350	950	10,550	1,050	
GRANTS	520	20	100	1,250	1,350	950	550	1,050	
LOANS	-	3,000	-	-	-	-	10,000	-	
EDUCATION									
TOTAL	585	40	530	500	650	550	650	3,550	
GRANTS	585	40	530	500	650	550	650	550	
LOANS	-	-	-	-	-	-	-	3,000	
SEL.DEV.ACT.									
TOTAL	10,475	150	5,025	6,550	15,725	2,375	20,300	2,350	
GRANTS	2,475	150	1,025	1,550	725	2,375	2,300	2,350	
LOANS	8,000	-	4,000	5,000	15,000	-	18,000	-	
FUNCTIONAL SUBTOTAL									
TOTAL	28,688	24,000	24,000	30,000	32,200	34,400	36,600	38,800	
GRANTS	9,188	6,000	7,500	14,000	7,200	9,400	8,600	10,800	
LOANS	19,500	18,000	16,500	16,000	25,000	25,000	28,000	28,000	
(DISASTER)									
TOTAL	600	-	-	-	-	-	-	-	
GRANTS	600	-	-	-	-	-	-	-	
LOANS	-	-	-	-	-	-	-	-	
DA ACCOUNTS									
TOTAL	29,288	24,000	24,000	30,000	32,200	34,400	36,600	38,800	
GRANTS	9,788	6,000	7,500	14,000	7,200	9,400	8,600	10,800	
LOANS	19,500	18,000	16,500	16,000	25,000	25,000	28,000	28,000	
(of which PVO's)	(1,230)		(1,655)	(1,295)					
ESF									
TOTAL	-	-	60,000	60,000	-	-	-	-	
GRANTS	-	-	60,000	60,000	-	-	-	-	
LOANS	-	-	-	-	-	-	-	-	
DA & ESF									
TOTAL	29,288	24,000	84,000	90,000	32,200	34,400	36,600	38,800	
GRANTS	9,788	16,000	67,500	74,000	7,200	9,400	8,600	10,800	
LOANS	19,500	18,000	16,500	16,000	25,000	25,000	28,000	28,000	
PL 480 TITLE I									
(TITLE III)	30,500	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	
PL 480 TITLE II									
	26,474*	13,689	10,900	10,400	9,900	9,000	9,000	9,000	
HOUSING GUARANTIES									
	10,000	-	20,000	20,000	20,000	20,000	20,000	-	
TOTAL PERSONNEL									
USDH WORKYEARS	23.27	25.0	26.8	26.8	26.8				
FNDH WORKYEARS	51.88	-	48.8	44.8	44.8				

*Includes \$15 million for disaster assistance

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TABLE IV PROJECT BUDGET DATA

P R O J E C T Number	T i t l e	G/L	O B L I G A T I O N D A T E		L i f e o f P r o j e c t C o s t		C u m P i p e l i n e A s o f 9/30/82	E S T I M A T E D U S D O L L A R C O S T (\$000)						T e c h S u b C o d e C a t						
			I N I T I A L	F I N A L	A U T H	P L A N		F Y 1983		F Y 1984		F Y O b l i g a t i o n s			1985 A A P L	F u n d e d T o M o / Y r				
								1977	1977	O B L	E X P	O B L	E X P				1986	1987	1988	1989
527-0144	AGRICULTURE, RURAL DEV. AND NUTRITION	G	1977	1977	465	433	3	-	*	-	-	-	-	-	-	-	-	077	FNEX	
527-0149	Fresh Water Fisheries	G	1976	1980	2,302	2,256	15	-	11*	-	-	-	-	-	-	-	-	-	070	FNEX
527-0155	Soybean & Corn Produc- tion on Small Farms	L	1976	1976	7,000	3,828	757	-	757	-	-	-	-	-	-	-	-	-	030	FNIL
527-0156	Agriculture Coop. Fed.	L	1976	1976	11,000	11,000	4,900	-	2,009	-	980	-	-	-	-	-	-	-	060	FNWD
527-0159	Water and Land Use in the Sierra	L	1978	1978	15,000	15,000	300	-	300	-	-	-	-	-	-	-	-	-	010	FNIL
527-0163	Rural Development Agribusiness Fund	L	1978	1978	19,000	19,000	1,614	-	1,614	-	-	-	-	-	-	-	-	-	200	FNND
527-0166	Dev. of Sub-Tropical Lands	G	1974	C	---	---	418	886**	1,083	320	496	355	10/85	425	475	550	550	200	FNPN	
527-0170	Program Dev. & Support	G	1978	1980	497	466	15	-	*	-	-	-	-	-	-	-	-	-	022	FNWD
527-0176	On-Farm Water Managmt.	L	1979	1979	8,000	8,000	366	-	366	-	-	-	-	-	-	-	-	-	240	FNPE

* Pipeline to be deobligated.

** Changed from April 30 OYB (STATE 130647)

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TABLE IV PROJECT BUDGET DATA

Number	P R O J E C T Title	OBLIGATION DATE		Life of Project Cost		Cum Pipeline As of 9/30/82	ESTIMATED US DOLLAR COST(\$000)						Tech Sub Code Cat:					
		C/L	INITIAL	FINAL	AUTH		PLAN	FY 1983		FY 1984		FY Obligations						
								OBL	EXP	OBL	EXP	1985 AAPL		Funded To Mo/Yr	1986	1987	1988	1989
	AGRICULTURE, RURAL DEV. AND NUTRITION (cont'd)																	
527-0178	Integrated Regional Dev.	G	1979	1983	1,600	1,600	550	385	-	176	-	-	-	-	-	-	210	FNSA
	Integrated Regional Dev.	L	1979	1979	15,000	15,000	-	3,300	-	6,500	-	-	-	-	-	-	210	FNSA
527-0186	OPG CARE-Urban Feeding Program (I) (R)	G	1980	1982	793	793	-	150	-	120	-	-	-	-	-	-	320	FNNI
527-0192	Agriculture, Research Extension & Education	G	1980	1984	2,000	2,000	400	330	200	581	-	-	-	-	-	-	050	FNEX
	Agriculture, Research Extension & Education	L	1980	1980	9,000	9,000	-	549	-	2,035	-	-	-	-	-	-	050	FNEX
527-0196	OPG CARITAS - Expanded Improved Feeding Program (I) (R)	G	1980	1982	300	300	186	125**	-	151	-	-	-	-	-	-	320	FNNI
527-0202	Land Use Inventory and Env. Planning - ONERN	G	1980	1982	1,000	1,000	832	-	612	220	-	-	-	-	-	-	876	FNLD
527-0212	OPG OFASA - Expanded Urban Food for Work (I) (N)	G	1980	1982	450	450	31	-	31	-	-	-	-	-	-	-	320	FNNI
527-0220	Soil Conservation	G	1980	1982	1,000	1,000	787	-	422	215	-	-	-	-	-	-	066	FNNC

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TABLE IV PROJECT BUDGET DATA

Number	P R O J E C T Title	OBLIGATION DATE		Life of Project Cost		Cum Pipeline As of 9/30/82	ESTIMATED US DOLLAR COST(\$000)						Tech Sub Code Cat:							
		INITIAL	FINAL	AUTH	PLAN		FY 1983		FY 1984		FY Obligations									
							G/L		OBL	EXP	OBL	EXP		1985 AAPL	Funded To Mo/Yr	1986	1987	1988	1989	
527-0226	AGRICULTURE, RURAL DEV. AND NUTRITION (cont'd) Small Hydro Development	G	1981	1985	1,000	1,000	461	**	150	200	311	250	11/85	-	-	-	-	878	FNNE	
527-0231	Small Hydro Development	L	1981	1981	9,000	9,000	8,947	-	800	-	3,200	-	-	-	-	-	-	-	878	FNNE
527-0238	OPG SEPAS - Expanded Reforestation FW (I)(R) Agriculture Policy Formulation & Management	G	1982	1985	750	950	200	250	300	200	250	200	1/86	-	-	-	-	-	067	FNNC
527-0240	OPG SEPAS - Expanded Reforestation FW (I)(R) Agriculture Policy Formulation & Management	G	1983	1985	-	3,000	-	250	-	1,000	50	1,750	8/87	-	-	-	-	-	053	FNPA
527-0244	Agriculture Policy Formulation & Management	L	1983	1984	-	11,000	-	1,500	-	9,500	500	-	-	-	-	-	-	-	053	FNPA
527-0247	Central Selva Resource Mngt. (Pichis Palcazu)	G	1982	1985	4,000	4,000	950	700	118	1,200	1,520	1,150	9/87	-	-	-	-	-	090	FNLD
527-0244	Central Selva Resource Mngt. (Pichis Palcazu)	L	1982	1982	18,000	18,000	18,000	-	630	-	3,800	-	-	-	-	-	-	-	090	FNLD
527-0244	Upper Huallaga Area Dev.	G	1982	1985	3,000	3,000	723	500	500	750	1,000	1,000	9/86	-	-	-	-	-	210	FNLD
527-0247	Upper Huallaga Area Dev.	L	1981	1981	15,000	15,000	14,856	-	5,200	-	3,200	-	-	-	-	-	-	-	210	FNLD
527-0247	OPG OFASA - Expanded Feeding Program (I) (N)	G	1983	1984	720	720	-	250	200	250	200	220	3/86	-	-	-	-	-	320	FNNI

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Number	P R O J E C T		ESTIMATED US DOLLAR COST(\$000)												Tech Sub Code Cat:						
	G/L	Title	OBLIGATION DATE		Life of Project Cost		Cum Pipeline As of 9/30/82	FY 1983		FY 1984		FY Obligations		1985 AAPL		Funded To Mo/Yr	1986	1987	1988	1989	
			INITIAL	FINAL	AUTH	PLAN		OBL	EXP	OBL	EXP	OBL	EXP								OBL
527-0248	G	AGRICULTURE, RURAL DEV. AND NUTRITION (cont'd)	1984	1985	-	350	-	**	-	175	60	175	60	175	9/87	-	-	-	-	320	FNNI
527-0260	L	OPG CARITAS - Feeding Program (I) (R)	1984	1985	-	6,000	-	-	-	3,000	-	3,000	-	3,000	8/89	-	-	-	-	150	FNPE
527-0261	G	Agribusiness Investment Promotion	1984	1985	-	600	-	-	-	300	200	300	200	300	5/86	-	-	-	-	320	FNNI
527-0263	G	OPG CARE - Basic Infrastructure in Pueblos Jovenes (I) (R)	1985	1985	-	500	-	-	-	-	-	-	-	500	8/90	-	-	-	-	840	SDPL
527-0265	L	Non-Traditional Export Promotion and Training	1983	1985	10,000	10,000	-	10,000	-	-	1,000	-	-	8,000	8/90	-	-	-	-	840	SDPL
527-0270	G	Private Sector Agriculture Investment Promotion	1984	1986	-	1,500	-	-	-	500	400	500	400	500	9/85	500	-	-	-	052	FNPE
		National Nutrition Dev.																		390	FNNI
		APPROPRIATION TOTAL			155,877	183,746	77,908	15,411	19,977	17,595	27,165	17,400	17,400	17,400		925	475	550	550		
		GRANT			19,877	25,918	5,994	3,911	4,452	5,095	5,950	6,400	6,400	6,400		925	475	550	550		
		LOAN			136,000	157,828	71,914	11,500	15,525	12,500	21,215	11,000	11,000	11,000		-	-	-	-		

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Number	PROJECT Title	OBLIGATION DATE		G/L	Life of Project Cost		Cum Pipeline As of 9/30/82	ESTIMATED US DOLLAR COST(\$000)						Tech Code	Sub Cat.			
		INITIAL	FINAL		AUTH	PLAN		FY 1983		FY 1984		FY Obligations						
								OBL	EXP	OBL	EXP	1985 AACL To Mo/Yr	1986			1987	1988	1989
527-0145	POPULATION PLANNING Responsible Parenthood for Medium and High Risk Mothers	1976	1977	G	522	310	5	-	*	-	-	-	-	-	-	-	400	PNPC
527-0208	Program Dev. & Support	1974	C	G	---	---	7	40**	37	55	50	9/85	50	250	50	50	490	PNPP
527-0219	Extension of Integrated Primary Health	1979	1979	G	550	550	477	-	200	277	-	-	-	-	-	-	440	PNFP
527-0224	Sur Medio Health and Family Planning	1980	1980	G	500	150	30	-	30	-	-	-	-	-	-	-	440	PNFP
527-0228	OPG Instituto Marcelino Family Planning Consult- ing Service (I) (N)	1980	1980	G	200	350	51	200	50	100	-	-	-	-	-	-	440	PNFP
527-0230	Integrated Family Planning Health	1981	1985	G	6,800	6,800	2,507**	1,457**	1,455	1,052	2,250	6/86	-	-	-	-	440	PNPC
527-0245	OPG Hipolito Unanue - Family Planning Consulting Services	1981	1981	G	100	100	91	-	53	38	-	-	-	-	-	-	440	PNPV
527-0269	Private Sector Family Planning Initiatives	1984	1987	G	-	5,000	-	-	-	700	2,000	9/85	1,500	800	-	-	440	PNZZ

***Includes contraceptives for \$441,000

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Number	P R O J E C T Title	OBLIGATION DATE		Life of Project Cost		Cum Pipeline As of 9/30/82	ESTIMATED US DOLLAR COST(\$000)												Tech Sub Code Cat:
		C/L	INITIAL	FINAL	AUTH		PLAN	FY 1983		FY 1984		1985 AAPL	FY Obligations			1988	1989		
								OBL	EXP	OBL	EXP		1986	1987	1988			Funded To Mo/Yr	
	POPULATION PLANNING				8,672	13,260	1,697	1,825	750	2,122	4,300		1,550	1,050	50	50			
	APPROPRIATION TOTAL GRANT, LOAN				8,672	13,260	1,697	1,825	750	2,122	4,300		1,550	1,050	50	50			
	SHELF																		
527-0200	Integrated Health and Family Planning	G	1984	1984	-	1,332	-	-	1,332	550	-	-	-	-	-	-	440	PNPC	

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Number	P R O J E C T Title	OBLIGATION DATE		Life of Project Cost		Cum Pipeline As of 9/30/82	ESTIMATED US DOLLAR COST(\$000)						Tech Sub Code Cat:					
		G/L	INITIAL	FINAL	AUTH		PLAN	FY 1983		FY 1984		FY Obligations						
								OBL	EXP	OBL	EXP	1985 AAPL		Funded To Mo/Yr	1986	1987	1988	1989
527-0167	HEALTH Program Dev. & Support	G	1974	C	---	---	6	520**	50	100	560	50	10/85	50	550	50	590	HEPP
527-0219	Extension of Integrated Primary Health	G	1979	1979	800	800	689	-	439	-	250	-	-	-	-	-	510	HEDH
527-0221	Extension of Integrated Primary Health	L	1979	1979	5,800	5,800	4,387	-	1,860	-	2,527	-	-	-	-	-	510	HEDH
	Rural Water Systems and Environmental Sanitation	G	1981	1985	1,000	1,000	776	-	176	-	400	200	9/87	-	-	-	545	HEWS
	Rural Water Systems and Environmental Sanitation	L	1980	1982	10,000	10,000	9,925	-	2,000	-	3,000	-	-	-	-	-	545	HEWS
527-0224	Sur Medio Health and Family Planning	G	1980	1981	800	800	593	-	300	-	293	-	-	-	-	-	510	HEDH
527-0230	Integrated Family Planning Health	L	1981	1981	4,000	4,000	4,000	-	650	-	1,600	-	-	-	-	-	510	HEDH
527-0271	Health Policy, Planning and Human Resource Development	G	1985	1986	-	2,000	-	-	-	-	-	1,000	12/86	1,000	-	-	590	HEPP
	APPROPRIATION TOTAL				22,400	24,400	20,376	520	5,475	100	8,630	1,250			550	50		
	GRANT				2,600	4,600	2,064	520	965	100	1,503	1,250			550	50		
	LOAN				19,800	19,800	18,312	-	4,510	-	7,127	-			-	-		
527-0271	SHELF PROJECT Health Policy, Plan. and Human Resources Dev.	L	1985	1985	-	5,000	-	-	-	-	-	5,000	-	-	-	-	590	HEPP

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Number	P R O J E C T Title	OBLIGATION DATE		Life of Project Cost		Cum Pipeline As of 9/30/82	ESTIMATED US DOLLAR COST(\$'000)						Tech Sub Code Cat:					
		INITIAL	FINAL	AUTH	PLAN		FY 1983		FY 1984		FY Obligations							
							OBL	EXP	OBL	EXP	1985 AAPL	Funded To Mo/Yr		1986	1987	1988	1989	
	SELECTED DEVELOPMENT ACTIVITIES	G/L																
527-0061	Special Dev. Activities	G	1963	C	---	64	100	104	100	160	100	9/85	100	100	100	100	981	SDSH
527-0169	Program Dev. & Support	G	1974	C	---	12	375	340	175	180	150	10/85	175	200	250	250	900	SDIL
527-0207	OPG CEDRU - Integrated Dev. Campesino Comm. (I) (R)	G	1979	1979	205	2	-	2	-	-	-	-	-	-	-	-	220	SDSH
527-0241	Urban Small Enterprise Development	L	1982	1983	10,000	5,000	5,000	1,500	-	2,000	-	-	-	-	-	-	840	SDPE
527-0259	Urban Dev. and Housing Sector Support	G	1984	1986	-	-	-	-	250	150	500	3/87	250	-	-	-	867	SEHU
527-0260	Agribusiness Investment Promotion	G	1984	1984	-	250	-	-	250	-	-	-	-	-	-	-	840	FNPL
	Agribusiness Investment Promotion	L	1984	1984	-	4,000	-	-	4,000	-	-	-	-	-	-	-	840	FNPL
527-0263	Non-Traditional Export Promotion and Training	G	1985	1985	-	500	-	-	-	-	500	8/90	-	-	-	-	840	SDPE
	Non-Traditional Export Promotion and Training	L	1985	1985	-	5,000	-	-	-	-	5,000	8/90	-	-	-	-	840	SDPE

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Number	P R O J E C T Title	OBLIGATION DATE		Life of Project Cost		Cum Pipeline As of 9/30/82	ESTIMATED US DOLLAR COST(\$000)										Tech Sub Code Cat.		
		G/L	INITIAL	FINAL	AUTH		PLAN	FY 1983		FY 1984		FY 1985		FY Obligations					
								OBL	EXP	OBL	EXP	1985 AAPL	Funded To Mo/Yr	1986	1987	1988		1989	
527-0274	SELECTED DEVELOPMENT ACTIVITIES (cont'd) OPG - Acci3n Comunitaria Micro-Enterprise Promotion (I) (N)	G	1984	1986	-	750	-	-	250	200	300	9/86	200	-	-	-	-	840	SDPE
527-0277	Disaster Relief and Rehabilitation Disaster Relief and Rehabilitation	G	1983	1983	-	2,000	-	2,000**	-	-	-	-	-	-	-	-	-	940	SDSS
		L	1983	1983	-	3,000	-	3,000**	-	1,000	-	-	-	-	-	-	-	940	SDSS
	APPROPRIATION TOTAL				10,205	26,519	5,078	10,475	5,946	5,025	3,690	6,550	725	375	300	350			
	GRANT				205	4,519	78	2,475	2,446	1,025	690	1,550	725	375	300	350			
	LOAN				10,000	22,000	5,000	8,000	3,500	4,000	3,000	5,000	-	-	-	-			
	SHELF																		
527-0277	Disaster Relief and Rehabilitation	G	1983	1983	-	4,000	-	4,000	1,000	-	2,000	-	-	-	-	-	-		
	Disaster Relief and Rehabilitation	L	1983	1983	-	1,000	-	1,000	1,000	-	-	-	-	-	-	-	-		
	DA PROGRAM TOTAL				201,444	253,643	107,933	28,688 ^{1/}	34,525	24,000	42,564	30,000	4,600	2,500	1,100	1,050			
	GRANT				35,644	54,015	12,707	9,188	10,990	7,500	11,222	14,000	4,600	2,500	1,100	1,050			
	LOAN				165,800	199,628	95,226	19,500	23,535	16,500	31,342	16,000	-	-	-	-			

1/ It doesn't include \$600,000 for Disaster provided through OFDA to date.

