

PD-ABC-003

68776

USAID/PERU ACTION PLAN

FY 1990 - FY 1991

Agency for International Development

Lima, Peru

February 6, 1989

For AID/W Review, March 6-10, 1989



Embassy of the United States of America

February 6, 1989

Mr. Frederick Schieck
Acting Assistant Administrator
Bureau for Latin America and the
Caribbean
Room 6256 NS
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Washington, D. C. 20523-0065

Dear Fred:

The USAID Action Plan for 1989-90-91 comes at an extraordinarily unstable time in Peru, with the prospect that major economic changes are likely, along with a highly uncertain political scene. Under these circumstances, programming and forecasting are difficult, to say the least.

The current situation is not sustainable. Unless economic policy is substantially modified, even higher rates of hyperinflation and unemployment, and even more depressed levels of production and income will result. Substantial social and political repercussions would in all likelihood accompany that scenario. Even with an acceptable economic program and the prospect of international financial support, serious economic problems will persist, with uncertain dimensions and political consequences.

The current reality and prevailing fearsome uncertainty make more difficult achievement of U.S. interests, but the interests are surely no less important now than before: to sustain democracy, better control terrorism and crush the narco-traffickers. Under these circumstances, what should A.I.D. plan for the rest of FY 89 and the FY 90-91 planning period?

What the USG and AID should do in Peru during 1989-1991 depends not only upon what happens in Peru, but also on the overall approach the Bush Administration decides to take toward the Andean Region. The ARA Andean Action Plan and the Andean Regional Strategy document are already under review. Given the possibility that relatively near term events in Peru and US policy reviews will call for adjustments in AID's program, it makes little sense to guess now what those changes will be.

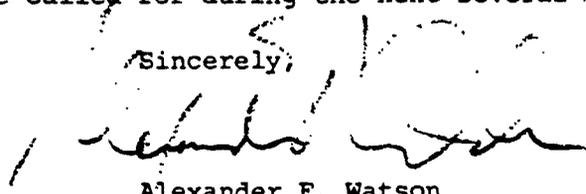
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But it does make sense to prepare for contingencies which may confront us in the next several months. First, whatever evolution or change will occur in GOP economic policy, it is likely that there will be need for increased humanitarian assistance in the near future. Food and medicine shortages are already serious. Second, simply to implement current USG policy, there is a need to increase DA/ESF and PL-480 Title I and Title II levels. Third, if a sensible satisfactory economic package is adopted, then we should be ready to consider how we should participate in an international support program. In addition, we should be ready with a new HIG program. Unfortunately, we may also witness a set of disastrous circumstances unaccompanied by rational economic policy. We may even then find it necessary and appropriate to consider participation in an international effort to help. •

AID's Action Plan correctly recommends continuing our Constructive Engagement strategy, funding it adequately, and responding, where it is in our interest to do so, to the emergency situation which is evolving in Peru, particularly on the food side.

I also agree that an updated Action Plan or some sort of program and strategy reassessment may be called for during the next several months.

Sincerely,



Alexander F. Watson
Ambassador

USAID/PERU ACTION PLAN FY 1990 - 1991

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FY 1990-1991 PERU ACTION PLAN

PART I - STRATEGY AND OVERVIEW OF PERFORMANCE

I.A. STRATEGY SUMMARY- USAID/Peru's current approved strategy is "Constructive Engagement"

Starting in early 1986, reaffirmed in 1987, and approved again a year ago in the Peru FY 88-90 CDSS Update, the USG Strategy in Peru has followed a course of "Constructive Engagement." For USAID/Peru, "Constructive Engagement" means sustained development cooperation with the GOP and private sector in areas where productive relationships exist and where cooperation is meaningful, even if not substantial or fully responsive to U.S. interests and objectives. Under the strategy, the USAID has projects with productive sectors under Goal No. 2 in Agriculture, the Private Sector, Promotion of Exports, and Preserving the Environment. Under the social activities of Goal No. 3, private sector and GOP projects in family planning, health and child survival and reducing malnutrition are underway, with particular emphasis on food assistance. Under Goal No. 4, the Washington set priorities for training, judicial reform, and support of anti-narcotics efforts are being met, again with government and the private sector.

- "Constructive Engagement" is constrained by limited budgetary resources

It has been widely recognized that if its development requirements and U.S. interests were the only criteria, Peru has been underfunded by AID. However, to date, a more forthcoming U.S. posture has been held back by poor GOP economic policies, an antipathetic GOP foreign policy in some areas, a confrontational approach to the international financial system and higher budget priorities elsewhere. The A.I.D. presence, although positive and visible, has been marginal and relatively low profile. Resource limitations have required a careful balancing of the need to "constructively engage" while avoiding proliferation. Thus, USAID has chosen to continue activities in areas and programs where it already has been active, and to select those activities that are most important under each objective. The emphasis on food resources in the strategy is a function of the low level of DA and ESF resources allocated to Peru, the country's serious nutrition situation, and the need to supplement Peru's food resources.

The minimum funding per year to carry out the "constructive engagement" strategy was estimated in the CDSS Update to be at least \$20 million of DA/ESF, \$20 million of PL-480 Title I, and about \$15 million of PL-480 Title II. These levels appeared to promote an attitude of GOP cooperation in areas of USG interest. Because arrearages on prior HG loans now lead to higher payments to the US, to avoid sanctions on making new obligations, continuance of the "Constructive Engagement" strategy now requires at least \$20 million of HG resources per year or a similar increase in DA/ESF or food resources.

- Developments in 1988 and early 1989 require a re-examination of the Strategy

The CDSS Update a year ago indicated the extraordinary uncertainty that existed about developments during the strategy period, 1988-1991, as Peru entered a serious economic crisis.

The outcome in 1988 was worse than even the pessimists had anticipated, as four mismanaged "too little and too late" economic reform packages failed to increase exports, restrict the budget deficit and reduce inflation, or strengthen the financial system. Instead, they accelerated the onset of a major recession with output dropping rapidly at the end of 1988 to below 1985 levels, hyperinflation, a devastated financial system devoid of liquidity, and a lack of any foreign exchange reserves. Strikes cut production and badly needed mineral and metal exports, terrorist activity increased, further unsettling the Peruvian population, adding to political and social instability. By the end of 1988, the future of the APRA administration and even of democracy in Peru was at risk. These developments have of course lead to slowdowns and setbacks in implementation of our assistance efforts. Circumstances have combined to make more difficult the effective implementation of the USG's constructive engagement strategy.

On the resource side, the USAID program has been allocated lower resource levels than those minimum amounts needed to implement the strategy, even if Peru were not dealing with a fearsome crisis. The DA/ESF level for FY 89 is \$16.5 million, and the level approved for FY 89 PL-480 Title I to date is only \$10 million. For FY 90, the DA level has been reduced from 1989, the PL-480 Title I request was cut from \$16 million to \$10 million, and while the ESF request has increased to \$5 million, this may be cut deeply, by the time FY 90 comes.

Although the constructive engagement strategy did not require funds for economic stabilization, the USG and AID may need to consider this option in the near future. In January 1989, Peru owed the IMF over \$700 million, the World Bank over \$400 million, and the IDB over \$60 million. To bring Peru back into the international financial community will require extraordinary bridge loans from developed countries, and without some U.S. participation, this is not a realistic possibility. The U.S. needs a strategy for its participation in the international effort to help Peru sustain democracy, re-enter the international financial system, and to strengthen Peru at the technical level so that it can carry out its part in implementing a coherent and comprehensive stabilization program, tackle the narcotics problem effectively, and mount a successful anti-terrorist program.

- Action is needed now to implement the current strategy in 1989 and to develop a new strategy

The U.S. is not achieving its basic interests in Peru of strengthening democracy, crushing the narcotics trade, containing and eliminating terrorism, and promoting sustained development and better social and economic conditions

for Peruvians. New strategies are required. On instructions from AID/W, and without an approved alternative strategy, the FY 90 and FY 91 activities in this Action Plan were projected on the basis of continuance of current levels. As the Peruvian crisis deepens, it is unlikely that the current strategy can be or should be continued. It follows that the most valuable discussion during Program Week would be a consideration, at least in broad terms, of alternative strategies and programs.

Without the resources in 1989 needed to implement the current constructive engagement strategy until a new strategy can be formulated and implemented, AID may shortly find that its actual situation in Peru takes on a "phase-out" or "phase-down" modality. As it gets more difficult for the GOP to find the domestic and foreign exchange funds to pay past AID (including HIG), DOD and PL-480 Title I loans so that new obligations can be made, and as needs expand for emergency assistance to keep Peruvian democracy afloat, the resources available to USAID Peru appear to be falling. For the last four fiscal years, USAID/Peru, with help from the Ambassador and the Country Team, has secured the payments from the APRA government needed to make full obligation of programmed funds. Now, faced with a higher level of payments to collect, since HG payments must be made, a lower level of new obligations to offer, and a GOP which finds it much harder to pay in the face of even greater requirements, it is imperative that the U.S.:

- offer the full \$20 million in new Title I in new agreements to Peru this year;
- stand ready to expand Title II programs and provide the funds to implement them, within PVO implementation abilities, as the food emergency hits the poor in Peru;
- make every effort to provide new Housing Guarantee loans to Peru, and
- augment DA funds if possible (and certainly not cut).

The formulation of a new strategy for Peru has already begun with the ARA-sponsored Andean Action Plan, and the upcoming inter-Agency review of the proposed Andean Regional Strategy. On another front, the new U.S. Administration has signaled its intention to reconsider the U.S. approach to the heavily indebted Latin American countries. Together, these activities may provide important guidelines for a new Peruvian strategy, and the role that AID should play. AID should be prepared within the next six months to respond to the implications for U.S. economic assistance to Peru that come from these important initiatives. This may require submission of an Action Plan update by the USAID, perhaps by late spring or early summer.

I.B. OVERVIEW OF PROGRESS, ANTICIPATED RESULTS FOR FY 90-91, CRITICAL ISSUES

1. Overview and Assessment of Progress in FY 88 and FY 89 to Date

Three strongly negative developments in FY 88-89 in the overall Peru situation limited progress to varying degrees in almost all Mission Objectives and projects.

a. Inflation accelerated, reaching hyperinflation levels by the start of FY 89

The increases in the official Lima CPI during 1988 are shown below to give the reader an idea of the environment in which projects were implemented. As inflation accelerated, real wages dropped, budgeted funds became completely inadequate, prices and contracts had to be renegotiated, public sector strikes were common, and key personnel left government service. The impact was worst on agricultural projects under Objective 1, and Health projects under Objective 9, but all projects with GOP agencies suffered, and even private sector projects that used GOP counterpart funds, or collaborated with GOP agencies, such as the PL-480 Title II food aid OPGs, were severely impacted.

<u>MONTH</u>	<u>MONTHLY INFLATION PERCENT</u>	<u>CUMULATIVE INFLATION PERCENT</u>
January 1988	12.8	12.8
February	11.8	26.1
March	22.6	54.6
April	17.9	82.3
May	8.5	97.8
June	8.8	115.3
July	30.9	181.8
August	21.7	243.0
September	114.7	634.4
October	40.6	932.5
November	24.4	1184.5
December	41.9	1722.3
January 1989	47.3	2537.0

b. The overall economic environment became more and more chaotic

Large government deficits lead to shortages of funds for government activities, particularly in FY 89 when Central Bank limitations on loans to the GOP often meant that the GOP could not pay even its most urgent expenses. Private sector credit outstanding in real terms was cut more than in half by inflation and credit limitations, bringing on a severe recession and a very poor business environment. Real exchange rates were extremely unstable and often harmful to exporters. The rural/urban terms of trade fell precipitously, harming the entire agricultural sector. Business confidence and confidence in the government fell to very low levels.

c. The terrorism situation problem became worse, with greater violence and its spread to new areas

The projects under Objective 6 and Objective 13 suffered severely from the lack of secure conditions in project areas, and all project implementation was hindered by inability to visit projects or delays in project visits.

Despite the poor environment for progress, considerable advances were made in a number of objectives. In large part this was because of the tireless efforts of AID staff and good and often excellent collaboration from Peruvian counterparts. The financial staff in the Ministry of Economics and Finance gave a strong priority to getting counterpart funds to AID projects, helping to offset some of the negative effects of the environment, while staff in the implementing ministries and government agencies often made strong efforts to solve problems and keep projects moving. At the staff and executive level of the GOP, strong efforts were made to secure payments on past AID, DOD and PL-480 Title I loans, so that new obligations could be made, and the AID program would continue in Peru.

The FY 1988 Performance Matrices for each objective at the end of this section provide details on project progress in FY 88-89.

The Mission had hoped to add a new Objective to this Action Plan, "LAC Objective No. 10, Improve Housing." The Housing area has been one of the bright spots of the GOP since 1985, and the objectives, directions and achievements of the GOP housing program merit AID support. Following the restructuring of a HG loan in June, 1988, which resulted in payment of some HG arrearages, a PID was prepared for a new Housing Guarantee loan and approved by AID/W, subject to establishment of a coherent economic program by Peru which will provide stable credit markets and to enhanced prospects for payment of debt service on HG loans. Since the USAID is unable to predict when these conditions can be met, it decided not to add the new objective at this time. Further details on the housing and HG situation are provided under Objective 2.

2. Anticipated Results for FY 1990-1991

Given the present situation of acute economic crisis and hyperinflation, it is impossible to predict what the situation will be like in FY 1990-1991, and to anticipate the results of the AID program in those years. Here are a few possibilities:

a. The AID program may be in a phase-out situation in Peru, with only those activities underway that are permitted by Sections 123 (e) and 617 of the Foreign Assistance Act, if payments on prior loans are not made to lift Section 620 (Q)/Brooke sanctions and permit new obligations in FY 89. In FY 88, the USAID was able to secure payments on prior loans totalling \$35.6 million, and was able to make new obligations totalling \$75 million. In FY 89, the USAID must secure loan payments of \$46 million, and at this time can offer new obligations of only \$45 million, including expected DA deobs-reobs,

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and Title II commodities valued at their CIF cost. In addition, the GOP faces a much more severe shortage of inti funds and foreign exchange in FY 89 than in FY 88 with which to make payments on past loans.

b. The AID program could be in an even more dramatic phase-out situation in FY 90-91, if Peru is decertified by Congress on its narcotics performance under Section 481 (h) this Spring, and all disbursements on current AID projects, except child survival and food aid, must be stopped, or if Section 620 (e), the Hickenlooper amendment, is invoked over the Belco expropriation case, stopping disbursements on all current AID projects.

c. The current GOP may muddle through to the change of administration in July, 1990 without making major improvements in the economic situation, but providing enough support for AID obligations to continue and for moderate progress in AID projects.

d. The hyperinflation may be abruptly ended, and satisfactory economic policies implemented, as happened in Bolivia at the end of FY 85, in which case the anticipated results for AID projects in FY 1990-1991 would be very favorable. To increase the probability of this outcome, the U.S. Government now should be planning the support it could offer for such a program, in collaboration with the international financial institutions and other major donor countries, and be willing to communicate this to the GOP in the ongoing policy dialogue.

3. Critical Program and Policy Issues that Require AID/W Attention

The USAID requests that the following issues be on the agenda for Program Week, when this Action Plan is reviewed:

- a. Development of a new AID Country Strategy for Peru. (See Section I.A. above.)
- b. The adequacy of AID resources in FY 89 for implementation of the current Strategy of "Constructive Engagement" in Peru. (See Section I.A., and Section I.B.2. above.)
- c. The current food, agricultural and nutrition situation in Peru, and the response that AID should make to the current (and expected to worsen) food emergency, through increased PL-480, Section 416 and DA resources. (See Section II.C.2., Objective 2 and Objective 14 below.)
- d. The role that AID should play directly and in stimulating other U.S. agencies to participate in defining a specific plan for international support of a coherent program for economic stabilization and growth in Peru. (See Section I.A. and Section I.B.2. above, and the December, 1988 World Bank Report, "Peru, Policies to Stop Hyperinflation and Initiate Economic Recovery" (7460 PE.)

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FY 1988 PERFORMANCE MATRIXObjective No. 1: Increase Agricultural ProductionA. Country Development Trends Indicators:

	<u>1986</u>	<u>1987</u> 2/	<u>1988</u> 1/
1. Real Growth of Value Added in Agriculture (% change in GDP)	3.7	5.1	4.4
2. Volume of Production of Selected Basic Food Crops (000's of Metric Tons)			
a. Rice	725.9	1,155.9	1,050.0
b. Corn	644.1	703.6	625.9
c. Potatoes	1,657.5	1,708.9	2,017.5

B. A.I.D. Program Performance Indicators:

	<u>Planned</u>	<u>Actual</u> 1/
1. Yields of Targeted Crops by Regions Stimulated by A.I.D. - Assisted Programs (Annual % increase)		
a. Rice - Selva	3.0	1.8
b. Corn - Selva	4.0	- 4.0
c. Potatoes - Sierra	3.0	14.9
2. Agricultural/Industrial Terms of Trade as a Ratio of changes in Relative Wholesale Price Index (End of Calendar Year; Ratio 1973 = 1.00)	1.10	.59

1/ Preliminary

2/ Revised

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C. Policy Reform Targets

<u>Policy Dialogue Area</u>	<u>Planned</u>	<u>Actual</u>
	(Policy Dialogue Objective to complete change) 1/	
1. Private Sector Agricultural Research & Extension	Reach agreement on an organizational system for carrying out private sector agricultural research and technical assistance focussed on the coast, and implement a program for providing private sector TA to commercial farmers, including cooperatives and parcelized small farmers.	ATT Project supported establishment of a private non-profit Foundation as mechanism to promote private sector research and extension activities which began operations in April, 1988.
2. Agricultural Terms of Trade	Provide more nearly equilibrium exchange rates for agricultural exports, including both traditional commodities and non-traditional commodities, and put into practice a system of exchange rate, tariff and subsidy policies to maintain competitiveness of domestically produced traded agricultural commodities.	Terms of trade turned against agriculture as producer price support financing system (FRASA) broke down due to failure of GOP to adjust domestic consumer prices vis-a-vis equilibrium exchange rate and domestic inflation. Exchange rate for exports lagged in 1988, but recovered parity in 2Q/FY 89.
3. Food Price & Supply Stabilization	Establish acceptance of and promote private storage to achieve price & supply stabilization, thereby improving marketing efficiency.	GOP continued to rely on agricultural commodity marketing parastatal in a failing effort to achieve price and supply stabilization.
4. Preservation of Science Based Agriculture	Public sector recognition & acceptance of key role of agricultural research, extension & education in agricultural system growth & development, & the critical need for training & maintaining highly trained technical & managerial talent in the public & private agricultural production & marketing system.	Current spiraling inflation and fiscal imbalance has eroded ability of GOP to make progress on this objective, in real financial terms. Nevertheless, GOP approval of ATT Project signals continued commitment to science based agriculture.

1/ The FY 1989-90 Action Plan Established these for completion by end of FY 1990

FY 1988 PERFORMANCE MATRIXObjective No. 2: Strengthen the Private Sector

<u>A. Country Development Trends Indicators</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>
1. Private Investment as a Percent of GDP <u>1/</u>	9.2	10.5	N/A
2. Banking System Credit Outstanding to the Private Sector (% of GDP) (monthly average)	12.3	11.7	5.2
3. Percentage of Total Financial System Net Internal Credit Outstanding to the Private Sector <u>2/</u>	91.3	76.0	54.0
<u>B. AID Program Performance Indicators</u>	<u>1988</u>		
	<u>Planned</u>	<u>Actual</u>	
1. AID sponsored credit to the Private Sector	7.8	3.8	
2. Direct Employment Created	2,000	800	
<u>C. Policy Reform Targets</u>	<u>Planned</u>	<u>Actual</u>	
1. Enactment of Popular Mortgage Law		Approved by Legislative, November 1988. Currently with Ministry of Housing in Pilot Project Status.	
2. Presentation of mid-long range economic analysis to GOP leaders with corresponding recommendations for solutions		Both CONFIEP and ILD member met with GOP leadership in August and September 1988 to discuss recommendations.	
3. Development of 8 studies on factors affecting private sector investment, internal investment and export promotion		Studies completed and presented to appropriate authorities and results have been used in formulation of new policies and laws	

1/ Fixed Capital Formation, does not include inventory changes.

2/ End of Year.

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FY 1988 PERFORMANCE MATRIXObjective No. 5: Remote Exports

A. <u>Country Development Indicators:</u>	<u>1986</u>	<u>1987</u> ^{1/}	<u>1988</u> ^{2/}
1. Total Non-Traditional Exports (FOB Value in US\$ Millions)	645	716	700
2. Agricultural Non-Traditional Exports (FOB Value in US\$ Millions)	72	87	85
3. Non-Agricultural Non-Traditional Exports (FOB Value US\$ Millions)	573	629	615
 B. <u>A.I.D. Program Performance Indicators:</u>	 <u>Planned</u>		 <u>Actual</u> ^{2/}
1. Value of Non-Traditional Agricultural Exports targeted by A.I.D. (FOB Value in US\$ Millions)			
A. Fresh Green Asparagus	4.0		3.80
B. Fresh Mangoes	1.0		.8
C. Frozen Green Beans	.5		negligible

^{1/} Revised^{2/} PreliminaryC. Policy Reform Targets

<u>Policy Dialogue Area</u>	<u>Planned</u> <u>Policy Dialogue Objective</u>	<u>Actual</u>
1. Agricultural Terms of Trade	Avoid negative internal terms of trade biased against agricultural export production as a result of GOP macro and sector level policies.	- Exchange rate, credit and subsidy policies continued to bias internal terms of trade against agricultural export production.
2. Non-traditional Agricultural Export Promotion	Provide simplified procedures for export permits and facilitate establishment of joint ventures with external investment, thereby improving processing and marketing efficiency, also provide simplified procedures for importing agricultural inputs supportive of non-traditional agricultural export production.	- New Foreign Trade Bill which addresses simplifying export procedures still being discussed in the Peruvian Congress.
3. Stability of Real Exchange Rates	Maintain stable real exchange rates for exports, including both traditional and non-traditional commodities, at historically favorable levels.	- Instability and sometimes low real rates characterized real exchange rate for exports during 1988. Real exchange rate improved 2Q/FY 89 but instability persists.

FY 1988 PERFORMANCE MATRIXObjective No. 6: Manage and Preserve Natural ResourcesA. Country Development Trends Indicators:

(Not Applicable)

B. A.I.D. Program Performance Indicators:

	<u>Planned</u>	<u>Actual</u>
<u>Central Selva Resource Management (CSRM) Project</u>		
1. Natural Forest Management System Applied to Tropical Forests (has.)	2,000	1,000
2. Production Forestry Activities		
a. Cooperative Training (%)	Ongoing	Ongoing
b. Production Areas Surveyed (has.)	2,000	1,000
c. Logging Roads Completed	4	3
<u>Tropical Soils CRSP</u>		
1. Agroforestry Trials	14	14
<u>CARE Reforestation Project with Food Aid</u>		
1. Hectares Reforested	3,500	3,000
2. Farmers Using Soil Conservation Practices	9,059	2,040

C. Policy Reform Targets:PlannedActual

- | | |
|--|---|
| 1. Obtain guarantee from Ministry of Agriculture/local governments not to permit logging activities/human settlements within Yanachaga National Park and San Matias Protection Forest (1Q/FY89). | GOP agreed to Covenant in CSRM II. PROG to take actions to prevent illegal logging/land use. Ministry of Agriculture maintained limited ranger presence and The Nature Conservancy World Wildlife Fund supported protection activities. |
|--|---|

Planned

2. Title and ownership of wood processing equipment and facilities transferred to the Yanachaga Forestry Cooperative (3Q/FY89).
3. Communal Reserves (35,000 has.) at the base of the Yanachaga National Park legally designated to protect it from spontaneous settlement/logging activities (4Q/FY88).
4. GOP agreement that CSRSM Project procured road maintenance equipment used only in Project area and plan developed for transferring road maintenance responsibility to the Ministry of Transportation and Communications (3Q/FY88).
5. Secure GOP local currency for CARE-ARCA and GOP cooperating agencies in 1988 budget.
6. Obtain DCC approval of Title II commodity increase for CARE-ARCA project for FY 1988.

Actual

- Proposed transfer was included as a C.P. to disbursement after 3Q/FY89 in the Central Selva Resources Management II PROAG.
- Supreme Resolution enacted designating the Communal Reserve 3Q/FY88.
- Plan on utilization of road maintenance equipment included as C.P. to disbursement in CSRSM II PROAG and as Covenant. Development of transfer plan included as Covenant in CSRSM II PROAG.
- Funds released 1Q/FY89.
- CARE instead requested and received approval to reprogram surplus regular program Title II commodity to meet ARCA FY 88 needs.

FY 1988 PERFORMANCE MATRIXObjective No. 8: Increase Access to Voluntary Family Planning Services

A. <u>Country Development Trends Indicators:</u>	(Actual)		(Estimated)
	<u>1986</u>	<u>1987</u>	<u>1988</u>
1. Population (in 000s) - (Annual Growth Rate = 2.6%)	20,403	20,923	21,477
2. Percentage of Women of Reproductive Age Using Contraception (All Methods, Modern and Traditional)	46	47	48
B. <u>A.I.D. Program Performance Indicators:</u>	<u>Planned *</u>	<u>Estimated **</u>	
1. Number of Women Receiving FP Services Under A.I.D.-Supported Programs (Total)	506,900	398,800	
a. Under Private Sector Programs	111,400	99,500	
b. Under Public Sector Programs	389,600	289,300	
c. C.S.M. Acceptors	10,000	10,000	
2. Number of Women Receiving FP Services Under A.I.D.-Supported Programs as a Percentage of Women of Reproductive Age		13	

* These figures are lower than the original FY 88 targets because the original targets were based on all women of reproductive age rather than women in union of reproductive age (59% of all women of reproductive age).

** Adjusted for contraceptive method mix and market segmentation.

C. Policy Reform Targets

<u>Planned</u>	<u>Actual</u>
1. Encourage easier access to FP services by reducing of medical restrictions on contraception	Restrictions diminishing, access expanding, e.g. MOH Family Planning Norms published in FY 1988, IPSS Family Planning Norms designed and being reviewed for publication in FY 1989.
2. Remove restrictions on brand name advertising under the CSM Program.	Accomplished 4QFY 88.
3. Modify regulations to allow expanded use of voluntary surgical contraception	Bill to modify National Population Law passed by Chamber of Deputies and currently being considered in Senate Committee.

Planned

Actual

- La' st technical and ethical literature on V.C.S. is being provided to Senators by the SPF project through the Institute for Population Education at Cayetano Heredia University 1QFY 90.
4. Establish permanent Family Planning Director position within IPSS and appoint GOP employee to fill the job Accomplished 4QFY 88.
5. Incorporate findings of AIDS operations research projects into on-going POP/FP programs in the public and private sectors No action to date; operations research findings will be available in 4QFY 89.
6. Initiate the design and implementation of regional POP/FP action plans with selected CORDES Decentralized Population and Development Policies Project designed and being implemented to lead to POP/FP action plans through development of national and regional level population projections and sectoral models by 3QFY 90.

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FY 1988 PERFORMANCE MATRIXObjective No. 9: Improve Health and Child Survival

1. <u>COUNTRY DEVELOPMENT TRENDS INDICATORS</u>	<u>1986</u>	<u>ACTUAL</u>	
		<u>1987</u>	<u>1988</u>
A. Infant Mortality Rate (up to 1 year) per 1,000 Live Births	90.5	88.2	85.8
B. Child Mortality Rate per 1,000	N/A	N/A	10.0
C. Percent of Population with Access to Clean Drinking Water -- Total			
- Rural (towns with up to 2,000 inhabitants)	19.8%	21.3%	22.2%
D. Percent of Population with Access to Adequate Sanitation (latrines only)-- Total			
- Rural (same population)	5.5%	6.4%	8.7%
2. <u>A.I.D. PROGRAM PERFORMANCE INDICATORS</u>	<u>Planned</u>	<u>Actual</u>	
A. Percentage of Cases of Diarrhea in Children less than 5 Years of Age Treated with Pre- packaged ORS under A.I.D. Supported Programs	6	4	
B. Number in Thousands and Percentage of Children less than 5 years of Age Immunized against Major Diseases under A.I.D. Supported Programs			
1. BCG	2,681/85	2,164/69	
2. DPT (Series of 3)	2,523/80	2,674/85	
3. Polio (Series of 3)	2,681/85	2,760/88	
4. Measles	2,681/85	2,963/94	
C. Number of Children Fed under A.I.D. Supported Maternal/Child Health Supplementary Feeding Programs	607,165	623,670	
D. Number of People Served by New Potable Water Systems under A.I.D. Supported Programs (annual increments)			
- Rural (Towns with 100-500 inhabitants) (cumulative percentage)	90,000 (16.1)	71,994 (15.4)	
- Rural Water Systems Constructed (and under construction)	300 (100)	217 (134)	

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	<u>Planned</u>	<u>Actual</u>
E. Number of Persons Served by New Sanitation Services (latrines only) under A.I.D. Supported Programs (annual increments)		
- Rural (Towns with 100-500 inhabitants) (cumulative percentage)	60,000 (9.3)	54,680 (9.1)
- Latrines Installed	21,000	10,936

3. POLICY REFORM TARGETS

<u>PLANNED</u>	<u>ACTUAL</u>
A. Improve coordination and integration of activities of vertical CSA programs for mothers and children within the MOH and between the MOH and IPSS.	The MOH established a Directorate of Child Survival Activities in September 1988, and a National CSA Project Director was designated; he is assisted by two professionals and a secretary, and reports directly to the Vice-Minister of Health. This has improved coordination among the MOH's CSA programs and, to a lesser extent, between MOH and IPSS.
B. Increase political commitment of GOP officials to polio eradication program and improve management capability of MOH immunization program and other relevant staff	A total of three immunization "days" were carried out during CY 88, one more than what was originally scheduled. As a result, the percentage of children under five years of age immunized against polio increased from 79% in CY 1987 to 88% in CY 1988.
C. Ensure continued political commitment of MOH officials to Health Information System and Active Epidemiological Surveillance System development and implementation.	A new Technical Director of the MOH's Directorate of Statistics and Documentation was designated and the office reorganized. In addition, a new MOH Directorate of Epidemiology was established, but a Director and other staff have not yet been designated.