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Number	P R O J E C T Title	OBLIGATION DATE		Life of Project Cost	Cum Pipeline As of 9/30/84	ESTIMATED US DOLLAR COST(\$000)										Tech Sub Code Cat:			
		G/L	INITIAL			FINAL	FY 1983		FY 1984		1985 AAPL	Funded To Mo/Yr	FY Obligations						
							OBL	EXP	OBL	EXP			1986	1987	1988		1989		
527-0278	ESF Economic Recovery Program	G	1984	1985	-	-	-	-	60,000	60,000	60,000	60,000	9/85	-	-	-	-	930	ESZZ
	ESF TOTAL GRANT LOAN				-	-	-	-	60,000	60,000	60,000	60,000	-	-	-	-	-		
	DA & ESF TOTAL GRANTS LOANS				201,444	373,643	107,933	28,688	34,525	84,000	102,564	90,000	4,600	2,500	1,100	1,050			
					35,644	174,015	12,707	9,188	10,990	67,500	71,222	74,000	4,600	2,500	1,100	1,050			
					165,800	199,628	95,226	19,500	23,535	16,500	31,342	16,000	-	-	-	-			

1/ It doesn't include \$600,000 for Disaster provided through OFDA to date.

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Addendum - IAC Regional and Centrally Funded Projects

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Number	P R O J E C T Title	OBLIGATION DATE		Life of Project Cost		Cum Pipeline As of 9/30/82	ESTIMATED US DOLLAR COST(\$000)						Tech Sub Code Cat:					
		G/L	INITIAL	FINAL	AUTH		PLAN	FY 1983		FY 1984		1985 AAPL		FY Obligations Funded To Mo/Yr				
								OBL	EXP	OBL	EXP			1986	1987	1988	1989	
	AGRICULTURE, RURAL DEV. AND NUTRITION																	
598-0622	LAC Training Initiatives	G	1982	1984	-	326	126	100	23	100	83	-	-	-	-	-	-	-
940-0002	Sogewiese Leasing S.A.	L	1982	1982	2,500	2,500	2,500	-	500	-	1,000	-	-	-	-	-	-	-
	EDUCATION AND HUMAN RESOURCES																	
936-5542	Innovative Scientific Research - Adobe Buildings in Seismic Areas	G	1982	1982	139	139	110	-	110	-	-	-	-	-	-	-	-	-
598-0044	ILD - The Emergence of a Market Economy in Peru	G	1982	1982	170	170	150	20	120	-	5	-	-	-	-	-	-	-
930-0085	ILD - The Emergence of a Market Economy in Peru	G	1983	1983	20	20	-	20	16	-	4	-	-	-	-	-	-	-
598-0622	LAC Training Initiatives	G	1982	1984	-	724	231	250	207	243	231	-	-	-	-	-	-	-
598-0581	LAC Regional Rural Communication Services	G	1979	1983	2,008	2,008	-	-	-	-	-	-	-	-	-	-	-	-
598-0588	Regional Training for Development	G	1979	1981	83	83	19	-	19	-	-	-	-	-	-	-	-	-

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Number	P R O J E C T Title	OBLIGATION DATE		Life of Project Cost AUTH PLAN	Cum Pipeline As of 9/30/82	ESTIMATED US DOLLAR COST(\$000)						Tech Sub Code Cat:					
		C/I	INITIAL			FINAL	FY 1983		FY 1984		FY Obligations		1985 APL				
							OBL	EXP	OBL	EXP	1986			1987	1988	1989	
343-0700	SELECTED DEVELOPMENT ACTIVITIES																
	Peru Vocational Training Institute (TECSUP)	G	1983	1983	1,200	1,200	300	600									
	TOTAL GRANT LOAN				6,120 3,620 2,500	7,170 4,670 2,500	1,590 1,590 ---	1,295 795 500	343 343 ---	1,968 968 1,000							

Project No. and Title: 527-0214
Land and Water Resources Management

Proposed Funding: FY85 (shelf): Grant: \$1,500,000
Loan: \$20,000,000

Life of Project: Grant: \$500,000
Loan: \$10,000,000

Appropriation Account: Agriculture, Rural Development and Nutrition

Purpose: To increase agricultural production, incomes and food consumption through the promotion of efficient use of water and land resources in the sierra.

Background: Peru is a land-poor country whose arable land per capita is among the lowest in the world. This limited resource base has prompted the GOP to make large investments in coastal irrigation projects and land expansion projects in the limited portion of the high jungle that is arable. Only recently have efforts been undertaken to improve land and water utilization for agricultural development in the sierra.

According to the U.S. Presidential Agricultural Mission, there are many areas in the sierra in which production could be increased significantly. On the average, irrigated land in the sierra is twice as productive as unirrigated land there. Considerable potential exists, particularly at higher altitudes, for improving range and pasture conditions through better herd and pasture management and, in some areas, through improved pastures.

Yet the sierra suffers from extremely high erosion rates as a result of steep upland and high sierra slopes, traditional farming and pasture practices, and limited attention given to soil conservation practices. Conservative estimates establish top soil loss at over 150,000 has. per year. The FAO has noted that this soil loss flow could be cut 50 fold with appropriate water and land utilization practices.

The proposed project will coordinate the technologies developed under three AID projects--0220 Soil Conservation, 0156 Improved Water and Land Use in the Sierra, and the Small Ruminants CRSP--in the initial phase of a long-term commitment to improve land and water resources management. These technologies, taken together, constitute a low-cost program to assure improved, sustained-yield agricultural development in the sierra.

The results of regional test plot work being carried out under the ongoing Soil Conservation Project show that the construction of low-cost, labor-intensive terraces, with no change in crop production technologies, will increase potato production by almost 70 percent. The recent irrigation sector assessment, conducted under the S&T/AGR Water Synthesis II project, concluded that there is considerable scope for improving agricultural performance, but it will require relaxing the design standards used to date for small and medium irrigation in the sierra and simultaneous improvement in GOP extension and water management support services. The Small Ruminants CRSP is in the

third year of a program of developing a broad range of native grasses for pasture improvement; it is also conducting herd management experiments which appear quite promising.

The proposed project will respond directly to all four LAC "crucial constraints" to increased small farmer agricultural production: 1) inadequate farm-level productivity for on-farm food consumption as well as for cash crops; 2) limited numbers and capabilities of indigenous agricultural professionals; 3) inadequate access to inputs and support resources; and 4) destructive use of steeplands and tropics. Reducing these constraints will permit broadly-based rural development.

In addition, the proposed project will address the concerns of the AID Food and Agricultural Development Policy Paper directed to human resource and institutional development capabilities, "especially those related to improved science and technology for agricultural development" and those related to improving country development policies "to remove constraints to agricultural production."

Project Description: The Project will work in the more promising of Peru's 52 sierra watersheds and in those areas where a significantly large area of land suitable for clean cultivation is in danger of being eroded. The Project will: provide farm-level extension services and "action training" in soil conservation; carry out a massive education campaign to create public awareness of the dangers of this national problem; assist the National Agrarian University and appropriate regional universities in their research on changing erosion trends; provide technical assistance and training on farming practices that need to be changed in the transition from rainfed to irrigated farming systems; provide on-farm and systems water management; finance the construction of low-cost small scale irrigation systems and support the supply of production credit; expand research and extension in pasture management and sheep and cameloid herd management; finance seeds for improved ground cover and pastures; and provide technical assistance to private and public institutions involved in assisting livestock producers in marketing, exporting, and management issues.

Target Group: The Project's target group will impact directly on an estimated 5,000 families engaged in agricultural and livestock production in the sierra. In addition, the national economy as a whole will benefit from the increased production and from reductions in the erosion which currently produces extensive damage each year to roads and other infrastructure.

Project No. and Title: 527-0260
Agribusiness Investment Promotion

Proposed Funding: FY84: Loan : \$4,000,000 SDA; \$3,000,000 ARDN
Grant: \$250,000 SDA
FY85: Loan : \$3,000,000 ARDN

Life of Project: Loan : 4,000,000 SDA; \$6,000,000 ARDN
Grant: \$250,000 SDA

Appropriation Account: Selected Development Activities
Agriculture, Rural Development and Nutrition

Purpose: To strengthen the role of the private sector through an agribusiness development program providing medium and long-term credit and technical assistance.

Background: As confirmed by the 1982 Presidential Agricultural Mission, the Peruvian agricultural sector offers ample possibilities for the creation of private-sector, export-oriented agribusiness. Over the years, however, Peru dedicated its efforts to traditional agribusiness such as sugar and cotton, with little attention being paid to other agricultural products that could be industrialized to satisfy local consumer needs, reduce distribution costs, and tap world markets with higher local, value-added products. Moreover, the agrarian reform initiated in 1969, and parallel socialization policies, resulted in a high degree of economic uncertainty in the agricultural sector which severely diminished private sector investment in agro-industry. With the return of democracy, the GOP has revised these policies and legislation, restoring to private enterprise its leading role in a free market economy and deactivating state owned monopolies directly affecting agriculture and trade.

The recent deterioration in the terms and sluggish demand for traditional Peruvian exports have put severe pressure on the GOP's balance of payments position, resulting in a loss of already scarce foreign reserves. As a result, the GOP has taken steps towards the promotion of exports, especially non-traditional exports, which in the agribusiness area are virtually untapped. Yet there are still serious structural and financial constraints to promoting agro-industry, particularly in export markets. Linkages between farmers, industrial producers and marketing channels are weak, and credit for agro-industry is currently unavailable as a result of Peru's economic crisis and consequent credit crunch.

The proposed Project will build upon the experience of the Agribusiness Development Rediscount Fund--one of the few successful experiences in promoting agribusiness in Peru. The Project will go beyond this project, however, in expanding efforts to promote non-traditional agribusiness products (such as high jungle tropical products) and in increasing the efficiency of marketing, productive and other linkage factors important to successful agribusiness promotion. Emphasis will also be placed on increasing the value added of current agribusiness products.

A FY83 evaluation of the project will be instrumental in Project design by identifying bottlenecks encountered in previous USAID agribusiness efforts in Peru and in agribusiness in general.

Description: The proposed Project will support the GOP in this effort by expanding agribusiness exports much beyond its current level (2 percent of total exports), and making use of comparative advantages inherent in Peruvian agro-industrial products.

The Project will promote and strengthen the development of private sector agro-industrial enterprises. It will focus on introducing labor-intensive technology, particularly in food processing industries for export, and will complement agricultural and agro-forestry development projects, particularly in the high jungle. It will also demonstrate AID support for the independent banking system and encourage the commercial financial system to lend for agribusiness activities.

Project activities will include the establishment of a credit fund, technical assistance to sub-borrowers, transfer of technology, promotional activities, outreach capability, reduction in credit barriers, and institutionalization of agribusiness lending concepts. During project development, USAID will examine potential implementation mechanisms, including COFIDE, the governmental development finance corporation, as well as other options such as an individual commercial bank or a consortium of local banks.

AID loan resources, \$10 million, will be used to capitalize the credit fund, with a portion of AID funds set aside to provide technical assistance. The GOP will also contribute to the capitalization of the credit fund and, with private commercial banks, implement the lending program and provide technical assistance to sub-borrowers. During project development, USAID will explore the possibility of the GOP acquiring co-financing for the Project from a commercial financial institution.

These Project activities will contribute to the establishment and strengthening of agribusiness, the generation of new employment opportunities, income generation and improved income distribution, as well as increased and self-sustaining levels of economic activity.

Target Group: The Project will benefit the private sector agribusiness who receive the credit; that segment of the rural or semi-rural population which will be employed by these enterprises; and the small farmer whose crops will have greater access to processing and marketing as a result of the Project.

Project No. and Title: 527-0263
Non-traditional Export Promotion and Training

Proposed Funding: FY85: Loan : \$5,000,000 SDA, \$8,000,000 ARDN
Grant: \$500,000 SDA, \$500,000 ARDN

Life of Project: Loan : \$5,000,000 SDA, \$8,000,000 ARDN
Grant: \$500,000 SDA, \$500,000 ARDN

Appropriation Account: Selected Development Activities and Agriculture, Rural Development and Nutrition

Purpose: To support the establishment of national trading companies, to promote the export of non-traditional agricultural, agro-industrial and manufactured products to world markets, and to strengthen local institutions to train and prepare the private sector in these tasks.

Background: Peru today faces a serious economic and financial crisis. In large part, it is due to the world recession, the high cost of borrowing in recent years and other factors affecting other Latin American and LDC countries. However, it is becoming increasingly clear to Peruvian decision-makers that there are also deep structural problems in Peru which have augmented the current recession and which can breake economic recovery.

Under the previous military government, Peru pursued a strategy of import substitution which was successful in the limited objective of establishing a number of local manufacturing industries. By the mid-1970s, however, it was evident that the import substitution industries, lacking external competition and locked into high costs, could not expand beyond the small but highly protected domestic market. This strategy also led to inappropriately capital-intensive modes of production. Export promotion programs were launched but they were hampered by policies which provided disincentives to export, including export taxes, tariffs, an overvalued currency and overall preference for public enterprises at the expense of private initiative.

The current government has adopted a number of measures for the elimination of these structural impediments. In addition, the GOP and the business sector recognize that increasing exports and promoting export oriented business--particularly the promotion of non-traditional exports--is one of the most effective means of promoting sustained growth in Peru. But the initial penetration of world markets by non-traditional products and continued expansion of these markets requires, in addition to an adequate volume of credit, the means by which the exporting process can be managed. This is a highly specialized service function, requiring a particular mix of special skills and experience. Few Peruvian producers and manufacturers have these characteristics. In addition to requiring specific expertise, breaking into non-traditional markets also requires significant investments in market research, the establishment and maintenance of quality standards, and a high volume of production, all beyond the means of most individual manufacturers.

Project Description: The proposed project will support the GOP in implementing its policy objectives through the creation of trading companies which will group together and organize producers of agricultural, agro-industrial, and selected manufactured products, in order to export their products to world markets. As emphasized by the recent Cancun-inspired Presidential Agricultural Mission to Peru and by the LAC Regional Strategy, exotic fruits and spices offer outstanding potential for export to the U.S. and Europe as well as to Latin American markets, and can generate agricultural growth, particularly in selected areas of the coast and high jungle. Alpaca exports also offer considerable potential for expansion. Some efforts are already being undertaken, but they are not very systematic. They would benefit from a trading company approach. The market for artisan-produced consumer goods, such as sweaters, is virtually untapped.

Through assistance to the Peruvian Exporters Association foreign trade school, and to the Graduate School of Business and similar institutions, the Project will provide export management and marketing expertise to the trading companies so that they can establish, on behalf of their member companies, a non-traditional export capability directed at world markets. The Project will provide credit through the establishment of an export credit fund within the trading company and technical assistance in such areas as marketing, packaging, and quality control to producers, manufacturers, and merchants of non-traditional exports. At the same time, it will improve the efficiency of export-oriented banking in Peru. The Project will support a policy dialogue between the private export sector and GOP policy makers with a view towards eliminating obstacles and streamlining the export process.

The export focus of the Project will contribute to an improvement in Peru's balance-of-payments situation by increasing exports and equity investments; it will also significantly increase employment opportunities and provide an important new private sector channel for attracting international commercial bank loans. The Project is in line with LAC Strategy which encourages export promotion programs and particularly the elimination of structural impediments to exports.

Target Group: The Project will benefit the private sector producers and manufacturers who will form the trading companies; the segment of the population that is employed by the export-oriented enterprises and their suppliers; and the population at large through the improved economic climate which will result from a successful campaign to increase non-traditional exports. Approximately 100 businesspersons will receive short-term, overseas (U.S. and third country) training in related technical fields and a local institution strengthened to provide export-related management training in-country.

Project No. and Title: 527-0269
Private Sector Family Planning Initiatives

Proposed Funding: FY84: \$700,000 Grant
FY85: \$2,000,000 Grant

Life of Project: \$5,000,000 Grant

Appropriation Account: Population

Purpose: To strengthen and expand the coverage of family planning services, training, and information activities in Peru through the Peruvian private sector.

Background: Delivery of family planning services has been impeded in Peru by numerous constraints. These include religious and political resistance, weak public health infrastructure, limited understanding of demographic conditions, lack of adequately trained health personnel, and limited access to affordable contraceptives. The Ministry of Health (MOH) in Peru is in the process of making fundamental changes in their policies and operations to improve the delivery of more effective family planning programs. Contraceptives now appear on the MOH basic medicine list, which allows greater access to contraceptives for individuals relying on MOH facilities. Another recent directive of the Minister of Health permits midwives and health promoters to distribute contraceptives. These new policies, plus a major technical assistance effort to strengthen administration and management of the Ministry of Health currently underway, will help ease the public sector constraints on family planning service delivery, training, and information. USAID/Peru is working closely with the MOH and other public institutions to reach these objectives.

Public institutions will continue to be important in the provision of health and family planning services. However, to expand the coverage and acceptance of family planning programs, greater private sector involvement in the delivery process is required and will be emphasized by USAID. As stated in the AID Policy Paper in Population Assistance, it is important to "capitalize on the flexibility and innovativeness of the private sector in the search for a new and better ways to make safe, effective and acceptable contraceptive widely available."

USAID is already working with private organizations in our ongoing programs. The 0230 Integrated Health and Family Planning Project provides grant funds to the CNP (National Population Council), AMIDEP (a private information dissemination organization) and ATLF (a lay Catholic FP service delivery organization). The Mission is also providing OPG support to two other private organizations, the Instituto Marcelino and the Instituto Hipólito Unanue.

Description: The purpose of the Private Sector Family Planning Initiatives Project is to strengthen and expand the private sectors' capacity to provide family planning services, training, and information.

The project contains three major components: (1) service delivery; (2) training; and (3) information.

1. Service Delivery: The major element of the service delivery component, and representing almost half of projected funding, is the Contraceptive Retail Sales project (CRS). As stated in the AID Policy Paper, "In an attempt to increase services and stimulate greater private sector involvement in the delivery of family planning, AID is placing greater emphasis... in many developing countries (on) support (for) commercial retail sales (CRS) programs under which family planning is delivered through the commercial sector." Despite all ongoing and planned programs to expand family planning in the public and private sectors, a large unmet demand for safe and affordable contraceptives still exists. The CRS activity is intended to meet that demand by utilizing existing commercial distribution channels and mass media communication systems. The CRS program will distribute affordable contraceptives to areas where no contraceptives are currently available. It will provide information to the sellers and consumers of contraceptives on use and contraindications that is not currently available. It will stimulate the pharmaceutical laboratories to increase their contraceptive sales. The CRS activity will ease the logistics burden of the public sector by emphasizing product delivery to the private sector and service delivery to the public sector. In addition, the service delivery component of the proposed project will include program support for the ATLF program and the social project of the pharmaceutical industry, formerly called Hipólito Unanue. A new private Peruvian association has recently been formed called the Association to Assist Population Programs (APROPO), composed of a number of influential people in the Peruvian private sector who desire to stimulate new initiatives in family planning. This Project will support those APROPO activities that directly relate to the expansion and strengthening of family planning services.
2. Training: Hospital Loayza and Instituto Marcelino, two institutions that each have more than twenty years of experience in training health professionals in family planning, will coordinate and implement the training component of this project. These organizations will provide training and technical assistance to both the public and private sectors. Training will be provided to doctors during their intern period as well as refresher courses; training will also be offered to obstetrical nurses, health workers, promoters and midwives. Each of these institutions will increase their training capacity by 50% during the life of the project. Other Peruvian training institutions will continue to receive funds from AID/W financed intermediary sources, in coordination with USAID's family planning training strategy.
3. Information: This component consists of policy formulation, information dissemination, both social and scientific research, and sector coordination of population policy objectives. The National Population Council is charged by the GOP with the responsibility for population policy formulation and its integration with the policies of the health sector. This project will support this objective and will test programs in mass communications. AMIDEP will continue to increase awareness about population issues through their seminar program, their quarterly publication and their research program supported by grants and scholarships.

Target Group: There are approximately 3.7 million women at risk. It is estimated that 740,000 women are currently using effective contraceptive methods. Prevalence data suggest that another 700,000 women are using ineffective contraceptive methods, leaving 2.250 million women as the potential target group. This project will reach 600,000 women during life of project.

Project No. and Title: 527-0270
National Nutrition Development

Proposed Funding: FY84: \$500,000 Grant
FY85: \$500,000 Grant

Life of Project: Grant \$1,500,000 (Loan: \$5,000,000 FY85 shelf)

Appropriation Account: Agriculture, Rural Development and Nutrition

Purpose: To establish within the GOP a capability for identifying, analyzing, and addressing nutrition problems in Peru and to carry out selected nutrition programs addressing specific aspects of malnutrition.

Background: The 1971/72 ENCA survey indicates that Peru had serious nutritional problems at the start of the decade of the 70's. ENCA nutritional indicators for weight for age data, and food consumption data demonstrated that over 40% of the population had appreciable nutritional problems. The economic downturn of the late 70's, and Peru's present economic crisis, and lower real incomes and higher real prices for food (particularly for the poor) have contributed to a worsening nutritional situation in Peru.

Price subsidies on a number of food commodities may have partially offset these impacts on low income urban consumers. But these policies were certainly not cost-effective, in that they subsidized consumption of higher income groups (the subsidies cost approximately \$300 million per year). Furthermore, evidence suggests that the price subsidies did not reach the groups in the population with the more severe nutritional problems (the Sierra peasants) where rates of malnutrition exceed 50%.

Specific food and nutrition policies are not being pursued by the GOP, but are desperately needed. Food policy in general does not have high priority, while nutrition issues continue to be addressed in piecemeal fashion through multiple low coverage programs for nutritional assistance. Such efforts, while important in preventing severe nutritional problems, do not resolve the basic and systematic problems of food availability and food costs for a large number of rural and urban households. The human resources to resolve these problems exist within Peru, but the institutional framework for their work does not.

Description: The National Nutrition Development project will develop the institutional framework for addressing food and nutrition policy issues in Peru. In addition, some specific nutrition interventions will be funded under the project, including some with private sector groups. The Mission expects that this grant will help establish the analytical, human resource and institutional base needed for implementation of a larger nutrition intervention project which we will have ready by FY85, for funding in that year or in FY86, as economic conditions in Peru evolve.

The components of this project will be identified by the FY 1983 Nutrition Assessment and the FY 1983 Title II Evaluation. The project will conform to the Mission's updated CDSS development strategy. Furthermore, the 1983-1984 National Nutrition and Health Status Survey will provide additional baseline

data for targeting nutrition interventions to high risk families. The project will contain some of the following potential activities: improved community nutrition education through the primary health care system; training of primary health care workers in growth monitoring and incorporation of growth monitoring data into a health information system; strengthening private sector nutrition education programs; improved targeting of supplemental feeding programs; establishment of a national nutrition surveillance system in the National Institute of Statistics; assistance for strengthening GOP sectoral or multisectoral institutions in applying nutrition information to governmental policies and programs; mass media programs promoting breast-feeding and diarrheal control; locally produced weaning food with possible commercial expansion within regions using local foods (potatoes, quinoa); and income generation activities for women in high risk populations.

While all of these potential activities fall within the framework of AID's Nutrition Policy, the most fundamental aspect of that policy is to increase nutrition targeting in relevant AID sectors, especially health, agriculture, and supplementary feeding programs, and to consider nutritional impacts when discussing policies in these sectors. The development of a nutrition information system and strengthening sectoral and/or multisectoral capability to use this information to advance nutrition policy objectives will be a central component of the project.

The LAC Regional Strategy identifies Peru as one of the countries within the region in which infant and child morbidity and mortality rates in certain areas remain as high as those in some of the poorest countries of Asia and Africa. Malnutrition is one of the major factors contributing to this problem. Peru is also identified as one of the countries in which continued support for primary health care (PHC) services is necessitated by inadequate health infrastructure and high infant and child mortality and morbidity rates. "A recent review of integrated nutrition, family planning and health programs...demonstrated the importance of combining health and nutrition services to lower infant mortality." This project will, inter alia, assist Peru in strengthening key nutrition components of the PHC system, as the Agency's Nutrition and Health Policies recommend.

Target Group: The beneficiaries of this project will be infants and children under five and pregnant and lactating women. The analytical base provided by the Project will benefit GOP decision-makers who will utilize nutrition surveillance data and other nutrition information in the design of public and private sector nutrition programs and policies. There are 2.8 million children under five years of age, and approximately 1.2 million of these are at risk of malnutrition in Peru. This project will provide improved nutrition education, supplementary feeding, and growth monitoring data to a large portion of that target group via the GOP's primary health care system.

Project No. and Title: 527-0271
Health Policy, Planning and Human Resource Development

Proposed Funding: FY85: \$1,000,000 Grant

Life of Project: \$2,000,000 Grant (\$5,000,000 Loan FY85 shelf)

Appropriation Account: Health

Purpose: To improve the GOP capacity to formulate and implement effective health sector policies and programs in order to improve health status of the population.

Background: Although the Peruvian Government has undertaken new initiatives to increase primary health care services to both urban and rural population groups, the health status of Peruvian citizens remains poor. The national infant mortality rate is 86 per 1,000 live births, and life expectancy is 58 years. Available health statistics confirm the fact that health care coverage disproportionately favors the urban areas. Infant mortality reaches 200 per thousand in some areas of southern sierra, for example.

Yet the existing health resources in the rural areas are underutilized due to ineffective planning and management of GOP health programs. For example, in spite of the GOP programs to train and utilize auxiliaries and para-professionals, the universities continue to train and expand their capacities to educate doctors. The result is an oversupply of medical doctors, who remain concentrated in urban areas (80 per cent are in Lima, Trujillo and Arequipa) where many have few opportunities for employment. In 1979 the MOH estimated that there were 2,515 physicians in excess of public sector needs. The figure now is reportedly over 5,000. The situation will become even more critical if the four new medical schools that have been proposed are allowed to open. As the cost of medical care rises, the urban-rural discrepancy worsens and the lower socio-economic population groups suffer further decreases in relative health status.

In the past, Peru's health policy evolved on the basis of the medical practices of industrialized countries that do not address the main health problems and demands of its population. The Belaunde Government did formulate a National Plan of Coordinated Health Actions (PNAC) for 1982-85 with strong emphasis on primary health care. This plan included a reorganization of the MOH and appointment of a special MOH Commission to prepare a National Primary Health Care Policy (PHCP), which was officially approved by a Ministerial Resolution in January 1982. However, while the MOH is now emphasizing Primary Health Care (PHC), there is a clear gap between objectives and the PHC program now available, as well as need for policies conducive to greater involvement of private sector organizations in national health problems. The actual planning of health programs is constrained by the lack of health management professionals and by reliable statistical data needed to analyze health programs and redirect the delivery of services. AID's Health Assistance Policy Paper accurately states that many of these management and policy problems need to be addressed in "second generation" PHC programs. A strong health policy and planning capability is needed to formulate nationwide

policies and collect and analyze epidemiological data to effectively plan programs and to collect and analyze expenditure and service delivery data to monitor the programs of the GOP and private sector agencies. Besides looking at the coverage, quality control and community participation of programs, policy-makers must also examine numerous economic and management related issues which have not to date been emphasized, including alternative methods of financing health care and private sector involvement.

Project Description: In line with AID's Health Assistance Policy, this Project will focus on alleviating cost inefficiencies. The proposed project will provide assistance to the National Council of Health, the National Planning Institute, the Central Bank, the MOH, the Social Security Institute, and National Institute of Statistics to establish national health policies to guide the planning of programs which provide broad access to cost-effective preventive and curative health services. It will also support a local university management training program to meet these training needs.

Project components will include: technical assistance to national health policy and planning organizations; training, both in-country and outside of Peru, for health leaders in policy, planning, epidemiology, health administration and management, and health financing (approximately half of project funds will be assigned to training. Approximately 12 and 43 health professionals will receive long-term and short-term training, respectively); and research, including operational research activities, to test alternative financing and health care delivery schemes in both public and private sectors. By addressing policy and planning activities this project will result in more cost effective health programs through better program design, management and implementation.

Issues which need to be addressed during project development include identifying: the various roles played by GOP, universities and private sector agencies in setting health policies; the most appropriate agencies to undertake this project; previously trained GOP health planners; and appropriate programs for carrying out training.

AID's Health Policy Paper of December 1982 emphasized AID's role in encouraging governments to "modify" specific policies that impede the effectiveness, efficiency and long-term viability of health programs." This project will provide GOP health officials and decision-makers with an analytical base and alternative policy choices, and at the same time strengthen the institutional capacity to continue effective health planning including analyzing health problems and implementing effective program interventions.

Target Group: The primary beneficiaries will be the institution whose planning and management capabilities will be strengthened under the project. Indirect beneficiaries will be those people served by the institutions and other private sector health delivery organizations which will receive more efficient health services.

Project No. and Title: 527-0274
OPG Acción Comunitaria Micro Enterprise Promotion

Proposed Funding: FY84: Grant \$250,000
FY85: Grant \$300,000

Life of Project: Grant \$750,000

Appropriation Account: Selected Development Activities

Purpose: To expand credit and technical assistance opportunities for small-scale and micro business people in the pueblos jóvenes of Lima.

Background: Since the 1960's, Peru has been experiencing a period of rapid urbanization. Peru's urban population has grown from 40% of the total population in 1960 to 65% in 1979 and is expected to reach 75% by 1990. One of the major and most urgent challenges facing Peru is the creation of sustainable employment opportunities for its growing urban dwellers. Peru's labor force is expected to grow by more than three percent per year, while employment growth has been lagging at a rate of 2.7% per annum.

Numerous studies have demonstrated that in Peru, as in most LDCs, the capacity of formal and established manufacturing and service enterprises to absorb the growing employment force are, and will continue to be, limited. Employment patterns in Lima and other urban centers reflect this problem. A 1978 study found that one-third of Lima's labor force is concentrated in two occupational groups: retailers, composed primarily of street vendors and informal service workers, including domestic servants. If people employed in unregistered small-scale industry are considered, over one-half of the Lima metropolitan population was employed in the "informal" sector. And informal sector ranks have probably grown considerably in the last two years through rural to urban migration and increasing unemployment as a result of economic recession.

The majority of informal sector jobs are low-paying, and at the enterprise level many inefficiencies exist. Nevertheless, the informal sector is dynamic. Small-scale informal sector businesses respond and adapt quickly to market signals. The pueblos jóvenes of Lima and other Peruvian cities are filled with economic activity. The majority households are engaged in tiny businesses which often provide the bulk of family income. These businesses range from small eating places, street vending, servicing appliances, collecting bottles for resale to bottling companies, to more sophisticated enterprises employing a number of people.

Despite its importance, the informal and small-scale enterprise sector has received little assistance from public and private institutions. Access to formal credit and technical assistance is very limited. Lack of investment and operating capital results in production discontinuities, which restrict enterprise development and result in low productivity. Credit is usually obtained from money lenders who charge extremely high rates. This reduces profits and the capitalization of enterprises, and is a factor preventing their growth.

Project Description: The proposed Project supports the USAID and LAC Regional Strategy of expanding employment opportunities through small business and private sector promotion. It complements the Mission's Small-Scale Urban Enterprise Promotion Project with the Banco Industrial del Perú (BIP) and expands Mission efforts in support of the informal sector.

Through the proposed grant, USAID will expand the ongoing credit and technical assistance program of Acción Comunitaria del Perú (ACP), a local PVO with strong private sector ties. ACP presently operates one office near the pueblos jóvenes of southern Lima to carry out its programs. Under the proposed grant, ACP would expand to three additional offices near or in southern Lima pueblos jóvenes (an area consisting of over one million people). Credit capital for the Project will be provided by ACP and through private sector co-financing which ACP is presently negotiating. USAID grant resources will finance equipment and administrative costs of the new three field offices to be opened.

ACP aims to establish a self-sustaining credit and technical assistance program that includes charging real rates of interest to sub-borrowers (many informal sector business persons borrow from money lenders at rates far exceeding commercial bank interest rates--annual rates of over a thousand percent are not uncommon) and by covering administrative costs of technical assistance programs through direct charges to program participants. ACP's operations to date have demonstrated that demand for these programs far exceeds ACP's capacity to respond to them.

The objective of the program is to "graduate" sub-borrowers to commercial bank lending and to demonstrate to the banking community that lending to this sector is an untapped and profitable undertaking. It is expected that by the end of the third year of operation, the program will be fully established and self-sustaining.

Target Group: Approximately 3,000 small and micro business persons will receive loans and technical assistance during the life of the Project. It is expected that over half of these beneficiaries will be women.

Project No. and Title: 527-0275
OPG - Training for Development

Proposed Funding: FY84: \$300,000 Grant
FY85: \$400,000 Grant

Life of Project: \$1,000,000 Grant

Appropriation Account: Education and Human Resources

Purpose: To develop and upgrade the expertise of Peruvian professionals working in priority development areas so that general human resource constraints will be alleviated and to strengthen the capacity of a Peruvian institution to manage training programs to meet this objective.

Background and Description: As stated in LAC Regional Strategy Plan, "Over the long run, a country's economic growth, and thus its ability to provide employment and alleviate poverty, depends on how well it develops and utilizes productivity of its human resource base... "Experience has shown that participant training is a significant component of the development process and demand for U.S. training has far exceeded current availabilities." There are strong developmental, technological, economic, political, and commercial justifications for such training".

The Mission's human resources strategy will be described in its updated CDSS. However, our recent private sector assessment noted the importance of upgrading technical and managerial skills as part of a Mission private sector strategy. While many training needs will be met with project specific funding, a large demand still exists for general development training in Peru, especially for training in the U.S. at the graduate level. General development training will be used to develop a critical mass of competent personnel in selected ministries, agencies and private organizations as a component to our overall Mission institution-building strategy. During Project development the Mission and the selected PVO will undertake a thorough analysis of constraints to carrying out training programs in Peru and incorporate solutions to project design.

The criterion for selection of participants will be a demonstrable potential for impact on development in accord with Peru's development priorities. Both long and short term training will be financed, as well as training in the U.S. and third countries. We prefer American training because of the quality of the U.S. institutions, the life-time ties that evolve, and the opportunity to project a positive image for America. However, due to ever-increasing U.S. costs and the increasing number of third country training institutions, the project will include third country training. Local training will not be included because it will be financed under specific bilateral projects.

The grantee will be a local Peruvian private voluntary organization, such as the Instituto Peruano de Fomento Educativo (IPFE), which will identify and manage the programs of the participants financed under the project.

Participant selection will be done by the grantee in collaboration with the Mission. An important objective of the Project is also to strengthen the capacity of the grantee to carry on similar training programs in the future. The grantee will conduct follow-up activities with returned participants, such as establishing newsletters or setting up alumni associations. The project is designed as a matching grant to the LAC Regional Training Initiatives project (FY82-FY84) which is expected to be extended beyond its current PACD date in FY 1984.

Target Group: High and mid-level officials from both government and the private sector will be trained. The participation of women will be strongly encouraged. Approximately 25 long-term and 145 short-term participants will be trained during the life of the project if all training is conducted in the U.S. If third country training institutions are utilized, this figure will double or triple.

Project No. and Title: 527-0276
Huallaga Valley Development Consolidation

Proposed Funding: FY85 (shelf): Grant: \$1,000,000
Loan : \$10,000,000

Life of Project: Grant: \$1,000,000
Loan : \$10,000,000

Appropriation Account: Agriculture, Rural Development and Nutrition

Purpose: To accelerate and consolidate agricultural and agri-business development opportunities in the Huallaga Valley and to increase small and medium farm productivity through diversification with private sector initiatives.

Background: Under the \$19 million, loan funded Sub-Tropical Lands Development Project (527-0163), the GOP made major investments in the development of the Huallaga Valley, which contains the best agricultural lands in the high jungle regions of Peru. The Project successfully constructed three machinery parks, five market centers and 150 kilometers of penetration roads, and greatly improved the public institutions providing ag credit, extension services, land titling, farm machinery rental, and grain marketing services to the farmers throughout the Huallaga Central and Bajo Mayo portions of the Huallaga Valley. Other ongoing support activities, including road maintenance, were also carried out successfully under the Project.

The joint GOP-AID Project was supplemented by other GOP-financed development activities in the area, which included constructing the largest fishery station in Peru; equipping schools; building health posts; and carrying out feasibility studies for irrigation projects and hydroelectric installations (which are being financed by other donors). These activities, as well as the opening of the marginal highway to Tingo María that greatly reduced the distance to the Lima market, have encouraged a considerable number of private sector investments in the area, including a cotton gin, a cotton seed oil plant, a milk plant, a citric fruit processing plant, rice mills, cattle feed lots, poultry farms, fish farms, and other agri-business that support and depend on the increasing levels of production occurring in the valley.

The unfortunate sequence of natural disasters in Peru has diverted programmed GOP resources from this high potential agricultural area to meet the needs of disaster areas in the northern coastal and southern sierra regions of the country. At the same time, however, experience with this pioneer effort has demonstrated the need for specific second-generation project interventions to maximize the development impact of the first project and to accelerate the consolidated development of the Huallaga Valley.

Project Description: The forest control and soil conservation measures identified in the environmental protection plan generated under the Sub-Tropical Lands project need to be implemented as soon as possible. Private sector investments in integrated farming systems (e.g. fish and duck ponds combined with pigs and chickens), citric fruit and grain production,

feed lots and other agri-businesses need to be encouraged to take advantage of the fishery station and the water resource development activities planned for the area. Support is needed also for road maintenance; and possibly for agricultural production credit and extension activities.

The proposed project will provide grant funded technical assistance for integrated farming systems, heavy road equipment maintenance, post-harvest grain handling, agri-business, adaptive research and forestry activities. Loan funds would be used for (a) constructing and equipping a regional heavy equipment maintenance/repair facility; (b) carrying out adaptive research and further improving extension activities; (c) providing special lines of credit for agri-businesses and integrated agricultural activities; and (d) for forestry; soil conservation and other environmental implementation activities.

Target Group: The advent of private sector investments already has accelerated urban and rural development throughout the Huallaga Valley. The continued growth of private sector investments will provide income and employment opportunities not only for the rural poor in the area, but also for urban and rural poor immigrants from the northern coastal areas looking for ways to recuperate from the disaster.