PLANNEDACTUAL

- D. Explore alternatives to health care financing in both public and private sectors.

With the assistance of SUNY consultants under the LAC Regional Health Financing Project, a study was undertaken at the request of IPSS to analyze the costs of providing services to its current target population and to identify what policy and programmatic actions were required to adequately finance health services for that population and the additional groups mandated by law to be served by IPSS, at the same time, IPSS, with ILO financing and technical assistance from the U.S. Social Security Administration, conducted an actuarial study. These studies and the severe GOP/MOH budgetary crisis stimulated the Minister of Health to seek similar assistance from USAID for the MOH. Depending on the outcome of further discussions, the Mission may seek assistance under the REACH project to examine alternative strategies for USAID support to the MOH in this area.

- E. Allocate required GOP counterpart resources to fully fund the Rural Water Project activities scheduled for CY 1989.

Resources have been allocated by the Ministry of Economy and Finance (MEF) as requested by the MOH. The CY 1989 Financing Law for public expenditures does not allow the inclusion of any provisions for budget adjustments due to inflation. Therefore, given the 800-1,000% projected inflation rate for CY 1989, the GOP allocated counterpart funds are very likely to be insufficient to fully fund project activities during CY 1989.

- F. Maintain the salaries of DISABAR Project employees at levels competitive with other public and private institutions.

During CY 1988, salaries were increased by 543% but continued to be non-competitive with other public and private institutions where salaries were kept more in line with the 1,700% inflation rate.

PLANNED

ACTUAL

- | | |
|--|---|
| G. Strengthen and increase MOH support for (water) project decentralization. | Three supervisory teams from DISABAR/Lima were formed to facilitate and expedite the approval process in the field of the water systems designs developed by the DISABAR field offices. |
| H. Initiate discussions with MOH on preliminary ideas for a rural water follow-on project. | Discussions regarding a follow-on project have resulted in a decision to design a "replacement" OPG with CARE beginning in FY 1989 or early FY 1990 to work with DISABAR to consolidate its achievements and improve the quality of services, using funds deobligated from the ongoing project. |

FY 1988 PERFORMANCE MATRIXObjective No. 14: Alleviate MalnutritionA. Country Development Trends Indicators:

(Actual)
1986 1987 1988

Recent reliable data on malnutrition development trends indicators not available.

See narrative for steps being taken to improve growth monitoring nutrition surveillance data.

B. A.I.D. Program Performance Indicators: (1988)

	<u>Planned</u>	<u>Actual</u>
1. Percentage of rural Title II/Section 416 recipients	65%	61%
2. Percentage of urban Title II/Section 416 recipients	35%	39% <u>a/</u>
3. MCH children beneficiaries	607,165	623,670

a/ Citing the worsening situation in the urban and peri-urban areas of Peru, the PVOs have not been able to program food away from these areas to the Sierra.

C. Policy Reform Targets:

	<u>Planned</u>	<u>Actual</u>
1. Monitor continued shift of emphasis of PVO programs to the rural areas.		New commodity/beneficiary tracking system designed and expected to be fully operational in Fy 1989. PVOs now project proportional maintenance in the division of program resources in rural and urban areas in the 1989-1991 period due principally to the current economic crisis and the exacerbated problems of poverty in the peri-urban areas of the country.
2. Formulate and standardize nutritionally adequate ration mixes to meet Title II program goals.		Ration mixes established for new major PRISMA/MOH integrated food and nutrition program.
3. Select appropriate commodities for Title II program categories based on study results.		Planned study of most appropriate commodity types and levels not conducted; instead, PVO program adjustments were made on case-by-case basis.

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<u>Planned</u>	<u>Actual</u>
4. Assure continuation of Section 416 MOH/MCH program by new Title II program with new PVO.	PRISMA/MOH program started at end 4Q/FY 88.
5. Carry out PL-480 Title I policy dialogue on agricultural support prices, consumer food subsidies, ag. marketing, exports, and support of AID projects.	Policy dialogue was not successful. Despite AID and GAPA efforts, consumer food subsidies were increased by Presidential order, and no funds were available for producer support prices. Terms of trade turned strongly against agricultural sector. Falling real wages, strikes and shortages of funds hampered AID projects. However, subsidized exchange rates for food imports were eliminated, and consumer food subsidies were significantly lowered in 2Q/FY 89.

FY 1988 PERFORMANCE MATRIXObjective No. 12A: Participant Training (CLASP)A. Country Development Trends Indicators: N/AB. A.I.D. Program Performance Indicators: (CLASP Programs Only)

B.1 <u>APSP</u>	FY 1988	
	<u>PLANNED</u>	<u>ACTUAL</u>
1. Total No. of participants		
a. Short-Term	68	76 (112% of target)
b. Long-Term	18	8 (44% of target)
c. Total	86	84 (98% of target)
2. Total No. of females	At least 40% of total or 34	50 (59% of total)
3. Total No. from provinces	At least 50% of total or 43	47 (56% of total)
4. Total No. attending HBCUs	10% of total or 9	-0-
5. Total No. disadvantaged	70% of total or 60	76 (90% of total)
6. Total No. long-term	30% of total or 26	8 (9.5% of total)

B.2 <u>LAC II</u>	FY 1988	
	<u>PLANNED</u>	<u>ACTUAL</u>
1. Total No. of participants		
a. Short-Term	51	41 (80% of target)
b. Long-Term	7	1 (14% of target)
c. Total	58	42 (72% of target)
2. Total No. of females	12	8 (67% of target and 20% of total)

B.3 <u>Total No. of participants beginning training programs under CLASP</u>	FY 1988	
	<u>PLANNED</u>	<u>ACTUAL</u>
a. Short-Term	119	117 (98% of target)
b. Long-Term	25	9 (36% of target)
<u>T O T A L</u>	144	126 (88% of target)

C. Policy Reform Targets: N/A

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FY 1988 PERFORMANCE MATRIXObjective No. 12B: Strengthen Democratic Institutions - The Judicial SystemA. Country Development Trends Indicators:

	<u>1986</u> <u>Actual</u>	<u>1987</u> <u>Actual</u>	<u>1988</u> <u>Actual</u>
1. Establishment of Management Information System for court administration	N/A	Feasibility study for judicial statistics system	Pilot judicial statistics system designed
2. Development of Coordinated Planning System for Administration of justice reform	N/A	Institutions trained in project planning	Dialogue begins on need for institutional plans

B. AID Program Performance Indicators:

	<u>Planned</u>	<u>Actual</u>
1. Judges, Fiscales, and support personnel trained	600	500
2. Courts and public prosecutors offices provided with basic equipment	20	40
3. Legal Information Offices in operation	30	25
4. Formation of National Commission and meetings of same	6 meetings	3 meetings
5. Judicial Information System implemented	Study completed Pilot Project implemented	Study completed Pilot Project designed

C. Policy Reform Targets:

	<u>Planned</u>	<u>Actual</u>
1. Institutional development plans developed		Dialogue initiated with institutions on need for overall plans in context of AID project
2. Initiation of coordination of development plans across institutions		Efforts to encourage coordination through series of joint projects begun
3. Proportion of GOP budget assigned to Court System increases (to 2%)		1989 Budget includes increase (1%) for first time in past 4 years.

FY 1988 PERFORMANCE MATRIXObjective No. 13: Support Anti-Narcotics ProgramsA. Country Development Trends Indicators:

(Not applicable)

B. A.I.D. Program Performance Indicators:

	<u>Planned</u>	<u>Actual</u>
1. Increased cultivation of legitimate crops (hectares)	185,000	1/
2. Increased community participation in self-help activities (no. of people)	4,000	2,700
3. Increased public awareness of drugs as a national problem (%) (percentages from national polls)	28	48

C. Policy Reform Targets:

<u>Planned</u>	<u>Actual</u>
1. Integrate the national administration of the program with regional operations.	PEAH is coordinating implementation with regional agencies but decentralization to regional level has not advanced beyond talk.
2. Stimulate the GOP line ministries to return to the UHV with physical and budgetary resources sufficient to carry out their responsibilities.	Per CP in amendment to the Agreement, INADE will take lead in stimulating line ministries implementation role in the UHV.
3. Support the establishment of a set of mutually supportive goals and operational policies among all private and governmental entities and donors.	Vice Minister of the Presidency will call a national level conference in March 1989 of all ministries and agencies participating in UHV development.

1/ Planned hectareage was established by a mis-interpretation of PEAH/OSE published statistics. 182,570 ha. for 1987 is total agricultural land available in UHV; 1987 amt. in legitimate crops was 92,010 ha.

Planned

4. Seek to influence GOP conservation policy in the Upper Huallaga in order to reduce the negative impact of coca cultivation, including the collection and analysis of secondary, and primary data if necessary, on the contamination and erosion problem and initiate discussions with the appropriate GOP authorities concerning a program to recover degraded eradicated land.
5. Coordinate, where and when feasible, with the CEDRO program of educating and informing key opinion leaders and political decision makers about the dangers of drug production, traffick- ing and abuse, to promote improvements in drug legislation, increases in anti-drug program budget resources and operational scope, and expanded national and regional anti-drug coordination and operation.
6. Use the results, if successful, of the small projects with the Ministries of Health and Education -- pilot testing a drug abuse tracking network in the national health care system and pilot testing a model drug abuse prevention curriculum in the public schools -- to negotiate an expansion of these small projects into nationwide programs.

Actual

The second CP to the last Agreement amendment requires a plan, by March 1989, on periodic collection of baseline data needed for development planning and measuring project progress.

CEDRO is expanding regionally. They are specifically working in the UHV with community groups to identify and target high risk groups (i.e. preteens). CEDRO has briefed the top leaders of most Political Parties and written narcotic position papers for several.

Both the MOE and MOH grants are being imple- mented very slowly. It is doubtful pilot testing of the devel- oped models will take place within the existing PACD.

I.C. GOALS/OBJECTIVES MATRIX

LAC OBJECTIVES	LAC GOALS			
	SHORT-TERM ECONOMIC STABILIZATION	BASIC STRUCTURAL REFORMS LEADING TO RAPID AND SUSTAINED ECON. GROWTH	WIDER SHARING OF THE BENEFITS OF GROWTH	STRENGTHENING DEMOCRATIC INSTITUTIONS
1. Increase agricultural production		X	X	
2. Strengthen the private sector		X		
5. Promote exports		X		
6. Preserve and manage natural resources		X		
8. Increase access to voluntary family planning services			X	
9. Improve health and child survival			X	
12. Strengthen democratic institutions				X
13. Support anti-narcotics programs				X
14. Alleviate malnutrition		X	X	

OBJECTIVE No. 1: INCREASE AGRICULTURAL PRODUCTION

1. <u>COUNTRY DEVELOPMENT TRENDS INDICATORS</u>	1986	1987	1988		1989	1990	1991
	<u>Actual</u>	<u>Actual</u> 1/	<u>Proj.</u>	<u>Actual</u> 2/	<u>Proj.</u>	<u>Proj.</u>	<u>Proj.</u>
A. Real Growth of Value Added in Agriculture (% change in GDP)	3.7	5.1	5.5 - 6.5	4.4	6.0 - 8.0 (decr.)	0.0 - 1.0	4.0
B. Volume of Production of Selected Basic Food Crops (000's of Metric Tons)							
1. Rice	725.9	1,155.9	1,158.8	1,050.0	800.0	800.0	800.0
2. Corn (Yellow)	644.1	703.6	720.9	625.9	600.0	660.0	726.0
3. Potatoes	1,657.5	1,708.9	1,910.7	2,017.5	1,710.0	1,795.0	1,885.0

1/ Revised

2/ Preliminary

2. <u>AID PROGRAM PERFORMANCE INDICATORS</u>	1986	1987	1988		1989	1990	1991
	<u>Actual</u>	<u>Actual</u>	<u>Proj.</u>	<u>Actual</u> 1/	<u>Proj.</u>	<u>Proj.</u>	<u>Proj.</u>
A. Yields of targeted crops by regions stimulated by AID-assisted programs (annual % increase)							
1. Rice - Selva	4.0	2.0	3.0	1.8	8-10 (decr.)	1.0-3.0	3.0
2. Corn - Selva	1.7	3.7	4.0	- 4.0	8-10 (decr.)	1.0-3.0	3.0
3. Potatoes - Sierra	0.5	3.0	3.0	14.9	10-12 (decr.)	1.0-3.0	3.0
B. Agricultural/Industrial Terms of Trade as a ratio of changes in relative wholesale price index (end of calendar year; ratio 1973 = 1.00)	1.15	1.15	1.10	.59	.75	.95	1.00

1/ Preliminary

2/2

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY FY 1989 AS IDENTIFIED IN BLOCKS 5 AND 6 OF LAST YEAR'S ACTION PLAN

A. 1988 Benchmarks for CDT indicators

<u>Target</u>	<u>Planned</u>	<u>Actual</u>	<u>Discussion</u>
- Percentage change in Agricultural GDP	5.5 - 6.5%	4.4%	Increasing fiscal deficit and inflation began to affect producer price support programs and reduced real credit to the sector affecting sector growth and rice/corn production. Potato producers, based on improved prices in 1987 and with greater access to fertilizers, increased production but ran into marketing/storage bottlenecks.
- Volume of Production (000 MT)			
Rice	1,158.8	1,113.7	
Corn Yellow	720.9	625.9	
Potatoes	1,910.7	2,017.5	

B. 1988 APP Indicators

<u>Target</u>	<u>Planned</u>	<u>Actual</u>	<u>Discussion</u>
- Annual Increases (%) in Yields			Less than expected yield increases for rice and the drop in corn were attributable to the economic factors described above.
Rice	3.0	1.8	
Corn Yellow	4.0	- 4.0	
Potatoes	3.0	14.9	Potatoes registered a significant yield increase as the result of favorable climatic conditions in the Sierra, combined with increased use of inputs in late 1987 and early 1988
Agricultural/Industrial Terms of Trade as a ratio of changes in relative wholesale price index (end of calendar year, ratio 1973 = 100)	1.10	.59	Rampant inflation and collapse of the producer price support mechanisms turned the terms of trade against agricultural after a two-year improvement.

C. Status of Key Project/Program Accomplishments

- The Agricultural Technology Transformation (ATT) Project initiated implementation with the technical assistance contract advisors in place. The private Foundation for Agricultural Development (FUNDEAGRO) began activities to support collaborative and private sector research/technology transfer and seed industry development activities.

- The pilot activity with the National Agrarian Organization (ONA) ended and a Sub-Grant Agreement under ATT was signed to strengthen farm management and agricultural sector information services by ONA to member farmer organizations nationwide.

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- Mission is on schedule to support pilot Private Sector Technology Transfer Enterprises and the development of Regional Seed Improvement Associations to be established and functioning by 2Q/FY-90 and 4/FY-90 respectively as indicated in last year's Action Plan.

- The Research, Extension and Education (REE) Project was extended to Feb. 1989 to permit completion of the National Agricultural and Agro-Industrial Research Institute's (INIAA) public sector research support activities. This will provide INIAA with the capacity to adequately carry out its collaborative research agenda under the ATT Project.

- The Agricultural Planning and Institutional Development Project was evaluated by an external consultant team which recommended that the project be extended in order to continue supporting a critical policy analysis and policy implementation activities. A proposed one-year extension was discussed with and approved by the new Minister of Agriculture.

- The above accomplishments occurred despite a seriously deteriorating economic environment characterized by rampant inflation, difficulties in counterpart flows, strikes in the public sector agricultural sector and a worsening security situation in many parts of the country.

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4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

A. Private Sector Agricultural Research and Extension

<u>Policy Dialogue Objective</u>	<u>Target Date</u>	<u>Benchmarks/Actions/Conditionalities</u>	<u>Target Date</u>
- Reach agreement on an organizational system for carrying out private sector agricultural research and technical assistance focussed on the coast, and implement a program for providing private sector TA to commercial farmers, including cooperatives and parcelized small farmers	4Q/1990	- Self-Help Measure included in PL-480 Title I Agreement to support public sector extension program in Trapecio Andino under PL-480 Title I Local Currency	2Q/1989
		- Collaborative research program in operation and first year implementation results presented to Minister of Agriculture	4Q/1989
		- First Private Sector Technology Transfer Enterprises and Regional Seed Improvement Associations established under ATT Project and results presented to Ministry of Agriculture	1Q/1990
		- ATT Project being implemented through permanent collaboration of ONA, INIAA, National Agrarian University (UNA), regional universities and producer groups	4Q/1990
		- Pilot Private Sector Technology Transfer enterprises in operation	4Q/1990

B. Presentation of Science Based Agriculture Policy

<u>Dialogue Objective</u>			
- Public Sector recognition and acceptance of key role of agricultural research, extension and education in agricultural system growth and development, and critical need for training and maintaining talent in the public and private agricultural production and marketing system	4Q/1990	- Self-Help Measure included in PL-480 Title I Agreement to maintain real resource levels to agricultural research system	2Q/1989
		- Plan being implemented for attracting and maintaining high caliber technical and managerial talent in key positions for agricultural production and marketing research	4Q/1991
		- Program being implemented for strengthening graduate program at UNA and for external graduate training of professors at UNA and regional universities	4Q/1991

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C. Agricultural Terms of Trade Policy Dialogue Objective

Provide more nearly equilibrium exchange rates for agricultural exports, including both traditional and non-traditional commodities; and put into practice a system of exchange rate, tariff and subsidy policies to maintain competitiveness of domestically produced/traded agricultural commodities

Target Date

Benchmarks/Actions/Conditionalities

Target Date

1Q/FY-1991

- Self-Help Measures included in the PI 480 Title I Agreement to carry out studies and disseminate results to GOP policymakers on the following topics:
 - analysis of sales prices of food commodities imported or purchased under the domestic agric. support price program and their effects on production and consumption of domestically produced foods, fiscal implications and demand for imported foods.
 - analysis of the comparative advantage of producing rice, corn, wheat, beef, poultry, and dairy products
 - analysis of the import of food subsidies on the fiscal deficit, foreign exchange differential and credit programs
 - analysis of farm and agroindustry firm level impacts being made on a routine basis to influence decisions about macro policy changes and as a means of determining needed macro policy adjustments
 - MinAg and ONA monitor on a continuing basis agricultural terms of trade impacts on macro economic policies

2Q/FY 1989

1Q/FY 1990

1Q/FY 1991

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D. Food Price and Supply Stabilization Policy Dialogue

Objective

Establish acceptance of and promote private storage to achieve price and supply stabilization, thereby improving market efficiency. Target consumer price subsidies to lowest income groups

1Q/FY-1991

- Self-Help Measure included in PL-480 Title I Agreement to analyze rice marketing system, provide recommendations on introducing quality differentials, the relative involvement of public/private sector in rice marketing, and targeting of lower grade rice to poorer segments of population 2Q/FY 1989
- Self-Help Measure included in PL-480 Title I Agreement to carry out studies leading to the implementation of a national level selective subsidy policy oriented toward the lowest income groups 2Q/FY 1989
- Self-Help Measure included in the PL-480 Title I Agreement to analyze the 1984 marketing study for basic foodstuffs and provide recommendations to the Minister of Agriculture to improve the efficiency and enhance the effectiveness of the food marketing function 2Q/FY 1989
- Storage of brand name and specialty products exempted from speculation laws 1Q/FY 1991
- Storage of all perishable foodstuffs exempted from speculation laws 1Q/FY 1991

5. <u>KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD</u>	<u>Quarter/Year</u>
a. APID Project extended and short-term expatriate assistance program for policy analysis to MinAg in operation	3Q/FY 1989
b. PL 480 Title I Self-Help Measure studies completed and disseminated within MinAg, Ministry of Economy and Finance and Central Bank	4Q/FY 1989
c. REE Project terminated. ATT Project continues assistance to INIAA building on the commodity research programs established under REE	3Q/FY 1989
d. Pilot technology transfer enterprise models established with a Producer Association and a cooperative	4Q/FY 1989
e. Assessment of professional agricultural associations capacity to improve communication/coordination among agricultural research professionals and provide incentives for quality research	
f. Pilot Private Sector Regional Technology Transfer enterprises assisted under the ATT Project will be operational and achieving financial independence	2Q/FY 1991
g. Private Sector Regional Seed Improvement Associations assisted under the ATT Project will be established and functioning for potatoes and cereal grains	4Q/FY 1991

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6. PROJECTS SUPPORTING OBJECTIVE

Title	Number	New (N) or Ongoing (O)	Type of Funding	LOP (\$000)	I/G/ LC	Obligations			
						Cumulative through FY 1988	FY 1989	FY 1990	FY 1991
Agriculture Research, Extension & Education	0192	O	DA LC	19,650 —	L&G LC	19,650 (9,085)	— (80)	— (—)	— (—)
Agriculture Planning & Institutional Dev. (APID)	0238	O	DA LC	17,827 —	L&G LC	17,057 (6,984)	770 (1,589)	— (1,490)	— (1,500)
Agriculture Technology Transformation	0282	O	DA/ESF LC	25,000 —	G LC	13,521 (3,416)	2,300 (5,520)	3,025 (4,500)	4,175 (4,500)
Small Ruminants CRSP		O	DA-AID/W LC	1/ —	G LC	2,173 (2,185)	235 (307)	235 (500)	235 (—)
APID Evaluation	0000	O	DA	54	G	42	12	—	—
REE-Final Evaluation	0000	N 1989	DA	50	G	—	—	—	—
GRADE-Fiscal Impact of Agricultural and Macroeconomic Policies in Peru	0000	O	DA	25	G	25	—	—	—
Andean Extension	LC-1	O	LC	—	LC	(585)	(120)	(140)	(200)
Agricultural "Concertation"-ILO	LC-2	O	LC	—	LC	(324)	(260)	(300)	(—)
INFCM-Regional Development	LC-5	O	LC	—	LC	(641)	(150)	(—)	(—)

1/ Funds not allotted to USAID.

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7. NARRATIVE:

The rapidly deteriorating macroeconomic environment after mid-year did not fully impact on the 1988 agricultural production cycle. According to preliminary figures, the sector grew by 4.4% although there were some reductions in domestic foodstuff production. However, the effects of rampant inflation and the dramatic Inti devaluation, coupled with rising international prices for foodstuffs imports signaled the demise of the GOP's major price policy mechanism the Agricultural Reactivation Fund (FRASA). FRASA was able to provide guaranteed support prices to producers (increasing farm incomes and encouraging increased basic foodstuffs production) while maintaining subsidized low consumer prices. FRASA was financed with the margin between the purchase price (plus transaction costs) and the wholesale price to processors/distributors of imported basic foodstuffs. The GOP quickly discovered that maintaining consumer subsidies in the face of a rapidly and ever-widening divergence between the official food import exchange rate and the free market rate was resulting in a rapid loss of foreign reserves and an expanding fiscal deficit. The Ministry of Agriculture's Policy Analysis Group (supported under the Agricultural Planning and Institutional Development - APID - Project) had recommended exchange rate adjustments and increases in real consumer food prices in early 1988 as part of a broad overall economic adjustment package, unfortunately the proposals were rejected at the inter-ministerial and executive levels. Finally, in September, the GOP announced food price increases which reduced the subsidy but required further increases later in the year to offset the impact of rapid continuing Inti devaluation and inflation rates on relative prices. By the end of 1988, agricultural/industrial terms of trade index had reverted to the highly negative 1985 level.

The impact of the severe economic deterioration is being felt in the 1988-89 crop year. Agriculture sector output is expected to decline by 6-8% in 1989 with decreases of 24%, 4%, and 15% expected in rice, corn (yellow) and potato production. The drop in rice production is due to a planned switch to more profitable cotton production by coastal rice producers some of whom are still waiting to be paid for their 1988 rice crops by the rice marketing para-statal. Credit to the sector in real terms has decreased by 75% compared to last year. This, combined with reduced input availability (fertilizer sales are down 50%) is expected to result in significant yield decreases. Increasing terrorist activity in potato and livestock/dairy production areas adds an additional element of uncertainty to the future performance of the sector. On the positive side, the present Minister of Agriculture has indicated his support for the phased elimination of consumer food price subsidies and price adjustments in 2Q/FY 89 substantially reduced these subsidies. The APID Project, whose PACD extension is supported by the MinAg, is well-positioned to assist the GOP in implementing these policies. Likewise, the APID Project will provide support to carry out a series of studies on comparative advantage, costs of production, subsidy costs and foodstuffs marketing improvement. These are included as self-help measures in the PL-480 Agreement. The GOP fiscal crisis has hit the Policy Analysis Group and securing adequate financing has been a problem.

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7. NARRATIVE (Cont'd)

The Agricultural Technology Transformation Project is laying the basis for improved collaboration among the public/private sectors and universities in carrying out agricultural technology generation and transfer activities. The availability and transfer, over the medium and long-term, of unit cost-reducing technologies are crucial for producers to respond to market signals, as food price subsidies are eliminated. Implementation of the Mission's activities with public agricultural sector institutions has been hampered by rampant inflation, reduced real income of public sector employees, and fiscal belt-tightening, which has led to a series of prolonged strikes and work stoppages. The REE Project was extended to permit completion of some activities that the ATT Project can build on. 1989 could be a year of positive transition during which the GOP will undertake macroeconomic and sectoral measures leading Peru back on the path of economic stability and growth. An in-depth evaluation of the ATT Project is scheduled for April 1991 to determine whether the Project is achieving its objectives in order to permit adjustments in implementation.

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OBJECTIVE NO. 2: STRENGTHEN THE PRIVATE SECTOR

1. <u>COUNTRY DEVELOPMENT TREND INDICATORS</u>	1986	1987	1988		1989	1990	1991
	Actual	Actual	Proj.	Actual	Proj.	Proj.	Proj.
A. Private Investment as a Percent of GDP <u>1/</u>	9.2	10.5	8.0	N/A	6.0	7.0	8.0
B. Banking System Credit Outstanding to the Private Sector (% of GDP) (monthly average)	12.3	11.7	12.0	5.2	6.0	7.0	9.0
C. Percentage of Total Financial System Net Internal Credit Outstanding to the Private Sector <u>2/</u>	91.3	76.0	70.0	54.0	45.0	55.0	65.0

1/ Fixed Capital Formation, does not include inventory changes.

2/ End of Year.

2. A.I.D. PROGRAM PERFORMANCE INDICATORS

USAID Sponsored Credits in Agriculture (0265) and Small Scale Enterprises (0317) Projects support investment in agriculture and access to credit by small scale enterprises.

A. <u>USAID Sponsored Credits</u>	1986		1987		1988		1988		1989		1990	
	Actual		Actual		Target		Actual		Target		Target	
	Ag	SSE	Ag	SSEs	Ag	SSEs	Ag	SSEs	Ag	SSE	Ag	SSEs
\$ millions lent	3.0	2.0	7.3	0	7.6	0.2	3.8	0	1.0	0.1	1.4	0.2
\$ millions value added	5.0	3.0	7.3	0	7.6	0.2	3.8	0	1.0	0.1	1.4	0.2
\$ millions NTE created	--	0.5	0.5	0	0.7	0	0.4	0	0.1	0	0.2	0
Thousand jobs created	0.5	1.0	1.4	0	1.5	0.5	0.8	0	0.2	0.2	0.3	0.5

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3. ACTUAL VS. PLANNED ACCOMPLISHMENTS FOR FY88 AND EARLY FY89 AS IDENTIFIED IN LAST YEAR'S ACTION PLAN

A) Private Sector Policy Planning and Institutional Development Strengthening Policy Dialogue Process

- CONFIEP implemented a number of Private Enterprise Dialogue events including the 2nd National Congress in which both the mid and long range economic situations were discussed and the GOP was presented with CONFIEP's proposed solutions to many of the more immediate issues. CONFIEP also sponsored a series of seminars and studies on subjects such as the image of entrepreneurs and businessmen in Peru and small enterprise development in conjunction with regional chambers of commerce. Additionally, a multimedia campaign on the role of the private sector in development was undertaken. All these events received substantial press coverage and stimulated debate on economic policy options.

- A joint program of activities was initiated between ILD and CONFIEP. The most important of these was the inauguration of a publicity campaign to stimulate interest in the Popular Mortgage Project. The various statutes and regulations necessary to implement such a program have been enacted and the Ministry of Housing is now trying to implement a pilot project.

- Additional financial reviews of ILD were carried out as a prelude to signing up a new five year Cooperative Agreement with them.

B) Strengthening Policy Analysis Capability

- INP short term training programs were held for over 125 participants.

- The BCR sent 15 staff members for short-term training courses in Mexico and the U.S.

- Thirteen long term trainees for U.S. Master's programs continued with their studies.

- BCR studies on factors affecting internal savings and private sector investment completed.

- Six members of CONFIEP's Regional Chambers Program went for short term training course in U.S. and one General Manager attended a management course in Costa Rica for senior Chamber staff.

C) Improved Management Education

- Newly developed middle management agribusiness course given in 11 cities, 3 agribusiness research projects underway in two institutions, technical assistance provided to 3 institutions in agribusiness curricula/research.