Project No. and Title: 527-0278
Economic Recovery Program

Proposed Funding: FY84: \$60 million Grant
FY85: \$60 million Grant

Life of Project : \$120 million Grant

Appropriation Account: Economic Support Fund (ESF)

Purpose: To fortify and safeguard the Peruvian democratic experiment through quick-disbursing balance of payments and budget support prior to the national elections of 1985, thereby cushioning the disruptions and tensions caused by terrorism, economic problems and natural disasters and strengthening the Peruvian private sector through increased private sector liquidity.

Background and Relationship to Policy Objectives: Peru returned to a democratically elected government in 1980 after more than a decade of statist military rule and chauvinistic foreign policies. Twelve years earlier, President Belaunde was ousted by a leftist military government which socialized much of the Peruvian economy. The military government replaced private firms with state enterprises, increased regulation and controls on the private sector and, in a sweeping but poorly implemented land reform, put workers in charge of collectivized farms with little management or technical support. Large numbers of professionals emigrated. Productivity fell. Centralized bureaucracies multiplied. By the mid-1970s these policies brought Peru to the brink of bankruptcy.

Elected overwhelmingly (45 percent of the vote in a field of 15 candidates), the Belaunde government took bold initiatives to stabilize the economy and to promote long term equitable growth within the context of political and economic democracy. The cornerstone of the Peruvian economic program is sound financial management and a shift to active encouragement of domestic and foreign private investment.

The current administration promotes increased trade through import liberalization, increased savings through higher interest rates, and increased incentives to efficient production by reducing subsidies and price controls in agriculture, energy and other economic sectors. It is undertaking major efforts to strengthen the private sector and to develop private sector options to public sector programs. Indeed, the Peruvian private sector oriented development model--combined with a strong commitment to political democracy--is the most important new model in the Hemisphere.

Rarely has the U.S. worked with a group of developing country decision-makers who so fully share our own concepts of development policies on which to build the basis for economic and political democracy. The U.S. has a strong interest in seeing Peru's democratic and market-led development model succeed. The failure of this strategy would be a significant foreign policy and developmental reverse for the U.S., not only in Peru but throughout the Hemisphere.

Yet, the panorama now facing Peru is somber. The country confronts four major political and economic crises: a deteriorating economic situation; a severe liquidity crisis facing the private sector; natural disasters; and a persistent terrorist movement. These crises could seriously impinge upon the country's national elections scheduled for May 1985 and so discredit the market-led development strategy being implemented by the Belaunde administration that any future government would be forced to abandon or reverse many of the major elements of this strategy. These events would represent a significant setback for U.S. foreign policy goals throughout the developing world.

Peru's rapidly deteriorating economic situation has been amply described in various Embassy and USAID reports (see, for example, LIMA 3986 and 4289). These reports describe an economy in the midst of a severe recession and a business environment approaching crisis. While debt renegotiations, an IMF agreement and international development assistance from IDB, IBRD, and AID will provide some relief, the economic situation in Peru will remain serious during FY-1984 and FY-1985. Already, most development projects are stopped because of a lack of GOP counterpart financing. Macroeconomic problems and corresponding balance of payments and budgetary restrictions will greatly accentuate tensions preceding the 1985 national elections. The depth and extent of these problems may be the single most important factor in shaping the outcome of the elections and future GOP foreign and domestic policies.

Closely related to the deteriorating economy is the liquidity crisis now confronting the Peruvian private sector. As clearly indicated in USAID's recently completed Private Sector Assessment prepared by Coopers and Lybrand, credit is at a critical point with virtually no funds available to Peruvian businesses. This lack of liquidity, particularly for working capital, could lead to the bankruptcy of a large number of firms that otherwise should lead the Peruvian economy out of the current economic recession. The current recession may so weaken and reduce confidence in the Peruvian private sector that any new government assuming office in 1985 would be forced to abandon Belaunde's emphasis on the private sector as a development approach.

The disruptions and damages caused by the 1983 natural disasters affecting much of the country exacerbate Peru's deep recession. Floods, mudflows, landslides and drought have caused losses of over \$700 million. Even more importantly, for much of 1984 and 1985, reconstruction efforts will divert human and financial resources away from longer-term development projects and further slow down many of Belaunde's most important new programs. Not being able to address the country's deep-seated problems will cause an increase in political and social tensions.

Finally, Peru's persistent terrorist movement, Sendero Luminoso (SL), will further exploit the political and social tensions created by the recession, private sector crisis and natural disasters. A prime terrorist objective is to destroy productive infrastructure. Terrorism, combined with the economic recession and natural disasters, increases pressure on a still fragile democratic political system. And these pressures will increase as the 1985 elections draw closer.

The 1985 national elections are a critical test for Peruvian democracy and will determine whether the development initiatives begun by the Belaunde administration will continue during the second half of the 1980's. It is clear that the views and programs of the new administration will be shaped by its perceptions of the successes and failures of the incumbent government. For whatever government assumes office in 1985, a floundering economy, a discredited private sector, and inadequate responses to natural disasters and terrorism can only create pressures for radical policy changes. What is needed in FY-1984 and FY-1985 is a significant Economic Support Fund (ESF) Program that can cushion the disruptions cause by economic problems, natural disasters and terrorism and facilitate the orderly transition to a new elected government in 1985.

Project Description: The liquidity crunch caused by the problems described above seriously affects both the public and private sectors and applies equally to foreign exchange and local currency availabilities. The financial crisis is expected to last throughout 1984 and 1985. For this reason, we propose program assistance from the Economic Support Fund (ESF) in both FY-1984 and FY-1985.

These ESF funds would be used for the following:

- provide balance of payments and budgetary support to the GOP to allow the continuation of disaster reconstruction and other urgently needed public sector programs that might otherwise have to be cut back or completely stopped because of lack of resources.

- increase private sector access to loan capital to strengthen that sector's participation in development.

- expand reconstruction and development activities in Ayacucho Department and other areas affected by the Sendero Luminoso terrorist movement (see LIMA 4242 for further details).

- provide GOP counterpart resources that could trigger larger disbursements and faster implementation of AID and other donor projects, thereby multiplying the short-term impact of available resources.

Through this ESF program, the USG would provide dollars to the Central Bank of Peru through the type of fast disbursing mechanisms currently being used in ESF programs in Central America and the Caribbean. Use of the dollars would be attributed to imports from the U.S. on a post hoc basis. The GOP would concurrently agree to use the foreign exchange provided by the ESF program to facilitate public and private sector purchases from a U.S. source.

Local currency proceeds would be deposited in an interest-bearing special account and would be allocated to the following purposes:

- to provide budget support for key GOP ministries and agencies.
- to expand the availability of credit to the private sector using entities such as the National Development Finance Corporation (COFIDE), the Industrial Bank of Peru (BIP), the Agricultural Bank of Peru (BAP) and private banks.

-- to finance the GOP's south sierra emergency plan particularly in areas such as Ayacucho Department affected by Sendero Luminoso.

-- to provide counterpart for IDB, World Bank and other activities.

-- to provide further assistance for disaster-related reconstruction activities.

USAID will work closely with the GOP in programming and monitoring the use of ESF local currency generations.

TABLE V - FY 1985 PROPOSED PROGRAM RANKING						Country/Office PERU	
RANK	PROGRAM ACTIVITY DESCRIPTION	ONGOING NEW	LOAN GRANT	APPR ACCT	PROGRAM FUNDING (\$000)		
					INCR	CUM	
1	527-0278 ESF	0	G	ESF	(60,000)	---	
2	Title I	0	L		(20,000)	---	
3a	527-0263 Non-Traditional Export Promotion	N	G	SDA	500	500	
b	527-0263 Non-Traditional Export Promotion	N	L	SDA	5,000	5,500	
c	527-0263 Non-Traditional Export Promotion	N	G	ARDN	500	6,000	
d	527-0263 Non-Traditional Export Promotion	N	L	ARDN	8,000	14,000	
4	527-0260 Agribusiness Investment Promotion	0	L	ARDN	3,000	17,000	
5	527-0238 Agricultural Policy Formulation and Management	0	G	ARDN	1,750	18,750	
6	527-0271 Health Policy Planning and Human Resource Dev.	N	G	HE	1,000	19,750	
7	527-0269 Private Sector Family Planning Initiatives	0	G	PN	2,000	21,750	
8	527-0259 Urban Development and Housing Sector Support	0	G	SDA	500	22,250	
9	527-0270 National Nutrition Development	0	G	ARDN	500	22,750	
10	HIG				(20,000)	22,750	
11	527-0274 OPG Acción Comunitaria Micro Enterprise Promotion	0	G	SDA	300	23,050	
12	527-0275 OPG Training for Development	0	G	EHK	400	23,450	
13	527-0240 Central Selva Resource Management	0	G	ARDN	1,150	24,600	
14	527-0244 Upper Huallaga Area Development	0	G	ARDN	1,000	25,600	
15	Title II - CW\$ Food for Work				(899)	25,600	
16	527-0231 OPG SEPAS - Expanded Reforestation FFW	0	G	ARDN	200	25,800	

TABLE V - FY 1985 PROPOSED PROGRAM RANKING					Country/Office	
RANK	PROGRAM ACTIVITY DESCRIPTION	ONGOING NEW	LOAN GRANT	APPR ACCT	PROGRAM FUNDING (\$000)	
					INCR	CUM
17	Title II - SAWS Food for Work				(3,123)	25,800
18	527-0247 OPG OFASA - Expanded Feeding Program	0	G	ARDN	220	26,020
19	527-0230 Integrated Fam. Planning Health	0	G	PN	2,250	28,270
20	527-0166 Program Dev. and Support	0	G	ARDN	355	28,625
21	Title II CARE - Food for Work				(858)	28,625
22	527-0261 OPG CARE - Basic Infrastructure in Pueblos Jovenes	0	G	ARDN	300	28,925
23	Title II - CRS - Food for Work				(2,359)	28,925
24	527-0248 OPG CARITAS Feeding Program	0	G	ARDN	175	29,100
25	Title II - CRS - Maternal Child				(1,419)	29,100
26	Title II - SAWS - Maternal Child				(246)	29,100
27	Title II - CWS - Maternal Child				(26)	29,100
28	527-0226 Small Hydro Development	0	G	ARDN	250	29,350
29	527-0061 Special Projects	0	G	SDA	100	29,450
30	527-0221 Rural Water Systems and Environmental Sanitation	0	G	HE	200	29,650
31	Title II - CRS - Other Child				(903)	29,650
32	Title II - SAWS - Other Child				(89)	29,650
33	Title II - CWS - Other Child				(9)	29,650
34	527-0168 Program Dev. and Support	0	G	EHR	100	29,750
35	527-0169 Program Dev. and Support	0	G	SDA	150	29,900
36	527-0208 Program Dev. and Support	0	G	PN	50	29,950

TABLE V - FY 1985 PROPOSED PROGRAM RANKING					Country/Office	
RANK	PROGRAM ACTIVITY	ONGOING NEW	LOAN GRANT	APPR ACCT	PROGRAM FUNDING (\$000)	
	DESCRIPTION				INCR	CUM
37	527-0167 Program Dev. and Support	0	G	HE	50	30,000
38	Title II - CRS - Pre-school Feeding				(480)	30,000

TABLE V NARRATIVE--PROPOSED PROJECT RANKING

As described in the Action Plan, the central tenets of the Mission's FY84-85 development programs are to: (1) provide financial and technical support for GOP disaster reconstruction efforts and macroeconomic recovery; (2) place emphasis on private sector-oriented initiatives to promote economic recovery, limit GOP counterpart requirements and concentrate Mission management resources; (3) further develop the analytical base for policy dialogue and new program initiatives with a new government in agriculture, health and other sectors; and (4) concentrate on project implementation and reduce the Mission's "mortgage" to have maximum resource flexibility for new programs in FY86 and beyond with the new GOP. The proposed FY85 budget and project rankings flow from these Action Plan priorities.

The first priority requires immediate action, which we expect to provide beginning in FY84 through an ESF package and reconstruction and relief assistance. Additional macroeconomic assistance will almost surely still be required in FY85, and in the election year of 1985, it will be essential to continue ESF assistance to reduce internal pressures related to the election (see ESF project description). Hence, the Mission assigns very high priority to the ESF program and to the PL-480 Title I program which we list first and second, respectively, in the rankings. The Title I program has and will continue to be a valuable resource both as foreign exchange support and as a generator of local currency for GOP and USAID priority programs.

In FY85 the Mission will solidify the support base of objectives two, three and four, which we will begin to work toward in FY84. The Mission's major start, 0263 Non-Traditional Export Promotion and Training (which will be split funded between SDA and ARDN to reflect the diversity between the export promotion programs envisioned) will respond to private sector needs and is ranked third. Together with second tranches for 0260 Agribusiness Investment Promotion, 0269 Private Sector Family Planning Initiatives, and 0274 OPG Acción Comunitaria Micro Enterprise Promotion, the Mission will establish a solid base of private sector support. Moreover, project implementation for these projects during an election year will be much smoother than public sector efforts. Together they account for nearly two-thirds of FY85 obligations and are all ranked in the first eleven project listings.

Ongoing projects and a new start in FY85 will be instrumental in implementing the Mission's objective of further developing the analytical base for policy dialogue. By mid FY85, the Mission expects a number of key agricultural policy studies to have been completed through the 0238 Agricultural Policy Formulation and Management Project. A joint evaluation of project progress and studies, followed by obligation of the last \$1.75 million of grant funds, will be an excellent opportunity to begin a policy dialogue as soon as the new government takes office. A health analogue to the Agricultural project, Health Policy Planning and Human Resource Development (see Project Description) will be signed in FY85 and, as in agriculture, begin to play an important role in providing management and policy alternatives. Working along similar lines will be grant projects such as 0270 National Nutrition Development and 0259 Urban Development and Housing Sector Support (see Project

Descriptions). These project will be initiated in FY84 and form the analytical base for the Mission's policy dialogues as well as for key institution-building activities. We rank them in our first ten priorities. The 0259 grant will also complement our vital HIG program which will continue to be instrumental in our urban sector strategy. Linked to the Mission's technical and management institution-building objectives is the 0275 OPG Training for Development. A second tranche in FY85 will further expand the Mission's training programs.

Implementation of ongoing projects will be a major USAID priority. In FY85 we will be providing the final obligations for these projects and prepare for new programs in FY86 and beyond. The low ranking of some of these projects should not be considered a reflection of their importance but rather our subjective appreciation of the relative importance of providing a given increment of funding; it is not a ranking of any one project as a whole. Projects such as 0240 Central Selva Resource Management, 0244 Upper Huallaga Area Development, 0230 Integrated Health and Family Planning, and 0221 Rural Water Systems and Environmental Sanitation will continue to be important Mission priorities. Also ranked low on the list but of considerable importance to the Mission are PD&S accounts, which in FY 85 will play a significant role in providing support for sectoral studies and project design as the Mission gears up for an expanded number of new projects in FY 86.

The Title II program has been a major means of helping the GOP provide nutrition, health, education and other basic services in a cost-effective manner. It has been recognized by AID/W and other USAIDs as an example of a well integrated, well-targeted development effort. The program is being improved with the application of a system to prioritize Food for Work (FFW) sub-projects and thereby increase the efficiency of resource use. This is important, since Food for Work activities account for 70 per cent of the use of non-emergency Title II commodities in Peru. Because FFW activities are making a significant impact on our target groups, they rank ahead of other Title II categories (in descending order, the others are: Maternal/Child Feeding, Other Child Feeding and Pre-school Feeding). In each case, the commodities administered by the U.S. Voluntary Agency are ranked immediately ahead of the accompanying OPG grant to its local counterpart agency. An evaluation of the Title II program presently being carried out will provide guidance of future program direction.

TABLE VII--EVALUATION PLAN NARRATIVE

A. Issues Narrative

The Mission's evaluation plan during FY84-85 reflects two parallel purposes: to provide information that will enable management to make decisions that will expedite project implementation and, more generally, to provide guidelines for the USAID's development strategy. Past experience also indicates that evaluations can be useful in establishing a policy dialogue with host country institutions; hence, this will be a third objective of Mission evaluations where feasible.

Project implementation is a priority Mission concern. The USAID is implementing a number of large and complex projects which have encountered various implementation problems. These are 0178 Integrated Regional Development, 0192 Agricultural Research, Extension and Education, 0219 Extension of Integrated Primary Health, 0230 Integrated Health and Family Planning, and 0226 Small Hydro Development. Evaluations will be an important instrument in assessing problems and in recommending ways to facilitate implementation of these projects.

Continuing a process that began in FY83, we plan to have evaluations completed of all major "problem" projects by the end of FY84. Where appropriate, these evaluations will be coordinated with audits, conducted by the IG or by a local firm.

The Integrated Regional Development Project was evaluated in FY83 and is a model of the type of the evaluation that we envision for larger projects. As a result of the evaluation, several project components have been restructured, including long-term technical assistance. Through discussions with GOP counterpart institutions, a time table has been established for incorporating the project-created PRODERINs into the GOP's regional development institutions. The evaluation, and subsequent steps to implement its recommendations, has been a useful mechanism to establish a policy dialogue with the GOP on decentralization policy.

Beyond project-specific and implementation-related needs, evaluations will analyze a number of program and strategy issues of interest to the Mission and AID in general. This will involve, in some cases, testing the efficacy of basic precepts or hypotheses of the Mission's development strategy. This type of effort usually implies "impact" analysis; while it will be too early to measure actual impact in many cases, the evaluation should be able to provide the Mission with general guidelines of how these precepts can be better implemented in Peru. A listing of these precepts/hypotheses is provided below with the project evaluations that will test them listed in parenthesis.

1. The four pillars of AID strategy: policy dialogue, participation of the private sector in the development process, institution building and technology transfer. USAID/Peru is committed to continue making these concepts the base of our development program. All project evaluations will analyze project performance in these areas and recommend ways to improve it. All four may not be directly pertinent to a specific

project--for example, an individual project implemented through a public institution may not have promotion of private sector participation as a specific objective. In such a case, we will be looking at how the project impacts on the private sector and how it could be reoriented if this is called for. (all evaluations)

2. Decentralization and de-concentration of Government decision-making. Decentralization of decision-making is widely regarded by the development community as one mechanism for improving management service delivery and general development programs. Since 1978, decentralization as a political and economic objective has come to be widely accepted in Peru by practically all development and political participants. Several Mission projects are presently assisting the GOP implement this objective directly or indirectly. In evaluating these projects, the Mission will analyze how each project is responding to decentralization. Is decentralization or de-concentration improving management? What constraints have been encountered and how can AID and the GOP respond to these constraints? How do efforts in this project conform to stated GOP decentralization objectives? Is decentralization serving as a means to redistribute resources? (Projects to be evaluated: 0178 IRD, 0219 Extension of Integrated Primary Health, 0230 Integrated Health and Family Planning, 0221 Rural Water Systems and Environmental Sanitation, 0192 Agricultural Research, Extension and Education, and 0265 Private Sector Agricultural Investment Promotion.)
3. Linkage of Mission Agriculture Sector Projects to increased production and promotion of small farmer commercial enterprises. The LAC Regional Strategy accurately states that "an agricultural development strategy centered on small farms not only has beneficial distribution and employment effects but also is likely to be the most efficient means of increasing output." The four agriculture and rural development projects to be evaluated during FY84-85 are not small farmer promotion projects per se. However, by revitalizing an agricultural extension system that had been virtually destroyed, by increasing farming and growth opportunities in the high jungle, by expanding private sector participation in term lending, and by promoting market-oriented policies, they are means to increasing the production capabilities of small farmers and increasing production in general. Two key questions have to be examined by the evaluations. First, how responsive are technology packages, extension efforts, policy studies, credit and other project outputs to small farm production? Second, what steps are necessary to ensure that our projects are responsive to the needs of market-oriented small farm units? (Projects to be evaluated: 0192 REE, 0240 Central Selva Resource Management, 0244 Upper Huallaga Area Development, 0265 Private Sector Agricultural Investment Promotion, 0238 Agricultural Policy Formulation and Management.)
4. Natural Resource Management. Promoting the rational use of Peru's limited natural resources has been an important element of USAID agricultural and rural development strategy. A primary objective of USAID assistance in development of the high jungle, for example, has been to provide technology and resources to promote sound environmental and productive

management. FY84 and FY85 evaluations will analyze performance to date on achieving stated objectives. In terms of the efficacy of high jungle development vs. investment in the coast or sierra, evaluations will also provide guidelines for future Mission efforts in the high jungle and in natural resource management in general. (Projects to be evaluated: 0240 Central Selva Resource Management, 0244 Upper Huallaga Area Development, 0202 Land Use and Environmental Planning.)

5. Employment Creation and Small Scale Enterprise Promotion. The generation of productive employment is a primary area of concern of the LAC Strategy and the Mission. USAID evaluations will examine projects having a direct impact on employment and vocational education and other employment-related training efforts. Project evaluations will address efficiency issues (for example, cost per employment place created and financial status of enterprises participating in programs) and institutional issues such as management and sustainability of programs (particularly in regards to vocational education/training and the maintenance of value of project "rotating funds".) Important areas to be analyzed are small scale enterprises and Peru's "informal sector". How effective are these enterprises in allocating capital and labor? How responsive are they to market signals? (Projects to be evaluated include: 0241 Urban Small Enterprise Development, 343-0700 TECSUP, 0234 Fe y Alegría Expanded Vocational Training, 0266 ISEFA Vocational Education in the Pueblos Jovenes, 0274 Acción Comunitaria Micro Enterprise Promotion, and 0265 Private Sector Agricultural Investment Promotion.)

6. Efficiency of primary health care and family planning services. Peru is cited in the LAC Strategy as one of four countries where health infrastructure is less developed and infant mortality and malnutrition remain high and where, as a result, AID will continue to support primary health care service extension. Beyond specific project implementation objectives (see above), USAID evaluations will analyze the overall efficiency of PHC services in Peru and recommend how efficiency can be improved. An important element in low-cost delivery systems is the use of non-formal service delivery. How effective are the promotor and midwife systems being utilized in Mission-supported and other GOP programs? How can these and other non-formal systems be strengthened/expanded? What management deficiencies exist and how can these be corrected? Another area to be analyzed is the integration of all health related activities (nutrition, potable water, primary health care, etc.). How integrated are these programs and how could interaction be improved? (Projects to be evaluated: 0219 Extension of Integrated Primary Health, 0230 Integrated Health and Family Planning and 0221 Rural Water Systems and Environmental Sanitation.)

The six themes listed above--including how projects respond to the four principal pillars of AID strategies--touch the base all of the Mission's development programs. Through evaluations, we hope to maintain an ongoing analysis of these major strategy elements to continue to be responsive to Peru's development needs.

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 1985 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE PERU

Project List (Project No. & Title)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
	Last Eval Completed (Mo./Yr.)	Start To (Qtr)	Start To (Qtr)	To (Qtr)				
AGRICULTURE AND RURAL DEVELOPMENT								
527-0192 Agriculture, Research, Extension and Educa- tion	-	2	-	-	Project evaluations for 0192, 0240 and 0244 will examine implementation/ management issues.	PD&S 60	20	BIFAD assistance.
527-0265 Private Sector Agri- culture Investment Promotion	-	-	3	4	As described in the narrative, a central theme of ARD evaluations will be the linkage between project outputs (research, extension, credit, etc.) and small farmer production and food production.	Project 70	15	PRE/S&T assistance.
527-0240 Central Selva Resource Management	-	4	-	1	Projects 0240 and 0244 will analyze high jungle development strategy and natural resource management issues along with the evaluation of 0202. The 0192 and 0265 evaluations will also look at decentralizations issues.	Project 50	15	
527-0244 Upper Huallaga Area Development	-	4	-	1		Project 50	15	
527-0202 ONERN- Land Use Inventory and Environmental Plan.	-	1	1	-		PD&S 25	10	S&T assistance.
527-0226 Small Hydro Develop- ment	-	2	2	-	Will review implementation procedures and institutionalization of the project's recommended methodology for sub-project selection.	PD&S 30	15	
527-0178 Integrated Regional Development	4/83	-	3	4	Progress of decentralization policy and project implementation.	Project 15	10	S&T assistance.

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 1985 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE PERU

Project List (Project No. & Title)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
	Last Eval Completed (Mo./Yr.)	Start To AID/W (Qtr)	Start To AID/W (Qtr)	Start To AID/W (Qtr)				
<u>HEALTH AND FAMILY PLANNING</u>								
527-0219 Extension of Integrated Primary Health	-	2	3	-	A joint evaluation of 0219 and 0230 will look at management and other administrative problems encountered in project implementation and make proper recommendations to accelerate project progress and improve the efficiency of PHC programs.	Project PD&S	20	Possible TDY
527-0230 Integrated Health and Family Planning	-	1	2	-	Project implementation progress review. Will also look at decentral- ization issues. The 0221 evaluation together with the joint 0219 and 0230 effort will examine the linkage and integration of all health related activities such as nutrition to the GOP and Mission's health program.	Project PD&S	15	
527-0221 Rural Water Systems and Environmental Sanitation	3/83 (GAO)	1	2	-		Project PD&S	70	
<u>EMPLOYMENT CREATION AND VOCATIONAL TRAINING</u>								
527-0241 Urban Small Enterprises Development	-	-	3	3		Project PD&S	70	S&T assistance.
527-0234 OPG Fe y Alegria Expanded Vocational Training	3/81	1	1	-	See evaluation narrative.	Project PD&S	15	10
527-0266 OPG ISEFA Vocational Training	-	-	3	3		Project PD&S	15	10

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 1985 ANNUAL BUDGET SUBMISSION
 PERU

Project List (Project No. & Title)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
	Last Eval Completed (Mo./Yr.)	Start To AID/W (Qtr)	Start To AID/W (Qtr)	AID/W (Qtr)				
527-0274 OPG Accion Comunitaria Micro-Enterprise Promotion	-	-	3	3		Project 15	10	Possible joint evaluation w/ FVA.
343-0700 Peru Vocational Training Institute (TECSUP)	-	-	2	2		AID/W 15	20	PRE assistance and funding.
EDUCATION AND COM- MUNITY DEVELOPMENT								
527-0161 Pre-School Education as a Catalyst for Community Development	4/82	-	1	2	The evaluation will be a joint effort between UNICEF and other donors. It will measure project impact to date and serve as the basis for a dialogue with the Ministry of Education on pre-school education in Peru.	Project PDS 60	15	

ORGANIZATION USAID/PERU

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		1,558.3			XXXXX
U.S. CITIZENS BASIC PAY	U101	110	1,048.6			22.1
PT/TEMP U.S. BASIC PAY	U102	112	3.9			0.2
DIFFERENTIAL PAY	U103	116	104.9			XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	1.3			XXXXX
OTHER MISSION FUNDED O.C 11	U105	119	-			XXXXX
EDUCATION ALLOWANCES	U106	126	89.6			19.5
RETIREMENT - U.S.	U107	120	87.4			XXXXX
LIVING ALLOWANCES	U108	128	-			XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	27.0			XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	7.1			XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	25.0			11.0
POST ASSIGNMENT - FREIGHT	U112	22	109.8			12.0
HOME LEAVE - TRAVEL	U113	212	10.0			4.0
HOME LEAVE - FREIGHT	U114	22	3.7			4.0
EDUCATION TRAVEL	U115	215	2.9			3.0
R AND R TRAVEL	U116	215	32.5			28.0
ALL OTHER CODE 215 TRAVEL	U117	215	4.6			4.0
<u>FOREIGN NATIONAL DH</u>	U200		633.4			XXXXX
BASIC PAY	U201	114	488.6			51.7
OVERTIME, HOLIDAY PAY	U202	115	21.8			2.2
ALL OTHER CODE 11 - FN	U203	119	0.3			XXXXX
ALL OTHER CODE 12 - FN	U204	129	50.3			XXXXX
BENEFITS FORMER FN PERS.	U205	13	72.4			XXXXX
<u>CONTRACT PERSONNEL</u>	U300		241.1			XXXXX
PASA TECHNICIANS	U301	258	-			-
U.S. PSC - SALARY/BENEFITS	U302	113	69.4			2.0
ALL OTHER U.S. PSC COSTS	U303	255	66.7			XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	105.0			16.0
ALL OTHER F.N. PSC COSTS	U305	255	-			XXXXX
<u>HOUSING</u>	U400		717.2			XXXXX
RENT	U401	235	48.0			2.3
UTILITIES	U402	235	1.5			XXXXX
RENOVATION AND MAINT.	U403	259	1.0			XXXXX
QUARTERS ALLOWANCE	U404	127	262.0			18.7
PURCHASES RES. FURN/EQUIP.	U405	311	188.4			XXXXX
TRANS./FREIGHT - CODE 311	U406	22	199.2			XXXXX
SECURITY GUARD SERVICES	U407	254	13.3			XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	2.0			XXXXX
REPRESENTATION ALLOWANCE	U409	252	1.8			XXXXX

ORGANIZATION USAID/PERU

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		714.1			XXXXX
RENT	U501	234	24.0			XXXXX
UTILITIES	U502	234	17.9			XXXXX
BUILDING MAINT./RENOV.	U503	259	60.0			XXXXX
OFFICE FURN./EQUIP.	U504	310	40.0			XXXXX
VEHICLES	U505	312	48.0			XXXXX
OTHER EQUIPMENT	U506	319	14.0			XXXXX
TRANSPORTATION/FREIGHT	U507	22	6.6			XXXXX
COMMUNICATIONS	U508	230	30.0			XXXXX
SECURITY GUARD SERVICES	U509	254	20.5			XXXXX
PRINTING	U510	24	1.0			XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	-			-
SITE VISITS	U512	210	72.2			195.0
INFORMATION MEETINGS	U513	210	7.1			5.0
TRAINING ATTENDANCE	U514	210	13.1			4.0
CONFERENCE ATTENDANCE	U515	210	19.5			10.0
OTHER OPERATIONAL TRAVEL	U516	210	39.0			13.0
SUPPLIES AND MATERIALS	U517	26	94.2			XXXXX
FAAS	U518	257	54.1			XXXXX
CONSULTING SVCS - CONT.	U519	259	-			XXXXX
MGT./PROF. SVCS. - CONT.	U520	259	-			XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259	-			XXXXX
ALL OTHER CODE 25	U522	259	152.9			XXXXX
TOTAL O.E. BUDGET			3,864.1			XXXXX
RECONCILIATION			1,327.2			XXXXX
OPERATING ALLOWANCE REQUEST			2,536.9			XXXXX

OTHER INFORMATION:

Dollar requirement for local currency costs
Exchange rate used (as of May 1, 1983)

\$ 1,170.5

1,365 Soles to US\$1.00

ORGANIZATION		USAID/PERU				
EXPENSE CATEGORY	FUNCTION CODE	OBJECT CLASS	DOLLAR FUNDED	TRUST FUNDED	TOTAL BUDGET	UNITS
<u>U.S. DIRECT HIRE</u>	U100		1,854.5			XXXXX
U.S. CITIZENS BASIC PAY	U101	110	1,105.9			23.0
PT/TEMP U.S. BASIC PAY	U102	112	10.1			0.5
DIFFERENTIAL PAY	U103	116	110.6			XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	-			XXXXX
OTHER MISSION FUNDED O.C 11	U105	119	-			XXXXX
EDUCATION ALLOWANCES	U106	126	160.7			24.0
RETIREMENT - U.S.	U107	120	96.4			XXXXX
LIVING ALLOWANCES	U108	128	-			XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	39.5			XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	20.0			XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	25.8			15.0
POST ASSIGNMENT - FREIGHT	U112	22	198.0			15.0
HOME LEAVE - TRAVEL	U113	212	32.0			18.0
HOME LEAVE - FREIGHT	U114	22	21.0			18.0
EDUCATION TRAVEL	U115	215	4.0			4.0
R AND R TRAVEL	U116	215	18.5			18.0
ALL OTHER CODE 215 TRAVEL	U117	215	12.0			6.0
<u>FOREIGN NATIONAL DH</u>	U200		562.3			XXXXX
BASIC PAY	U201	114	471.3			48.7
OVERTIME, HOLIDAY PAY	U202	115	21.0			2.2
ALL OTHER CODE 11 - FN	U203	119	1.0			XXXXX
ALL OTHER CODE 12 - FN	U204	129	44.8			XXXXX
BENEFITS FORMER FN PERS.	U205	13	24.2			XXXXX
<u>CONTRACT PERSONNEL</u>	U300		778.6			XXXXX
PASA TECHNICIANS	U301	258	-			-
U.S. PSC - SALARY/BENEFITS	U302	113	274.0			5.0
ALL OTHER U.S. PSC COSTS	U303	255	278.0			XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	226.6			30.0
ALL OTHER F.N. PSC COSTS	U305	255	-			XXXXX
<u>HOUSING</u>	U400		919.2			XXXXX
RENT	U401	235	47.5			2.0
UTILITIES	U402	235	2.4			XXXXX
RENOVATION AND MAINT.	U403	259	1.2			23.0
QUARTERS ALLOWANCE	U404	127	345.8			23.0
PURCHASES RES. FURN/EQUIP.	U405	311	227.5			XXXXX
TRANS./FREIGHT - CODE 311	U406	22	276.9			XXXXX
SECURITY GUARD SERVICES	U407	254	13.2			XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	2.2			XXXXX
REPRESENTATION ALLOWANCE	U409	252	2.5			XXXXX

ORGANIZATION USAID/PERU

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		<u>1,287.0</u>			<u>XXXXX</u>
RENT	U501	234	<u>25.4</u>			<u>XXXXX</u>
UTILITIES	U502	234	<u>21.9</u>			<u>XXXXX</u>
BUILDING MAINT./RENOV.	U503	259	<u>65.8</u>			<u>XXXXX</u>
OFFICE FURN./EQUIP.	U504	310	<u>390.5</u>			<u>XXXXX</u>
VEHICLES	U505	312	<u>56.0</u>			<u>XXXXX</u>
OTHER EQUIPMENT	U506	319	<u>41.6</u>			<u>XXXXX</u>
TRANSPORTATION/FREIGHT	U507	22	<u>85.7</u>			<u>XXXXX</u>
COMMUNICATIONS	U508	230	<u>35.0</u>			<u>XXXXX</u>
SECURITY GUARD SERVICES	U509	254	<u>28.6</u>			<u>XXXXX</u>
PRINTING	U510	24	<u>1.1</u>			<u>XXXXX</u>
RIG/II OPERATIONAL TRAVEL	U511	210	<u>-</u>			<u>-</u>
SITE VISITS	U512	210	<u>95.0</u>			<u>220.0</u>
INFORMATION MEETINGS	U513	210	<u>10.1</u>			<u>5.0</u>
TRAINING ATTENDANCE	U514	210	<u>28.4</u>			<u>8.0</u>
CONFERENCE ATTENDANCE	U515	210	<u>27.4</u>			<u>11.0</u>
OTHER OPERATIONAL TRAVEL	U516	210	<u>32.1</u>			<u>13.0</u>
SUPPLIES AND MATERIALS	U517	26	<u>113.6</u>			<u>XXXXX</u>
FAAS	U518	257	<u>70.3</u>			<u>XXXXX</u>
CONSULTING SVCS - CONT.	U519	259	<u>-</u>			<u>XXXXX</u>
MGT./PROF. SVCS. - CONT.	U520	259	<u>-</u>			<u>XXXXX</u>
SPEC. STUDIES/ANALYSES CONT.	U521	259	<u>-</u>			<u>XXXXX</u>
ALL OTHER CODE 25	U522	259	<u>159.4</u>			<u>XXXXX</u>
TOTAL O.E. BUDGET			<u>5,402.5</u>			<u>XXXXX</u>
RECONCILIATION			<u>1,432.8</u>			<u>XXXXX</u>
OPERATING ALLOWANCE REQUEST			<u>3,969.7</u>			<u>XXXXX</u>

OTHER INFORMATION:

Dollar requirement for local currency costs
Exchange rate used (as of May 1, 1983)

1,531.1
1,365 Soles to US\$1.00

Estimated Wage Increases - FY 1983 to FY 1984
Estimated Price Increases - FY 1983 to FY 1984

90%
10%

ORGANIZATION USAID/PERU

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		1,749.0			XXXXX
U.S. CITIZENS BASIC PAY	U101	110	1,111.1			23.0
PT/TEMP U.S. BASIC PAY	U102	112	10.1			0.5
DIFFERENTIAL PAY	U103	116	111.1			XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	-			XXXXX
OTHER MISSION FUNDED O.C 11	U105	119	-			XXXXX
EDUCATION ALLOWANCES	U106	126	151.1			25.0
RETIREMENT - U.S.	U107	120	96.7			XXXXX
LIVING ALLOWANCES	U108	128	-			XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	52.0			XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	6.5			XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	10.9			5.0
POST ASSIGNMENT - FREIGHT	U112	22	86.0			5.0
HOME LEAVE - TRAVEL	U113	212	18.7			12.0
HOME LEAVE - FREIGHT	U114	22	14.0			12.0
EDUCATION TRAVEL	U115	215	5.0			4.0
R AND R TRAVEL	U116	215	60.8			36.0
ALL OTHER CODE 215 TRAVEL	U117	215	15.0			6.0
<u>FOREIGN NATIONAL DH</u>	U200		569.4			XXXXX
BASIC PAY	U201	114	478.3			44.7
OVERTIME, HOLIDAY PAY	U202	115	20.7			2.2
ALL OTHER CODE 11 - FN	U203	119	1.8			XXXXX
ALL OTHER CODE 12 - FN	U204	129	44.1			XXXXX
BENEFITS FORMER FN PERS.	U205	13	24.5			XXXXX
<u>CONTRACT PERSONNEL</u>	U300		829.1			XXXXX
PASA TECHNICIANS	U301	258	-			-
U.S. PSC - SALARY/BENEFITS	U302	113	296.2			5.0
ALL OTHER U.S. PSC COSTS	U303	255	245.8			XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	287.1			34.0
ALL OTHER F.N. PSC COSTS	U305	255	-			XXXXX
<u>HOUSING</u>	U400		897.5			XXXXX
RENT	U401	235	53.1			2.0
UTILITIES	U402	235	2.5			XXXXX
RENOVATION AND MAINT.	U403	259	1.5			XXXXX
QUARTERS ALLOWANCE	U404	127	426.6			25.0
PURCHASES RES. FURN/EQUIP.	U405	311	175.6			XXXXX
TRANS./FREIGHT - CODE 311	U406	22	217.9			XXXXX
SECURITY GUARD SERVICES	U407	254	15.1			XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	2.4			XXXXX
REPRESENTATION ALLOWANCE	U409	252	2.8			XXXXX

ORGANIZATION USAID/PERU

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS:</u>	U500		<u>1,135.9</u>			<u>XXXXXX</u>
RENT	U501	234	27.0			<u>XXXXXX</u>
UTILITIES	U502	234	24.1			<u>XXXXXX</u>
BUILDING MAINT./RENOV.	U503	259	70.4			<u>XXXXXX</u>
OFFICE FURN./EQUIP.	U504	310	198.7			<u>XXXXXX</u>
VEHICLES	U505	312	60.0			<u>XXXXXX</u>
OTHER EQUIPMENT	U506	319	31.1			<u>XXXXXX</u>
TRANSPORTATION/FREIGHT	U507	22	51.8			<u>XXXXXX</u>
COMMUNICATIONS	U508	230	38.3			<u>XXXXXX</u>
SECURITY GUARD SERVICES	U509	254	31.4			<u>XXXXXX</u>
PRINTING	U510	24	1.2			<u>XXXXXX</u>
RIG/II OPERATIONAL TRAVEL	U511	210	-			-
SITE VISITS	U512	210	108.3			220.0
INFORMATION MEETINGS	U513	210	11.6			5.0
TRAINING ATTENDANCE	U514	210	32.7			8.0
CONFERENCE ATTENDANCE	U515	210	31.5			11.0
OTHER OPERATIONAL TRAVEL	U516	210	36.9			13.0
SUPPLIES AND MATERIALS	U517	26	124.0			<u>XXXXXX</u>
FAAS	U518	257	91.4			<u>XXXXXX</u>
CONSULTING SVCS - CONT.	U519	259	-			<u>XXXXXX</u>
MGT./PROF. SVCS. - CONT.	U520	259	-			<u>XXXXXX</u>
SPEC. STUDIES/ANALYSES CONT.	U521	259	-			<u>XXXXXX</u>
ALL OTHER CODE 25	U522	259	165.5			<u>XXXXXX</u>
 TOTAL O.E. BUDGET			 <u>5,180.9</u>			 <u>XXXXXX</u>
 RECONCILIATION			 <u>1,472.4</u>			 <u>XXXXXX</u>
 OPERATING ALLOWANCE REQUEST			 <u>3,708.5</u>			 <u>XXXXXX</u>
 OTHER INFORMATION:						
Dollar requirement for local currency costs				<u>1,517.2</u>		
Exchange rate used (as of May 1, 1983)				<u>1.365 Soles to US\$1.00</u>		
 Estimated Wage Increases - FY 1984 to FY 1985				 <u>95%</u>		
Estimated Price Increases - FY 1984 to FY 1985				<u>10%</u>		

TABLE VIII NARRATIVE--OPERATING EXPENSES

U.S. Direct Hire

Most of the FY 1984 increase of \$296,000 or 19% is a result of having the authorized level of staff on board for the full year and having an increased number of children enrolled in school (there is a \$3,000 entrance fee for a new student). Because of an increase in personnel movements in FY 1984 compared to FY 1983, an \$89,000 increase in post assignment freight costs is budgeted.