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS FOR FY88 AND EARLY FY89 AS IDENTIFIED IN LAST YEAR'S ACTION PLAN (Cont'd)

- International Business Programs strengthened in 2 institutions, one through curricular changes, other by T.A. input), 2 research project underway.
- Small business T.A. provided to one institution, decentralized non-formal education correspondence course titled "Small Business Management" offered in 32 cities a total of 103 times with approximately 3,800 beneficiaries.
- 14 faculty members participating in long term training in various business related areas (12 in U.S., 2 in LAC countries).

D) Housing Program

The two HG projects under implementation (HG-010 and HG-011/B), were successfully completed in FY 88. HG-010 achievements included effective support provided to the Materials Bank in its early development. HG-011(B) for the El Niño disaster recuperation served nearly twice as many families as originally planned. In FY 88 with RHUDO/SA support, HG interest costs were reduced by restructuring of loan HG-011(A) for \$18.7 million. This also permitted the use of \$3.1 million of HG loan funds held in escrow to repay HG arrearages. The PID for a new \$25 million project (HG-013), was prepared and reviewed in AID/W. Besides its housing support objectives, the implementation plan for this project will include negotiations and arrangements with the GOP for the repayment of HG arrearages.

4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR ACTION PLAN PERIOD

The worsening hyperinflationary situation in Peru has prompted the GOP to introduce a series of economic packages intended to reduce the fiscal and balance of payments disequilibria--the leading causes of inflation. Unfortunately, the packages have not been successful in addressing the crisis. In fact, some of the packages may have actually exacerbated the situation. In response to these problems, the Mission has developed a new component under the Private Sector Policy Planning and Institutional Development Project, the Economic Stabilization Assistance Program. This new activity is designed to provide the BCR with high caliber economic expertise that will help it formulate, design, and implement economic stabilization programs, or portions thereof. The new activity constitutes a modest initiative to engage an important economic policy making arm (the BCR) in macroeconomic policy dialogue. In addition, the Project is financing a number of important studies which promote improved efficiency in financial intermediation policies, more effective use of economic resources and determine the effects of fiscal policies on the efficiency of the most important economic sectors. All of the studies and activities are geared toward helping the GOP and private sector better understand and appreciate economic growth problems as well as strengthen public/private sector dialogue on policies which affect the private sector. The Private Sector Management Improvement Project continues to complement the Policy Project by strengthening the capacity of the five leading Peruvian private sector educational institutions to improve their course offerings, undertake more applied research in the areas of agribusiness, international business and small enterprise, and better respond to private industry needs.

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4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR ACTION PLAN PERIOD (Cont'd)

CONFIEP continued to serve as the principal spokesman of the private sector and is involved in an ongoing collaboration with ILD (the Union Formal-Informal) on joint activities of interest to both sectors. ILD is actively involved in the promotion and implementation of its Popular Mortgage program which was enacted into law last year and the Ministry of Housing is now trying to run a pilot program. The Mission also expects to enter into a new five year Cooperative Agreement with ILD that will enable them to not only continue its research and action program in Peru but also start similar operations in other countries through a training and dissemination program.

With regard to credit, the Mission will continue to promote the expansion of non traditional exports and use its influence to spur greater GOP/private sector support for small lending. The Small Enterprise Credit Project with CARE will build upon CARE's successful micro enterprise credit model and expand the capacity of the private sector's National Industrial Society to serve as an intermediary and loan guarantor for small businesses while a local bank leverages these guarantees.

The Mission will also continue to insist that all private sector organizations participating in AID projects are taking actions and making plans to obtain financial self-sufficiency.

5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD QUARTER/YEAR (CY)*

Private Sector Policy Planning and Institutional Development Strengthening
Policy Dialogue Process

- | | |
|---|-----------------|
| - 3rd National Congress on Private Enterprise held | 3/89 |
| - Continuation of high level dialogue events among business leaders and GOP representatives | Ongoing to 4/89 |
| - Incorporation of 6 new member organizations in CONFIEP | 2/89 |
| - Continuing implementation of Regional Chamber activities | Ongoing to 4/89 |
| - Establishment of an Entrepreneurial Productivity Center | 4/89 |
| - Regional and National Entrepreneurial Encounters | 3/89 |
| - ILD implementation of pilot program for popular mortgage | 2/89 |
| - Starting of ILD training and dissemination activities with funding obligations for "Institutional Reform with Popular Support for Private Sector Growth in Latin America" | 2/89 |

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5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY
AND ACTION PLAN PERIOD (Cont'd)

QUARTER/YEAR (CY)*

Strengthening Policy Analysis Capability

- Implementation of training program for CONFIEP member associations 3/89
- Local INP training for 100 participants
- Complete, distribute and hold seminars on 10 studies on factors affecting private investment and internal savings in Peru 4/89
- 7 long-term BCR trainees continue with U.S. Masters Program, 6 other complete U.S. Masters Program 4/89
- 15 short term trainees complete short courses in areas relating to tax incentives, development banks, gold production, investment and savings 3/89

Improved Management Education

- Agribusiness
 - 4 research projects completed and disseminated, and 3 new studies initiated 4/89
 - an agribusiness specialization introduced in MBA program in one institution 3/89
- International Business
 - improved curricula through T.A. in 3 institutions 3/89
 - new courses introduced in two institutions at the undergraduate and graduate level 4/89
- Small Business
 - Small business "incubator" installed in two institutions. 3/89
 - Three research studies initiated and completed 4/89
- Strategic Development plans prepared for 4 institutions
 - 2 long-term training participants will complete studies in 6/89, 1 in 8/89, 1 in 12/89 and 3 in 6/90 3/89
- Major project evaluation completed 3/89

II-15

4/c

6. PROJECTS SUPPORTING OBJECTIVE

Title	Number	New (N) or Ongoing (O)	Type of Funding	LOP (\$000)	L/G/ LC	Obligations			
						Cumulative through FY 1988	FY 1989	FY 1990	FY 1991
Private Sector Management Improvement	0272	O	DA	7,000	G	4,111	740	1,413	750
Special Dev. Activities	0061	O	DA	N/A	G	1,889	100	100	100
Private Sector Agric. Investment Promotion	0265	O	DA LC	10,000 (10,900)	L LC	10,090 (10,600)	— (35)	— (60)	— (—)
Private Sector Policy Planning & Inst. Dev.	0298	O	DA/ESF LC	8,900 (2,186)	G LC	5,198 (345)	1,200 (52)	602 (100)	1,295 (200)
ESAN-Flow Fund Model	0000	O	DA	24	G	24	—	—	—
Private Sector Small Enterprise Credit Program CARE OPG	0317	O	DA	179	G	179	—	—	—
IIEA-Taxation and Revenue Policies	0000	O	DA	25	G	25	—	—	—

* Local Currency Generations

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7. NARRATIVE:

1988 was a watershed year for Peru. The economic crisis, which the Mission had anticipated in the CDSS, exploded beyond expectations. Inflation (Dec.87/Dec.88) reached a historical 1,722%. Liquid foreign exchange reserves reached a level equivalent to one week's worth of imports (about \$60 million). The combined effect of four unsuccessful attempts to stabilize prices by reducing aggregate demand resulted in a brutal reduction in output; several sectors (manufacturing, construction, and others) reduced output by as much as 30% in a single month during the last quarter of 1988. GDP is expected to fall about 8% for the year. The severity of the situation is fully reflected in some of the indicators, particularly the availability of credit to the private sector. As part of its disjointed attempts to fight inflation, the BCR drastically reduced the availability of credit. This, combined with the effects of the liquidity-reduction effects of hyperinflation on the banking system almost completely dried up credit to the private sector.

Despite the fast deteriorating economic situation, the Private Sector Policy Planning Project has been able to make significant contributions to the overall economic debate through its three implementation components. CONFIEP used the occasion of its 2nd National Congress to present the GOP with specific recommendations for solutions to both short and medium-term economic problems. ILD developed and, in conjunction with CONFIEP through the Union Formal Informal, presented its program for making working capital loans available to homeowners through the Popular Mortgage project. The new laws and regulations allowing such a program to go forward have been adopted and it is now being run on a pilot project basis. The Mission will be signing a new five-year Cooperative Agreement with ILD shortly. Improvements in academic and non-degree training for the private sector and strengthened relationships between the educational institutions and private industry continued under the Private Sector Management Improvement Project.

As for the public sector, thirteen long term trainees are now enrolled in two-year masters of economics and MBA programs in the U.S. Short term training courses are also being financed for BCR and MEF officials in both the U.S. and Mexico. In addition, various project studies are helping to analyze key constraints and offer possible solutions to various aspects of Peru's current economic problems.

In the credit area, the Private Sector Agricultural Investment Promotion Project (PRIDA) surpassed its anticipated goals. Bank loans to private agricultural entrepreneurs, through the rediscount facility established at COFIDE, amounted to \$18.7 million. However, A.I.D. loan disbursements were stopped in 3Q/FY 88 when COFIDE could not comply with maintenance of value requirements in the face of the economic crisis. A new dollar loan program for facilitating the issuance of letters of credit for importing repair parts or other inputs for agroindustry and farm operators has been designed and will be implemented through COFIDE for the remaining \$2.4 million of the loan in FY 89.

The Small Enterprise Project that was obligated with CARE last year will be implemented in conjunction with a new bank after various delays and implementation problems with the original bank resulting from the bank expropriation law. The operation of the program is the same as originally planned; the National Industrial Society provides a loan guarantee and the bank provides a line of credit for a multiple of the guarantee amount.

7. NARRATIVE, (Cont'd)

After reviewing the PID for a new \$25 million HG, AID/W provided the Mission with a guidance cable which authorizes the preparation of the HG-013 PP but conditions its approval to: (a) GOP overall economic policy changes to provide a coherent economic program, and (b) specific arrangements for the repayment over time of all accumulated HG arrearages. If the negotiations with the GOP are successful, a PP will be prepared in 3Q/FY 89. However, it is clear that the conditions imposed on the project will make it difficult for the Mission to forecast the timing for the various steps of the design and development process of the new HG. Current GOP policies do not meet the conditions set in the guidance cable. The USAID does not plan to include a "LAC No. 10 Improve Housing" objective in the Action Plan until there is greater probability and predictability that changes in GOP policies will permit a new HG.

OBJECTIVE NO. 5: PROMOTE EXPORTS

<u>1. COUNTRY DEVELOPMENT TRENDS INDICATORS</u>	<u>1986</u> <u>Actual</u>	<u>1987</u> <u>Actual</u>	<u>1988</u>		<u>1989</u> <u>Proj.</u>	<u>1990</u> <u>Proj.</u>	<u>1991</u> <u>Proj.</u>
A. Total Non-Traditional Exports (FOB Value in US\$ Millions)	645	716	920	700	735	772	810
B. Agricultural Non-Traditional Exports (FOB Value in US\$ Millions)	72	87	11.0	85	89	93	98
C. Non-Agricultural Non-Traditional Exports (FOB Value in US\$ Millions)	573	629	810	615	646	678	712

1/ Revised

2/ Preliminary

<u>2. AID PERFORMANCE INDICATORS</u>	<u>1986</u> <u>Actual</u>	<u>1987</u> <u>Actual</u>	<u>1988</u>		<u>1989</u> <u>Proj.</u>	<u>1990</u> <u>Proj.</u>	<u>1991</u> <u>Proj.</u>
A. Value of Non-Traditional Agricultural Exports targeted by AID Programs (FOB value in US\$Millions)							
1. Fresh Green Asparagus	--	1.2	4.0	3.8	5.0	5.2	5.5
2. Fresh Mangoes	.5	.7	1.0	0.8	0.8	0.8	0.8
3. Frozen Green Beans	--	--	.5	Negl.	.5	.5	.6

1/ Revised

2/ Preliminary

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY 1989 AS IDENTIFIED IN LAST YEAR'S ACTION PLAN

A. 1988 Benchmarks for CDT Indicators

<u>Target</u>	<u>Planned</u>	<u>Actual</u>	<u>1/Discussion</u>
-Total Non-Traditional Exports (FOB Value in US\$ Millions)	920	700	The 1988 CDT indicators were significantly off target. Total Non-Traditional Exports reached approximately \$700 million, 24% below the \$920 million targeted. Similarly, total Agricultural Non-Traditional exports reached \$85 million, 23% short of the targeted \$110 million. This relatively poor export performance was due to the GOP's export exchange rate that was significantly less than the parallel market exchange rate, thereby penalizing exporters. An additional factor was the lack of credit available for new investment ventures.
-Agricultural Non-Traditional Exports (FOB Value in US\$ Millions)	110	85	
-Non-Agricultural Non-Traditional Exports (FOB Value in US\$ Millions)	810	615	

B. 1988 APP Indicators

<u>Target</u>	<u>Planned</u>	<u>Actual</u>	<u>Discussion</u>
-Value of Non-Traditional Agricultural Exports Targeted by AID Programs. (FOB Value in US\$Million)			Fresh green asparagus ventures continued to show encouraging signs. Exports were close to targeted, prices and quality factors were favorable for Peruvian asparagus, 400 additional hectares will be incorporated in 1989. Other promising horticultural and fruit crops did not perform as well. The major reason behind the 20% reduction in 1988 mango exports is due to the closing of the U.S. market due to restrictions on the use of EDB in quarantine treatments. Prices in the alternative European market were not as favorable as expected. Projections for 1988 frozen green beans exports did not materialize due to problems in attracting business ventures to expand processing capacity and other logistical problems such as shortage of packing material, adequate transport and storage.
1. Fresh Green Asparagus	4.0	3.8	
2. Fresh Mangoes	1.0	.8	
3. Frozen Green Beans	.5	neglig.	

1/ Preliminary

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3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY 1989 AS IDENTIFIED IN LAST YEAR'S ACTION PLAN (Cont'd)

The NTAE project was not developed due to ARDN account budget reductions. The only activity funded in CY 1988 was a PD&S funded analysis on the cost of obtaining continuous market price and volume information for asparagus. The study showed that crop specific information could be obtained in a cost effective manner without the need to establish a large information gathering infrastructure.

4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

<u>Policy Dialogue Area</u>	<u>Policy Dialogue Objective</u>	<u>Target Date</u>	<u>Benchmark/Action/Conditionalities</u>	<u>Target Date</u>
A. Stability of Real Exchange Rates	Maintain stable real exchange rates for exports, including both traditional and non-traditional commodities, at historically favorable levels	3Q/FY 1990	Provide Agricultural Exporters with ability to carry out analyses and engage in policy dialogue with GOP	2Q/FY 1990

5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

	<u>QUARTER/YEAR</u>
A. A PID for a three year project in Non-Traditional Agricultural Export Promotion and Agribusiness Development (0310) (NTAE) will be prepared on a shelf basis for FY 89.	3Q/FY89
B. Non-Traditional Agricultural Export Project Paper will be completed, approved and PROAG obligated.	2Q/FY90

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6. PROJECTS SUPPORTING OBJECTIVE

Title	Number	New (N) or Ongoing (O)	Type of Funding	LOP (\$000)	L/G/LC	Obligations			
						Cumulative through FY 1988	FY 1989	FY 1990	FY 1991
Non-Traditional Ag. Export/ Agribusiness Development	0310	N 1990	DA/ESF	2,500	G	--	--	425	1,400

7. NARRATIVE

Mission support to export promotion activities was minimal in 1988. In agriculture, ARDN budget cuts coupled with a deteriorating economic environment and a multiple exchange rate policy that penalized exporters for most of the year resulted in relatively poor export performance. The GOP redressed its export exchange rate policy somewhat in the latter part of CY 1988 moving it closer to parity. The need for increased foreign exchange earnings remains critical. While the GOP realizes that the exchange rate is perhaps a fundamental policy tool to increase exports, exporters need to carry out an effective and continuing policy dialogue to insure that in the current inflationary environment exchange rate adjustments maintain the competitiveness of Peruvian exporters.

The Mission in the NTAE Project will emphasize technical assistance support to agricultural exporter groups so that they can effectively carry out this policy dialogue on macroeconomic export commodities. Technical assistance to help producers/exporters access crop specific expertise is also contemplated. The Mission's past success in financing a relatively small pilot project to provide technical assistance to producers in the ICA area interested in asparagus producers demonstrates that even limited funding can have a substantial impact in the agricultural export area. The NTAE Project can maintain the Mission well positioned to take advantage when an improved macroeconomic policy environment develops in the future.

Despite some improvements in real exchange rates for non-traditional exports in 2Q/FY 89, great instability continues for the rates, and business sector confidence in effective policies for exports in the future is very low. The current recession and lack of credit are drying up sources of capital for new export ventures. Reluctantly, the USAID has decided that the NTAE project must be postponed until FY 90, when it is hoped a favorable environment for non-traditional exports will exist.

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OBJECTIVE No. 6: MANAGE AND PRESERVE NATURAL RESOURCES

2. <u>A.I.D. PROGRAM PERFORMANCE INDICATORS</u>	1986 <u>Actual</u>	1987 <u>Actual</u>	<u>1988</u>		1989 <u>Proj.</u>	1990 <u>Proj.</u>	1991 <u>Proj.</u>
			<u>Proj.</u>	<u>Actual</u>			
<u>Central Selva Resource Management Project</u>							
A. Natural Forest Management System applied to tropical forests (has.)	300	1,000	2,000	1,000	1,500	2,500	4,000
B. Production Forestry Activities							
1. Cooperative training (%)	50	50	Ongoing		Ongoing	Ongoing	
2. Production areas surveyed (has.)	300	1,000	2,000	1,000	1,500	2,500	4,000
3. Logging roads completed	1	1	4		3 No additional logging roads planned		
C. Protection of Biodiversity Activities							
Establish Reserves							
1. Yanachaga National Park (000 has.)	123	123	Park Established				
2. San Matías Protection Forest (000 has.)	--	145	Reserve Established				
<u>Tropical Soils CRSP</u>							
A. Agroforestry trials	11	11	14	14	13	14	15
<u>Reforestation Project with Food Aid</u>							
A. Hectares Reforested	4,167	3,847	3,500	3,000	2,700	3,000	3,200
B. Farmers using soil conservation practices	8,177	1,780	9,056	2,040	4,020	6,520	9,320

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3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY FY 1989 AS IDENTIFIED IN BLOCKS 5 AND 6 OF LAST YEAR'S ACTION PLAN

Central Selva Resource Management - Phase I

Accomplishment Status:

- A. The Forest Cooperative/Wood Processing Center is functioning. More training is required for cooperative members and will be provided under CSRM Phase II.
- B. Yanachaga National Park is operational. AID funding terminated after the evacuation of T.A. personnel from the Project field site. Funding for Yanachaga from private sources has been arranged by the Nature Conservancy.
- C. Operation of the San Matias Protection Forest has been delayed due to the security situation.
- D. The Geographic Information System for the Palcazu Valley has been completed.
- E. The Economic Analysis of the Natural Forest Management System was updated during the preparation of the CSRM II PP. The analysis indicated that natural forest management is a viable approach for conserving economically productive forests.
- F. An OPG agreement was signed 3Q/FY88 with CARE to implement the Agroforestry Food-for-Work Project (ARCA) (OPG 527-0320) in conjunction with the GOP General Administration for Forestry and Fauna (DGFF), and the National Office for Food Assistance (ONAA). Conditions Precedent to first disbursement of OPG funds met 2Q/FY89. Project activities continue to be implemented by the DGFF and ONAA at reduced levels in all eight project-site Departments. CARE-sponsored project activities expected to be fully operational by 3Q/FY89.

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4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

	<u>Quarter/Year</u>
A. Obtain assurance from GOP that the Forest Cooperative established under CSRM I will receive and retain all goods and property required for continued operation	1Q/FY 1990
B. Identify new geographic areas for application of natural forest management techniques	3Q/FY 1990
C. Establish new interinstitutional linkages between resource management planning agencies and organizations in Peru	2Q/FY 1990

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<u>4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD (Cont'd)</u>	<u>Quarter/Year</u>
D. Promote acceptance within GOP for greater role of NGO management of conservation activities	3Q/FY 1990
E. FY89 Title I counterpart funds for DGFF, ONAA and CARE have been budgeted by the GOP. With Peru's current rate of inflation, early transfers of these funds plus Supplementary Credit funds will have to be worked-out by CARE/Peru and USAID with the GOP.	2Q/FY 1989

<u>5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD</u>	<u>Quarter/Year</u>
<u>Central Selva Resource Management Phase II</u>	
A. Organize series of seminars on geographic information system application as a tool for natural resource management planning	4Q/FY 1989
B. Selection of new sites based on forest inventories/surveys to test the natural forest management system applied in CSRM II	3Q/FY 1990
C. Disseminate lessons learned during six years of CSRM implementation through seminars	1Q/FY 1990
D. Training of GOP Staff, cooperative members native and colonist groups natural forestry management and biodiversity research	2Q/FY 1990
<u>Agroforestry FFW OPG 527-0320</u>	
A. Selection of the participating rural communities will be finalized by CARE/PERU in conjunction with the DGFF and ONAA, following socio-economic criteria established in the Implementation Plan.	2Q/FY 1989
B. CARE-sponsored activities will be fully operational.	3Q/FY 1989
C. Strategy for supervising activities in emergency project sites defined and implemented.	2Q/FY 1989
D. Additional funding secured to meet total budget requirements for operational year and LOP.	3Q/FY 1989
E. Environmental Assessment to be completed.	2Q/FY 1989
F. Design follow-up project (ARCA II) for FY 1991	2Q/FY 1990

6. PROJECTS SUPPORTING OBJECTIVE

Title	Number	New (N) or Ongoing (O)	Type of Funding	LOP (\$000)	L/G/ LC	Obligations			
						Cumulative through FY 1988	FY 1989	FY 1990	FY 1991
Central Selva Resource Management (Pichis-Palcazu)	0240	O	DA LC	12,890 —	L&G LC	12,890 (8,372)	— (—)	— (—)	— (—)
Tropical Soils CRSP	931-1311	O	DA-AID/W LC	<u>1</u> / —	G LC	1,023 (2,191)	540 (843)	540 (600)	540 (500)
Central Selva Evaluation	0000	O	DA	112	G	112	—	—	—
Research on Mechanisms and Processes which Control Colonization and Post- Catastrophic Recuperation of Benthic Resources	936-5542	O	DA-AID/SCI	150	G	150	—	—	—
CARE-Reforestation Food for Work (OPG)	0320	O	DA LC	230 (1,200)	G LC	100 (565)	70 (206)	60 (400)	— (—)
Central Selva Resource Management II	0321	O	DA LC	3,910 —	L&G LC	3,910 —	— (778)	— (1,580)	— (800)
Seed Dispersal in a Tropical Forest Managed for Sustained Yield	936-5542	O	DA-AID/SCI	149 <u>1</u> / —	G	149	—	—	—
OPG CARE-Food Assisted Agroforestry II	0337	N 1991	DA LC	800	G LC	— (—)	— (—)	— (—)	100 (600)
The Nature Conservancy - Yanachaga National Park	598-0605	O	DA-AID/W	200 <u>1</u> / —	G	200	—	—	—
Soil Conservation in the Andes	LC-3	N 1989	LC	(750)	LC	(—)	(200)	(250)	(300)

1/ Funds not allotted to USAID.

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7. NARRATIVE AND SECTIONS 118/119 REQUIRED ANALYSIS

Peru is divided into three macro geographic areas: the coast, the sierra and the selva. Within these areas are 84 of the 114 life zones identified for our planet. Many of these areas are ecologically fragile and are threatened by the land-use disequilibria caused by human migration, inadequate and uncoordinated policies, and lack of government strategies and resources. For the past 30 years, military and civilian governments have been promoting development of the Amazon Basin as an approach for mitigating land needs in the Sierra, reducing migration to the major cities on the coast, and occupying remote regions of national territory. 250,000 - 300,000 hectares of forest are cut per year for spontaneous and government sponsored colonization. Deforestation and soil erosion are serious problems in the sierra. On the coast, wetlands and dry forests are threatened by unplanned development and irrigated croplands face serious salinization problems. There are pervasive problems with the management of the great Peruvian marine fishery, once the most productive in the world.

While there is widespread appreciation of the threat to natural resources and biological diversity, and both government and private organizations are active, the problems are so complex that activities to date, with a few exceptions, have been totally inadequate to provide the needed conservation and protection. The Peruvian government has established a number of national parks, protection forests, and reserves, which cover 4.3 percent of the national territory. Management of these areas is a difficult task in the face of the desires of local residents to exploit their resources. The GOP has been able to initiate only limited efforts to develop technologies for management of tropical forests and soils that ensure long term economic productivity and conservation of the forest and soil resources. Work has hardly begun on developing policies and incentives that will lead to increased private sector involvement in resource conservation and biological diversity. Establishment of education, training, and institution building efforts have been hindered by the present economic situation in Peru and lack of available GOP funds. It may well be that Peru is not lagging behind other countries in tackling the problems of managing and preserving its natural resources, but the challenge is great, and much needs to be done on an urgent basis at a time when financial and human resources are scarce.

The Central Selva Resources Management Project has been demonstrating the feasibility of sustained tropical forest yield through natural forest management and the application of appropriate livestock/agricultural production methods. The Natural Forest Management System of strip-cutting with regeneration of the natural diversity of forest species on which the CSRMP Project is based, is essential to sustained productivity in Peru's jungle valleys. Any other forestry extraction scheme currently known, particularly the extensive clear-cutting common throughout the Amazon Basin, will not be feasible for sustained productivity and for protection of biological diversity (including the animal populations which rely on this diversity for food and habitat), now required by U.S. law concerning AID development, and specifically in humid tropical rainforests. (See 1986 amendments to the Foreign Assistance Act, Sec. 118. Protecting Tropical Forests in Developing Countries, and Sec. 119. Protecting Biological Diversity in Developing Countries).

7. NARRATIVE AND SECTIONS 118/119 REQUIRED ANALYSIS (Cont'd)

The Mission strategy for CSRM II is to expand the research and demonstration efforts to new sites. In spite of a terrorism/security forced evacuation of a principal area of project activities, new approaches will be tested under CSRM II for development of needed technologies in collaboration with foreign and national NGO's. Additional support is needed for NGO's and private sector groups to promote public education, awareness of and support for greater resource conservation in Peru. The Mission plans to support a US consortium of conservation organizations with an OPG beginning in calendar year 1989. This activity would concentrate on biodiversity research, tropical management and institutional strengthening to promote environmental awareness.

AID has also been active in reforestation activities in the sierra. With the assistance of CARE, this effort will be continued, and support will be given to integrating reforestation into individual and peasant community activities as a profitable activity that also is helping to conserve natural resources. The Mission intends to expand the program to additional areas in the sierra, once the revised reforestation is well accepted. Support for the GOP soil and water conservation program was included as a self-help measure in the PL 480 Title 1 Agreement to address critical natural resource conservation problems in the sierra.

There is a need for large scale irrigation system rehabilitation and improvement on the coast. Valuable crop land is deteriorating and being lost to salinization. Water resources must be used more effectively in the important coastal area is to remain economically viable. Technical assistance, training, and even some capital assistance would be provided for this activity if additional resources were available.

With the resources on which the action plan is based, what was presented above will provide, at minimum levels, only the most urgent actions needed to help achieve conservation of tropical forests and biological diversity. With additional resources, a higher level of activity would be undertaken on the most urgent actions, and complementary actions of great value for rational conservation and utilization of natural resources could be initiated.

The CARE Agroforestry Food-for-Work Project (ARCA), is a follow-on to the SEPAS/PRAA Reforestation Project. The new program will provide technical assistance to the sierra community farmers in order to improve their agricultural base by combining agroforestry with soils conservation and a better utilization of water, thus increasing the production and productivity of their land holdings. The project will be implemented in priority rural sierra communities in up to eight Departments of Peru. Project activities have been coordinated with WFP and FAO.

A follow-on to ARCA (PACD 4/1/91) will be designed for obligation in the 2Q/FY91. This follow-on activity will retain the agroforestry and soil conservation focus of its predecessor and include assistance for downstream income generating activities in the project areas.