For FY 1985, we are budgeting a reduction of \$105,000 in this category because there will be less turnover of personnel which will reduce first-time costs.

Foreign National DH

The cost of this category will be reduced \$71,000 or 11% in FY 1984 because of a reduction in personnel to meet the assigned personnel level and because by the end of FY 1983 almost all eligible employees will have received the advance severance pay entitlement. In FY 1985 the cost of this category will be approximately the same.

Contract Personnel

Due to the reduced direct hire personnel levels assigned to the Mission, additional contract personnel will be needed to carry out the current program, to provide for the increased effort in the private sector field and to manage the Disaster Assistance effort.

We are planning for three additional U.S. and fourteen foreign nationals that in total will require \$537,000 more than FY 1983 costs.

In FY 1985 we foresee an increase of four foreign national contractors and a cost increase of only 6%.

Housing

As mentioned above, the additional contract personnel, the change in family mix of Mission employees, the increase in number of IDIs and the maintenance of our NXP replacement program will require an additional \$200,000 (\$117,000 for NXP and \$83,000 for LQA costs).

In FY 1985 the LQA costs will increase by \$70,000 but will be more than offset by a reduction in NXP procurement of \$110,000.

Office Operations

The major increases in FY 1984 are for:

a. Office Furniture and Fixtures	\$ 350,000
b. Other Equipment	27,600
c. Vehicles	8,000
d. Freight	79,100
e. Travel	42,100
f. Supplies and Materials	19,400

All these costs are related basically to the increased level of personnel, the continuance of our program to replace very old and unsuitable office furniture and equipment and to the inclusion of funds for the acquisition of WANG VS computer (see Table VIII (a) Discussion).

In FY 1985 this category will require approximately \$152,000 less. This is due to the reduction in data processing equipment and a return to normal levels of NXP procurement for office and operational needs.

These budgets have been prepared under the assumption that the approximately \$1 million required to remodel our office building will be provided from 636 (c) funds. In the event 636(c) funds are not available, Mission Operating Expense Budgets will need to be increased to fund the remodeling.

Management Improvements

Mission has installed WANG Word Processing equipment which has substantially reduced overtime, speeded up issuance of PPs, PIDs, PIOs, Implementation Letters and Contracts. To maintain our ability to carry out all needs on a timely basis we are planning to acquire additional terminals and the WANG VS 100 computer.

We have also leased space to warehouse and maintain our NXP and to provide safe off-the-street parking, first echelon maintenance and overnight parking for official vehicles. This will allow us to remodel our building to provide adequate and increased work space that will allow an efficient movement of traffic and work flow. It will also provide for increased security as recommended by AID and STATE personnel.

TABLE VIII(a)
OBLIGATIONS OF ADP SYSTEMS
(\$000)

-68-

	-----Fiscal Year-----		
	1983	1984	1985
A. <u>Capital Investments</u>			
1. Purchase of ADP Equipment	--	125.2	11.3
2. Purchase of Software	--	5.7	--
Subtotal	--	130.9	11.3
B. <u>Personnel</u>			
1. Compensation, Benefits, Travel	13.8	18.9	20.8
2. Workyears	1.3	3.0	3.0
Subtotal	13.8	18.9	20.8
C. <u>Equipment Rental and Other</u>			
<u>Operating Costs</u>			
1. ADP Equipment (ADPE) Rentals	--	--	--
2. Supplies and Leased Software	--	--	--
Subtotal	--	--	--
D. <u>Commercial Services</u>			
1. ADP Service Bureau	--	--	--
2. Systems Analysis and Programming	--	--	--
3. ADPE Maintenance (If separate from item C.1.)	11.7	27.9	31.9
Subtotal	11.7	27.9	31.9
E. <u>Total Obligations (A-D)</u>	25.5	177.7	64.0
F. <u>Interagency Services</u>			
1. Payments	--	--	--
2. Offsetting Collections	--	--	--
Subtotal	--	--	--
G. <u>Grand Total (E+F)</u>	25.5	177.7	64.0
 Amount included in <u>Mission allowance</u> for existing systems	 25.5	 26.2	 52.7
 Amount included in <u>Mission allowance</u> for new/expanded systems	 --	 151.5	 11.3

NARRATIVE STATEMENT - ADP EQUIPMENT

To assist in implementing its development strategy, USAID/Peru is budgeting \$177,700 in FY 1984 and \$64,000 in FY 1985 for automatic data processing. Of the total amount required in FY 1984 for automatic data processing, \$151,500 is for acquisition, support and maintenance of a WANG-VS100 minicomputer and \$26,200 is for operating the existing WANG OIS 130 A equipment. In FY 1985 \$52,700 of the \$64,000 budgeted is for operation of the existing equipment and the WANG VS 100 acquired in FY 1984 and \$ 11,300 is for purchasing four additional workstations.

Existing System

In FY-81 USAID/Peru purchased a WANG OIS 130A Office Information System through the State Department's WANG Laboratories Contract. In FY-82, 4 additional workstations were acquired. At present, our system consists of the following equipment:

<u>Model Number</u>	<u>Description</u>	<u>Quantity</u>
6530A	Master CPU and 10 MB Disk Drive	1
6581W	35 CPS Daisy Wheel Printer	2
TSF-33	Twin Sheet Feeder	1
55536-3	48K CRT	3
5536-4	64K CRT	4

This 10 mega byte system is now being used at near capacity. In addition to the heavy word processing demands involved with the preparation of PIDs PPs and numerous strategy and disaster relief efforts, this mission has developed software to maintain project accounting records, track project implementation activities, process the local employees payroll and make quarters allowance payments. Systems to account for mission operating expense and to maintain the NXP inventory are being developed and are scheduled to be in place by October 1, 1983.

The existing system is managed by a foreign national PSC contractor. The system manager schedules machine usage, orders supplies, provides on going training and prepares software for mission specific applications. During the fourth quarter of FY 1983 USAID/Peru expects to contract one data entry clerk to load raw data into system and update master files.

New Equipment Acquisitions

In FY 1984 USAID/Peru plans to purchase a WANG VS 100 Minicomputer. The system will be configured to run the "MACS" system and will complement our current word processing system. The equipment to be purchased in FY 1984 is shown below.

MODEL NUMBER	DESCRIPTION	QTY
-----------------	-------------	-----

RECOMMENDED CONFIGURATION REQUIRED TO RUN "MACS":

VS-16F	Central Processing Unit with 512 KB	1
2280V-3	90MB F/R Disk Drive (Phoenix 75+15Mb)	2
22V08±	IOP for Disk Drives (2280V-1,2,3,2265V-2)	1
5574	Band Printer with 1 Utility Band, 600 LPM	1
2246C	12" U/L CRT(80x24) Combined WS capable of alternatively performing either WP or DP	4
22V07-2	IOP for serial WS/Printers up to 16 ports	1
2209V-2	Dual Density Magnetic Tape Drive	1

ADDITIONAL DEVICES REQUIRED FOR WORD PROCESSING USAGE:

2276C-1	64K VS-AWS with Combined keyboard, includes HS Controller. Stores up to 300 K bytes	4
5577	192/40 CPS High Density Matrix Printer	3
TSF-61	Twin Sheet Feeder for 5577	2
195-2078-3	Word Processing Software	1
195-2121-3A	Key Entry Software	1

In FY 1985, the mission will acquire four additional WANG Combined Workstations Model 2246-C.

With the purchase of the WANG VS 100 in FY 1984 USAID/Peru will be able to run the "MACS" system now being implemented at other large AID missions. As Peru is included in the Office of Financial Management's listing of priority missions to implement the "MACS" system, our budget will make this plan a reality. The budget projections presented in the attached table VIIIA are based upon equipment requirements discussed with DC/FM in March 1983.

The WANG VS 100 will complement the existing OIS 130A which would otherwise have to be upgraded in FY 1984 to keep up with current demand and will also enable USAID/Peru to perform more complete economic and financial modeling when preparing new projects.

In addition to initial capital investment cost, our budget for FY 1984 includes a provision for one additional foreign national employee or PSC contractor to serve as an assistant system manager.

Implementation Plan

USAID/Peru proposes to acquire the WANG VS 100 as soon as funding is available. Historically, however, because of budget restrictions procurement of non-expendable property including ADP equipment has been delayed until the fourth quarter. With delays in placing orders, filling orders, shipping to overseas locations, and subsequent customs clearance problems, the effect of 4th quarter procurement has been to delay implementation of needed equipment for up to as much as one year. USAID/Peru requests AID/W assistance by providing mission with an approval budget early in the fiscal or a special earmarking of \$130,200 for equipment acquisition as soon as the first FY 84 allotments are processed.

SKILL CODE	POSITION TITLE	WORKYEARS			
		FY 83	FY 84	FY 85	FY 86
011	Mission Director	.79	1	1	1
012	Deputy Mission Director	.96	1	1	1
021	Program Economist (Reg.)	.25	1	1	1
931	Contract Services Officer				
	Regional	0.00	1*	1*	1*
071	Executive Assistant	.83	0	0	0
850	Regional Legal Advisor	1	1*	1*	1*
850	Regional Legal Advisor	1	0	0	0
031	Executive Officer	1	1	1	1
043	Controller	1	1	1	1
041	Accountant Financial				
	Analyst	1	1	1	1
023	Program Officer	1	1	1	1
023	Assistant Program Officer	1	1	1	1
150	Food For Peace Officer	1	1	1	1
150	Asst. Food For Peace Off.	.08	0	0	0
940	Project Development Off.	1	1	1	1
940	Asst. Project Dev. Off.	1	1	1	1
940	Asst. Project Dev. Off.	1	1	1	1
103	Agricultural Dev. Officer	1	1	1	1
103	Asst. Agri. Dev. Officer	1	1	1	1
121	Project Manager Agri.	.25	1	1	1
101	Agriculture Economist	.63	1	1	1
122	Asst. Rural Dev. Officer	1	1	1	1
122	Project Manager Rural Dev.	1	0	0	0
122	Project Manager Rural Dev.	.46	1	1	1
124	General Development O.	.75	1	1	1
550	Population Officer	1	1	1	1
502	Health Development O.	1.10	1	1	1
	TOTAL	22.10	23	23	23
050	Secretary	.44	.8	.8	.8
502	IDI	.73	1	1	1
101	IDI	0	1	1	1
940	IDI	0	1	1	1

SKILL CODE	POSITION TITLE	WORKYEARS			
		FY 83	FY 84	FY 85	FY 86
050	Secretary	1	1	1	1
050	Secretary	1	1*	0	0
033	Personnel Assistant	1	1	1	1
033	Personnel Specialist	1	1	1	1
072	Administrative Assistant	1	1	1	1
070	Offset Press Operator	1	1	1	1
070	Mail Clerk	1	1	1	1
070	Mail Clerk	1	1	1	1
930	Procurement Agent	1	1	1	1
930	Purchasing Agent	1	1	1	1
030	Contract Assistant	1	1	1	1
060	General Services Spec.	1	1	1	1
030	Shipment Assistant	1	1	1	1
030	Supply Supervisor	1	1	1	1
030	Shipment Clerk	1	1	1	1
030	Customs Expediter	1	1	1	1
070	Chauffeur	1	0	0	0
050	Secretary	1	1	1*	1*
040	Financial Program Spec.	1	1	1	1
040	Financial Program Spec.	1	1	1	1
040	Accountant	1	1	1	1
040	Accountant	1	1	1	1
040	Budget Analyst	1	1	1	1
040	Supervisory Voucher Exa.	1	1	1	1
040	Cashier	1	1	1	1
040	Voucher Examiner	1	1	1	1
070	Travel Assistant	1	1	1	1
020	Program Specialist	1	1	1	1
020	Program Specialist (Gen.)	1	1	1	1
050	Secretary	1	1*	0	0
150	Program Specialist (Nut.)	1	1	1	1
150	Program Specialist (Nut.)	1	1	1	1
050	Secretary	.75	0	0	0
050	Secretary	1	1*	0	0
940	Financial & Econ. Prog. Specialist	1	1	1	1
050	Secretary	1	1*	0	0
200	Program Specialist	1	1	1	1
050	Secretary	1	1	1*	1*
050	Secretary	1	1	1	1
050	Secretary	1	0	0	0
120	Program Assistant	1	1	1	1
252	Engineer	1	1	1	1
252	Engineer	1	1	1	1
252	Engineer	1	1	1	1
252	Engineer	1	1	1	1
050	Secretary	1	0	0	0
050	Secretary	1	1	1*	1*
500	Program Specialist (Fam. Health)	0	1	1	1

SKILL CODE	POSITION TITLE	WORKYEARS			
		FY 83	FY 84	FY 85	FY 86
500	Program Assistant	1	1	1	1
050	Secretary	.33	0	0	0
600	Program Specialist (Educ.)	1	1	1	1
050	Secretary	1	1	1*	1*
600	Participant Training Ass.	1	1	1	1
	TOTAL	51.08	48	44	44
	TRANSLATOR (P.T.)	.8	.8	.8	.8

FY 1983

ORGANIZATION USAID/Peru

<u>EXPENSE CATEGORY</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>JOINT CAREER CORPS</u>	39.8			XXXXX
BASIC PAY	12.3			0.2
DIFFERENTIAL PAY	1.2			XXXXX
EDUCATION ALLOWANCES	10.0			2.0
RETIREMENT	1.0			XXXXX
LIVING ALLOWANCES	-			XXXXX
OTHER SALARIES/BENEFITS	0.2			XXXXX
POST ASSIGNMENT - TRAVEL	2.1			1.0
POST ASSIGNMENT - FREIGHT	13.0			1.0
HOME LEAVE - TRAVEL	-			-
HOME LEAVE - FREIGHT	-			-
EDUCATION TRAVEL	-			-
R AND R TRAVEL	-			-
ALL OTHER CODE 215 TRAVEL	-			-
<u>HOUSING</u>	42.5			XXXXX
RENT	-			-
UTILITIES	-			XXXXX
RENOVATION AND MAINT.	-			XXXXX
QUARTERS ALLOWANCE	3.8			0.2
PURCHASES RES. FURN/EQUIP.	38.7			XXXXX
TRANS./FREIGHT - CODE 311	-			XXXXX
SECURITY GUARD SERVICES	-			XXXXX
<u>OFFICE OPERATIONS</u>	1.5			XXXXX
OFFICE FURN./EQUIP	-			XXXXX
VEHICLES	-			XXXXX
OTHER EQUIPMENT	-			XXXXX
TRANSPORTATION/FREIGHT	-			XXXXX
SITE VISITS	1.5			3.0
INFORMATION MEETINGS	-			-
TRAINING ATTENDANCE	-			-
CONFERENCE ATTENDANCE	-			-
OTHER OPERATIONAL TRAVEL	-			-
SUPPLIES AND MATERIALS	-			XXXXX
ALL OTHER COSTS	-			XXXXX
TOTAL O.E. BUDGET	83.8			XXXXX

TABLE IX(c) - JOINT CAREER CORPS

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FY 1984

ORGANIZATION USAID/PERU

<u>EXPENSE CATEGORY</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>JOINT CAREER CORPS</u>	164.9			XXXXX
BASIC PAY	97.3			1.8
DIFFERENTIAL PAY	9.7			XXXXX
EDUCATION ALLOWANCES	26.2			4.0
RETIREMENT	8.1			XXXXX
LIVING ALLOWANCES				XXXXX
OTHER SALARIES/BENEFITS	2.6			XXXXX
POST ASSIGNMENT - TRAVEL	2.4			1.0
POST ASSIGNMENT - FREIGHT	16.0			1.0
HOME LEAVE - TRAVEL				
HOME LEAVE - FREIGHT				
EDUCATION TRAVEL				
R AND R TRAVEL	2.6			2.0
ALL OTHER CODE 215 TRAVEL				
<u>HOUSING</u>	71.5			XXXXX
RENT				
UTILITIES				XXXXX
RENOVATION AND MAINT.				XXXXX
QUARTERS ALLOWANCE	32.5			1.8
PURCHASES RES. FURN/EQUIP.	39.0			XXXXX
TRANS./FREIGHT - CODE 311				XXXXX
SECURITY GUARD SERVICES				XXXXX
<u>OFFICE OPERATIONS</u>	9.5			XXXXX
OFFICE FURN./EQUIP				XXXXX
VEHICLES				XXXXX
OTHER EQUIPMENT				XXXXX
TRANSPORTATION/FREIGHT				XXXXX
SITE VISITS	9.5			16.0
INFORMATION MEETINGS				
TRAINING ATTENDANCE				
CONFERENCE ATTENDANCE				
OTHER OPERATIONAL TRAVEL				
SUPPLIES AND MATERIALS				XXXXX
ALL OTHER COSTS				XXXXX
TOTAL O.E. BUDGET	245.9			XXXXX

FY 1985

ORGANIZATION

<u>EXPENSE CATEGORY</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>JOINT CAREER CORPS</u>	211.4			XXXXX
BASIC PAY	114.7			2.0
DIFFERENTIAL PAY	11.5			XXXXX
EDUCATION ALLOWANCES	31.4			4.0
RETIREMENT	9.5			XXXXX
LIVING ALLOWANCES	-			XXXXX
OTHER SALARIES/BENEFITS	2.9			XXXXX
POST ASSIGNMENT - TRAVEL	5.6			2.0
POST ASSIGNMENT - FREIGHT	33.0			2.0
HOME LEAVE - TRAVEL	-			-
HOME LEAVE - FREIGHT	-			-
EDUCATION TRAVEL	-			-
R AND R TRAVEL	2.8			2.0
ALL OTHER CODE 215 TRAVEL	-			-
<u>HOUSING</u>	39.0			XXXXX
RENT	-			-
UTILITIES	-			XXXXX
RENOVATION AND MAINT.	-			XXXXX
QUARTERS ALLOWANCE	39.0			2.0
PURCHASES RES. FURN/EQUIP.	-			XXXXX
TRANS./FREIGHT - CODE 311	-			XXXXX
SECURITY GUARD SERVICES	-			XXXXX
<u>OFFICE OPERATIONS</u>	16.6			XXXXX
OFFICE FURN./EQUIP	-			XXXXX
VEHICLES	-			XXXXX
OTHER EQUIPMENT	-			XXXXX
TRANSPORTATION/FREIGHT	-			XXXXX
SITE VISITS	16.6			26.6
INFORMATION MEETINGS	-			-
TRAINING ATTENDANCE	-			-
CONFERENCE ATTENDANCE	-			-
OTHER OPERATIONAL TRAVEL	-			-
SUPPLIES AND MATERIALS	-			XXXXX
ALL OTHER COSTS	-			XXXXX
TOTAL O.E. BUDGET	267.0			XXXXX

Table IX-Narrative

WORKFORCE

The primary USAID objective during the planning period is project implementation, including implementation of a major U.S. disaster relief effort aimed at countering the effects of flooding in the North of Peru and ameliorating the effects of drought in the South. Table IX (a) reflects the addition of project manager technical staff to the USAID complement beginning in FY83. The changing mix of officers with required responsibilities also reflects the need for implementation skills (contract services officer) and improved economic analysis capability. The USAID's scientific and technical skills will be strengthened by the addition of two JCC personnel to the staff and by continuation of specialized contract services such as the Regional Environmental Advisor and the Housing Advisor.

Overall workforce levels allocated to the Mission are extremely restrictive over the planning period. We have requested an additional work year and assignment of a Finance Officer with engineering background to take charge of the disaster/reconstruction program which is being designed now. A minimum two year assignment will be required to see this \$40-100 million program to its conclusion.

Additional positions which the USAID will require to carry out the evolving program strategy include:

- Private Sector Officer
- Urban Development Officer
- Human Resources/Education Officer

As implementation progress in the current portfolio allows, USAID will phase over the current position array to accommodate these skills requirements within current work year ceilings.

A ten percent reduction in USDH personnel ceilings during the planning period would severely impede USAID operations. Such a reduction would have to be taken by reductions in support positions such as the Regional Legal Advisors and Regional Contract Services Officer. The pace of project implementation would suffer as a result, as would service to other regional USAIDs, who would have to depend on and budget for such services from more distant regional staffs or from AID/W.

A ten percent reduction in FSN staff would force the USAID to convert four additional positions from DH to contract in FY84 (in addition to the reduction of four which will be required to meet the reduced FY84 ceiling). A ten percent reduction from the end of year FY84 ceiling could not be managed similarly. We will reach a base level of FSN personnel who are members of the civil service retirement system with such a reduction. This action would require a reduction-in-force among USAID's FSN staff. USAID priorities would continue to give priority to FSN professional staff.

8. PL 480 Program

A. Narrative

1. Introduction

The PL 480 program is a vital component of our economic assistance efforts in Peru. The Mission emphasizes the use of the program as a development tool; both Title I and Title II are integrated with Development Assistance projects, and with each other, to maximize overall impact on development problems and make the greatest contribution towards achieving AID program objectives in Peru. During FY 84 and FY 85, we will continue our efforts to improve the PL 480 program. Efforts to date have resulted in innovations in how DA and Title II program components are integrated and in how the objectives of one component reinforce those of the other components. Evaluations of both Title I and Title II this year will result in additional program improvements.

The PL 480 program serves our long-range development objectives and transfers resources and skills to our primary target groups. The micro and macro economic and social need for a sustained high level of PL 480 resources in FY 84-85 has been heightened by the natural disasters that afflict a large portion of the Peruvian poor and by the domestic and international economic crises that restrict the ability of the GOP and the private sector to respond to the urgent nutritional and employment needs of our target group.

For these reasons, both Title I and Title II are very highly ranked in Table V of this submission. In fact, Title I is ranked second, just behind ESF, because of the direct ways it conditions our ability to address the objectives of the FY 84-85 Action Plan: (1) increased flow of resources for disaster reconstruction and macroeconomic recovery; (2) concentration of efforts on the implementation of existing AID projects; (3) emphasis in new initiatives on the private sector; and (4) further development of the analytical bases for policy dialogues and program initiatives. The rankings of the various kinds of Title II activities reflect their relative direct contributions to the well-being of the target groups as a whole.

AID/W documents last year projected the end of Title I after FY 85 but steadily increasing levels of the Title II program. More recent documents project a continuation of Title I at \$20 million per year, combined with decreasing levels of Title II, both projections presumably reflecting the perception that Peru's middle income country status would allow it to assume an increasing share of the costs of food imports, and especially supplementary feeding programs. The extension of Title I presumably also reflected the prospects for using Title I in a multi-year program aimed at (1) achieving significant changes in GOP policies affecting agriculture, especially small farm agriculture, and (2) expanding, or at least maintaining, the notable progress achieved by the GOP in implanting its private-sector, market-led model of socioeconomic development.

It is quite clear now that Peru's economic crisis will--for the next several years at least--decrease Peru's ability to pay for food imports on a commercial basis. At the same time, the need for these imports has increased sharply as a result of the twin natural disasters of flooding and drought. It is also clear that the GOP, if it is to have effective food subsidies as a matter of social policy, has to find a more affordable system of providing these subsidies. The present system, in addition to being a significant fiscal drain, is not well focused on the population most needing food subsidies. The economic situation of the poor has been seriously damaged by the economic down turn, and the natural disasters have made famine a real possibility in the disaster zones. Because the floods and drought have decreased national food supplies by more than ten percent, the prices of potatoes and other crops that have suffered extensive losses will rise sharply, dragging up the prices of substitute foods as well. Thus, at the same time as the economic crisis is reducing incomes, the disasters are reducing food availabilities and increasing prices. These are not auspicious times to reduce the Title II program.

2. Title I

In its FY 84 ABS, the Mission proposed a multi-year Title I agreement. This proposal was seconded by the very favorable Impact Evaluation recently completed on the Peru Title I program; it was also approved in principle at the April Title I conference. However, the initiation of such an agreement will probably have to wait until FY 85, since Peru's natural disasters have overtaken the prospects for negotiating such an agreement at this time.

The FY 83 Title I Sales Agreement and Memorandum of Understanding include two innovations that are important steps toward the Mission's goal of using Title I as a versatile development tool. The first FY 83 innovation was to include specific self-help measures dealing with the implementation of AID (and, to a lesser extent, other donor) programs and projects. The negotiations were an appropriate opportunity to enroll the Ministry of Finance in our efforts to speed project implementation. The second innovation was to commit the GOP to undertake studies on how best to change several key agricultural sector policies and to reform its policies in two of these areas. The policy reforms to be examined are:

- interest rates charged by the Agrarian Bank
- support prices paid for important crops
- charges for the use of irrigation water
- consumer food subsidies
- role of the state in agricultural input and output marketing.

The GOP is committed to changing policies regarding interest rates and support prices in ways consistent with the Title I studies. The GOP has already changed Agrarian Bank interest rates, and we believe that it will, in fact, make the policy change concerning support prices. We doubt, however, whether the GOP will be in a position to substantively review and change policies in

other areas before a new Title I agreement is signed due to immediate disaster conditions. The same conditions make it unlikely that we will be able to negotiate the use of Title I local currency generations away from AID project counterpart funding. Therefore, for FY 84, the Mission has decided to return to the use of a special account, as used previously in Peru. This is the most effective way of assuring adequate levels of counterpart being available for AID projects in periods of extreme fiscal austerity. This will require negotiation of the FY 84 Title I agreement as early in the fiscal year as possible so as to allow for December delivery and sale of the commodities.

3. Title II

The Title II program is currently the subject of an in-depth evaluation to determine how successfully the program has met development objectives, ascertain the factors that influenced its success, assess community and beneficiary level impacts of the food and of other program inputs, recommend design changes to improve its overall development impact, suggest methods of increasing nutritional impact and program efficiency, and provide guidance on eventual phase-over. The Mission believes that the evaluation will be very useful in enhancing the Title II program's development importance.

Phase-over, however, seems to be premature, as explained above. Nevertheless, the attached tables present Title II VolAg programs that add up to the control levels given us for the ABS. Partial information available at present indicates that the nutritional status of the poor has worsened since the 1972 Household Consumption Survey (ENCA), upon which GOP nutritional status indicators are based. Between 1973 and 1981, personal incomes decreased an average of 35 percent in real terms and per capita food production has decreased, although not as dramatically as incomes. Under these conditions, nutritional status must have decreased significantly since the date of the Household Consumption Survey. This is confirmed by data on segments of the target group (such as Lima pueblo joven residents). The new Household Consumption Survey scheduled for later this year (with AID funding) will provide up-to-date baseline data on the nutritional status of the poor. When the results are available next year, the Agency will be in a better position to judge what the appropriate level of Title II programs should be.

4. Voluntary Agency Operational Plans

USAID comments on the VolAg annual estimates of requirements and plan of operation were presented to FVA/FFP/LAC under memo dated May 23, 1983.

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XI

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

COMMODITIES	FY 1983			Estimated FY 1984			Projected FY 1985		
	Agreement \$ MT	Shipments \$ MT	Carry into FY 1983 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1984 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1985 \$ MT
<u>Title I</u>									
Wheat	10 60	10 60	- -	10 60	10 60	- -	10 60	10 60	
Rice	15.5 54	15.5 54	- -	10 20	10 20	- -	10 20	10 20	
Vegetable Oil	5 10	5 10	- -	20 80	20 80	- -	20 80	20 80	
Total	30.5 124	30.5 124							
<u>Of which Title III</u>									
Total									

COMMENT: USAID/Peru is proposing to return to the use of a special account for PL 480 local currency generations, starting in FY83 with the emergency Title I add-on (\$10.5 million) and the emergency Title II monetization (\$7.9 million). We will carry the special account procedure into FY84 for the normal Title I program. It is imperative that local currency generations start in the first quarter of FY84, so that local currency funds are available to support programmed uses as early as possible in calendar year 1984.

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XII

Country/Office PIRU

PL 480 TITLE I/III

Supply and Distribution
(000 Metric Ton)

<u>STOCK SITUATION</u>		<u>CY 1984</u>	<u>Estimated CY 1985</u>
<u>Commodity - WHEAT</u>			
Beginning Stocks	80	100	120
Production	80	90	100
Imports	980	1000	1000
Concessional			
Non-Concessional			
Consumption	1040	1070	1100
Ending Stocks	100	120	120
<hr/>			
<u>Commodity - VEGETABLE OILS</u>			
Beginning Stocks	10	10	10
Production	18	29	37
Imports	130	110	100
Concessional			
Non-Concessional			
Consumption	148	139	137
Ending Stocks	10	10	10
<hr/>			
<u>Commodity - RICE (milled)</u>			
Beginning Stocks	200	150	150
Production	400	450	500
Imports	150	170	150
Concessional			
Non-Concessional			
Consumption	600	620	650
Ending Stocks	150	150	150

Comment: See attached page.

Comments: No sharp increases are expected in the total imports of wheat during 1984 and 1985 since consumer purchasing power in Peru is declining. Imports of wheat during these years could be maintained at a level of one million metric tons per year. Consequently, and based on normal local production, per capita consumption of wheat is forecast to remain steady or decline slightly.

In the case of vegetable oils, imports of soy oil will increase sharply in 1983 to total 130,000 MT, up 83 percent from 1982 due to problems in the fishing sector caused by the "Nifio" warm current. In 1984 and 1985, imports will continue at high levels, but not as high as those in 1983 since a recovery in the fishing sector is expected. Reportedly the per capita consumption of vegetable oils is also declining due to decreasing personal incomes.

Assuming a normal supply of water and repair of infrastructure (irrigation canals, storage facilities, etc.), output of rice could increase in 1984 and 1985. However, since the consumption of this basic food is increasing (consumption currently estimated at 50,000 tons monthly), imports of milled rice will probably be needed to meet demand.

In 1983, imports are expected to increase and total more than 150,000 MT (29,000 tons have already been purchased under PL 480). A large percentage of the rice produced in the northern areas was damaged by rains and high humidity. Reportedly, much of this rice will not be suitable for human consumption.

General Comment: Wheat and vegetable oil imports will be turned over to the private sector in the near future. The shift may occasion lower imports until supply channels are established.

TABLE XIII

PL 480 TITLE IIFY 1984

I. Country: PERU

Sponsor's name: CATHOLIC RELIEF SERVICES/CARITAS DEL PERU

A. Maternal and Child Health

Total Recipients: 105,000

No. of Recipients
by Commodity

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
105.0	Bulgur	1,260.1	331.4
105.0	C.S.M.	630.0	147.4
105.0	N.F.D.M.	630.0	69.3
105.0	VegOil	630.0	541.8
105.0	Wheat Flour	1,260.1	386.9

Total MCH:

4,410.2	1,476.8
=====	=====

B. Pre-School Feeding

Total Recipients: 32,400

No. of Recipients
by Commodity

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
32.4	Bulgur	291.7	76.7
32.4	N.F.D.M.	291.7	32.1
32.4	VegOil	145.6	125.2
32.4	Wheat Flour	875.9	268.9

Total PSF:

1,604.9	502.9
=====	=====

C. Other Child Feeding

Total Recipients: 50,000

No. of Recipients
by Commodity

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
50.0	Bulgur	491.7	129.3
50.0	C.S.M.	299.8	70.2
50.0	N.F.D.M.	299.8	33.0
50.0	VegOil	299.8	257.8
50.0	Wheat Flour	1,476.0	453.1

Total OCF:

2,867.1	943.4
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D. Food for Work

Total Recipients: 247,000

No. of Recipients
by Commodity

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
247.0	Bulgur	2,223.1	584.7
247.0	Corn Meal	2,223.1	373.5
247.0	Veg Oil	1,110.9	955.4
247.0	Wheat Flour	1,446.2	444.0
		<u>7,003.3</u>	<u>2,357.6</u>

Total FFW:

TABLE XIII

PL 480 TITLE IIFY 1985

I. Country: PERU

Sponsor's name: CATHOLIC RELIEF SERVICES/CARITAS DEL PERU

A. Maternal and Child Health Total Recipients: 98,400

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
98.4	Bulgur	1,180.6	314.1
98.4	C.S.M.	590.3	140.4
98.4	N.F.D.M.	590.3	64.9
98.4	VegOil	590.3	533.6
98.4	Wheat Flour	1,180.6	366.0

Total MCH:		4,132.1	1,419.0
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B. Pre-School Feeding Total Recipients: 30,300

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
30.3	Bulgur	273.3	72.7
30.3	N.F.D.M.	273.3	30.0
30.3	Veg Oil	136.4	123.3
30.3	Wheat Flour	820.7	254.4

Total PSF:		<u>1,503.7</u>	<u>480.4</u>
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C. Other Child Feeding Total Recipients: 46,800

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
46.8	Bulgur	460.7	122.6
46.8	C.S.M.	280.9	66.8
46.8	N.F.D.M.	280.9	30.9
46.8	VegOil	280.9	253.9
46.8	Wheat Flour	1,382.9	428.7

Total OCF:		<u>2,686.3</u>	<u>902.9</u>
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D. Food for Work Total Recipients: 231,400

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
231.4	Bulgur	2,082.9	554.0
231.4	Corn Meal	2,082.9	443.6
231.4	VegOil	1,040.8	940.9
231.4	Wheat Flour	1,355.0	420.0

Total FFW:		<u>6,561.6</u>	<u>2,358.5</u>
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TABLE XIII

PL 480 TITLE II

FY 1986

I. Country: PERU
 Sponsor's name: CATHOLIC RELIEF SERVICES/CARITAS DEL PERU

A. Maternal and Child Health Total Recipients: 93,589

		(Thousands)	
<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
93.6	Bulgur	1,122.9	298.7
93.6	C.S.M.	561.4	133.5
93.6	N.F.D.M.	561.4	61.7
93.6	VegOil	561.4	507.5
93.6	Wheat Flour	1,122.9	348.1
 Total MCH.		<u>3,930.0</u>	<u>1,349.5</u>
		=====	=====

B. Pre-School Feeding Total Recipients: 28,818

		(Thousands)	
<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
28.8	Bulgur	260.0	69.1
28.8	N.F.D.M.	260.0	28.5
28.8	Veg Oil	129.7	117.3
28.8	Wheat Flour	780.6	242.0
 Total PSF:		<u>1,430.3</u>	<u>456.9</u>
		=====	=====

C. Other Child Feeding Total Recipients: 44,511

		(Thousands)	
<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
44.5	Bulgur	438.2	116.6
44.5	C.S.M.	267.2	63.5
44.5	N.F.D.M.	267.2	29.4
44.5	VegOil	267.2	241.5
44.5	Wheat Flour	1,315.3	407.7
 Total OCF:		<u>2,555.1</u>	<u>858.7</u>
		=====	=====

D. Food for Work Total Recipients: 220,086

		(Thousands)	
<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
220.0	Bulgur	1,981.1	526.9
220.0	Corn Meal	1,981.1	421.9
220.0	VegOil	989.9	894.9
220.0	Wheat Flour	1,288.7	399.5
 Total FFW:		<u>6,240.8</u>	<u>2,243.2</u>
		=====	=====

TABLE XIII

PL 480 TITLE II

FY 1987

I. Country: PERU
 Sponsor's name: CATHOLIC RELIEF SERVICES/CARITAS DEL PERU

A. Maternal and Child Health Total Recipients: 88,909

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
88.9	Bulgur	1,066.8	283.8
88.9	C.S.M.	533.3	126.8
88.9	N.F.D.M.	533.3	58.6
88.9	VegOil	533.3	482.1
88.9	Wheat Flour	1,066.8	330.7
Total MCH.		<u>3,733.5</u>	<u>1,282.0</u>

B. Pre-School Feeding Total Recipients: 27,377

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
27.3	Bulgur	247.0	65.6
27.3	N.F.D.M.	247.0	27.0
27.3	Veg Oil	123.2	111.4
27.3	Wheat Flour	741.6	230.0
Total PSF:		<u>1,358.8</u>	<u>434.0</u>

C. Other Child Feeding Total Recipients: 42,285

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
42.2	Bulgur	416.3	110.8
42.2	C.S.M.	253.8	60.3
42.2	N.F.D.M.	253.8	27.9
42.2	VegOil	253.8	229.4
42.2	Wheat Flour	1,249.5	337.3
Total OCF:		<u>2,427.2</u>	<u>815.7</u>