OBJECTIVE No. 8: INCREASE ACCESS TO VOLUNTARY FAMILY PLANNING SERVICES

<u>1. COUNTRY DEVELOPMENT TRENDS INDICATORS</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
	<u>Actual</u>	<u>Actual</u>	<u>Est.</u>	<u>Proj.</u>	<u>Proj.</u>	<u>Proj.</u>
A. Population (In 000s) (Annual Growth Rate = 2.6)	20,403	20,933	21,478	22,036	22,609	23,197
B. Women of reproductive age (in 000s)	4,897	5,024	5,155	5,289	5,426	5,567
C. Women in union of reproductive age (in 000s)	2,889	2,964	3,041	3,120	3,201	3,285
D. Method prevalence						
1. Supply methods	0.082	0.085	0.088	0.091	0.094	0.097
2. Injection	0.013	0.013	0.013	0.013	0.013	0.013
3. IUD	0.074	0.079	0.084	0.089	0.094	0.099
4. VSC	0.061	0.066	0.071	0.076	0.081	0.086
5. TOTAL MODERN METHODS	0.23	0.243	0.256	0.269	0.282	0.295
E. Method users						
1. Supply methods	236,903	251,955	267,630	283,949	300,936	318,615
2. Injection	37,558	38,534	39,536	40,564	41,619	42,701
3. IUD	213,791	234,170	255,465	277,709	300,936	325,184
4. VSC	176,233	195,636	215,929	237,144	259,317	282,483
5. TOTAL MODERN METHOD USERS	664,485	720,295	778,561	839,366	902,808	968,983

<u>2. A.I.D. PROGRAM PERFORMANCE INDICATORS</u>						
A. Market Share for modern methods						
1. PVO,						
a. Supply methods	0.100	0.100	0.081	0.081	0.081	0.081
b. Injection	0.023	0.023	0.023	0.023	0.023	0.023
c. IUD	0.300	0.300	0.300	0.300	0.300	0.300
d. VSC	0.000	0.000	0.005	0.010	0.015	0.020
e. TOTAL SHARE	0.13	0.13	0.13	0.13	0.13	0.13

2. A.I.D. PROGRAM PERFORMANCE INDICATORS (Cont'd)

2. PUBLIC SECTOR:						
a. Supply methods	0.500	0.500	0.498	0.446	0.369	0.293
b. Injection	0.385	0.385	0.385	0.385	0.385	0.385
c. IUD	0.610	0.610	0.610	0.610	0.610	0.610
d. VSC	0.700	0.700	0.698	0.693	0.685	0.675
e. TOTAL SHARE	0.58	0.58	0.58	0.57	0.54	0.51
3. CSM:						
a. Supply methods	0.000	0.000	0.037	0.123	0.233	0.377
b. TOTAL SHARE	0.00	0.00	0.01	0.04	0.08	0.12
B. AID-Supported Users						
1. PVO	87,828	95,447	99,477	108,769	118,637	129,108
2. PUBLIC SECTOR	249,601	270,467	289,332	303,418	307,229	310,255
3. CSM	0	0	10,009	35,045	70,012	120,082
4. TOTAL	337,429	365,914	398,818	447,232	495,878	559,445
C. Percentage of women in union receiving AID-supported FP services	0.12	0.12	0.13	0.14	0.15	0.17

- KEY:
1. Number of women of reproductive age is estimated at 24% of the total population (standard demographic procedure). Number of women in union is estimated at 59% of women of reproductive age.
 2. Number of women of reproductive age using contraception (all methods - modern and traditional) is based on the ENDES survey of 1986 (National Institute of Statistics) (46% in 1986).
 3. Number of women of reproductive age using modern methods of contraception is based on ENDES survey of 1986.
 4. Prevalence of modern method use is estimated to increase by 1.3% each year, including pills (0.3%), IUDs (0.5%), and voluntary surgical contraception (VSC) (0.5%).
 5. PVO share of total modern method market is estimated to remain constant (13%). Public sector share of total market is estimated to decline from 58% in 1988 to 51% in 1991 as a consequence of the CSM project.
 6. Number of women receiving AID-supported family planning services varies by sector and contraceptive method. All PVO clients using pills, condoms, vaginal foam (supply methods), IUDs, and VSC are considered to be AID-supported. Among public sector clients, 85% of the users of supply methods, 100% of the IUD users, and 15% of the VSC users are considered to be AID-supported. The proportion of AID-supported public-sector VSC users is expected to rise by 0.5% a year, to 17% in 1991.

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND FY 1989 AS IDENTIFIED IN BLOCKS 5 AND 6 OF LAST YEAR'S ACTION PLAN

- A. A management review of the SPF project was begun as planned during the second quarter of FY 1988. Findings indicated the need for additional assessment of the project, which took place in the 3rd quarter of FY 1988, as well as for an examination of the Mission's population sector strategy, which was accomplished during the 1st quarter of FY 1989. These reviews and the strategy examination resulted in a decision to move up the completion date of the current SPF project by 2 years to September 30, 1989, and to design a new more focused and cost-effective private sector family planning project to replace it. (See sections 5 and 7 below.)
- B. The CSM project mass media campaign in support of locally manufactured contraceptives was launched during the 4th quarter of FY 1988 rather than in the 3rd quarter as planned. The slight delay was due to the issue of restrictions on brand name advertising for contraceptives. This issue, which was one of our policy dialogue actions in last year's action plan, was finally and favorably resolved through the efforts of the CSM project with the support of the Minister of Health, resulting in a successful mass media campaign.
- C. Coordination is continuing among the MOH, IPSS and the private sector to expand quality family planning services, with emphasis on rural and peri-urban areas. Coordinated activities being discussed, planned and/or implemented include shared training of personnel, IE&C materials development, and infrastructure such as clinics. One of the objectives of the new FY 1989 private voluntary sector family planning project will be to foster such collaboration in planning and implementing programs especially at the departmental level in Peru.
- D. The Decentralized Population and Development Policies project was designed during the 3rd and 4th quarters of FY 1988, and implementation began in the 1st quarter of FY 1989. This project, implemented through a Limited Scope Grant Agreement with the National Planning Institute (INP) and a buy-in to the RAPID-III project of the Futures Group, is a cooperative effort which includes inputs from the Futures Group, the UNFPA, and the Pathfinder Fund, and on the Peruvian Government side, INP, the National Institute of Statistics (INE), and the National Population Council (CNP). The project will assist the INP to develop decentralized population projections and prospective socio-economic sectoral models for family planning, education, employment, and health to facilitate development planning at the provincial and regional levels and to train national and regional level technicians in the use of these models and the maintenance of their supporting data bases.
- E. A Peruvian Coordinating Agency was established in Peru in January 1989 to coordinate the Peruvian family planning PVOs and represent their interests with the public sector and the general public. The Mission is currently holding discussions with representatives of the organization to better understand its mandate, objectives, and financial plans, with the idea of possibly providing assistance to the organization under the new Private Voluntary Sector Family Planning Services Expansion Project.

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND FY 1989 AS IDENTIFIED IN BLOCKS 5 AND 6 OF LAST YEAR'S ACTION PLAN (Cont'd)

- F. Regionalization/zonification of Peru, outside of Lima, by private sector FP service delivery agencies continues, based on the Lima zonification model. Work has already begun in Chiclayo and Arequipa. The zonification model also will be incorporated into the design of the new PVO project.
- G. The design for the follow-on CSM II Project began in the 2nd quarter of FY 1989. This activity will be one of the elements of a new FY 1989 Private Commercial Sector Family Planning Project which also will include additional FP promotional/service expansion activities in the commercial sector. A PID will be submitted to AID/W in March, with the Project Paper to be authorized by the Mission in the 4th quarter of FY 1989.
- H. Because the SPF Project will end in September 1989 rather than September 1991, the formal mid-term evaluation planned for the 4th quarter of FY 1989 will not be undertaken. A less formal evaluation, however, will be undertaken as part of the design of the new PVO project.
- I. An in-country FP management training program for MOH and IPSS FP administrators and providers was implemented as planned during the 4th quarter of FY 1988.
- J. With respect to the Mission's policy dialogue actions in last year's Action Plan, a permanent FP Director position within IPSS was established and a GOP employee was appointed to fill the job in October, 1988; a project (Decentralized Population and Development Policies) has been designed and implemented aimed at the development of POP/FP action plans with selected Departmental Development Corporations (CORDES); and restrictions on brand name advertising under the CSM Program have been removed.

4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD QUARTER/YEAR

- | | |
|--|------------|
| A. Encourage easier access to family planning services by reducing medical restrictions on contraception. These include unnecessary medical procedures such as pelvic exams for users of natural family planning methods and medical interviews to obtain condoms. | Continuous |
| B. Support efforts to modify regulations to allow expanded use of voluntary surgical contraception. | Continuous |
| C. Take steps to incorporate findings of AIDS operations research projects on education and prevention of transmission of HIV/AIDS into on-going POP/FP programs in the public and private sectors. | 2Q/FY 90 |
| D. Encourage the increased use of nurses in hospitals to insert IUDs. | Continuous |
| E. Promote public - private sector collaboration in the population sector. | Continuous |
-

5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

- A. Launch the 2nd CSM Project mass media campaign in support of condoms. 2Q/FY 89
- B. Establish and equip ten of the fifteen planned MOH FP demonstration/training health centers to provide FP training to personnel from other health centers and assist them in program development. 1Q/FY 90 (5) & 3Q/FY 90 (5)
- C. Phase in FP clinic services and complementary FP community outreach programs in all IPSS polyclinics and hospitals in all 25 Departments throughout the country. 4Q/FY 90
- D. National level population projections and four sectoral models completed (1), and national level projection models adapted for use at the regional level (2). 3Q/FY 89 (1) & 2Q/FY 90 (2)
- E. Approximately 2,500 voluntary surgical contraception procedures completed by three FP PVOs. 2Q/FY 90
- F. Approximately 4,500 voluntary surgical contraception procedures completed in the public sector. 1Q/FY 91
- G. Authorize and obligate the new Private Commercial Sector Family Planning Project. 4Q/FY 89
- H. Authorize and obligate the new Private Voluntary Sector Family Planning Services Expansion Project. 4Q/FY 89
- I. Authorize and obligate the new HIV/AIDS Education and Prevention Project. 4Q/FY 89
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6. PROJECTS SUPPORTING OBJECTIVE

Title	Number	New (N) or Ongoing (O)	Type of Funding	LOP (\$000)	I/G/ IC	Obligations			
						Cumulative through FY 1988	FY 1989	FY 1990	FY 1991
Private Sector Family Planning	0269	O	DA	4,937	G	4,937	—	—	—
Integrated Family Planning and Health - Contraceptive Social Marketing (APROFO)	0230.01	O	DA	3,500	G	3,500	—	—	—
Child Survival Action <u>a/</u>	0285	O	DA	4,854 <u>a/</u>	G	1,943 <u>a/</u>	1,254 <u>a/</u>	1,215 <u>a/</u>	558 <u>a/</u>
Contraceptive Social Market- ing II - Private Commercial Sector	0326	N 1989	DA	3,000	G	—	790	500	800
Private Voluntary Sector Family Planning Services Expansion	0335	N 1989	DA	5,000	G	—	1,171	1,700	1,400
Decentralized Population and Development Policies	0331	O	DA	200	G	200	—	—	—
AIDS Prevention	0327	O	DA	100	G	100	—	—	—
HIV/AIDS Education and Prevention	0333	N 1989	DA	500	G	—	100	100	200

Between 30-40 sub-grants provided to Peruvian public and private sector FP entities by AID/W centrally-funded cooperating agencies and contractors totalling between approximately \$1.5 million and \$2 million annually.

a/ Project 0285 is divided among Objectives No. 8 and No. 9. See Objective No. 9 for IC funding.

5.

7. NARRATIVE:

Family planning continues to be an important priority in government planning, with a demographic target for the year 2000 of 2.0 Total Fertility Rate (TFR). Based on the 1986 Demographic and Health Survey (ENDES), the contraceptive prevalence rate for 1989 is estimated at 49 percent, with rhythm the most widely practiced family planning method.

The Contraceptive Social Marketing (CSM) project, redesigned in 1987 to take advantage of locally produced contraceptives, has made substantial headway. A mass media campaign was launched in August 1988, promoting oral contraceptives and spermicides which are now available in major urban areas. An evaluation of condom availability and use resulted in a plan for the Peruvian private sector to use its own resources to import U.S.-manufactured condoms to be promoted under the project. A mass media campaign promoting condom use is scheduled to begin in March 1989. Design of CSM, Phase II began in January 1989 as an element of a new multi-component commercial private sector activity which will highlight family planning services-for-fee through insurance companies, health maintenance organizations, mining and industrial companies, and other institutions. The PID will be sent to AID/W in March, with the PP scheduled for completion (and the project authorized and obligated) during the fourth quarter of FY 1989.

The Private Sector Family Planning Project (SPF) has continued to carry out its tasks of providing financial support, technical assistance and training to PVOs to improve their management and administrative capacities to deliver services. However, an external review (February 1988) and a further analysis/study (May 1988) of the project found that the design concept was extremely costly, resulting in excessive funding commitments for project administration rather than for direct support of PVO family planning efforts. This realization led the Mission to re-examine in detail its role in the population sector, so as to determine the appropriateness of our overall family planning strategy in Peru in light of increasingly constrained resource availabilities. As a result of the findings of the external review, the follow-on study, and the strategy examination, the life of project will be reduced by two years --- to terminate on September 30, 1989. The Mission will design a new, more focussed, cost effective activity and will submit a PID to AID/W in April; authorization and initial obligation is planned for the fourth quarter of FY 1989.

The Child Survival Project supports public sector family planning through IPSS (Social Security Institute) and the MOH. In 1987, IPSS launched a major initiative in family planning whereby clinic services with complementary community outreach were offered by its major hospitals and polyclinics in Lima, Callao, and Ica. After one year of operation, family planning services coverage increased from 3 to 9 percent of women in union of reproductive age (MwRA) in the IPSS beneficiary population. In 1988, IPSS expanded this initiative to the departments of Arequipa, Piura, and Trujillo. The outlook for 1989 is excellent, with IPSS planning to extend the family planning clinic/outreach model to the remaining 19 departments by mid-1990 to achieve a coverage rate of 22 percent of MWRAs in the IPSS beneficiary population. Full-time Family Planning Coordinators, which have been posted in all IPSS Departmental Management Units, have attended at least one training session during the past year; in 1989 more training programs are planned, with financial support provided in part by Management Sciences for Health under an AID/W project. This IPSS effort is being supported by an increased number of central office personnel expediting and facilitating national implementation.

7. NARRATIVE, (Cont'd)

The MOH's family planning program has also made significant progress this past year. The full-time family planning coordinators in each of the 28 UDES throughout the country, have attended planning and programming training sessions on three different occasions during the past year. With the assistance of consultants under the centrally-funded Options Project, these family planning coordinators and the central MOH population office have almost completed the preparation of detailed, integrated operational plans with realistic budgets tied to specific performance benchmarks/targets for 1989. (IPSS had received Options assistance in the latter part of 1988 and has already completed its detailed operational plan and budget for 1989.) In addition, IPSS and MOH collaborated in the production of a "Formulario Unico" to obtain uniform and timely information from all IPSS Departmental Units and UDES throughout the country for both service statistics and contraceptive logistics. As forms have been distributed and individuals trained in their completion, information should start flowing soon to the central offices. While the forms are currently being prepared and tabulated manually, the entire system will be computerized as the HIS/MIS program is phased in.

In November 1988, the MOH signed a new 4-year, \$4.5 million family planning project with UNFPA. Approximately \$3.5 million of this amount will directly support MOH activities, including personnel salaries, office facilities and equipment, training, supervision, and information/education/communications (IE&C). The project will also finance 100 family planning teaching/demonstration centers to complement the 15 to be financed by AID under the Child Survival Action Project. The UNFPA project provides for a new coordinated administrative structure for family planning efforts in Peru; the Directors of the IPSS and MOH programs and a private sector family planning representative will be housed in one office, headed by a family planning "czar" who reports directly to the Vice Minister of Health. This arrangement will both facilitate coordination of the UNFPA and AID efforts and help integrate --- and promote the collaboration of --- the public and private sectors in all aspects of family planning.

Public sector family planning efforts are clearly gaining momentum and have arrived at a very critical stage. While the Mission believes that the government's deteriorating budgetary crisis will have a serious impact on Child Survival project implementation in general (as indicated in Objective 9), the family planning program appears to be somewhat more insulated from budgetary shortfalls. Almost all of the public sector family planning program is being and will continue to be financed by UNFPA and AID; to date, IPSS has been continuing to allocate adequate residual funds to its family planning program. Neither IPSS nor MOH has reduced its level of effort or pace of implementation in family planning since the September 1988 "paquetazo."

One of the most important recommendations of the now inactive Presidential Commission on Population related to the design and implementation of regional family planning action plans with selected Departmental Development Corporations (CORDES). With the assistance of the Pathfinder Fund, The Futures Group/Research Triangle Institute, and the National Planning Institute (INP), USAID designed and commenced implementation of the Decentralized Population and Development Policies Project to assist the INP in developing decentralized, prospective socio-economic sectoral models which will serve as the basis for such regional population action plans.

7. NARRATIVE, (Cont'd)

Two AID-supported operations research projects to combat AIDS --- sponsored by the Population Council and Pathfinder --- were approved in December 1987 and will run through August 1989. During the final quarter of FY 1988, USAID designed and obligated a one-year AIDS pilot project, consisting of six activities implemented through buy-ins to the centrally-funded AIDSTECH and AIDSCOM projects. These elements include an economic study for the Peruvian national blood screening strategy, an AIDS prevention program in an STD clinic, an educational intervention with high-risk males, an AIDS information hot line, a peer educator program, and a training-of-trainers workshop in AIDS prevention counseling. Each pilot element contains an evaluation component to ensure the information needed to identify, design, and develop subsequent interventions. On the basis of this information, USAID plans to develop a three-year HIV/AIDS education and prevention project for authorization during the fourth quarter of FY 1989.

In November 1988, USAID completed its population sector strategy paper. It essentially contained the analytical basis which revalidated the strategy articulated in the 1988 CDSS Update. It confirmed the existing approach of supporting the GOP's demographic target by supporting the public, private, and commercial sectors, so as to expand the availability of voluntary family planning services. The strategy also suggested adjustments and corrections in the targeting of AID support to address more efficiently the substantial existing unmet demand for services.

Unmet demand for contraceptives in Peru is among the highest in the world. National surveys reveal that women are having many more births than wanted; notable variances arise between perceived ideal family size and achieved fertility. Only 30 percent of women who do not want any more children are using modern contraception, with most of the remainder using less effective methods (rhythm and withdrawal). The same surveys also indicate an increasing demand for modern, longer-lasting techniques (implants, IUDs, and voluntary surgical contraception). Additional indications of this unmet demand relate to induced abortion; recent studies conclude that as many as half of all urban pregnancies are terminated by abortion, while related complications are the third leading cause of hospital admissions throughout Peru.

Therefore, the Mission has operationalized its strategy by identifying priority areas for focussed AID interventions, in short, the Mission is redirecting resources, as cost-effectively as possible, to maximize prospects of achieving national demographic targets, to respond adequately to the large, unmet demand for contraception, and to improve the health and well-being of women and children.

USAID actions to support the strategy objectives will be to:

- a. Strengthen and expand the capability of public and private sectors to deliver long-lasting contraceptive methods and foster a public/private cooperative partnership in service provision, this will include:
 - increased emphasis under the family planning component of the on-going Child Survival Action Project and the new Private Voluntary Family Planning Services Expansion Project to these methods,
 - encouragement of health providers, employers, and insurance companies to provide such methods,

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7. NARRATIVE: (Cont'd)

- enlisting the assistance of AVSC and JHPIEGO to provide training, IEC, and equipment to ensure the availability and quality of such techniques, and
- operations research on the delivery of long-lasting methods,
- b. expand direct support to the non-profit, private voluntary sector by:
 - generally, providing technical assistance and training in management/administration, financial accountability, and logistics to enhance PVO long-term viability and sustainability, and
 - more specifically, promoting clinic-based delivery of longer-lasting methods by the most capable PVOs, by strengthening urban clinic-based services, while continuing support for temporary supply methods through clinics, rural CBD, and more commercially-oriented urban CBD programs.
- c. expand the commercial private sector's role in providing non-clinical, temporary supply methods,
- d. support GOP national/operational policy improvements,
- e. guarantee contraceptive supplies, and
- f. improve coordination with other donors.

The lack of adequate OYB levels for the Population account continues to hamper our efforts in private sector family planning and requires that the Mission continue to support public sector family planning efforts entirely through the child survival account, with minimal additional resources for public sector activities coming from a few select S&T/POP funded cooperating agencies. Underfunding of the SPF project in FY 1988 and FY 1989 contributed to the Mission's decision to phase it out two years ahead of schedule, replacing it with a more focussed, cost-effective PVO activity. However, the less expensive new Private Voluntary Family Planning Project and the critically important new Commercial Sector Family Planning Project which includes the CSM II follow-on (both to be authorized in FY 1989) will require additional population funding for FY 1990 and FY 1991. Furthermore, family planning efforts in Peru will continue to depend on substantial support from AID/W centrally-funded cooperating agencies.

OBJECTIVE No. 9: IMPROVE HEALTH AND CHILD SURVIVAL

1. <u>COUNTRY DEVELOPMENT TRENDS INDICATORS</u>	1986	1987	1988		1989	1990	1991
	<u>Actual</u>	<u>Actual</u>	<u>Proj.</u>	<u>Actual</u>	<u>Proj.</u>	<u>Proj.</u>	<u>Proj.</u>
A. Infant Mortality Rate (up to 1 year) per 1,000 Live Births <u>a/</u>	90.5	88.2	86.0	85.8	83.0	80.0	76.0
B. Child Mortality Rate per 1,000 <u>a/</u>	-	-	10.0	10.0	8.8	8.2	8.0
C. Incidence of Targeted Major Diseases (reported cases per 1000 population) <u>b/</u>							
1. Acute respiratory infections	-	19.6	-	-	-	-	-
2. Diarrheal diseases	-	11.2	-	-	-	-	-
3. Measles	-	0.3	-	-	-	-	-
4. Pertussis	-	0.1	-	-	-	-	-
D. Percent of Population with Access to Clean Drinking Water -- Total <u>c/</u>							
- Rural (towns with up to 2,000 inhabitants)	19.8%	21.3%	23.7%	22.2%	24.6%	27.0%	29.4%
E. Percent of Population with Access to Adequate Sanitation (latrines only)-- Total <u>c/</u>							
- Rural (same population)	5.5%	6.4%	8.7%	7.3%	10.5%	14.4%	15.9%
F. Percent of Population with Access to Primary Health Care Services	N/A						

a/ Data (actuals) provided by GOP National Institute of Statistics.

b/ Data (actual) provided by Ministry of Health.

c/ Assumes that the Rural Water Project will be replaced by a new OPG with CARE beginning in late FY 1989 or early FY 1990.

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2. <u>A.I.D. PROGRAM PERFORMANCE INDICATORS</u>	1986	1987	1988	1989	1990	1991
	<u>Actual</u>	<u>Actual</u>	<u>Proj.</u>	<u>Actual</u>	<u>Proj.</u>	<u>Proj.</u>
A. Percentage of Cases of Diarrhea in Children less than 5 Years of Age Treated with Prepackaged ORS under A.I.D. Supported Programs <u>a/</u>	4	4	6	4	6	8
B. Number in Thousands and Percentage of Children less than 5 years of Age Immunized against Major Diseases under A.I.D. Supported Programs <u>b/</u>						
1. BCG	1,967/64	2,228/71	2,681/85	2,164/69	2,559/80	2,754/85
2. DPT (Series of 3)	2,400/79	2,377/73	2,523/80	2,674/85	2,719/85	2,851/88
3. Polio (Series of 3)	2,442/80	2,452/79	2,681/85	2,760/88	2,815/88	2,916/90
4. Measles	2,861/94	2,668/86	2,681/85	2,963/94	2,879/90	2,981/92
C. Number of Children Fed under A.I.D. Supported Maternal/Child Health Supplementary Feeding Programs	<u>-c/</u>	498,860 <u>d/</u>	607,165 <u>d/</u>	623,670 <u>d/</u>	602,200 <u>d/</u>	626,670 <u>d/</u>
D. Number of People Served by New Potable Water Systems under A.I.D. Supported Programs (annual increments) <u>e/</u>						
- Rural (Towns with 100-500 inhabitants) (cumulative percentage)	63,242 (8.1)	86,803 (12.4)	90,000 (16.1)	71,994 (15.4)	80,500 (18.7)	52,000 (20.9)
- Rural Water Systems Constructed	156	241	300 (100) <u>f/</u>	217 (134) <u>f/</u>	230 (70) <u>f/</u>	150 (30) <u>f/</u>
E. Number of Persons Served by New Sanitation Services (latrines only) under A.I.D. Supported Programs (annual increments) <u>e/</u>						
- Rural (Towns with 100-500 inhabitants) (cumulative percentage)	27,416 (4.2)	63,940 (6.8)	60,000 (9.3)	54,680 (9.1)	50,000 (11.2)	50,000 (13.3)
- Latrines Installed	4,574	12,788	21,000	10,936	10,000	10,000

a/ Data (actuals) taken from official WHO/PAHO publications.

b/ Percentages (actuals) calculated from data provided by Ministry of Health.

c/ Actual figures are not available.

d/ Includes figures from MOH and PVO's

e/ Assumes that the Rural Water Project will be replaced by a new OPG with CARE beginning in late FY 1989 or early FY 1990.

f/ Additional water systems still under construction.

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY 1989, AS IDENTIFIED IN BLOCKS 4 AND 5 OF LAST YEAR'S ACTION PLAN

Very few of the targets in last year's Action Plan have been achieved largely because, 1) the targets were ambitious and unrealistic, 2) implementation of the CSA Project including the meeting of critical Conditions Precedent was significantly delayed because of the absence of a full-time MOH Project Manager and Project implementation support team in the MOH until September 1988 and the change in key personnel (Minister, Vice-Minister, heads of key Directorates, and IPSS Director) in May/June, and/or 3) the USDH Health Officer departed post in June followed by the departure of two other professionals in the Division shortly thereafter, leaving one full-time professional in the Division from July - December, which understandably significantly reduced the overall productivity of Mission efforts in the health sector.

<u>Target</u>	<u>Planned</u>	<u>Actual</u>	<u>Discussion</u>
A. Locally produced ORS available 12 months/year at private pharmacies and stores and through the public health care system (MOH/IPSS).	3Q/FY 88	2Q/FY 90	Target not achieved due to the significantly delayed and problematic negotiations between Laboratorios Unidos S.A. (LUSA) and Project SUPPORT for the provision of a loan to improve LUSA's ORS production capacity. The loan was finally successfully negotiated and the equipment was purchased and installed by the end of December 1988. Mission believes that the target will require about one year to be fully achieved provided the supply of imported raw materials is not interrupted.
B. Two national vaccination "days" carried out.	1Q/FY 89	1Q/FY 89	Three national vaccination "days" were actually carried out, reaching a total of approximately 1,100,000 children.
C. Cold chain equipment distributed and functioning in 8 Health Departments.	2Q/FY 89	2Q/FY 90	Target not achieved due to the very late MOH submission of the CY 88 Operational Plan, in October 1988, which was a Condition Precedent for A.I.D. funds to be used to purchase the required equipment. However, a \$383,305 PIO/C was finalized and an initial procurement of MOH and IPSS cold chain equipment is now underway. Target is expected to be met during the second quarter of FY 90. The MOH's existing cold chain equipment is partially functioning.

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3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY 1989, AS IDENTIFIED IN BLOCKS 4 AND 5 OF LAST YEAR'S ACTION PLAN (Cont'd)

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|---|----------|----------|--|
| D. Computerized Health Information System operating with three administrative programs (financial, logistical, personnel) in 28 Health Departments. | 3Q/FY 89 | 4Q/FY 90 | This target was not achieved as planned due to the Mission's decision to modify its strategy and approach to HIS/MIS development by consolidating the effort into a major competitive procurement package, and subsequently due to significant delays in preparing the required PIO/T that was technically more complex than anticipated, requiring the assistance of SER/COM/IRM/OPS and the RCO based in Quito. A \$4.8 million PIO/T for contracting a firm to provide computer equipment and technical services required for the installation of a computerized nationwide Health and Management Information System (HIS/MIS) and to train appropriate MOH personnel from both the central level and UDES, was finalized in December 1988, and a RFP should be issued in February 1989. As a result, this target is scheduled to be met at the end of the fourth quarter of FY 90. |
| E. One Diarrheal Disease Control and Prevention Campaign carried out. | 2Q/FY 89 | 2Q/FY 89 | Campaign is underway. |
| F. Five Rehydration Unit Resource Centers established and operating in teaching hospitals. | 2Q/FY 89 | 2Q/FY 90 | Target not achieved due to the very late MOH submission to A.I.D. of the CY 88 Operational Plan, in October 1988, which was a Condition Precedent for using A.I.D. project funds to purchase the required equipment. A PIO/C has been issued, and the equipment has been ordered and should arrive Lima o/a April/May 1989. Therefore, this target is now scheduled to be met during the second quarter of FY 90. |

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3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY 1989, AS IDENTIFIED IN BLOCKS 4 AND 5 OF LAST YEAR'S ACTION PLAN (Cont'd)

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|----|---|----------|----------|---|
| G. | Active Epidemiological Surveillance System reporting and responding to all polio outbreaks within 48 hours. | 1Q/FY 89 | 3Q/FY 90 | Target not achieved due to delays in signing (June 1988) a Letter of Understanding between the MOH and the U.S. Centers for Disease Control (CDC) whereby CDC will provide technical assistance to develop the MOH's Active Epidemiology Surveillance (VEA) Program. To this effect, a project-funded PIO/T was issued and a PASA with CDC executed on September 30, 1988. The individual chosen by CDC to serve as the LT advisor did not accept the offer at the last minute. The new CDC long-term candidate arrived in Lima in January 1989, the VEA program is now scheduled to be operational and reporting on polio and other outbreaks by 3Q/FY 90. |
| H. | Inti equivalent of \$3 million from PL 480 counterpart and GOP Treasury funds expended by 28 Health Departments to carry out supervision, health communications and CSA Project related training. | 1Q/FY 89 | 1Q/FY 89 | Because of serious GOP budgetary problems, all of the counterpart for the project was budgeted with Title I funds for CY 88. Whereas the Inti equivalent of \$3 million was approved, by the time the funds were disbursed, the same Intis were worth the equivalent of only \$263,025 at the official GOP exchange rate. The adequacy of counterpart resources for the CSA project is a serious problem. |
| I. | USAID-purchased vehicles under previous projects redistributed to support CSA Project activities. | 4Q/FY 88 | 2Q/FY 89 | Of the 79 vehicles provided to the MOH under projects 219, 221 and 230, the MOH has provided sufficient evidence to the Mission on the appropriate use of 73 of these and has been asked to provide similar information on the remaining 6 vehicles. |
| J. | Functional integration of MOH and IPSS health care programs proceeds. | 2Q/FY 89 | - | Target not achieved. The functional integration process has essentially been curtailed as a result principally of the recognized significant financial costs of integration (i.e. to bring MOH salaries in line with higher IPSS salaries), the severe budgetary crisis affecting MOH and IPSS operations including the viability of the IPSS pension fund, and the considerable political sensitivity surrounding integration. |

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3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY 1989, AS IDENTIFIED IN BLOCKS 4 AND 5 OF LAST YEAR'S ACTION PLAN (Cont'd)

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|----|---|----------|----------|--|
| K. | Management skills of public health sector workforce at mid and upper levels strengthened. | 2Q/FY 89 | 2Q/FY 89 | Target completed as planned. |
| L. | Research results used to fine tune CSA programs or introduce new strategies. | 2Q/FY 89 | 4Q/FY 88 | The risk methodology developed under Project 527-0311 by PRISMA has been incorporated into the design of the new Title II-supported PRISMA/MOH MCH feeding and child survival program to be implemented in all 28 UDES. |
| M. | New opportunities created for collaborative maternal-child health initiatives between private and public sector health organizations. | 2Q/FY 89 | 2Q/FY 89 | During the reporting period, many new and continuing collaborative projects were underway between public and private sector organizations. Examples include projects in diarrheal disease control with the MOH and the Nutritional Research Institute and several nutrition-oriented projects with the MOH and PRISMA. The proposed new OPG with CARE in water is also part of the Mission's strategy to promote private-public sector collaboration in the health sector. |
| N. | Improve coordination and integration of activities of vertical CSA programs for mothers and children within the MOH and between the MOH and IPSS. | 1Q/FY 89 | 1Q/FY 89 | A Directorate of Child Survival Activities was established in the MOH in September 1988 and a National CSA Project Director was named, he is assisted by two professionals and a secretary, and reports directly to the Vice-Minister of Health. This has improved coordination among the MOH's CSA programs and, to a lesser extent, between the MOH and IPSS. |
| O. | Increase political commitment of GOP officials to polio eradication program and improve management capability of MOH immunization program and other relevant staff. | 4Q/FY 88 | 4Q/FY 88 | A total of three immunization "days" were carried out during CY 88, one more than what was originally scheduled. As a result, the percentage of children under five years of age immunized against polio increased from 79% in CY 1987 to 88% in CY 1988. |

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3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY 1989, AS IDENTIFIED IN BLOCKS 4 AND 5 OF LAST YEAR'S ACTION PLAN (Cont'd)

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| P. Ensure continued political commitment of MOH officials to Health Information System and Active Epidemiological Surveillance System development. | 2Q/FY 89 | 2Q/FY 89 | A new Technical Director of the MOH's Directorate of Statistics and Documentation was designated and the office reorganized. In addition, a new MOH Directorate of Epidemiology was established, but a Director and other staff have not yet been designated. |
| Q. Explore alternatives to health care financing in both public and private sectors. | 3Q/FY 89 | 1Q/FY 89 | With the assistance of SUNY consultants under the LAC Regional Health Financing Project, a study was undertaken at the request of IPSS to analyze the costs of providing services to its current target population and to identify what policy and programmatic actions were required to adequately finance health services for that population and the additional groups mandated by law to be served by IPSS, at the same time, IPSS, with ILO financing and technical assistance from the U.S. Social Security Administration, conducted an actuarial study. These studies and the severe GOP/MOH budgetary crisis stimulated the Minister of Health to seek similar assistance from USAID for the MOH. Depending on the outcome of further discussions, the Mission may seek assistance under the REACH project to examine alternative strategies for USAID support to the MOH in this area. |
| R. Allocate required GOP counterpart resources to fully fund Rural Water project activities scheduled for CY 1989. | 2Q/FY 89 | 2Q/FY 89 | Resources have been allocated by the Ministry of Economy and Finance (MEF) as requested by the MOH. The CY 1989 Financing Law for public expenditures does not allow the inclusion of any provisions for budget adjustments due to inflation. Therefore, given the 800-1,000% projected inflation rate for CY 89, the GOP allocated counterpart funds are very likely to be insufficient to fully fund project activities during CY 1989. |

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3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY 1989, AS IDENTIFIED IN BLOCKS 4 AND 5 OF LAST YEAR'S ACTION PLAN (Cont'd)

<p>S. Maintain salaries of DISABAR'S Project employees at levels competitive with other public and private institutions.</p>	<p>3Q/FY 88 thru 3Q/FY 89</p>	<p>-</p>	<p>During CY 1988, DISABAR Project employees benefited from a 543% cumulative salary increase granted by the GOP to all public employees. Because the overall increases did not compensate for the 1,700% inflation rate in CY 1988, the salary levels continue to be non-competitive with other public and private institutions where salaries tend to keep up with inflation.</p>
<p>T. Strengthen and increase MOH support for (water) Project decentralization.</p>	<p>3Q/FY 88</p>	<p>2Q/FY 89</p>	<p>Three supervisory teams from DISABAR/Lima were formed to expedite and facilitate the approval process of the water systems designs developed by DISABAR'S field offices.</p>
<p>U. Initiate discussions with MOH on preliminary ideas for a rural water follow-on project.</p>	<p>4Q/FY 88</p>	<p>4Q/FY 89</p>	<p>Discussions regarding a follow-on project have resulted in a decision to design a "replacement" OPG with CARE beginning in FY 1989 or early FY 1990 to work with DISABAR to consolidate its achievements and improve the quality of services, using funds deobligated from the ongoing project.</p>
<p>V. Conduct a review and assessment of DISABAR's project financial management systems and procedures.</p>	<p>3Q/FY 88</p>	<p>3Q/FY 88</p>	<p>Completed as planned.</p>
<p>W. Twenty DISABAR field offices fully implemented.</p>	<p>1Q/FY 89</p>	<p>4Q/FY 89</p>	<p>Target partially achieved. Eighteen DISABAR field offices are fully implemented with professional and technical staff, furniture, office equipment and supplies, engineering and drafting equipment, portable water testing kits, construction materials and vehicles. For the two remaining offices, the project-funded warehouse in Huamachuco is still under construction but close to completion, and the vehicles (pick up trucks) already purchased for Huari and Huamachuco are still in DISABAR/Lima due to lack of their resident engineers.</p>

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3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY 1989, AS IDENTIFIED IN BLOCKS 4 AND 5 OF LAST YEAR'S ACTION PLAN (Cont'd)

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| X. Nine hundred water systems constructed and 35,000 latrines installed (cumulative). | 1Q/FY 89 | 1Q/FY 89 | Target partially achieved. Cumulatively, a total of 886 water systems were constructed and 19,226 latrines installed. In addition, there are 134 new water systems under construction, and another 162 systems with approved designs and orders to initiate construction. |
| Y. Initiate a health impact operational research study for the Rural Water Project. | 3Q/FY 88 | - | Because of the high estimated costs (roughly \$500,000 or more) and the lengthy period of time required to conduct a scientifically sound and meaningful health impact study (which would require an extension of the current PACD of June 30, 1989), it was decided not to undertake such a study under the Project. |
| Z. Fully develop and implement the health education component of the rural water project. | 2Q/FY 89 | - | Largely due to DISABAR's resistance to receive project-funded technical assistance, the required health education module for use in DISABAR's field offices was not developed. Therefore, the project health education activities continue to be less than adequate in their technical content and regularity. This will be a focus of the new proposed OPG with CARE. |
| AA. Request AID/W approval of a one-year PACD extension of the Rural Water Project to June 30, 1990 | 3Q/FY 88 | 4Q/FY 89 | If the design work for the new CARE OPG can be completed in time, the deob-reob loan-grant conversion can be effected, and the Mission has an obligation window, the Mission plans to extend the PACD by 3 months to 9/30/89 (under the Mission Director's authority), and obligate the new CARE project by September 1989. If this is not possible in FY 1989, the Mission will request the AA/LAC to extend the PACD to 9/30/90 (which is the 10-year limit for the AA) to provide sufficient time to carry out the required actions. |
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4. <u>KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD</u>	<u>QUARTER/YEAR</u>
A. Promote decentralization by strengthening the UDES and by supporting decentralized planning and programming at the Departmental level.	Continuous
B. Seek ways to promote public-private sector collaboration in the health sector.	Continuous
C. Improve coordination and integration of vertical CSA programs within the MOH and between the MOH and IPSS.	Continuous
D. Seek to sustain political commitment of MOH officials to Health Information System and Active Epidemiological Surveillance development and implementation.	Continuous
E. Explore alternatives to health care financing in both the public and private sectors.	Continuous
F. Seek to maintain the salaries of DISABAR Rural Water Project employees at levels competitive with other public and private sector institutions.	Continuous

5. <u>KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD</u>	<u>QUARTER/YEAR</u>
A. Twenty DISABAR field offices fully implemented.	3Q/FY 89
B. 1,000 water systems constructed and 25,000 latrines installed (cumulative).	3Q/FY 89
C. New CARE water project authorized and obligated.	4Q/FY 89
D. Eight regional management coordinators and one supervisory management coordinator hired and providing technical assistance and training to all 28 UDES.	4Q/FY 89
E. Two training of trainers workshops for 30 MOH/IPSS/UPCH staff in management of CS services and programs implemented.	3Q/FY 89
F. Three national vaccination "days" carried out in CY 1989.	1Q/FY 90
G. Cold chain equipment distributed and functioning in 8 Health Departments.	2Q/FY 90

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5. <u>KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD (Cont'd)</u>	<u>QUARTER/YEAR</u>
H. HIS/MIS contractor selected and computerized system operating with 3 administrative programs (financial, logistical, personnel) in 28 Health Departments.	4Q/FY 90
I. Five Rehydration Unit Resource Centers established and operating in teaching hospitals.	2Q/FY 90
J. Active Epidemiological Surveillance System reporting and responding to outbreaks within 48 hours.	3Q/FY 90
K. Initial off-shore and local procurements of laboratory, medical, audiovisual, family planning, "cold chain" and office equipment and vehicles totalling approximately \$1,300,000 to support the MOH and IPSS health programs completed and distributed.	2Q/FY 90
L. MOH nutrition and health communications operational plans and budgets required to meet Conditions Precedent 4.12 and 4.13 under the CSA project submitted to A.I.D. for review and approval.	1Q/FY 90
M. CSA project inputs and outputs monitoring systems established and a health services effectiveness study and a baseline data analysis study for measuring health impact underway.	1Q/FY 90

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6. PROJECTS SUPPORTING OBJECTIVE

Title	Number	New (N) or Ongoing (O)	Type of Funding	LOP (\$000)	L/G/ LC	Obligations			
						Cumulative through FY 1988	FY 1989	FY 1990	FY 1991
Rural Water Systems and Environmental Sanitation	0221	O	DA	11,000	L&G LC	11,000 (9,468)	-- (1,257)	-- (1,000)	-- (1,500)
SIID - PVO Network (Child Survival Fund) (OPG)	0294	O <u>a/</u>	DA	960	G	960	--	--	--
CARITAS - Feeding Program (Child Survival) (OPG)	0248	O	DA	125	G	125	--	--	--
Child Survival Action Project <u>b/</u>	0285	O	DA LC	14,146 <u>b/</u> --	G LC	5,771 <u>b/</u> (2,825)	2,093 <u>b/</u> (5,600)	2,985 <u>b/</u> (4,500)	3,297 <u>b/</u> (4,000)
IIN - Private Sector Nutr. for Child Survival	0308	O	DA	914	G	914	--	--	--
UPCH - Training MOH Physicians in ORT	0309	O <u>c/</u>	DA	161	G	161	--	--	--
PRISMA - Identif. of High Risk Families to Reduce Child Mortality (Op. Res.)	0311	O	DA	980	G	980	--	--	--
PRISMA - Niños Child Survival Journal (OPG)	0316	O	DA	213	G	213	--	--	--
PRISMA - MOH Supplementary Feeding Program (OPG)	0323	O	DA	444 <u>d/</u>	G	194	75	75	100
AID/SCI Grants	936-5542	O	DA-AID/W	650 <u>e/</u>	G	650	--	--	--
ADDR/ST Health Grants	936-5928	O	DA-AID/W	275 <u>e/</u>	G	275	--	--	--

6. PROJECTS SUPPORTING OBJECTIVE (Cont'd)

Title	Number	New (N) or Ongoing (O)	Type of Funding	LOP (\$000)	L/G/ LC	Obligations			
						Cumulative through FY 1988	FY 1989	FY 1990	FY 1991
BOSTID Grants	REA-PE-84-17 and AMA-PE-5	O	DA-AID/W	337 <u>e/</u>	G	337	—	—	—
PRISM/PRISMA Cono Sur Systems Analysis	936-5920 <u>e/</u>	O	DA-AID/W	405	G	405	—	—	—
UPCH-A Controlled Trial to Extend the Duration of Exclusive Breastfeeding in Low-Income Mothers in Lima, Peru	936-5113	O	DA-AID/W	150 <u>e/</u>	G	56	<u>f/</u>	<u>f/</u>	<u>f/</u>
Center to Prevent Early Childhood Malnutrition's Prevention of Maternal Malnutrition through a Community Kitchen in Peru	<u>f/</u>	O	DA-AID/W	53		18	<u>f/</u>	<u>f/</u>	<u>f/</u>
JHU-Analysis of ENDES Data	<u>f/</u>	O	DA-AID/W	<u>f/</u>		<u>f/</u>	<u>f/</u>	<u>f/</u>	<u>f/</u>
PAHO-Malaria Vaccine Trials in Primates in Peruvian Jungle (Funds to NIH to PAHO)	<u>f/</u>	O	DA-AID/W	<u>f/</u>		<u>f/</u>	<u>f/</u>	<u>f/</u>	<u>f/</u>
MOH-FVA/PVC Matching Grant to Hellen Keller Int'l for Eye Care	<u>f/</u>	O	DA-AID/W	<u>f/</u>		<u>f/</u>	<u>f/</u>	<u>f/</u>	<u>f/</u>
ADRA/OFASA - Nutrition and Food for Work OPG <u>g/</u>	0328	O	DA	618	G	170	140	140	168

6. PROJECTS SUPPORTING OBJECTIVE (Cont'd)

Title	Number	New (N) or Ongoing (O)	Type of Funding	LOP (\$000)	I/G/ IC	Obligations			
						Cumulative through FY 1988	FY 1989	FY 1990	FY 1991
CRS-Strengthening of Caritas/Peru OPG <u>g/</u>	0329	N 1989	DA	200	G	—	150	50	—
CARE - Food Assisted Integ. Development OPG <u>g/</u>	0330	O	DA	360	G	178	60	60	62
CARITAS - Food Relief Nutrition and Dev. OPG <u>g/</u>	0336	N 1991	DA	700	G	—	—	100	250

a/ PACD is 1/30/89.

b/ Project 0285 is divided between Objectives No. 8 and No. 9.

c/ PACD is 3/31/89.

d/ Project 0323 is divided between Objectives No. 9 and No. 14. See Objective No. 14 for IC funding.

e/ Funds not allotted to Mission.

f/ AID/W funded, information not available.

g/ Projects 0328, 0329, 0330, and 0336 divided between Objectives No. 9 and No. 14. See Objective No. 14 for IC funding.

7. NARRATIVE,

Overall performance in the health sector has been mixed over the past year. In May 1988, a new Minister took office, the third in less than three years, but this time, in USAID's judgement, the change was most welcomed as the new Minister is a progressive, decisive, apolitical "tecnico" with sound judgement and keen interest in management of the Ministry and in its technical programs, especially those areas which USAID supports, namely, child survival, primary health care, water, population, AIDS, and MCH nutrition/supplementary feeding. The Minister brought with him an equally adept, highly motivated, and action-oriented team whom he placed in key positions in the central Ministry, and forward momentum was evident in most aspects of the Ministry's work. This almost euphoric phase was quickly eroded, however, beginning in September 1988, with the first GOP announcement of severe economic measures. The functional integration of the MOH and IPSS, already lagging because of contentious and insurmountable political and financial issues, essentially came to a halt. The IPSS pension fund all but dried up, and it has had to raid its health program account to keep pension checks flowing. Prospects in CY 1989 are equally dismal. Not only were there insufficient funds to purchase food and medicines for the hospitals during the latter part of CY 1988, but the MOH was unable to meet its payroll for the month of January 1989 and has promised payment in early February. Worker morale is at a very low level, and it is highly unlikely that the MOH and IPSS will be able to adequately cope with the increased health and malnutrition problems that will accompany the worsening economic and food crisis in the country. Despite these serious problems, significant progress was achieved during the past year in expanding immunization coverage, in implementing diarrheal disease control activities, in laying the basis for a nationwide health/management information system and an active epidemiological surveillance system, in expanding latrine and potable water system coverage in the rural areas, and as mentioned elsewhere in this document, in expanding family planning services coverage, in implementing a Title II food-supported integrated MCH child survival/nutrition/supplementary feeding program, and in launching a series of AIDS prevention and education activities.

The Child Survival Action Project, the major Mission vehicle for achieving this Action Plan objective, after almost one year of disappointing progress, made significant gains in the first quarter of FY 1989 and into CY 1989 in positioning technical assistance, ordering critically needed supplies and commodities, and implementing training programs. The worsening GOP budgetary crisis and the limited availability of Title I counterpart resources to support this \$19 million A.I.D. and \$25 million GOP-financed project raise serious concerns about our ability to implement the Project over the next several years. Both the MOH and IPSS do not have the expected financial resources required to complement A.I.D.-financed activities, and USAID may have to reprogram U.S. dollar resources to make up for these shortfalls. The Mission is currently examining the overall program budget to determine the resources required to fully implement the project, with the possibility of having to seek an amendment of the CSA Project in FY 1990 or FY 1991 to increase LOP funding and to reprogram existing funds. In light of this and the fact that the Mission is seeking ways to integrate the private sector into the ongoing CSA Project, the Mission has decided not to go forward with a new separate Private Sector CSA Project in FY 1990 as had been proposed last year.

7. NARRATIVE: (Cont'd)

The Rural Water Systems and Environmental Sanitation Project constitutes the second largest project within the Mission's health sector portfolio. The project calls for the construction of up to 1,200 potable water systems and approximately 50,000 latrines to benefit approximately 420,000 people in small rural communities by its current PACD of June 30, 1989. It is expected that as a direct result of this project, the water supply coverage of the total rural population will have increased from 1.3% to 23.7% while the availability of sanitation facilities (latrines) will have increased from 0.3% to approximately 15%. This project is a key element of the Mission's child survival strategy and is a critical vehicle especially in support of the Mission's diarrheal disease control efforts, to reduce infant and child morbidity and mortality. The project has been successful in establishing a technically sound water system design and installation program with community involvement and a decentralized infrastructure to implement the program. While the MOH assigns high priority to this program, prospects for continuing it only with GOP resources and maintaining the USAID investment intact, in the current and projected budgetary environment, are extremely unlikely. After examining various alternatives, the Mission has decided to extend the current PACD of June 30, 1989 by three months to September 30, 1989 (under the Mission Director's authority) and design a new water project OPG with the PVO CARE in FY 1989, using funds deobligated from the ongoing project, to work with DISABAR to consolidate its achievements to date, improve the quality and cost-effectiveness of the services provided, and increase the health impact by integrating a strong health education component into the program. A cable to this effect and a NPD will be sent to AID/W shortly to provide the rationale and justification for this proposal.

In addition to the above projects, the Mission health portfolio includes several bilaterally and centrally/regionally-funded innovative research and training activities, all of which are joint efforts between private organizations and/or universities with public health workers from MOH Health Departments, hospitals, health centers and posts. Close collaboration is also occurring between USAID, UNICEF and PAHO, as well as between other bilateral donors and private sector organizations. All of these organizations support the goals and objectives of the Maternal-Child Health Programs of the MOH in a coordinated manner to ensure that all of the program needs are met and duplication is avoided. Donor coordination is facilitated by regular meetings between MOH officials and representatives of major donor agencies, where programs plans are developed, progress is reviewed and problems and solutions are identified and discussed.

OBJECTIVE NO. 14, ALLEVIATE MALNUTRITION

1. COUNTRY DEVELOPMENT TRENDS INDICATORS

A. Chronic Malnutrition (Children 0-5) (Weight for height, 2 standard deviations or more below normal)

	1984	1985	1986	1987	1988		1989	1990	1991
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Proj.</u>	<u>Actual</u>	<u>Proj.</u>	<u>Proj.</u>	<u>Proj.</u>
1. All Peru	38%	- <u>a/</u>	- <u>a/</u>	- <u>a/</u>	33%	- <u>a/</u>	33%	33%	33% <u>b/</u>
2. Rural	57%	- <u>a/</u>	- <u>a/</u>	- <u>a/</u>	49%	- <u>a/</u>	49%	49%	49% <u>b/</u>
3. Urban	24%	- <u>a/</u>	- <u>a/</u>	- <u>a/</u>	21%	- <u>a/</u>	21%	21%	21% <u>b/</u>

B. % Population at FAO adequate caloric intake level or above (information not yet available).

a/ Last National Nutrition/Health Survey was conducted in 1984. A planned national epidemiological/nutritional surveillance system is expected to be operational in 1990.

b/ Chronic child nutrition reductions of one percent annually were projected in 1988. Given the worsening situation, it is the assessment of USAID that such reductions will not be possible, and that the most that can be accomplished will be maintenance of chronic malnutrition at current levels.

2. A.I.D. PROGRAM PERFORMANCE INDICATORS

A. PL-480 Title II/Section 416 Food Recipients

	1985	1986	1987	1988		1989	1990	1991
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Proj.</u>	<u>Actual</u>	<u>Proj.</u>	<u>Proj.</u>	<u>Proj.</u>
1. Rural (% by area)	60% <u>b/</u>	62% <u>b/</u>	60%	65%	61%	61%	61%	61%
2. Urban (% by area)	40% <u>b/</u>	38% <u>b/</u>	40%	35%	39%	39%	39%	39%
3. MCH children beneficiaries (No.)	- <u>c/</u>	- <u>c/</u>	498,860	607,165	623,670	602,200	626,670	688,300

b/ Includes only PVO figures. MOH figures are not available.

c/ Actual figures are not available.

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY 1989, AS IDENTIFIED IN BLOCKS 5 AND 6 OF LAST YEAR'S ACTION PLAN:

A. PL-480 Title I

The FY 88 PL-480 Title I agreement was signed for \$10 million of wheat in 3Q/FY 88, and amended to add \$5 Million of corn, and \$5 million of rice in 4Q/FY 88. GOP paid \$ 15 million in Title I arrearages.

After long delays, almost all sales proceeds were deposited in the special account, and were being used for agreed upon projects. Maintenance of value ayments helped to offset the rapidly increasing inflation, and the GOP advanced funds prior to deposits in the special account. Administrative delays and limitations on salary payments were the major problems, not availability of local currency.

New PL-480 Title I agreement for \$10 million of wheat under negotiation 2Q/FY 89, pending payment of arrears.

B. PL-480 Title II

- OPG in support of food-assisted agroforestry program signed with CARE March, 1988, and food commodity requirements secured for program for FY 1988 and FY 1989.
- SEPAS OPG 527-0231 closed out and final report received in August, 1988.
- ADRA/OFASA OPG 527-0247 extended to December 31, 1988; CARE OPG 527-0261 extended to February 28, 1989 and CARITAS del Perú OPG extended to August 24, 1989.
- PVO FY 1989 operational plan proposals with integrated funding source budgets were approved in May, 1988.
- The proposed updated study to determine appropriate food commodities for the different Title II programs was not conducted, instead PVO program adjustments were made in-house on a case-by-case basis.
- A feasibility study completed in December, 1988 recommended that a new food assistance program with IPSS (Instituto Peruano de Seguridad Social) in conjunction with the MOH Integrated Food, Nutrition and Child Survival Program not be developed and implemented, due to the preliminary and not well defined nature of maternal/child services within the IPSS network of hospitals and clinics, the special problems related to areas where malnutrition among the IPSS client population might be prevalent (e.g. mining areas), and limited interest demonstrated by IPSS authorities for the program.
- An FFD Division computerized commodity tracking system was designed in June, 1988 and is expected to be installed by the first quarter of FY 1990. The first phase of a financial management tracking system was designed and installed during the first quarter of FY 1989. A system to monitor standardized output data

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY 1989, AS IDENTIFIED IN BLOCKS 5 AND 6 OF LAST YEAR'S ACTION PLAN: (Cont'd)

and beneficiary targets and to collect data to evaluate PL-480 Title II program impact is currently in the design stage and is expected to be finalized and implemented in September, 1989.

- A new Title II MOH/MCH supplementary feeding program was developed with a new PVO cooperating sponsor, PRISMA, and signed in September 1988, and FY 1988 Title II food commodities were approved for the program (which replaced the Section 416 Program with the MOH) and arrived in Peru in October and November 1988.
- Funds were unavailable to conduct a feasibility study for a proposed new Monetization/Rural Credit and Community Development Program, and the Mission has indefinitely postponed any further work on this possible new initiative due to inadequate funds even to support the portfolio of on-going projects.
- A PVO planning, programming and management needs assessment was conducted by Planning Assistance in October, 1988, and the final report submitted in December, 1988.
- New OPGs to support Title II food-assisted programs were signed in September, 1988 with CARE (OPG 527-0330, Food-Assisted Integrated Development), ADRA/OFASA (OPG 527-0328, Nutrition and Food-for-Work), and PRISMA (OPG 527-0323, Integrated Food, Nutrition and Child Survival). A new project to support CARITAS is planned via an OPG to CRS to be signed in the third or fourth quarter of FY 1989.
- Periodic PVO programming and evaluation workshops have not yet been scheduled, but Mission anticipates initiating these in the fourth quarter of FY 1989.

C. Section 416

- An FY 1988 Section 416 monetization proposal to support the PVO Title II programs was not developed. The Mission instead plans to submit a multi-year FY 1989/1990/1991 Title II monetization proposal to AID/W in April/May 1989.

D. Child Survival

- The second phase of training courses for nutritionists and health promoters was conducted by IIN in conjunction with CARITAS and ADRA/OFASA.
- Growth surveillance baseline data of at-risk infants 0-5 in the Title II Program have been collected where PVO MCH activities are being implemented, but consolidation and analysis of the information at the regional and national levels has not begun.

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4. <u>KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD</u>	<u>QUARTER/YEAR</u>
A. PL-480 TITLE I	
The policy dialogue will continue on agricultural support prices, consumer food subsidies and food price policies, particularly concerning demand elasticities and fiscal implications. Completion of the detailed self-help studies by the ministries of Economy and Agriculture, that were agreed upon as a condition for the FY 88 amendment, should provide opportunities for publicity and further policy dialogue. (See objectives 1, 2, and 5.)	2-3-4Q/FY 89
B. PL-480 TITLE II	
- Obtain official GOP pronouncement on exemption of Title II Program commodities from taxes imposed by GOP law 22202.	3Q/FY 89
- Negotiate continued GOP contribution of stevedore port services for the handling of USG donated commodities.	3Q/FY 89
- Negotiate, directly and through PVO cooperating sponsors, GOP regular budget support for Title II food storage and inland transportation costs.	2Q/FY 90
C. Section 416	
- Determine appropriateness of available Section 416 commodities (sorghum) for new monetization program, with GOP and animal feed producers.	2Q/FY 89

5. <u>KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR ACTION PLAN PERIOD</u>	<u>QUARTER/YEAR</u>
A. PL-480 Title I	
- Negotiate new \$10 million PL-480 Title I Agreement	2Q/FY 89
- Negotiate and sign amendment for up to \$10 million.	3Q/FY 89
- Fund and complete self-help measure policy studies	4Q/FY 89

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5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR ACTION PLAN PERIOD (Cont'd)

QUARTER YEAR

- Manage local currency, including maintenance of value payments, to finance AID projects adequately.

4Q/FY 89

B. PL-480 Title II

- Negotiate and sign transitional 15-18 month OPG agreement with Catholic Relief Services in support of Title II food-aid program implemented in conjunction with counterpart agency, CARITAS del Perú.

3Q/FY 89

- Develop and secure approval of an FY 1989-FY 1991 Title II or Section 416 monetization proposal in support of the PVO food-aid programs.

3Q/FY 89

- Assess GOP declared emergency food shortages, and if assessment confirms need and Mission determines feasibility, develop proposal and action plan, and secure food commodities for emergency food-assistance program.

2Q/FY 89

- Implement fully the newly designed commodity tracking system in the FFD Division and all participating agencies.

4Q/FY 89-
1Q/FY 90

- Complete process of standardizing beneficiary data collection and reporting by PVOs to evaluate PL-480 Title II impact.

4Q/FY 89

- Close out ADRA/OFASA OPG 527-0247,
CARE OPG 527-0261, and
CARITAS OPG 527-0248.

2Q/FY 89

3Q/FY 89

1Q/FY 90

- Review and approve PVO operational plans for FY 1990.

3Q/FY 89

- Design and implement PVO inter-agency programming and evaluation workshops.

4Q/FY 89

C. Section 416

- Develop and secure approval of an FY 1989-FY 1991 Section 416 or Title II monetization proposal in support of the PVO food-aid programs.