D. Food for Work Total Recipients: 209,081

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
209.0	Bulgur	1,882.0	500.5
209.0	CornMeal	1,882.0	400.8
209.0	VegOil	940.4	850.1
209.0	Wheat Flour	1,224.3	379.5
Total FFW:		<u>5,928.7</u>	<u>2,130.9</u>

TABLE XIII

PL 480 TITLE II

FY 1988

I. Country: PERU
 Sponsor's name: CATHOLIC RELIEF SERVICES/CARITAS DEL PERU

A. Maternal and Child Health Total Recipients: 84,463

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
84.5	Bulgur	1,013.5	269.6
84.5	C.S.M.	506.6	120.5
84.5	N.F.D.M.	506.6	55.7
84.5	Veg Oil	506.6	458.0
84.5	Wheat Flour	1,013.5	314.2
Total MCH:		<u>3,546.8</u>	<u>1,218.0</u>

B. Pre-School Feeding Total Recipients: 26,008

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
26.0	Bulgur	234.6	62.3
26.0	N.F.D.M.	234.6	25.6
26.0	Veg Oil	117.0	105.8
26.0	Wheat Flour	704.5	218.5
Total PSF:		<u>1,290.7</u>	<u>412.2</u>

C. Other Child Feeding Total Recipients: 40,170

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
40.1	Bulgur	395.5	105.3
40.1	C.S.M.	241.1	57.3
40.1	N.F.D.M.	241.1	26.5
40.1	VegOil	241.1	217.9
40.1	Wheat Flour	1,187.0	367.9
Total OCF:		<u>2,305.8</u>	<u>774.9</u>

D. Food for Work Total Recipients: 198,626

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
198.6	Bulgur	1,787.9	475.5
198.6	Cornmeal	1,787.9	380.8
198.6	VegOil	893.4	807.6
198.6	Wheat Flour	1,163.1	360.5
Total FFW:		<u>5,632.3</u>	<u>2,024.4</u>

TABLE XIII

PL 480 TITLE II

FY 1989

I. Country: PERU
 Sponsor's name: CATHOLIC RELIEF SERVICES/CARITAS DEL PERU

A. Maternal and Child Health Total Recipients: 84,463

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
84.5	Bulgur	1,013.5	269.6
84.5	C.S.M.	506.6	120.5
84.5	N.F.D.M.	506.6	55.7
84.5	Veg Oil	506.6	458.0
84.5	Wheat Flour	1,013.5	314.2
Total MCH.		3,546.8	1,218.0

B. Pre-School Feeding Total Recipients: 26,008

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
26.0	Bulgur	234.6	62.3
26.0	N.F.D.M.	234.6	25.6
26.0	Veg Oil	117.0	105.8
26.0	Wheat Flour	704.5	218.5
Total PSF:		1,290.7	412.2

C. Other Child Feeding Total Recipients: 40,170

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
40.1	Bulgur	395.5	105.3
40.1	C.S.M.	241.1	57.3
40.1	N.F.D.M.	241.1	26.5
40.1	VegOil	241.1	217.9
40.1	Wheat Flour	1,187.0	367.9
Total OCF:		2,305.8	774.9

D. Food for Work Total Recipients: 198,626

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
198.6	Bulgur	1,787.9	475.5
198.6	Cornmeal	1,787.9	380.8
198.6	VegOil	893.4	807.6
198.6	Wheat Flour	1,163.1	360.5
Total FFW:		5,632.3	2,024.4

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 1984

I. Country : PERU
Sponsor's Name : SEVENTH DAY ADVENTIST WORLD SERVICE /OFASA

A. Maternal and Child Health Total Recipients: 16,200

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
16.2	C.S.M.	369.2	86.4
16.2	N.F.D.M.	175.1	19.3
16.2	VegOil	78.0	67.1
16.2	Wheat Flour	273.1	83.8
Total MCH:		895.4	256.6

C. Other Child Feeding Total Recipients: 4,500

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
4.5	C.S.M.	81.2	19.0
4.5	N.F.D.M.	48.5	5.3
4.5	VegOil	21.8	18.7
4.5	Wheat Flour	161.9	49.7
Total OCF:		313.4	92.7

D. Food for Work Total Recipients: 99,000

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
99.0	Bulgur	1,901.0	500.0
99.0	CornMeal	1,901.0	397.3
99.0	C.S.M.	2,970.2	695.0
99.0	VegOil	594.2	510.9
99.0	Wheat Flour	3,801.6	1,167.1
Total FFW:		11,168.0	3,270.3

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 1985

I. Country : PERU
Sponsor's Name : SEVENTH DAY ADVENTIST WORLD SERVICE /OFASA

A. Maternal and Child Health Total Recipients: 15,100

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
15.1	C.S.M.	345.9	82.4
15.1	N.F.D.M.	164.1	18.1
15.1	VegOil	73.1	66.1
15.1	Wheat Flour	255.9	79.6
Total MCH:		839.0	246.2
		=====	=====

C. Other Child Feeding Total Recipients: 4,200

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
4.2	C.S.M.	76.1	18.1
4.2	N.F.D.M.	45.4	5.0
4.2	Veg Oil	20.4	18.5
4.2	Wheat Flour	151.7	47.0
Total OCF:		293.6	88.6
		=====	=====

D. Food for Work Total Recipients: 92,700

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
92.7	Bulgur	1,781.1	473.7
92.7	CornMeal	1,781.1	379.4
92.7	C.S.M.	2,782.9	662.3
92.7	VegOil	556.7	503.2
92.7	Wheat Flour	3,561.9	1,104.2
Total FFW:		10,463.7	3,122.8
		=====	=====

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 1986

I. Country : PERU
Sponsor's Name : SEVENTH DAY ADVENTIST WORLD SERVICE /OFASA

A. Maternal and Child Health Total Recipients: 14,361

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
14.3	C.S.M.	329.0	78.4
14.3	N.F.D.M.	156.1	17.2
14.3	VegOil	69.5	62.9
14.3	Wheat Flour	243.4	75.7

Total MCH: 798.0 234.2

C. Other Child Feeding Total Recipients: 3,994

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
3.9	C.S.M.	72.4	17.2
3.9	N.F.D.M.	43.2	4.8
3.9	VegOil	19.4	17.6
3.9	Wheat Flour	144.3	44.7

Total OCF: 279.3 84.3

D. Food for Work Total Recipients: 89,451

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
89.4	Bulgur	1,694.0	450.5
89.4	CornMeal	1,694.0	360.9
89.4	C.S.M.	2,646.8	630.0
89.4	VegOil	529.5	478.6
89.4	Wheat Flour	3,387.7	1,050.2

Total FFW: 9,952.0 2,970.2

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 1987

I. Country : PERU
Sponsor's Name : SEVENTH DAY ADVENTIST WORLD SERVICE/OFASA

A. Maternal and Child Health Total Recipients: 13,642

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
13.6	C.S.M.	312.6	74.5
13.6	N.F.D.M.	148.3	16.3
13.6	VegOil	66.0	59.8
13.6	Wheat Flour	231.2	71.9
Total MCH:		758.1	222.5

C. Other Child Feeding Total Recipients: 3,794

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
3.7	C.S.M.	68.8	16.3
3.7	N.F.D.M.	41.0	4.6
3.7	VegOil	18.4	16.7
3.7	Wheat Flour	137.1	42.5
Total OCF:		265.3	80.1

D. Food for Work Total Recipients: 84,978

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
84.9	Bulgur	1,609.3	428.0
84.9	CornMeal	1,609.3	342.9
84.9	C.S.M.	2,514.4	598.5
84.9	VegOil	503.0	454.7
84.9	Wheat Flour	3,218.3	997.9
Total FFW:		9,454.3	2,821.8

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 1988

I. Country : PERU
 Sponsor's Name : SEVENTH DAY ADVENTIST WORLD SERVICE/OFASA

A. Maternal and Child Health Total Recipients: 12,960

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
12.9	C.S.M.	297.0	70.8
12.9	N.F.D.M.	140.9	15.5
12.9	VegOil	62.7	56.8
12.9	Wheat Flour	219.6	68.3
Total MCH:		720.2	211.4
		=====	=====

C. Other Child Feeding Total Recipients: 3,604

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
3.6	C.S.M.	65.3	15.5
3.6	N.F.D.M.	38.9	4.4
3.6	Veg Oil	17.4	15.9
3.6	Wheat Flour	130.2	40.4
Total OCF:		251.8	76.2
		=====	=====

D. Food for Work Total Recipients: 80,729

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
80.7	Bulgur	1,528.8	406.6
80.7	CornMeal	1,528.8	325.7
80.7	C.S.M.	2,388.7	568.6
80.7	Veg Oil	477.8	432.0
80.7	Wheat Flour	3,057.4	948.0
Total FFW:		8,981.5	2,680.9
		=====	=====

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 1989

I. Country : PERU
Sponsor's Name : SEVENTH DAY ADVENTIST WORLD SERVICE/CFASA

A. Maternal and Child Health

Total Recipients: 12,960

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
12.9	C.S.M.	297.0	70.8
12.9	N.F.D.M.	140.9	15.5
12.9	VegOil	62.7	56.8
12.9	Wheat Flour	219.6	68.3
Total MCH:		720.2	211.4

C. Other Child Feeding

Total Recipients: 3,604

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
3.6	C.S.M.	65.3	15.5
3.6	N.F.D.M.	38.9	4.4
3.6	Veg Oil	17.4	15.9
3.6	Wheat Flour	130.2	40.4
Total OCF:		251.8	76.2

D. Food for Work

Total Recipients: 80,729

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
80.7	Bulgur	1,528.8	406.6
80.7	CornMeal	1,528.8	325.7
80.7	C.S.M.	2,388.7	568.6
80.7	Veg Oil	477.8	432.0
80.7	Wheat Flour	3,057.4	948.0
Total FFW:		8,981.5	2,680.9

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 1984

I. Country : PERU
Sponsor's Name : COOPERATIVE FOR AMERICAN RELIEF EVERYWHERE (CARE/PERU)

D. Food for Work Total Recipients: 35,100
(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
35.1	Wheat	1,894.7	341.0
35.1	Cornmeal	1,052.8	176.9
35.1	C.S.M.	842.3	197.2
35.1	VegOil	210.5	181.0
Total FFW:		<u>4,000.3</u>	<u>896.1</u>

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 1985

I. Country : PERU
Sponsor's Name : COOPERATIVE FOR AMERICAN RELIEF EVERYWHERE (CARE/PERU)

D. Food for Work Total Recipients: 32,900
(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
32.9	Wheat	1,775.2	323.0
32.9	Cornmeal	985.4	168.6
32.9	C.S.M.	789.2	187.9
32.9	VegOil	197.2	178.3
Total FFW:		<u>3,748.0</u>	<u>857.8</u>

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 1986

I. Country : PERU
Sponsor's Name : COOPERATIVE FOR AMERICAN RELIEF EVERYWHERE (CARE/PERU)

D. Food for Work Total Recipients: 31,291
(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
31.2	Wheat	1,688.4	307.2
31.2	Cornmeal	938.2	160.4
31.2	C.S.M.	750.6	178.7
31.2	VegOil	187.6	169.6
Total FFW:		<u>3,564.8</u>	<u>815.9</u>

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 1987

I. Country : PERU
Sponsor's Name : COOPERATIVE FOR AMERICAN RELIEF EVERYWHERE (CARE/PERU)

D. Food for Work Total Recipients; 29,726
(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
29.7	Wheat	1,604.0	291.8
29.7	Corn Meal	891.3	152.4
29.7	C.S.M.	713.1	169.8
29.7	VegOil	178.2	161.1
Total FFW:		<u>3,386.6</u> =====	<u>775.1</u> =====

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 1988

I. Country : PERU
Sponsor's Name : COOPERATIVE FOR AMERICAN RELIEF EVERYWHERE (CARE/PERU)

D. Food for Work Total Recipients: 28,240
(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
28.2	Wheat	1,523.8	277.2
28.2	Corn Meal	846.7	144.8
28.2	C.S.M.	677.4	161.3
28.2	VegOil	169.3	153.0
Total FFW:		<u>3,217.2</u> =====	<u>736.3</u> =====

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 1989

I. Country : PERU
Sponsor's Name : COOPERATIVE FOR AMERICAN RELIEF EVERYWHERE (CARE/PERU)

D. Food for Work Total Recipients: 28,240
(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
28.2	Wheat	1,523.8	277.2
28.2	Corn Meal	846.7	144.8
28.2	C.S.M.	677.4	161.3
28.2	VegOil	169.3	153.0
Total FFW:		<u>3,217.2</u>	<u>736.3</u>

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

PI. 480 TITLE II

FY 1984

I. Country : PERU
Sponsor's Name : CHURCH WORLD SERVICE /SEPAS

A. Maternal and Child Health Total Recipients: 1,600

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
1.6	Bulgur	9.5	2.5
1.6	Wheat Flour	19.1	5.9
1.6	C.S.M.	24.9	5.8
1.6	N.F.D.M.	19.1	2.1
1.6	VegOil	7.7	6.6
1.6	Corn Meal	19.1	4.0
Total MCH:		<u>99.4</u>	<u>26.9</u>

C. Other Child Feeding Total Recipients: 500

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
.5	Bulgur	5.9	1.6
.5	Corn Meal	5.9	1.2
.5	N.F.D.M.	11.8	1.3
.5	Veg Oil	2.3	2.0
.5	Wheat Flour	9.1	2.8
Total OCF:		<u>35.0</u>	<u>8.9</u>

D. Food for Work Total Recipients: 27,000

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
27.0	Bulgur	712.6	187.4
27.0	Corn Meal	712.6	148.9
27.0	Veg Oil	161.9	139.2
27.0	Wheat Flour	1,522.7	467.5
Total FFW:		<u>3,109.8</u>	<u>943.0</u>

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIJ1

PL 480 TITLE II

FY1985

I. Country : PERU
 Sponsor's Name : CHURCH WORLD SERVICE / SEPAS

A. Maternal and Child Health Total Recipients: 1,500

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
1.5	Bulgur	8.9	2.3
1.5	Wheat Flour	17.9	5.5
1.5	C.S.M.	23.3	5.5
1.5	N.F.D.M.	17.9	2.0
1.5	Veg Oil	7.2	6.6
1.5	Corn Meal	17.9	3.7
Total MCH:		93.1	25.6
		-----	-----

C. Other Child Feeding Total Recipients: 468

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
0.4	Bulgur	5.5	1.5
0.4	Corn Meal	5.5	1.2
0.4	N.F.D.M.	11.1	1.2
0.4	Veg Oil	2.2	2.0
0.4	Wheat Flour	8.5	2.6
Total OCF:		32.8	8.5
		-----	-----

D. Food for Work Total Recipients: 25,297

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
25.0	Bulgur	667.7	177.6
25.0	Corn Meal	667.7	142.2
25.0	Veg Oil	151.7	137.1
25.0	Wheat Flour	1,426.7	442.2
Total FFW:		2,913.8	899.1
		-----	-----

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 1986

I. Country : PERU
 Sponsor's Name : CHURCH WORLD SERVICE / SEPAS

A. Maternal and Child Health Total Recipients: 1,426

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
1.4	Bulgur	8.5	2.2
1.4	Wheat Flour	17.0	5.2
1.4	C.S.M.	22.2	5.2
1.4	N.F.D.M.	17.0	1.9
1.4	Veg Oil	6.8	6.3
1.4	Corn Meal	17.0	3.5
Total MCH:		<u>88.5</u>	<u>24.3</u>
		=====	=====

C. Other Child Feeding Total Recipients: 445

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
0.4	Bulgur	5.2	1.4
0.4	Corn Meal	5.2	1.1
0.4	N.F.D.M.	10.6	1.1
0.4	Veg Oil	2.1	1.9
0.4	Wheat Flour	8.1	2.5
Total OCF:		<u>31.2</u>	<u>8.0</u>
		=====	=====

D Food for Work Total Recipients: 24,060

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
24.0	Bulgur	635.1	168.9
24.0	Corn Meal	635.1	135.2
24.0	Veg Oil	144.3	130.4
24.0	Wheat Flour	1,356.9	420.6
Total FFW:		<u>2,771.4</u>	<u>855.1</u>
		=====	=====

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 1987

I. Country : PERU
 Sponsor's Name : CHURCH WORLD SERVICES/SEPAS

A. Maternal and Child Health Total Recipients: 1,354

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
1.3	Bulgur	8.1	2.1
1.3	Wheat Flour	16.1	4.9
1.3	C.S.M.	21.1	4.9
1.3	N.F.D.M.	16.1	1.8
1.3	Veg Oil	6.5	6.0
1.3	Corn Meal	16.1	3.3
Total MCH:		84.0	23.0
		=====	=====

Other Child Feeding Total Recipients: 423

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
0.4	Bulgur	4.9	1.3
0.4	Corn Meal	4.9	1.1
0.4	N.F.D.M.	10.1	1.1
0.4	Veg Oil	2.0	1.7
0.4	Wheat Flour	7.7	2.4
Total OCF:		29.6	7.6
		=====	=====

Food for Work Total Recipients: 22,857

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
22.8	Bulgur	603.3	160.5
22.8	Corn Meal	603.3	128.4
22.8	Veg Oil	137.1	123.9
22.8	Wheat Flour	1,289.1	399.6
Total FFW:		2,632.3	812.4
		=====	=====

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 1988

I. Country : PERU
 Sponzor's Name : CHURCH WORLD SERVICE/SEPAS

A. Maternal and Child Health Total Recipients: 1,286

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
1.2	Bulgur	7.7	2.0
1.2	Wheat Flour	15.3	4.7
1.2	C.S.M.	20.0	4.7
1.2	N.F.D.M.	15.3	1.7
1.2	Veg Oil	6.2	5.7
1.2	Corn Meal	15.3	3.1
Total MCH:		79.8	21.9
		=====	=====

C. Other Child Feeding Total Recipients: 402

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
0.4	Bulgur	4.7	1.2
0.4	Corn Meal	4.7	1.0
0.4	N.F.D.M.	9.6	1.0
0.4	Veg Oil	1.9	1.6
0.4	Wheat Flour	7.3	2.3
Total OCF:		28.2	7.1
		=====	=====

D. Food for Work Total Recipients: 21,714

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
21.7	Bulgur	573.1	152.5
21.7	Corn Meal	573.1	122.0
21.7	Veg Oil	130.2	117.7
21.7	Wheat Flour	1,224.6	379.6
Total FFW:		2,501.0	771.8
		=====	=====

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

FY 1989

I. Country : PERU
Sponsor's Name : CHURCH WORLD SERVICE/SEPAS

A. Maternal and Child Health

Total Recipients: 1,286

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
1.2	Bulgur	7.7	2.0
1.2	Wheat Flour	15.3	4.7
1.2	C.S.M.	20.0	4.7
1.2	N.F.D.M.	15.3	1.7
1.2	Veg Oil	6.2	5.7
1.2	Corn Meal	15.3	3.1
Total MCH:		<u>79.8</u>	<u>21.9</u>

C. Other Child Feeding

Total Recipients: 402

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
0.4	Bulgur	4.7	1.2
0.4	Corn Meal	4.7	1.0
0.4	N.F.D.M.	9.6	1.0
0.4	Veg Oil	1.9	1.6
0.4	Wheat Flour	7.3	2.3
Total OCF:		<u>28.2</u>	<u>7.1</u>

D. Food for Work

Total Recipients: 21,714

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
21.7	Bulgur	573.1	152.5
21.7	Corn Meal	573.1	122.0
21.7	Veg Oil	130.2	117.7
21.7	Wheat Flour	1,224.6	379.6
Total FFW:		<u>2,501.0</u>	<u>771.8</u>