3Q/FY 89

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5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR ACTION PLAN PERIOD (Cont'd)

QUARTER YEAR

D. Child Survival

- Design and implement nutrition component of Child Survival Action Project in conjunction with PRISMA and MOH National Food and Nutrition Institute (INAN). 4Q/FY 89
 - Implement final phase of IIN training and technical assistance for PVO nutritionists and health promoters. 3Q/FY 89
 - Consolidate and analyze available baseline data for growth surveillance of at-risk infants 0-5 in Title II Program. 1Q/FY 90
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6. PROJECTS SUPPORTING OBJECTIVE

Title	Number	New (N) or Ongoing (O)	Type of Funding	LOP (\$000)	L/G/ LC	Obligations			
						Cumulative through FY 1988	FY 1989	FY 1990	FY 1991
PVO Planning/Management Needs Assessment	0000	O	DA	25	G	25	—	—	—
CARITAS-Feeding Program (OPG)	0248	O	DA LC	525 —	G LC	525 (3,037)	— (389)	— (500)	— (650)
PVO Food Programs <u>b/</u>	LC-4	O	LC	—	LC	(2,108)	(701)	(970)	(1,140)
PRISMA - MOH/MCH Supplementary Feeding Program (OPG)	0323	O	DA LC	444 <u>c/</u>	G LC	194 (1,471)	75 (315)	75 (400)	100 (500)
PL-480 Title I (self-help measures)	—	O	PL-480-I LC	N/A	L LC	219,360 <u>a/</u> (—)	15,000 (345)	16,000 (410)	20,000 (455)
PL-480 Title II PVOs	—	O	PL-480-II	N/A	G	148,979	10,525*	16,163*	17,680*
Section 416	—	O	Section 416	—	G	31,700	3-5,000**	3-5,000**	3-5,000**
Assessment of PVO Financial Requirements	0000	N 1989	DA	18	G	—	18	—	—
ADRA/CFASA-Nutrition and Food for Work (OPG) <u>d/</u>	0328	O	DA LC	632	G LC	178 (1,500)	100 (347)	125 (400)	150 (450)
CRS-Strengthening of Caritas/Peru (OPG) <u>d/</u>	0329	N 1989	DA	355	G	—	310	45	—
CARE-Food Assisted Integrated Development (OPG) <u>d/</u>	0330	O	DA LC	368	G LC	85 (131)	70 (44)	70 (80)	80 (150)
Caritas-Food Relief Nutrition and Development (OPG) <u>d/</u>	0336	N 1991	DA	900	G	—	—	100	170

a/ FY 78-FY 88.

b/ Title I and Section 416 sales proceeds for GOP agencies collaborating with PVOs in Title II programs.

c/ Project 0323 is divided between objectives No. 9 and No. 14.

d/ Projects 0328, 0329, 0330, and 0336 are divided between Objectives No. 9 and No. 14.

* These amounts do not include the value of ocean freight which represents approximately 42% of the commodity value.

** Monetization for PVO support - alternative to Title II monetization.

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7. NARRATIVE

Efforts to alleviate malnutrition during the Action Plan period will face greater obstacles than those anticipated one year ago. Agricultural production in Peru, which was expected to increase between 5.5 and 6.4% in 1989, will decrease by 6 to 8% according to best USAID estimates. These estimates show that in 1989, basic consumer commodities such as rice and potatoes will experience production decreases of 30% and 15%, respectively in relation to 1988. (Latest GOP estimates indicate that rice production in 1989 will decline 14.3% relative to 1988 levels and that potato production will drop 17.5%.) The availability of basic food commodities will be complicated further by the current economic crisis and lower levels of subsidized food imports, the abandonment of farmland in some highland emergency zones, and terrorist pressure directed at peasant farmers (entire highland communities have reportedly been forced not to seed for their 1989 crop cycles). Under these circumstances, the widespread problem of chronic malnutrition in Peru is expected to worsen. The GOP has formulated an emergency program of social compensation aimed at alleviating the nutritional needs of the most severely affected sectors of the rural and urban populations, and is making overtures to the international community for additional donations of approximately 200,000 metric tons annually over at least a two-year period.

The greatest single USAID supported effort to deal with the malnutrition problem in Peru over the long-term is the Integrated Food and Nutrition Program for High-Risk Families implemented by the PVO PRISMA in conjunction with the Ministry of Health's National Food and Nutrition Institute (INAN). Approximately 75,000 carefully selected families annually will benefit from MCH/CS interventions coordinated with a supplementary feeding program designed to provide adequate daily nutritional levels. Foods purchased locally with GOP counterpart funds are supplemented with selected Title II commodities which the Mission expects will average 14,000 to 15,000 metric tons annually for the PRISMA/MOH Program. In September, 1988, an OPG was signed with PRISMA to support the food and nutrition program with the MOH, and provides a LOP funding level of \$750,000 through FY 1992. Training of MOH program personnel at the central, regional and local levels has begun. PRISMA and INAN will soon be implementing a nutritional surveillance program based on data collected nationally of program participants. For this purpose computer hardware is being procured and specially assigned personnel is being trained in data collection and analysis.

This major USAID effort to combat malnutrition in Peru will be complemented by other USAID sponsored mother/child survival Title II programs of CRS/Caritas and ADRA/OFASA. Both PVOs are working closely with the Nutrition Research Institute (IIN) to implement a growth monitoring system in all their mother/child programs, and to provide follow-on technical assistance to nutritionists and health promoters previously trained under IIN's direction earlier in the project.

Both the PRISMA-MOH nutritional surveillance program and the PVO-IIN growth-monitoring system when fully operational in FY 1990 should begin to provide urgently needed data to update the 1984 ENNSA assessment of malnutrition in Peru and to evaluate the impact of the program resources invested.

7. NARRATIVE (Cont'd)

Funds provided to the PVOs under the food-aid program OPGs will continue to be insufficient to meet program requirements. The Mission, therefore, will continue to place high priority on Title I allocations to the food-assisted PVOs, and will seek approval of a Title II or Section 416 monetization program in FY 1989 for support to the PVOs in FY 1990 and 1991 and for follow-on monetizations as needed.

GOP food and agricultural policies deteriorated badly in 1988, with the low point reached in Sept-December, 1988. Decisions on these policies were made at such high levels in the GOP that efforts at policy dialogue were not effective. With the realization of the seriousness of the mistakes that were made, there is more room now for the policy dialogue through Title I and AID assisted projects to be effective, but it will still be difficult to put sound long run policies in place when short run expedient pressures are so strong.

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OBJECTIVE No. 12A: STRENGTHEN DEMOCRATIC INSTITUTIONS - PARTICIPANT TRAINING (CLASP)

2. A.I.D. PROGRAM PERFORMANCE INDICATORS	FY 86	FY 87	FY 88		FY 89	FY 90	FY 91
	<u>Actual</u>	<u>Actual</u>	<u>Proj.</u>	<u>Actual</u>	<u>Proj.</u>	<u>Proj.</u>	<u>Proj.</u>
A. Number of Persons Beginning Training Programs Under CLASP a/							
1. Short-Term (up to 9 months) -- Total	<u>34</u>	<u>21</u>	<u>119</u>	<u>117</u>	<u>91</u>	<u>77</u>	<u>64</u>
a. Men	28	5	77	61	55	46	38
b. Women	6	16	42	56	36	31	26
2. Long-Term (more than 9 months) -- Total	<u>9</u>	<u>4</u>	<u>25</u>	<u>9</u>	<u>57</u>	<u>57</u>	--
a. Men	5	3	16	6	35	34	--
b. Women	4	1	9	3	22	23	--
Total	<u>43</u>	<u>25</u>	<u>144</u>	<u>126</u>	<u>148</u>	<u>134</u>	<u>64</u>
a. Men	33	8	93	67	90	80	38
b. Women	10	17	51	59	58	54	26

a/ LAC II and APSP (FY 86 and FY 87 correspond only to LAC II)

B. Training Initiatives II 598-0640: Number of Persons Beginning Training Programs

1. Short-Term (up to 9 months) -- Total	<u>34</u>	<u>21</u>	<u>51</u>	<u>41</u>	<u>21</u>	<u>7</u>	--
a. Men	28	5	42	34	13	4	--
b. Women	6	16	9	7	8	3	--
2. Long-Term (more than 9 months) -- Total	<u>9</u>	<u>4</u>	<u>7</u>	<u>1</u>	<u>2</u>	--	--
a. Men	5	3	4	--	2	--	--
b. Women	4	1	3	1	--	--	--
Total	<u>43</u>	<u>25</u>	<u>58</u>	<u>42</u>	<u>23</u>	<u>7</u>	--

2. <u>A.I.D. PROGRAM PERFORMANCE INDICATORS (Cont'd)</u>	FY 86	FY 87	FY 88		FY 89	FY 90	FY 91
	<u>Actual</u>	<u>Actual</u>	<u>Proj.</u>	<u>Actual</u>	<u>Proj.</u>	<u>Proj.</u>	<u>Proj.</u>
C. Andean Peace Scholars: Number of Persons Beginning Training Programs							
1. Short-Term (up to 9 months) -- Total	--	--	68	76	70	70	64
a. Men	--	--	35	27	42	42	38
b. Women	--	--	33	49	28	28	26
2. Long-Term (more than 9 months) -- Total	--	--	18	8	55	57	--
a. Men	--	--	12	6	33	34	--
b. Women	--	--	6	2	22	23	--
Total	--	--	86	84	125	127	64

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY 1989

PLANNED TARGETS

ACTUAL ACCOMPLISHMENTS

REASONS FOR DEPARTING FROM TARGETS

A. LAC II

58 participants in FY 88

18 participants in FY 89

No participants in FY 90

Total 76

LAC II

42 participants in FY 88. Targets revised to include 23 participants in FY 89 and 7 participants in FY 90.

In regard to public sector participants programmed under the National Planning Institute (INP) Agreement, the Mission continued to face difficulties in locating suitable candidates with adequate English language proficiency. The Mission's decision to encourage broader participation by other GOP ministries/agencies in the project also delayed the recruitment and selection of participants, and the cancellation of some programs by the training institutions in the U.S. resulted in the cancellation of several planned departures. The private sector program administered by CONFIEP was adversely affected by the change in several key personnel. In general, however, LAC II suffered in FY 1988 as Mission staff resources had to be diverted to launch the APSP until the APSP staff were hired in March.

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY 1989 (Cont'd)

PLANNED TARGETS

ACTUAL ACCOMPLISHMENTS

REASONS FOR DEPARTING FROM TARGETS

B. APSP

86 participants in FY 88	84 participants in FY 88. Targets	Because of delays in hiring APSP staff and consequent late recruitment and selection of participants, it was not possible to identify the projected number of candidates with an adequate level of English proficiency for long-term academic placements in FY 1988. Targets for long-term training have been adjusted upward in the out-years to compensate for the lower than planned target in FY 1988.
114 participants in FY 89	for remaining years of LOP revised	
123 participants in FY 90	as follows:	
77 participants in FY 91	FY 89 - 125	
Total 400	FY 90 - 127 FY 91 - 64	

4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

N/A

5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

See Annex II, FY 1990 Country Training Plan Update.

6. PROJECTS SUPPORTING OBJECTIVE

Title	Number	New (N) or Ongoing (O)	Type of Funding	LOP (\$000)	L/G/ LC	Obligations			
						Cumulative through FY 1988	FY 1989	FY 1990	FY 1991
Andean Peace Scholarship	0313	O	DA/ESF	6,358	G	2,733 <u>a/</u>	1,700	1,925	—
LAC Training Initiatives II	598-0604	O	DA-AID/W LC	1,299 —	G LC	1,299 (314)	— (36)	— —	— —
CLASP II (Andean Peace Scholarships II)	0340	N 1991	DA/ESF	<u>b/</u>	G	—	—	—	1,600
- A Host of Bilaterally Funded Projects with Overseas Training Components									
- Various Regionally/Centrally Funded Projects									

a/ Includes \$333,000 ESF funds obligated by AID/W.

b/ Not yet determined.

7. NARRATIVE.

The Mission currently operates two CLASP programs, LAC II and APSP. Of the three components of LAC II, a) the NAPA Agreement terminated on December 31, 1988 as planned, b) the CONFIEP Agreement was extended by one year to December 31, 1989 to enable the Mission to sponsor 12 Peruvian private sector participants in FY 1989 in the Entrepreneurs International Program, which will use up the balance of funds remaining in that program, and c) the INP Agreement will be extended to September 30, 1990 to facilitate the training of 18 public sector officials in the U.S. and Israel in FY 1989 and FY 1990 in priority areas for which alternative sources of funding are not available under other Mission projects.

The APSP was successfully launched in FY 1988, with 84 of a projected 86 participants trained. A widely attended and highly useful USAID/Peru APSP week-long retreat in October 1988 followed by a visit in December 1988 by the Peru Program Officer of the U.S. placement contractor enabled the Mission to identify lessons learned from the first year's program and to develop a comprehensive FY 1989 training plan with a target of 125 participants. The Mission is confident that it will be able to meet the overall program target of 400 participants by the end of FY 1991, although preliminary estimates indicate that there may be a funding shortfall which will require either a reduction in the total number of participants or in the numbers and/or duration of training of long-term participants. In accordance with AID/W programming plans, the Mission intends to launch the CLASP II program for Peru in FY 1991, using the AID/W-prepared PID and model PP to be approved in FY 1989 as the underlying programming documents for the Peru project.

The Mission's NON-CLASP programs continue to support short-term and long-term training in priority development sectors under several bilaterally-funded projects with overseas training components and various regionally/centrally-funded projects.

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OBJECTIVE No. 12B: STRENGTHEN DEMOCRATIC INSTITUTIONS - THE JUDICIAL SYSTEM

<u>1. COUNTRY DEVELOPMENT TRENDS INDICATORS</u>	<u>1986 Actual</u>	<u>1987 Actual</u>	<u>1988 Proj.</u>	<u>1988 Actual</u>	<u>1989 Proj.</u>	<u>1990 Proj.</u>	<u>1991 Proj.</u>
A. Strengthen Court Systems							
Establishment of Management Information System (MIS) for overall court administration	N/A	Feasibility study begun for judicial statistics system	Pilot judicial statistics effort	Pilot judicial statistics system designed (court administration program, computerized case tracking system)	Court administration program designed and applied in 1 court district Pilot computerized case tracking system begun	Improved court administrative system evaluated and expanded to 3-4 court districts Pilot computerized case tracking system completed and evaluated	Improved court administrative system adopted nation-wide. Computerized case tracking system in place for Lima criminal courts
B. Development of Institutions which Improve Administration of Justice							
Development of Coordinated Planning System for Administration of Justice Reform	N/A	Plans at Sub-project level	Institutional short term plans developed	Dialogue begun on need for institutional short term plans	Institutional short term plans developed Discussions begin on	Institutional medium and long term plans Mechanism introduced for	Sectoral (inter-institutional) development plan

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1. <u>COUNTRY DEVELOPMENT TRENDS</u> <u>INDICATORS (Cont'd)</u>	1986 <u>Actual</u>	1987 <u>Actual</u>	1988 <u>Proj.</u>	<u>Actual</u>	1989 <u>Proj.</u>	1990 <u>Proj.</u>	1991 <u>Proj.</u>
					coordina- tion of plans across institu- tions	inter- institu- tional coordina- tion	
2. <u>AID PROGRAM PERFORMANCE</u>							
A. Strengthen Court Systems							
1. Judges, Fiscales and support personnel trained	0	400	600	500	700	700	700
2. Courts and Public Prosecutors Offices provided with basic equipment	0	4	20	40	40	40	--
B. Organizational Development of Institutions Dedicated to Improving Administration of Justice							
1. Legal Information offices in operation	0	18	30	25	40	50	50
2. Formation of National Commission and meetings of same	--	Formation 3 meetings	6 meetings	6 meetings	6 meetings	6	6
3. Judicial information system implemented	N/A	Study begun	Study completed Pilot Project begun	Study completed Pilot Project designed	Pilot Project begun	Pilot Project completed and evaluated	Pilot Project expanded

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3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY 1989

- A. Workshop on legislative data base held as scheduled 2Q/FY88.
- B. Feasibility study for judicial information system completed and pilot project designed by 3Q/FY88. Study delayed but with IRM/W help pilot project design completed by late 4Q/FY88, early 1Q/FY89.
- C. PP Supplement developed and second Amendment signed adding \$500,000 in grant and \$500,000 in counterpart and extending LOP one year. Targets met by 4Q/FY88, LOP extended by two years.
- D. Sector Assessment completed 3Q/FY88. Assessment as initially designed (criminal justice system only) to be completed by 2Q/FY89, but implementing agencies decided to add second stage on criminal justice system. Delays caused by implementing agencies lack of understanding of, interest in study and by various organizational difficulties (coordination of three implementing agencies in process). Now that they are interested, they have proposed second stage of assessment, extending to civil justice system. (The latter will not be completed till 4Q/FY89, but will not hold up completion of first stage).
- E. Academia de la Magistratura (training judges) and Instituto de la Fiscalia (training public prosecutors) each operating at full scale in Lima 3Q/FY88. Fiscalia's Institute on schedule and with expanded operation to provinces. Judge's Academia suffers through three redesigns (because of differences of opinion in Supreme Court) and scheduled for full implementation in Lima 4Q/89.
- F. Legal information program reviewed, improved supervisory system introduced, and 10 additional offices established outside of Lima 4Q/FY88. New offices established, but evaluation and improved supervisory system delayed due to instabilities resulting from three changes of Minister. Rescheduled for 3Q/FY89 as precondition for any further AID support of expansion of program.
- G. Mid-term evaluation of Project 4Q/FY88. With two year extension of LOP evaluation retargeted for 3Q/FY89.
- H. Integrated program in legal and human rights training developed and coordinated with legal information offices. 4Q/FY88. Integrated program created (combining two subprojects and adding a women's rights component) but coordination internally and with legal information offices still inadequate. Overall plan for efforts to be developed 2Q/FY89 to be used as base for improving coordination in both regards.
- I. Program for improving court management begins implementation at pilot level 1Q/FY89. Prior organization and methods study of courtroom procedures (paper flow) begun late, but will be completed 2Q/FY89. Pilot program based on this will be completed 4Q/FY89.

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY 1989 (Cont'd)

- J. Review of professional training programs (Academia and Instituto) conducted and findings used for readjustments 2Q/FY89. Much more rapid progress of Fiscalia's Instituto makes target impractical for the moment. Midterm Project evaluation will review both programs; in the meantime, two informal evaluations (one with ILANUD assistance) done for Fiscalia and readjustments being incorporated in CY89 operating plan.
- K. Policy Dialogue -- discussion of the necessity of GOP's developing own short, medium and long range plans for sector reform. To be introduced incrementally from 1Q/FY88 beginning with promotion of institutional plans (for three implementing institutions) and formation of institutional planning teams, strengthening of National Commission as policy making body. Discussions have begun, but progress is slow because of personnel turnovers at all levels in three institutions. Of the three only Public Ministry has reached stage where discussions of longer term institutional plans make sense. Incremental funding for project (through a series of Congressional earmarks) has also made longer term planning difficult. For FY89, effort will be made to take dialogue directly to National Commission once latest predictable membership change (appointment of new Attorney General in March) has been completed.
- L. Policy Dialogue -- discussion of need for GOP to channel more resources to sector and to assure that these are used in more rational manner -- beginning in 1Q/FY88 and continuing. Steps one (emphasis on increasing counterpart use for supporting operating expenses of project activities) and two (promotion of plans going beyond the project and of consideration of alternative funding) have begun. While the ideas are accepted in theory by sector personnel, the current economic situation hampers their realization. FY89 will be a key year in insisting on counterpart support, but the real battle will be with the Ministry of Economy. Promotion of longer term planning is made difficult by the economic situation and by political uncertainties already posed by the 1990 national elections. However, we continue to stress that since the Project extends through 1991, planning horizons must go at least that far.

4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

QUARTER/YEAR

Discussions with highest levels of GOP to sustain continued interest in and commitment to improving the administration of justice throughout Peru. Over the long run, two issues are critical here. The first, is the necessity that the GOP develop its own short, medium and long range plans for reforming the sector. The existence of such plans at the institutional level, at least as a set of interrelated priorities and a first cut at a strategy for realizing them, continues to be stressed in the preparation of subproject operating plans. The Project Coordinating Office continues its promotion of effective institutional planning teams and assisting in their training. Discussions of the Project with National Commission members are placing more emphasis on the importance of planning discrete activities within the context of an overall institutional and sectoral plan, and stressing the role that Commission members, individually and collectively, should have in this process. Further steps involve greater institutionalization of the Commission as a decision-making body and efforts to encourage it to focus discussions on sectoral planning.

Introduced incrementally from I/88 on

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4. <u>KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD (Cont'd)</u>	<u>QUARTER/YEAR</u>
<p>The second issue, is the need for the GOP to channel more resources to the sector, and to ensure that these are used in the most rational manner possible. The project itself is working to enhance the capability for rational resource use, but it is evident that over the medium and long run more resources will be needed and that in the end most of these must come from the GOP. While this point is in theory accepted throughout the GOP, the current economic crisis makes a positive response difficult. One concrete step begun in 1988 is to emphasize that operating expenses for Project activities come out of GOP counterpart, thus preparing the way for GOP support of these activities after Project termination. (The GOP has also for the first time since 1980 increased the percentage of the national budget assigned to the Court System to almost 1% - one half of the 2% goal set in the constitution). A second step, and one involving the promotion of sectoral plans, is to encourage the formulation of plans that go beyond the Project (in terms of time and resources) and to suggest that alternative funding sources (whether the GOP or other donors) be explored. An eventual third step will be to take up these discussions outside the sector with other GOP actors. However, before this final step can be taken, sector utilization of resources must be improved, on of the basic goals of the Project.</p>	<p>Introduced incrementally from I/88 on</p>
5. <u>KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD</u>	<u>QUARTER/YEAR</u>
A. Academia de la Magistratura inaugurated and first month long course for new judges begun.	3Q/FY89
B. Evaluation of legal information program and introduction of improved supervisory system Development of 3 year plan for human/legal rights education program.	3Q/FY89
C. Pilot program for legislative data base completed and evaluated and permanent equipment installed in Ministry of Justice and Supreme Court.	4Q/FY89
D. First stage of centrally funded legislative support program - study tour for legislators and advisors.	1Q/FY90
E. Pilot program in improved court administration completed in 4 tribunales and 16 juzgados in Lima Court District. Evaluation of impact and redesign for expanded application.	1Q/FY90
F. Analysis of sector assessment completed and findings and set of recommendations presented to National Commission as basis for integrated sectoral reform plan.	2Q/FY90
G. Pilot computerized case tracking system completed and evaluated (4 tribunales and 16 juzgados in Lima Court District).	4Q/FY90
H. Twenty five (25) new legal information offices installed (20 in provinces), raising total number to 50. Program of procedural reforms implemented.	4Q/FY90
I. Legislative data base updating completed to include all existing legislation and jurisprudence corresponding to criminal and civil codes.	2Q/FY91
J. First long term sectoral reform program presented by National Commission. Permanent inter-institutional technical group formed to oversee, promote implementation.	2Q/FY91
K. Computerized Case tracking system implemented for Lima Court District (14 tribunales and 46 juzgados).	4Q/FY91

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6. PROJECTS SUPPORTING OBJECTIVE

Title	Number	New (N) or Ongoing (O)	Type of Funding	LOP (\$000)	L/G/IC	Obligations			
						Cumulative through FY 1988	FY 1989	FY 1990	FY 1991
Administration of Justice	0303	O	ESF IC	3,850 (3,250)	G IC	2,350 (1,229)	500 (145)	500 (620)	500 (1,255)

7. NARRATIVE:

AOJ project efforts are focused at two levels: the establishment and/or strengthening of project planning and implementation capabilities within and across the three implementing agencies and the design and execution of a series of studies and pilot activities by the same three agencies. Project activities can be further divided into five principal components: an organizational component aimed at establishing infrastructure for planning and supervising project activities over the short run, and over the long run at directing overall sector reform efforts; training and related human resource development; studies, planning and modernization of procedures; outreach (to increase knowledge of and accessibility to the system on the part of limited resource populations); and provision of basic goods and services. During FY88 a \$500,000 amendment was negotiated with the GOP extending LOP to December 31, 1991.

Over the past year, activities continued (or began) in the 20 of the 23 subprojects which now form the Project. (Efforts to reduce the number of activities brought the consolidation of two activities and the elimination of two others). Progress continues to be uneven among these activities and across the three implementing institutions. The two principal causes of delays continue to be the organizational weaknesses of the Judicial Power and the Ministry of Justice (which the Project continues to address) and repeated personnel changes in the same two institutions. While we have little if any control over the personnel changes (especially those at the uppermost levels), the persistence of this problem has occasioned a still greater emphasis on strengthening planning teams within the institutions in the hopes that these may provide an element of continuity. It has also added a new element to the policy dialogue — an emphasis on intra-institutional continuity in personnel and planning.

Despite these problems, progress has been made in all five major components — most notably in the elements managed by the Public Ministry but also in activities implemented by the other two agencies. The Ministry of Justice's outreach programs (legal information offices and human and legal rights training) have continued to expand — the Ministry now has 25 offices in place and is attempting to double that number over the current year. This activity is one of several in the project with a significant women's component — in this case, the addition of a series of activities addressed to education in women's rights as well as the fact that much of the staff and clientele of the information offices are women. In professional training while the Judicial Power's training institute lags far behind the now fully operational Institute for Fiscales (public Ministry) it has implemented six pilot courses and produced a plan for full scale organizational implementation. In the organizational component, while the National Commission has yet to define its role, the intra-institutional planning teams have been amplified and strengthened and their further strengthening appears to be an institutional priority.

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7. NARRATIVE: (Cont'd)

Perhaps most importantly, significant advances have been made in the modernization component, with the implementation and near completion of the major studies (including the sector assessment) and the initiation of the court administration and judicial statistics activities. With IRM/W assistance the statistics activity has been redesigned as two discrete activities: the development of a legislative data base (working with a system begun by the Ministry of Economy) and the implementation of a criminal case tracking system in the Lima Court district (linked to the court administration improvement activity now underway).

The addition of a legislative strengthening element mentioned in prior action plans will now be implemented through a centrally funded project, to be coordinated with various Mission activities, including the Administration of Justice Project.

The Project has disbursed approximately \$700,000 of the \$2,350,000 in obligated grant funds. Of the \$2,000,000 in financial counterpart committed by the GOP, approximately \$400,000 has been disbursed (with an additional \$50,000 in contributions in kind). The implementation of the first stage of the judicial statistics activities in FY89 will represent a heavy expenditure in grant funds for the purchase of computer hardware, software and technical assistance. As a consequence we are encouraging the agencies to secure counterpart or other GOP funds for a greater portion of the subprojects' operating expenses beginning in CY89.

OBJECTIVE No. 13: Support Anti-Narcotics Program

2. <u>AID PROGRAM PERFORMANCE INDICATORS</u>	1986	1987	1988		1989	1990	1991
	<u>Actual</u>	<u>Actual</u>	<u>Proj.</u>	<u>Actual</u>	<u>Proj.</u>	<u>Proj.</u>	<u>Proj.</u>
A. Upper Huallaga Area Development Project							
1. Increased cultivation of legitimate crops (hectares)	87,583 <u>1/</u>	92,010 <u>1/</u>	185,000 <u>1/</u>	<u>2/</u>	95,000	98,000	101,000
2. Increased community participation in self help activities (no. of people)	2,000	3,260	4,000	2,700	3,200	4,100	5,000
B. Drug Education and Public Awareness Project							
1. Increased public awareness of drugs as a national problem (%)	--	28	30	48 <u>3/</u>	50	52	54

- 1/ Last year's Action Plan incorrectly reported 182,570 which was all land under or suitable for cultivation (i.e. including coca and fallow land), to date the gain in coca hectarage has been principally at the expense of forested land.
- 2/ Data from Agricultural Statistics Office (OSE) annual field survey, 1988 data is not yet available. However, the UHV cultivation may be impacted by labor demands of coca harvesting and terrorist pressure to lower production.
- 3/ Raw data from second national Public Opinion Survey conducted in 1988 indicates this percentage, of people surveyed, list drugs as one of the top national problems, 8.6% list it as the first.

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3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY 1989

A. Upper Huallaga Area Development Project

1. Complete implementation of the Peruvian National Drug Plan by end FY 90. Peruvian national drug plan thru FY 90 is being implemented. Considerable action has taken place in both interdiction and eradication. Although militant farmer resistance to the eradication program has developed and the Sendero Luminoso actively defends farmer interest, over 5,000 ha. were eradicated in CY 1988.
2. Use AID program assistance to leverage increased commitment of GOP resources for anti-drug effort during FY 88 and early FY 89. Given the GOP's financial crisis, it is difficult to assess AID's impact on resource allocation. However, with sharply felt GOP budgetary constraints, PEAH has been able to keep its annual budget at about FY 88 Inti levels and will work with INADE and the Ministry of the Presidency to get more staff and budgetary resources from other line ministries for the UHV. It is believed that AID's development presence bolsters the GOP's will to interdict and eradicate.
3. Seek to influence GOP environmental conservation policy to reduce the negative impact of coca cultivation in the UHV by FY 89. USAID/Peru continues to work with all agencies of the U.S. Mission on documenting the impact of coca cultivation and processing on the UHV ecological system. The most highly impacted areas are not readily accessible for formal research because of the deteriorating security in the area. However, concern among officials of the development agencies for the long-term consequences are daily expressed as they become aware of the magnitude of the land under coca cultivation. Also expressed is their realization that manual eradication is a physical impossibility in any timeframe that would save the UHV ecological system for future GOP productive development. INADE staff will participate on the national committee studying the possibility of aereo-spraying of herbicides.
4. Overcome obstacles to effective extension service delivery to promote improved legitimate crop production by th 4th qtr FY 91. The time-phased action plan for testing a comprehensive extension service system was never implemented because of deteriorating security and the sharp reduction in the TA team. A second effort will be implemented in FY 89 using Peruvian extensionists of the PESIP team and the national university.
5. Identify, test, and plant new high income crops on experimental basis thru remainder of project. Work on high income crops has continued with test plots and introduction of improved seeds and seedlings. However, as the UHV becomes more and more under the power of coca economy, it is increasingly difficult to establish these crops.

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY 1989 (Cont'd)

B. Drug Education and Public Awareness Project

1. Design and implement public awareness campaign by the Center for Information and Education on the Prevention of Drug Abuse (CEDRO). CEDRO has greatly increased its public visibility in Peru and on an Andean Regional basis. CEDRO published articles are accepted as a valid source of facts on drug issues and quoted without hesitation. It is also accepted as a reliable resources point, for trainers and publications, by community based organizations dealing with substance abuse.
2. Increase non-AID funding to CEDRO. CEDRO has a clear plan of its funding needs over the next 4 to 6 years. It has successfully generated \$220,000 in in-kind and cash contributions from Peruvian and non-Peruvian sources, public and private organizations, and institutional and individual donors. The devaluation of the Peruvian Inti halted CEDRO plans to establish a trust fund or endowment to fund future CEDRO operations.
3. Implement complementary public sector drug education and information programs in the Ministries of Health and Education by the 4th qtr FY 87. Grant Agreements were signed and Conditions Precedent were met. AID Mission approved the Action Plans for both Ministry of Education (MOE) and Ministry of Health (MOH) efforts. The MOE has completed its field survey work and is presently analyzing the data. The MOH has had a change in key staff and has requested to amend the approved Action Plan to allow a less ambitious field undertaking. There is a good chance the reduced pilot effort may never be implemented.

C. Targeted Area Development for the Upper Huallaga Project

1. Design and initiate a follow-on project for assistance in the UHV. USAID/Peru prepared a PP Supplement and amended the Agreement to extend the PACD thru FY 91 and increase funding by \$4.5 million. Conditions Precedent for the amendment require INADE to assist PEAH in obtaining a greater allocation of staff and resources from the line ministries for the UHV; also, PEAH must sign an agreement with other GOP agencies to gather and analyze data on the UHV that can be used to better plan and target project components and measure progress in achieving the Project purpose.

4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR ACTION PLAN PERIOD

QUARTER/YEAR

- A. Use negotiations for an amended anti-narcotics related agricultural development initiative in the UHV to rationalize GOP programs and to strengthen the commitment to socio-economic development in the area.

Specifically, to take the following actions:

1. integrate the national administration of the program with regional operations, 4Q/FY 88-4Q/FY 89
 2. stimulate the GOP line ministries to return to the UHV with physical and budgetary resources sufficient to carry out their responsibilities, and 4Q/FY 88-4Q/FY 91
 3. support the establishment of a set of mutually supportive goals and operational policies among all private and governmental entities and donors. 1Q/FY 89-1Q/FY 90
- B. Seek to influence GOP conservation policy in the Upper Huallaga in order to reduce the negative impact of coca cultivation, including the collection and analysis of secondary, and primary data if necessary, on the contamination and erosion problem and initiate discussions with the appropriate GOP authorities concerning a program to recover degraded eradicated land. FY 89/FY 90
- C. Coordinate, where and when feasible, with the CEDRO program of educating and informing key opinion leaders and political decision makers about the dangers of drug production, trafficking, and abuse, to promote improvements in drug legislation, increases in anti-drug program budget resources and operational scope, and expanded national and regional anti-drug coordination and cooperation. FY 89/FY 90
- D. Use the results, if successful, of the small projects with the Ministries of Health and Education - pilot testing a drug abuse tracking network in the national health care system and pilot testing a model drug abuse prevention curriculum in the public schools - to negotiate an expansion of these small projects into nationwide programs. FY 90

5. <u>KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD</u>	<u>QUARTER/YEAR</u>
A. Upper Huallaga Area Development Project	
1. Implementation of the national drug plan related to development investments in the UHV as a complementary program to eradication and interdiction efforts.	1986-1990
2. Principal technical obstacles to effective extension service delivery analyzed and improved system of disseminating technologies for increased yields designed and utilized.	2Q/FY 90
3. New high income crops for eradicated land identified, tested, and planted on experimental plots of eradicated land, followed by promotion and distribution of seed and plant material to eligible farmers, in conjunction with the ongoing Santa Lucia eradication program.	3Q/FY 88 4Q/FY 90
4. Education (teacher training, garden plots, classroom improvements), health (health post rehabilitation, potable water installation), complementary income generation and community organizations (farmer associations and youth/mother clubs) activities involving local population coordinated with agricultural services delivery.	2Q/FY 88 4Q/FY 91
5. A follow-on project amendment for targeted assistance to the Upper Huallaga valley signed.	4Q/FY 88
a. Conditions Precedent in amended Project Agreement satisfied.	2Q/FY 89
b. Increased budgetary support for line ministry operations in the UHV committed and disbursed by GOP.	ongoing FY 89/90
c. Location of eradicated land and name of owner identified by CORAH and data base established by CORAH and PEAH to share information.	ongoing
d. System for rapid processing and issuance of land possession and titling documents and of credit for eligible ex-coca farmers installed in the UHV.	3Q/FY 90
e. Agricultural services being effectively promoted and delivered to eligible ex-coca farmers in selected areas within the UHV.	3Q/FY 90
f. Progress evaluation of the targeted agricultural support program completed.	3Q/FY 90

5. <u>KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD</u> (Cont'd)	<u>QUARTER/YEAR</u>
B. Drug Education and Public Awareness Project	
1. Public awareness campaign by CEDRO designed and functioning.	
a. Fund raising analysis and strategy planning completed.	4Q/FY 89
b. 2nd public opinion perception study completed and analysis published.	4Q/FY 89
c. Progress evaluation completed.	3Q/FY 89
d. 2nd national epidemiological study completed.	4Q/FY 89
e. 2nd national TV campaign on drug abuse and drug problems completed.	4Q/FY 89
f. Institutional analysis with recommendations to improve the efficiency and effectiveness of management, administration, and financing.	4Q/FY 89
g. 3rd public opinion perception study completed.	3Q/FY 90
h. 3rd national epidemiological study completed.	1Q/FY 91
i. 3rd national TV campaign on drug abuse and drug problems completed.	4Q/FY 90
j. Final evaluation to examine lessons learned from CEDRO public awareness program completed.	4Q/FY 90
2. Complementary Ministry of Education program for pilot testing of drug abuse prevention curriculum in the public school system completed.	
a. Phase I: Drug Prevalence and Risk Factors study completed.	2Q/FY 89
b. Phase II: Drug curriculum development completed.	4Q/FY 90
3. Complementary Ministry of Health program in pilot testing of a drug abuse tracking network in the national health care system completed.	
a. Pilot Drug Data Collection System Designed.	1Q/FY 90
b. Pilot System installed and tested in Lima hospital/emergency rooms.	4Q/FY 90

6. PROJECTS SUPPORTING OBJECTIVE

Title	Number	New (N) or Ongoing (O)	Type of Funding	LOP (\$000)	L/G/ LC	Obligations			
						Cumulative through FY 1988	FY 1989	FY 1990	FY 1991
Upper Huallaga Area Development Project amended project	0244	O	DA	18,700	L&G	18,500	—	—	—
			ESF	9,200	G	5,400	1,300	2,500	—
				27,900					
			LC	—	LC	(9,351)	(1,691)	(1,200)	(1,300)
Narcotics Education Initiatives	0288	O	DA	2,400	G	1,599	801	—	—
			ESF	2,300	C	1,600	—	600	100
				4,700					
Upper Huallaga Area Dev. II	0339	N 1991	ESF	1/	G	—	—	—	1,200

1/ Not yet determined.

7. NARRATIVE:

The U.S. Embassy has just completed a review of the Peruvian national drug plan. The cabled comments on Peru's progress were sent by the U.S. Mission to the Department of State as its inclusion for the INCSR. With this information, the certification to Congress that Peru cooperated fully with the United States in compliance with relevant sections of the FAA should move ahead on schedule.

Peru continues to make progress in interdicting the drug trade in the UHV, with notable success by CORAH in greatly increasing the number of hectares eradicated in CY 1988. The latter success was made in the face of increasing, organized farmer resistance to the coca eradication program. The declaration by the GOP of the UHV as an emergency zone under direct military control has not hindered Guardia Civil operations nor had an adverse impact on drug interdiction and eradication efforts. However, it has also not meant increased politico-military control of the area. The narco-traffickers' interest in denying the GOP access to coca producing areas has been greatly assisted by the Sendero Luminoso (SL) and the Tupac Amaru Movement (MRTA) programs to isolate the rural population from the central government. The Minister of Interior's efforts in late 1987 to identify more efficient means of making the national drug plan operational, with particular emphasis on a realistic, workable development plan, pretty much halted when that minister was replaced. A development plan in draft was produced but neither of the two ministers that succeeded the initiator of the coordination effort has advanced the concept further.

7. NARRATIVE: (Cont'd)

The Project amendment which tasked the GOP Special Project for the Upper Huallaga (PEAH) to form an extension unit that focused on developing new approaches to working with eradicated coca farmers has progressed well. The unit -- PESIP -- has developed a variety of information on several effective technics for crop substitution on eradicated land. However, the increased campesino resistance to GOP eradication programs and the deteriorating security situation in the UHV that restricts extensionists movement has kept the program's impact on target beneficiaries relatively small. There has developed much better coordination between PEAH and CORAH as a result of the new unit's efforts. A second project component added with the same amendment funded small self-help projects identified by local communities. PEAH work in this area has been directed at training community leaders and government service providers and funding small community development projects in such areas as education, health, potable water systems, recreation, transportation, etc. These efforts slowed significantly when AID withheld the disbursement of project funds, because PEAH could not clear outstanding advances, and the economic policy paquetazos, in late 1988, caused sharp rises in building materials with general shortages and approved projects going out of budget. The USAID monitoring of these efforts have been sporadic because of reductions in the TA team and travel restrictions caused by deteriorating security.

While the geographic jurisdiction of the UHAD Project has not been officially reduced, the lack of GOP administrative presence in many areas has severely reduced PEAH's ability to coordinate, implement, monitor or evaluate project elements. Road maintenance and repairs take place only under military escort, the Tulumayo Experimental Station has been attacked, looted and all records burned, agriculture credit under the project has halted because of the high delinquency rates and current crisis in the Peruvian economy, the expansion of alternative crops is hampered by the unreliability of transport to marketing centers at time of harvest and inability to hire farm laborers away from coca cultivation, and, the high cost of living in the UHV has caused the resignation of key PEAH staff whose salaries are not even close to keeping up with the rampant inflation.

Agricultural extension continues in pockets near the Zonal Offices of Campanilla, Tocache, Aucayacu, and Tingo Maria. Land titling and registration continues because it is sought by the farmers. Self-help projects are numerous, they progress because of community interest if not active participation. The production of improved seeds and seedlings is progressing and is well received. Traditional land holders and agriculturist in the UHV remain committed to their farming technique of a diversification of cultivations on their land and seek help for crop storage and local processing.

Information learned and approaches developed in the first seven years of the UHAD Project have been picked-up by the National University of the High Jungle, the Cooperative of Naranjillo (6,000 cacao members) and UNFDAC -- for use in their crop substitutions efforts in the UHV, Cusco, and Puno. The Ministry of the Presidency will convene a seminar, in March, of GOP ministries and agencies to try and obtain a commitment at the national level of additional resources and staff for the UHV.

7. NARRATIVE: (Cont'd)

The Center for Information and Education on the Prevention of Drug Abuse (CEDRO) is established and implementing a wide range of drug education and information activities. CEDRO has remained small with a core staff of professionals and highly motivated volunteers. Their document center is eagerly sought by researchers, news reporters, and students and the Centers articles and statistics on substance abuse is readily quoted and printed. There have been 528 information articles published to date in the local, provincial and regional press and CEDRO participated in better than 125 radio and TV information/education presentations. Their institutional linkages with community based organizations using CEDRO information and training resources now number over 680 in all parts and at all levels of Peruvian society. CEDRO is presently completing its second national media campaign on drug awareness. Spots produced by CEDRO for the campaign are broadcast throughout the day on radio and television free of charge as a public service contribution of the stations all over Peru. CEDRO has raised the dollar equivalent of \$220,000 in in-kind and cash contributions for its work. While CEDRO has completed the second national opinion survey to determine public awareness and Peruvian attitudes to drugs and substances abuse, the survey results are just being analyzed now. One piece of information available is, of the people surveyed, 48% now list drugs as one of the most serious national problems. The 1987 survey had drugs listed as the most serious problem by only 13% of those surveyed.

The narcotics information and public awareness efforts are also being pursued with two small grants to the Ministry of Education and the Ministry of Health. The former has completed interviews with 9,200 students across the country in 53 secondary schools to determine the level of drug use. A local university has been contracted to do the data analysis. Results will be used to develop a pilot drug prevention curriculum. The latter grant is being implemented by the National Mental Health Institute to put in place at public health facilities a system of drug abuse surveillance and data collection. Unfortunately, this grant is behind in implementations and may yield no results before the grant ends.

It is now projected that the CEDRO Cooperative Agreement will receive additional funding and be extended into 1992. This will allow them time to implement their plans for developing alternative funding sources, expanding their program to mobilize public opinion leaders throughout the nation, and developing CEDRO models for working in target communities with high risk groups so successful community approaches can be taught to interested organizations.

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II.B. 1.

SUMMARY PROGRAM FUNDING TABLE
Dollar Program by Functional Account
(\$000)

<u>PROJECT TITLE AND No.</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>
<u>ARDN</u>			
Subtotal	<u>3,852</u>	<u>3,375</u>	<u>4,400</u>
(Loan)	(--)	(--)	(--)
(Grant)	(3,852)	(3,375)	(4,400)
527-0000 PD&S	232	250	250
527-0238 Agriculture Planning and Inst. Dev.	770	--	--
527-0282 Agricultural Technology Transf.	2,300	2,725	2,850
527-0310 Non-Traditional Ag. Exports and Agribusiness Development	--	--	800
527-0320 OPG CARE-Reforestation Food for Work	70	60	--
527-0328 OPG ADRA/OFASA-Nutrition and Food for Work	100	125	150
527-0329 OPG CRS-Strengthening of CARITAS/PERU	310	45	--
527-0330 OPG CARE-Food Assisted Integrated Development	70	70	80
527-0336 OPG CARITAS-Food Relief, Nutrition and Development	--	100	170
527-0337 OPG CARE-Food Assisted Agroforestry II	--	--	100

<u>PROJECT TITLE AND No.</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>
<u>POPULATION</u>			
Subtotal	<u>2,061</u>	<u>2,300</u>	<u>2,300</u>
(Loan)	(--)	(--)	(--)
(Grant)	(2,061)	(2,300)	(2,300)
527-0000 PD&S	100	100	100
527-0326 Contraceptive Social Marketing II- Private Commercial Sector	790	500	800
527-0335 Private Voluntary Sector Family Planning Services Expansion	1,171	1,700	1,400
<u>HEALTH</u>			
Subtotal	<u>507</u>	<u>300</u>	<u>235</u>
(Loan)	(--)	(--)	(--)
(Grant)	(507)	(300)	(235)
527-0000 PD&S	150	100	100
527-0285 Child Survival Action	357	200	135
<u>CHILD SURVIVAL</u>			
Subtotal	<u>3,490</u>	<u>4,500</u>	<u>4,400</u>
(Loan)	(--)	(--)	(--)
(Grant)	(3,490)	(4,500)	(4,500)
527-0285 Child Survival Action	2,990	4,000	3,720
527-0323 OPG PRISMA-MOH Supplementary Feeding Program	150	150	200
527-0328 OPG ADRA/OFASA-Nutrition and FFW	140	140	168

<u>PROJECT TITLE AND No.</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>
527-0329 OPG CRS-Strengthening of CARITAS/Peru	150	50	--
527-0330 OPG CARE-Food Assisted Integrated Development	60	60	62
527-0336 OPG CARITAS- Food Relief, Nutrition and Development	--	100	250

EDUCATION

Subtotal	<u>3,090</u>	<u>2,713</u>	<u>1,600</u>
(Loan)	(--)	(--)	(--)
(Grant)	(3,090)	(2,713)	(1,600)
527-0000 PD&S	48.572	50	50
527-0272 Private Sector Management Improvement	740	1,413	750
527-0288 Narcotics Education Initiatives	801.428	--	--
527-0313 Andean Peace Scholarships	1,500	1,250	--
527-0340 CLASP II (Andean Peace Scholarships II)	--	--	800

PRIVATE SECTOR, ENVIRONMENT AND ENERGY

Subtotal	<u>1,400</u>	<u>867</u>	<u>1,020</u>
(Loan)	(--)	(--)	(--)
(Grant)	(1,400)	(867)	(1,020)
527-0000 PD&S	100	165	100
527-0061 Special Projects	100	100	100
527-0298 Private Sector Policy Planning and Institutional Development	1,200	302	520
527-0310 Non-Traditional Ag. Exports and Agribusiness Development	--	300	300

<u>PROJECT TITLE AND No.</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>
<u>AIDS</u>	<u>100</u>	<u>100</u>	<u>200</u>
527-0333 HIV/AIDS Education and Prevention	100	100	200
TOTAL DA	<u>14,500</u>	<u>14,155</u>	<u>14,155</u>
(Loan)	(--)	(--)	(--)
(Grant)	(14,500)	(14,155)	(14,155)
<u>ECONOMIC SUPPORT FUND</u>			
Subtotal	<u>2,000</u>	<u>5,000</u>	<u>5,000</u>
(Loan)	(--)	(--)	(--)
(Grant)	(2,000)	(5,000)	(5,000)
527-0244 Upper Huallaga Area Development	1,300	2,500	--
527-0282 Agricultural Technology Transf.	--	300	1,325
527-0288 Narcotics Education Initiatives	--	600	100
527-0298 Private Sector Policy Planning	--	300	775
527-0303 Administration of Justice	500	500	500
527-0310 Non-Traditional Ag. Exports and Agribusiness Development	--	125	300
527-0313 Andean Peace Scholarships	200	675	--
527-0340 CLASP II (Andean Peace Scholarships II)	--	--	800
527-0339 Upper Huallaga Area Development II	--	--	1,200

<u>PROJECT TITLE AND No.</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>
<u>PL 480 TITLE I (Loan)</u>	<u>15,000</u>	<u>16,000</u>	<u>20,000</u>
<u>PL 480 TITLE II AND SEC. 416 (Grant)</u>	<u>10,525</u>	<u>16,163</u>	<u>17,680</u>
(Title II)	10,525	16,163	17,680
(416)	--	--	--
PROGRAM TOTAL	<u>42,025</u>	<u>51,318</u>	<u>56,835</u>

II.B.2. SUMMARY PROJECT LIST, BY OBJECTIVES

PROJECT TITLE & NUMBER	OBJECTIVES									
	1	2	5	6	8	9	12	13	14	
Agriculture Research, Extension and Education 0192	P									S
Agriculture Planning and Institutional Development 0238	P		S							S
Private Sector Agric. Investment Promotion (PRIDA) 0265	P	S	S							S
Agriculture Technology Transformation Small Ruminants CRSP 0282	P	S	S							S
GRADE-Fiscal Impact of Ag. Policies in Peru PD&S	P	S	S							S
Andean Extension LC-1	P									S
Agricultural "Concertation"-ILO LC-2	P	S								
INFOM-Regional Development LC-5	P									
Private Sector Management Improvement 0272		P								
Special Development Activities 0061	S	P								
Private Sector Policy Planning and Institutional Development 0298		P	S							
ESAN-Flow of Funds Model PD&S	S	P	S							
OPG-CARE Small Enterprise Credit 0317		P								
ILEA-Taxation and Revenue Policies PD&S		P								
Non-Traditional Agricultural Export and Agribusiness Dev. 0310	S	S	P							S
Central Selva Resource Management (Pichis-Palcazu) (CSRM) 0240	S				P					
CSRM II 0321	S				P					
Tropical Soils CRSP	S				P					
Recuperation of Benthic Resources 936-5542					P					
OPG-CARE Reforestation FFW, I and II Seed Dispersal in Sustained Yield Tropical Forest 936-5542	S	S			P					S
Nature Conservancy-Yanachaga National Park DA-AID/W					P					
Soil Conservation in the Andes LC-3	S				P					
APROPO-Integrated Family Planning and Health 0230.01		S			P	S				
Contraceptive Social Marketing II 0326		S			P	S				

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PROJECT TITLE & NUMBER

		OBJECTIVES										
		1	2	5	6	8	9	12	13	14		
Private Sector Family Planning	0269					P	S					
Private Voluntary Sector Family Planning Services Expansion	0335					P	S					
Decentralized Population and Development Policies	0331					P	S					
AIDS Prevention	0327					S	P					
HIV/AIDS Education and Prevention	0333					S	P					
Rural Water Systems and Environmental Sanitation	0221						P					
AID/SCI Health and Nutrition Grants	AID/SCI						P					S
SIID - PVO Network (Child Survival Fund) (OPG)	0294						P					
CARITAS - Feeding Program (OPG)	0248	S					P					P
Child Survival Action Project	0285					S	P					S
IIN - Private Sector Nutr. for Child Survival	0308						P					S
UPCH - Training MOH Physicians in ORT	0309						P					S
PRISMA - Identification of High Risk Families to Reduce Child Mortality (Op. Res.)	0311						P					
OPG - PRISMA-Child Survival Journal	PD&S						P					
PRISMA-MOH Supplementary Feeding Program (OPG)	0323					S	P					P
ADRA/OFASA-Nutrition and FFW (OPG)	0328					S	P					P
CRS-Strengthening of Caritas/Peru (OPG)	0320						P					P
CARE-Food Assisted Integrated Dev. (OPG)	0330						P					P
Caritas-Food Relief, Nutrition and Development (OPG)	0336						P					P
ADDR/ST and Bostid Grants	DA-AID/W						P					
PRISM/PRISMA-Cono Sur Systems Analysis	936-5920						P					
UPCH-Extended Breastfeeding in Lima	936-5113					S	P					
Andean Peace Scholarships I and II	0313, 0340		S					P				
LAC Training Initiatives II	598-0640		S					P				
Administration of Justice	0303							P				
Upper Huallaga Area Dev. I and II	0244, 0339	S								P		
Narcotics Education Initiatives	0288									P		
PL-480 Title I	--	S					S					P
PL-480 Title II and Sec. 416	--	S					S					P
PVO Management Study	PD&S						S					P
Title II PVOs Food Programs	LC-4						S					P

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NEW PROJECT DESCRIPTION

GOAL: Wider sharing of the benefits of growth.

OBJECTIVE: Increase access to voluntary family planning services.

PROJECT TITLE: Private Voluntary Sector Family Planning Services
Expansion
PROJECT NUMBER: 527-0335
PROJECT FUNDING: (\$000) FY 89: \$1,171 LOP: \$5,000
FUNCTIONAL ACCOUNT: Population
DESCRIPTORS: Purpose Codes: 400
Priority Areas: Ee

A. Relationship to A.I.D. Country Strategy and Objectives: This project supports the Mission's Country Development Strategy Statement (CDSS) and Population Sector Strategy which seek to increase contraceptive availability by strengthening the capacity of the public and private sectors to deliver family planning services. The project is also consistent with the Mission's Child Survival Strategy in continuing to support family planning for birth spacing and improving contraceptive practices among older, high parity women to reduce infant and child mortality.

B. Relationship to Host Country and Other Donors: A.I.D. is the largest family planning donor in Peru, currently providing approximately \$5 million from bilateral and centrally-funded projects. With the exception of minimal inputs from private foundations, A.I.D. is the only donor providing support to private sector family planning efforts in Peru, both the voluntary as well as commercial private sector. A.I.D.-supported activities in the private family planning sector complement public sector activities funded by A.I.D., the GOP, and the United Nations Fund for Population Activities (UNFPA).

C. Conformance with Agency and Bureau Policies: This project is consistent with Agency and LAC Bureau policy to promote the voluntary adoption of family planning, to encourage the involvement of the indigenous private sector to increase contraceptive availability and use, to promote the economic viability of the PVO family planning sector, and to reduce infant and child mortality.

D. Project Description: This 4-year project will build on the achievements of the previous (FY 1986-FY 1989) Private Sector Family Planning Project carried out by the Pathfinder Fund. It will expand contraceptive availability and facilitate freedom of choice by strengthening the capability of the five major family planning service delivery private voluntary organizations (PVOs) in Peru to broaden the services they make available to their clients, with emphasis on the less-available and under-utilized long-lasting family planning methods, and by targeting their efforts to provide increased coverage to rural and under-served populations. The five participating PVOs, who are responsible for 90% of the current coverage by the PVO sector, include INPPARES, PROFAMILIA, APROSAMI, CENPROF (Trujillo), and PLANIFAM (Cuzco). Activities to be supported under this project include: 1) expansion of delivery of long-lasting contraceptive methods through fixed-location clinics and rotating urban and peri-urban medical posts while continuing support for temporary supply methods, 2) institutional strengthening in planning,

programming, management and cost-recovery to enable the PVOs to become more economically self-sufficient through implementation of cost-saving measures and income-generating activities and the promotion of cost-effective inter-institutional arrangements for the provision of common services and other matters of common interest to the entire PVO family planning community in Peru; and 3) the promotion of collaborative decentralized PVO-public sector service delivery/counseling and training activities to expand family planning coverage of all methods, especially to the rural areas of Peru. Funds will be provided for a small resident technical advisory staff, short-term technical assistance, in-country travel, contraceptive commodities, and PVO institutional support.

<u>Activities</u>	<u>Outputs</u>
- Clinics renovated	To be established
- Rotating medical posts established	To be established
- Beneficiaries reached	To be established
- Rural distribution outlets established	To be established
- Family planning workers trained	To be established
- Automated financial management, contraceptive logistics, service statistics and program planning/ monitoring systems institutionalized and operational.	To be established

E. Implementing Agency: The five major Peruvian service delivery PVOs mentioned above, and possibly other specialized Peruvian PVOs, in collaboration with 1 or 2 AID/W Cooperating Agencies (CAs).

F. Method of Obligation: Operational Program Grants and/or buy-ins to ongoing AID/W centrally-funded projects, in accordance with procedures outlined in Handbook 3.

G. Mission Management: The USDH Chief of the Population Division will have overall responsibility for this project and will supervise a project-funded PSC Project Manager.

H. Project Implementation Document Approval: PID will be submitted to AID/W for approval; the USAID/Peru Mission Director has authority to approve the PP.

I. Potential Issues: Identification of an implementation modality which is the least management intensive for the Mission, the most cost-effective, and one that will ensure an uninterrupted flow of funds to the PVOs; strategy to provide common services to the five major participating PVOs and to other family planning PVOs in Peru; roles, relationships and collaboration among PVOs and between PVOs and the public sector; identification of income-generating strategies/activities to promote financial viability of PVOs.

J. AID/W TDY Support for Project Development: Up to 3 person-weeks in May 1989 for PP design.

K. PID: March 1989, PP: July/August 1989

NEW PROJECT DESCRIPTION

GOAL: Wider sharing of the benefits of growth

OBJECTIVE: Alleviate malnutrition and increase agricultural production

PROJECT TITLE: Catholic Relief Services (CRS) OPG: Strengthening of CARITAS del Perú

PROJECT NUMBER: 527-0329

PROJECT FUNDING: (\$000) FY 89: \$460 (G) LOP: \$555

FUNCTIONAL ACCOUNT: Child Survival (CS); Agriculture, Rural Development, Nutrition (ARDN)

DESCRIPTORS: Purpose Codes: 000, 100, 300
Priority Areas: Aa, Bb

A. Relationship to A.I.D. Country Strategy and Objectives: The Mission's food assistance strategy recognizes the importance of using food resources to maximize the developmental impact of child survival, nutrition, agricultural production, women in development and income-generating activities, focusing on the rural and marginal urban poor. This project will enable Catholic Relief Services (CRS) to provide technical assistance and training to CARITAS del Peru to enable CARITAS to implement a food aid program with sustained developmental impact.

B. Relationship to Host Country and Other Donors: A.I.D. is the largest food aid donor in Peru, currently providing approximately 45,000 MT of PL 480 Title II food for direct distribution, and \$20 million in concessional sales credits (PL 480 Title I) annually. The CRS/CARITAS PL 480 Title II program was initiated over 30 years ago, and is regarded by the GOP as one of the most important programs providing assistance to vulnerable groups in Peru. The program also receives limited food donations and funding from the European Economic Community (EEC).

C. Conformance with Agency and Bureau Policies: This project is consistent with Agency and Bureau policy to increase the developmental impact of food aid resources and to strengthen PVO institutions to implement food-assisted development programs.

D. Project Description: Under the Mission's current OPG with CARITAS, which ends August 1989, CRS's role has been largely limited to that of the food sponsor for CARITAS. In December 1988, CRS announced its firm decision to withdraw from the role of U.S. cooperating sponsor on December 31, 1990. CRS agreed, however, to work with CARITAS to enable it to assume full responsibility for its program beginning in January, 1991. Under this "transition" OPG, CRS will focus largely on improving the organization, management and program capacity of the central CARITAS del Peru national office based in Lima. Technical assistance and training will be provided to: (1) assist CARITAS to establish and institutionalize a food commodity tracking system, a project performance monitoring system, and a financial management tracking system; (2) train CARITAS national staff in program planning, project design, evaluation, supervision, budgeting, logistics management, and the like, and (3) train a cadre of national staff to be trainers in these areas.

In addition, up to five dioceses will be targetted for special attention to enable CARITAS to put in place a replicable operational model for "CARITAS national-diocesan" planning/programming/information exchange/resource allocation activities and to strengthen the skills and operations of these dioceses. The follow-on OPG with CARITAS, to be designed in FY 1990, will enable the CARITAS national office to implement the new model nationwide and directly provide technical assistance and training to the remaining 28 dioceses participating in the program. OPG funds will be provided for: (1) salaries and operating expenses for the CARITAS national office; (2) nationwide seminars and training programs for the targetted CARITAS diocesan offices in the areas of food program and child survival activity management, income-generating activity design, local project management, and program evaluation; (3) vehicle purchase, maintenance and travel; (4) local program supervision; and (5) project materials. Some OPG funds may also be programmed for internal transport of Title II food due to the scarcity of other sources of funding for this purpose.

<u>Activities</u>	<u>Outputs</u>
- PL 480 Title II food distributed	19,000 - 23,000 MT annually
- Beneficiaries reached	628,000 - 650,000 annually
- Individuals trained	100
- Computerized programming/management systems operational and institutionalized in the central office	3
- Diocesan operations have improved systems and better trained staff	5

E. Implementing Agency: This project will be implemented by Catholic Relief Services/Peru, in conjunction with "CARITAS del Peru". Technical assistance also may be provided by an indigenous PVO.

F. Method of Obligation: An Operational Program Grant in accordance with A.I.D. Handbook 13.

G. Mission Management: The USDH Chief of the Food for Development Division will have overall responsibility for the project. This officer will supervise a USAID FSN project manager.

H. Project Implementation Document Approval: AA/LAC concurrence for Mission approval of the PID is requested.

I. Potential Issues: Whether this OPG will help to strengthen CARITAS to the point where it is capable of assuming full responsibility for all elements of the program as of January 1, 1991 will be taken into account in the design of the follow-on OPG with CARITAS in FY 1990.

J. AID/W TDY Support for Project Development: None needed.

K. Estimated Operational Program Grant Approval: August 1989.

NEW PROJECT DESCRIPTION

GOAL: Basic and Structural Reforms Leading to Rapid and Sustained Economic Growth

OBJECTIVE: Strengthen the Private Sector

PROJECT TITLE: - Private Sector Policy Planning and Institutional Development

PROJECT NUMBER: 527-0298

PROJECT FUNDING: (\$000) FY89, \$1,200 (G) - LOP, \$8,900 (G)

FUNCTIONAL ACCOUNT: PSEE and ESF

DESCRIPTORS: Purpose Code: 800

Priority Areas: Aa

A. Relationship to A.I.D. Country/Strategy Objectives: The Mission is implementing a three-phased private sector strategy. Phase I responded to disaster-related economic programs by providing emergency relief to the private sector through medium term working capital loans. Phase II aims to promote rational policy change from within the public sector and promote rational policy change from within the private sector and simultaneously strengthen the capacity of key Peruvian private sector organizations to participate in the policy formulation process. Phase III will address the highest priority sectoral constraints to increased exports, investment and employment through activities in non-traditional export promotion, agro-industry, and small enterprise development.

B. Relationship to Host Country and Other Donors: Although the area of policy reform is very broad, at the present time the only other donor involved in the area of policy reform is the IDB which deals mainly in the area of energy prices. Neither the World Bank, nor the IMF has on-going programs in Peru.

C. Conformance with Agency and Bureau Policies: This project is consistent with Agency and LAC Bureau guidance on policy dialogue and private sector development.

D. Project Description: The overall project purpose is to promote policy reform by (a) improving the capacity of selected public sector organizations to undertake technical and economic analyses of key policy and program constraints to private sector growth, (b) strengthening the technical capacity of the private sector to analyze key issues, promote sound policies and attitudinal changes that stimulate economic growth and employment, and, (c) supporting links between the formal and informal sectors.

The project has two basic components. The first one is providing the GOP with a mechanism to improve its technical and economic capability to analyze key policy options affecting the private sector. This is taking place through: (a) an extensive program of private sector oriented economic studies needed to review and analyze private sector policy alternatives, (b) dissemination of publications, and, (c) training seminars, workshops, and short-term courses.

The second component implemented through private sector institutions, includes two sub-components. The first is helping a confederation of national and sectoral private sector organizations (CONFIEP) and regional chambers of commerce to: (1) undertake studies of private sector issues; (2) develop the capacity to be an effective advocate of private sector issues; (3) engage the GOP directly in regular and constructive policy dialogue; and, (4) promote more positive attitudes toward risk-taking and entrepreneurship. The informal sector sub-component of this project provides for a grant to the Institute of Liberty and Democracy (ILD) to expand previous research efforts, formulate proposals to further reform GOP regulations and laws. This project is also financing U.S. and local project monitoring assistance.

The \$2,900,000 increment in the project's LOP funding will increase support to the public sector component (\$2,650,000) and the project monitoring component (\$250,000). The LOP will be extended two years from 12/30/90 to 12/30/92. A portion (\$900,000) of the funding increment to the public sector will be utilized to begin a new activity. This consists of providing the Central Reserve Bank (BCR) with technical assistance and high quality policy research in support of the design, formulation, and implementation of economic stabilization programs, or portions thereof. This activity is viewed by the Mission as the initial step to engage an important policy making arm (the BCR) in macroeconomic policy dialogue. The rest of the funding will be utilized to strengthen the ongoing public sector activity which consists of training and economic studies. This activity is already showing very positive results. For example, the study of the structure of foreign trade incentives was a key element in the recently enacted foreign trade law that has been generally well received by the private sector.

Implementation Agency: The public sector component will continue to be implemented by the Central Reserve Bank.

Method of Obligation: The existing agreement with the BCR will be amended to expand the ongoing activity and to include the new one.

E. Mission Management: While the overall responsibility for this project will rest with the Mission's Private Sector Officer, who is expected to arrive in the summer of 1989, the new public sector activity will be managed by the Mission's Program Economics Officer in close coordination with the Private Sector Officer.

F. Project Implementation Document Approval: PP Supplement will be reviewed at the Mission since activity approval is within the Mission Director's authority.

G. Potential Issues: The use of external assistance to develop domestic economic programs is a sensitive political issue in Peru.

H. AID/W TDY Support for Project Development: None needed.

I. Estimated Project Agreement Approval: March 1989.

NEW PROJECT DESCRIPTION

GOAL: Strengthening Democratic Institutions

OBJECTIVE: Support Anti-Narcotics Programs

PROJECT TITLE: Drug Education and Public Awareness

PROJECT NUMBER: 527-0288

PROJECT FUNDING: (\$000) FY 90: \$600 FY 91: \$100

FUNCTIONAL ACCOUNT: ESF

DESCRIPTORS: Purpose Codes: 500
Priority Areas: Dd

A. Relationship to A.I.D. Country Strategy and Objectives: This project amendment supports the Mission's Country Development Strategy Statement (CDSS) and anti-narcotics strategy of increasing Peruvian public awareness of problems in Peru related to the production, trafficking and abuse of illicit drugs and the social, political, economic and health consequences of these activities; it is part of objective Number 13 of USAID/Peru's Country Development Strategy Statement.

B. Relationship to Host Country and Other Donor Current or Planned Investments in Similar or Related Activities: The project, in addition to supporting U.S. interests in decreasing the Peruvian market demand for illicit coca is also supporting the anti-narcotics programs of the Government of Peru.

C. Conformance with Agency and Bureau Policies: This project is consistent with Agency and Bureau policy to encourage key Peruvian opinion leaders and political decision makers to learn more about the dangers of drug production, trafficking and abuse so that these community leaders will work to promote improvements in drug legislation, increases in anti-drug program budget resources and operational scope; expanded national and regional anti-drug coordination and operation.

D. Project Description: The project has been successful in stimulating public awareness, communicating information based on solid research, consciousness raising of key Peruvian leadership and lobbying measures for increasing Peru's perception of its growing drug problem. The project is on schedule and has achieved its main objectives. Technical assistance was provided to advance both private sector and public sector approaches to drug education and information dissemination. The private sector Center for Information and Education on the Prevention of Drug Abuse (CEDRO) was founded and it is funded through a Cooperative Agreement. Through this Drug Awareness and Education Project USAID Mission has also provided Grants to both the Ministry of Education and the Ministry of Health to implement public sector pilot programs which, if proven effective, can be implemented on a national basis. The FY 90 amendment to the Project Authorization will provide additional funding and extend the life-of-project to continue these major objectives. In the original design of the project, the Mission anticipated that USG funding support would be necessary -- particularly to the Center -- beyond 1990.

E. Implementing Agency: This project will be primarily implemented by CEDRO as with the original project. It is possible that additional support will also be provided directly to other private and public sector agencies areas of concern presently not covered.

F. Method of Obligation: Through an amendment to the existing project authorization.

G. Mission Management: The amended project will continue to be managed by the Special Project Division (SPD) Office of Development Resources.

H. Project Implementation Document Approval: AA/LAC concurrence for Mission approval of the PID is requested.

I. Potential Issues: The Mission expects the project to continue current progress and implementation momentum. With the FY 89 evaluation of the project, the Mission expects to obtain a clear projection of CEDRO's ability to develop institutional sustainability with the phase down of AID funding. A decision will also have to be made on whether U.S. Government interest and Peruvian drug problems are being fully met by the existing participating institutions. In particular, whether CEDRO's small professional staff can adequately expand its out-reach to regional and provincial community organizations needing area specific research and training. The Mission will consider the possibility of identifying and funding alternative private sector approaches or establishing a mechanism within CEDRO to channel project resources to community organizations working with high risk groups or in priority areas, such as those with coca cultivations.

The current economic condition of the country and the difficulty of existing and future implementing organizations in generating local and/or outside donor contributions will remain a pressing Mission concern that must be addressed.

J. AID/W TDY Support for Project Development: None needed.

K. Estimated Grants Approval: FY 1990

NEW PROJECT DESCRIPTION

GOAL: Wider sharing of the benefits of growth

OBJECTIVE: Alleviate malnutrition and increase agricultural production

PROJECT TITLE: CARITAS OPG: Community-Based Food Relief, Nutrition and Development
PROJECT NUMBER: 527-0336
PROJECT FUNDING: (\$000) FY 90: \$200 - FY 91: \$420 (G) LOP: \$1,600
FUNCTIONAL ACCOUNT: Child Survival (CS), Health (HE), Agriculture, Rural Development, Nutrition (ARDN)
DESCRIPTORS: Purpose Codes: 000, 100, 300
Priority Areas: Aa, Bb

A. Relationship to A.I.D. Country Strategy and Objectives: The Mission's food assistance strategy recognizes the importance of using food resources to maximize the developmental impact of child survival, nutrition, agricultural production, women in development and income-generating activities, focusing on the rural and marginal urban poor. This project will enable CARITAS del Peru to implement a food aid program with sustained developmental impact.

B. Relationship to Host Country and Other Donors: A.I.D. is the largest food aid donor in Peru, currently providing approximately 45,000 MT of PL 480 Title II food for direct distribution, and \$20 million in concessional sales credits (PL 480 Title I) annually. The CARITAS PL 480 Title II program was initiated over 30 years ago, and is regarded by the GOP as one of the most important programs providing assistance to vulnerable groups in Peru. The CARITAS program also receives limited food donations and funding from the European Economic Community (EEC).

C. Conformance with Agency and Bureau Policies: This project is consistent with Agency and Bureau policy to increase the developmental impact of food aid resources and to strengthen PVO institutions to implement food-assisted development programs.

D. Project Description: This four-year OPG with CARITAS builds on the FY 1989 "transition" Operational Program Grant (OPG) with Catholic Relief Services (CRS) to strengthen CARITAS, and introduces a new programming modality whereby CARITAS will assume full responsibility for its Title II-supported program including sponsorship for the food commodities. As a result of the previous OPG with CRS, "CARITAS National" (the central office) will have planning and management systems in place and trained staff as well as a proven replicable model for "CARITAS National" coordination and programming with the dioceses nationwide. Under this OPG, "CARITAS National" will consolidate and institutionalize all the systems and procedures developed under the previous OPG and will focus its efforts on strengthening the remaining 28 dioceses of the 33 participating in the program nationwide. Specifically, the project will enable CARITAS del Peru to: (1) increase the developmental impact of its food-for-work activities in agricultural production and soil conservation, and its micro-enterprise, income-generating and nutritional activities; and (2) strengthen its institutional capacity throughout its nationwide network of

dioceses to plan, implement and evaluate food-assisted development activities. Funds will be provided to CARITAS for national office staff salaries and in-country travel, vehicles, operating expenses of the National office, training for National staff, the decentralized diocesan program staff and program participants, material inputs and technical assistance for project design and implementation at the diocesan field level, and technical assistance to the diocesan organizations in program planning, management, evaluation, supervision, food logistics, management information systems, and the like.

<u>Activities</u>	<u>Outputs</u>
- PL 480 Title II food distributed	19,000--23,000 MT annually
- Beneficiaries reached	628,000--650,000 annually
- Strengthen diocesan CARITAS capacity to monitor and implement food-assisted development projects with adequate program planning, project design and implementation skills	7 dioceses annually, or a total of 28 during the four-year LOP
- Individuals trained	400
- Nationwide information systems for project performance tracking, food commodity tracking and financial management in place and operational	3

E. Implementing Agency: The project will be implemented by CARITAS del Peru, a registered Peruvian private voluntary organization, and 33 of the 38 diocesan CARITAS organizations throughout Peru.

F. Method of Obligation: An Operational Program Grant in accordance with A.I.D. Handbook 13.

G. Mission Management: The USDH Chief of the Food for Development Division will have overall responsibility for the project. This officer will supervise a USAID FSN project manager.

H. Project Implementation Document Approval: AA/LAC concurrence for Mission approval of the PID is requested.

I. Potential Issues: The design of this OPG will reflect the progress made by CRS under the FY 1989 OPG to strengthen "CARITAS del Peru."

J. AID/W TDY Support for Project Development: None needed.

K. Estimated Operational Program Grant Approval: September, 1990.

NEW PROJECT DESCRIPTION

GOAL: Basic structural reforms leading to rapid and sustained economic growth and wider sharing of the benefits of growth.

OBJECTIVE: Manage and preserve natural resources and alleviate malnutrition.

PROJECT TITLE: CARE OPG: Food Assisted Agroforestry II (ARCA II)
 PROJECT NUMBER: 527-0337
 PROJECT FUNDING: (\$000) FY 91: \$100 (G) LOP: \$800
 FUNCTIONAL ACCOUNT: Agriculture, Rural Development, Nutrition (ARDN)
 DESCRIPTORS: Purpose Codes: 100, 300
 Priority Areas: Aa, Bb

A. Relationship to A.I.D. Country Strategy and Objectives: This project supports the Mission's food assistance strategy which recognizes the importance of using food resources to maximize the developmental impact of child survival, nutrition, agricultural production, women in development and income-generating activities, focusing on the rural and marginal urban poor. This project also is an important component of the Mission's biological diversity strategy and program approach.

B. Relationship to Host Country and Other Donors: A.I.D. is the largest food aid donor in Peru, currently providing approximately 45,000 MT of PL 480 Title II food for direct distribution, and \$20 million in concessional sales credits (PL 480 Title I) annually. The World Food Program (WFP) has a Food-for-Work (FFW) reforestation project similar to ARCA in different parts of the Sierra.

C. Conformance with Agency and Bureau Policies: This project is consistent with Agency and Bureau policy to increase the developmental impact of food aid resources, to strengthen PVO institutions to implement food-assisted development programs, and to manage and preserve natural resources.

D. Project Description:

Since 1979 when reforestation in the Peruvian Sierra became a GOP priority, USAID has supported a FFW reforestation program, first, with the PVO Servicio Evangelico Peruano de Acción Social (SEPAS) and as of March 1, 1988, with CARE/PERU, in conjunction with the GOP General Administration for Forestry and Fauna (DGFF, formerly INFOR) and the National Office for Food Assistance (ONAA). This project (ARCA II) will build on the current CARE ARCA I OPG which will expire on April 1, 1991. The four-year ARCA II project will have the same goals and objectives as its predecessor (reforestation, soil conservation and an improvement in the nutritional status of Peruvians in the rural Sierra) with the addition of a credit component to promote income-generating activities in the project areas, such as small lumber industries, animal breeding farms, trout farms, cottage industries, etc. Consideration will be given to the establishment of community credit committees to manage cash loans to participating families, and to in-kind commodity repayment mechanisms to maintain the value of a revolving loan fund. Title II food inputs also will be increased.

<u>Activities</u>	<u>Output</u>
- Distribute Title II food commodities	2,500 MT annually
- Tree seedling production	6 million annually
- Tree planting and maintenance	5,000 hectares annually
- Implementation of soil conservation activities	--
- Approve community loans	200 annually
- Establish a Revolving Fund	--
- Provide technical assistance and training to communities	200 communities assisted annually

E. Implementing Agency: This project will be implemented by CARE/Peru, in collaboration with Peruvian counterpart agencies.

F. Method of Obligation: An Operational Program Grant in accordance with procedures outlined in Handbook 13.

G. Mission Management: The USDH Chief of the Food for Development Division will have overall responsibility for this project. This Officer will supervise a USAID FSN project officer.

H. Project Implementation Document Approval: AA/LAC concurrence for Mission approval of the PID is requested.

I. Potential Issues: Security situation in the Peruvian Sierra, identification of a NGO or GOP cooperating sponsor to provide technical assistance in agro-processing and cottage industries, design of a viable credit component to ensure maintenance of value of the loan funds.

J. AID/W TDY Support for Project Development: None needed.

K. Estimated Operational Program Grant Approval: March, 1991.

NEW PROJECT DESCRIPTION

GOAL: Strengthening Democratic Institutions

OBJECTIVE: Support Anti-Narcotics Effort

PROJECT TITLE: Upper Huallaga Area Development II

PROJECT NUMBER: 527-0339

PROJECT FUNDING: (\$000) FY 91: \$1,200 LOP: to be determined

FUNCTIONAL ACCOUNT: ESF

DESCRIPTORS: Purpose Codes: 000

Priority Areas: Aa

A. Relationship to A.I.D. Country Strategy and Objectives: The AID-supported Upper Huallaga Project is one element of combined USG program for support of coca interdiction, eradication, and agricultural development, centered in the Upper Huallaga area. The Bureau of International Narcotics-Matters of the State Department (INM) and the Drug Enforcement Administration (DEA), under separate agreements with the GOP Ministry of Interior (MOI), are providing funds in a cooperative effort to control and eliminate the production and distribution of illicit coca in the Upper Huallaga and other areas of the country.

B. Relationship to Host Country and Other Donors: UNFDAC, the drug control agency of the UN, is working in two principal coca producing regions of Peru. In the area around Cusco, they are providing \$1.5 million through ENACO, the GOP institution for marketing and control of legitimate coca production, for a coca inventory using ground verification sample techniques and an agricultural and community development Project. A follow-on Project of \$3 million for 3 years is scheduled to begin implementation in 1989. In the UHV, UNFDAC financed the construction of a cacao processing plant for a local cooperative and is now implementing a \$3 million program to boost the cooperative's cacao production and improve its management. It is also financing a \$1.5 million program of small-scale, community development Projects, including agricultural diversification.

C. Conformance with Agency and Bureau Policies: The Upper Huallaga Area Development Project was authorized on September 8, 1981, to develop the legitimate agricultural and economic potential of the Upper Huallaga Valley (UHV) by the development, dissemination and production of viable economic alternatives to coca cultivation. The project has an overall anti-narcotics objective of facilitating the reduction of coca production in the UHV.

D. Project Description: This six year project will build on the progress of the original project authorized in September 1981. The primary project thrust is to develop the legitimate agricultural and economic potential of the Upper Huallaga Valley (UHV). The project thus has an overall anti-narcotics objective of reducing coca production in the UHV. It is the developmental element of the Government of Peru's narcotics control program and intended to support crop substitution in areas targeted for coca eradication.

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Activities

Outputs

- | | |
|---|---|
| <ul style="list-style-type: none"> - Farmers assisted following coca eradication - Agricultural Credit Provided - Applied Research Component | <ul style="list-style-type: none"> To be established To be established To be established |
|---|---|

E. Implementing Agency: PEAH, The Special Project Office for the Upper Hualga, was created to implement the original project by The National Development Institute of The Ministry of The Presidency.

F. Method of Obligation: Through the obligation of a \$1,200,000 grant to the Government of Peru in FY 1991.

G. Mission Management: This follow-on project will continue to be managed by the Special Projects Division (SPD) Office of Development Resources.

H. Project Implementation Document Approval: AA/LAC concurrence for Mission approval of the PID is requested.

- I. Potential Issues:
- The number of farmers reached through the agricultural extension agents.
 - Will the project focus on increasing legitimate crop production in the UHV actually contribute to a decrease in Peru's illicit coca traffic.
 - Agricultural extension agents access to farmers limited due to poor security in the UHV.

J. AID/W TDY Support for Project Development: None needed

K. Estimated Operational Program Grant Approval: FY 1991

III.C.2. FOOD AIDa. PL-480, Title I

The PL-480 Title I agreement has a well established place in the Mission strategy. It is an important part of the objective of alleviating malnutrition, providing agricultural food commodities, generating local currency for agricultural, health, and food distribution projects, and providing the occasion for the sectoral policy dialogue on food and agriculture.

As in the two prior years, the FY 88 agreement, as amended, was for \$20 million, but the \$5 million of rice was shipped in FY 89 and became a carry-in to this fiscal year. A \$10 million agreement for wheat is now under negotiation, and the Mission will seek additional allocations from the reserve to bring the level of new agreements signed in FY 89 up to \$20 million. The FY 90 CP (Main Volume, p. 136) requests a level of \$16 million of Title I for Peru, and this level should be increased to \$20 million during FY 90. In order to obtain new agreements, the GOP paid over \$15 million on past Title I agreements in FY 88.

The food situation changed drastically and dramatically during 1988. So far as supply is concerned, agricultural output increased about 4% in 1988 carried by the momentum of favorable policies in 1986 and 1987, but the outlook is for a fall in production of 6 to 10% in 1989. A sharp fall in credit, relative increases in the prices of inputs, lack of support prices, failure of the parastatals to pay for previous deliveries, and a shortfall in demand caused by the serious recession and increased consumer food subsidies on imported food that started in mid 1988 and became precipitous in the last quarter of 1988, have created an unfavorable situation for current food production. Dry conditions in the north of Peru and terrorist attempts to limit plantings in the central and south sierra have added to the problem. Recent decreases in consumer food subsidies, and rains in the north have improved the situation somewhat, but the outlook is still for sharply lower food production in 1989. Because of the recession, the outlook is for lower food imports in 1989. Wheat imports are expected to be below one million tons, and corn imports will also fall. Rice imports will increase because of poor 1988 and 1989 crops caused by dry weather conditions in the north.

The GOP has no remaining foreign exchange reserves, and imports depend on income from current exports. While food imports are given a high priority by the GOP for use of foreign exchange, the serious fiscal deficit, caused in part by food subsidies, has made it difficult for the GOP to find the domestic currency to pay for the foreign exchange to buy food. With the decreases in food subsidies taking place in early 1989, the problem is now lessening.

While the unemployment and fall in real wages caused by the recession is leading to lower demand for food by the urban public, and the unfavorable rural-urban terms of trade caused by the recession and the

collapse of government food policies are harming demand for food in rural areas, thus lessening overall the demand for food imports, the result is increasing malnutrition among the poor and resultant pressures for increased PL-480 Title II and other direct food distribution programs.

Despite the setbacks in 1988, the focus of the food policy dialogue continues to be on the need for a unified and comprehensive food and agricultural policy that increases domestic food production and decreases malnutrition. Specific topics now being emphasized are the cross elasticities of demand between controlled price products (largely imported) and uncontrolled price products, determination of the long run comparative and competitive advantage of Peru in key crops which have received domestic price supports, fiscal analysis of food subsidy policies, analysis of food marketing systems, particularly for rice, and development of effective targeted food subsidies for the poor to replace general food subsidies.

The hyperinflation and lack of liquidity in the GOP created problems for local currency disbursements to AID supported projects in 1988. After delays the required deposits in the special accounts from sales of Title I commodities by parastatals have been secured, and the GOP continued to advance its own funds to projects even though the deposits had not yet been made. The maintenance of value system also worked fairly well, and allowed substantial supplementary budget allocations to be made to projects in 1988 that helped offset inflation. However, the system could not offset the fall in real salaries in the GOP, nor prevent delays in processing supplemental budgetary credits, and project implementation has suffered during the hyperinflation of the later part of 1988.

b. PL-480, Title II

PL-480 Title II programs continue to be important elements of the Mission's strategy to combat malnutrition, address income distribution disparities and promote development activities among Peru's poorest and neglected population groups. The current portfolio of food-supported projects is being carried out by four voluntary agencies and includes: a maternal/child health (MCH) targeted food distribution program involving the Ministry of Health and PRISMA, a local private voluntary organization (PVO), a CRS/CARITAS food-for-work (FFW) and pre-school feeding program, an ADRA-sponsored FFW and vulnerable groups feeding program, and two projects sponsored by CARE in the areas of marginal urban and peri-urban community development, and community-based agro-forestry in the Peruvian Sierra. These programs will continue in FY 1990 and FY 1991.

In FY 1990, an estimated 58,300 MT of Title II food resources valued at \$22.6 million (including ocean freight costs) will be required to continue to support the regular programs of the voluntary agencies, reaching approximately 1.1 million beneficiaries. These figures are projected to increase in FY 1991 to 63,787 MT of food valued at \$24.7 million, for 1.3 million beneficiaries. Some adjustments in these requirements may be necessary as a result of the Title II regular program Multi-Year Operational

Plan Evaluation and update exercises which take place in March/April each year. During the Action Plan period, all programs will continue to expand coverage to more neglected rural areas, an effort consistent with the Multi-Year Operational Plan strategies of the sponsoring agencies, and in line with USAID and GOP supplementary feeding program policy.

Complementary resources will be programmed in FY 1990 and FY 1991 to continue to support the PVOs in their food-assisted activities. Child Survival funds will continue to be provided to the four PVOs \$500,000 in FY 1990 and about \$680,000 in FY 1991 to enable them to strengthen their Title II maternal and child health care programs in growth monitoring, ORT, promotion of breastfeeding, immunization, and better hygiene and nutritional practices. Limited ARDN financial resources for the participating PVOs through OPGs (about \$400,000 each FY) will be complemented both in FY 1990 and FY 1991 by an increasing proportion of PL-480 Title I generated local currency allocations and Section 416 or Title II monetization programs to meet increasingly higher logistics costs of more rural-oriented programs and to support PVO development activities.

The Mission is currently preparing a multi-year Title II monetization proposal for submission to AID/Washington in April/May 1989. This proposal is designed to generate local currency to support the PVO programs in FY 1990 and FY 1991 to meet the funding shortfalls resulting from the declining value and limited availability of Title I local currency, the decreasing ability of the GOP to fund the operations of the GOP entities working as counterparts to the Title II voluntary agencies, and the decreased availability of DA resources, particularly in the ARDN account, to support the PVO programs. The local currency will be channeled to all of the voluntary agencies and their counterparts, in amounts to be determined by a local accounting/consulting firm currently under contract with USAID to analyze the financial requirements of all participating entities. Funds generated will be used primarily for in-country transportation and handling of food but for development activities as well.

Almost two-thirds of the Title II resources channeled through the PVOs are currently concentrated in Food-for-Work (FFW) programs, and this emphasis will continue in FY 1990 and FY 1991. These programs focus principally on productive activities which include, in the agricultural sector, the rehabilitation and construction of irrigation canals, drainage ditches, wells, dikes, small reservoirs and river defenses for flood control, small animal husbandry, family and community gardens, reforestation and soil conservation activities, and seed banks, as well as handicrafts, small industrial enterprises, and jobs skill training programs designed to increase income and to provide productive employment.

The new CARE reforestation program (ARCA), initiated in FY 1988, will continue in FY 1990 and FY 1991 to promote the rational use of Peru's limited wood resources and the preservation or recuperation of agricultural land affected by erosion through reforestation and soil conservation activities in prioritized rural areas of the Peruvian highlands. In addition

to being an innovative and highly successful element of our food assistance strategy in Peru, this project is also considered a critically important component of the Mission's biological diversity strategy and program approach. CARE's newly reformulated Integrated Food-Assisted Development Program (PRODIA) was launched in late FY 1988 with the signing of a new four-year OPG and will continue to implement income-generating, community feeding center, and productive agricultural activities in coordination with local public and private sector organizations. Because of significant funding shortfalls for both projects, CARE has recently submitted a three-year strengthening grant proposal to FFP/AID/W, for initial funding in FY 1989, which the Mission strongly supports and recommends for funding. ADRA/OFASA has also submitted a strengthening grant proposal to AID/W for initial funding in FY 1989 to support its new Nutrition and Food-for-Work project project, approved in late FY 1988, and also to provide critically needed planning/management assistance and training to strengthen ADRA's programming operations. The Mission similarly endorses this proposal and strongly recommends its approval by AID/W.

The CRS/CARITAS program, the largest in terms of beneficiaries served, will be undergoing a transition in FY 1989 which will set the stage for the program in FY 1990 and FY 1991. Under the current OPG with CARITAS which ends in August 1989, limited provision was made, at CARITAS's request, for CRS involvement beyond serving as the cooperating sponsor for food shipments and distribution. CRS recently advised the Mission of its firm decision to withdraw as cooperating sponsor on December 31, 1990. Nevertheless, CRS has agreed that from now until December 1990, they will continue to assist CARITAS in strengthening its operations to enable it to assume full responsibility for all elements of the program beginning on January 1, 1991. Accordingly, the Mission plans to execute a "transition" OPG with CRS in late FY 1989 followed by a new OPG directly with CARITAS in late FY 1990, for which New Project Descriptions (NPDs) have been prepared and are being submitted to AID/W.

The PRISMA/MOH/MCH nationwide feeding program is the single most intensive effort within our food assistance program to deal with the malnutrition problem. With the worsening nutritional situation in the country as a result of the economic crisis, this program has become even more important as a vehicle for targetting food resources to the most nutritionally at-risk population groups. This new Title II program, which was launched in late FY 1988, will more fully integrate the provision of food aid with the delivery of child survival services in the MOH, as part of the Mission's overall child survival strategy, and will improve the overall design, implementation, evaluation and management of this priority health and nutrition program. PRISMA, a technically sound and experienced health and nutrition PVO, and new to the food aid business, had a baptism by fire in early FY 1989 with the arrival of the MOH's total annual requirement of 15,000 MT over a two-month period. With enormous effort in the face of financial shortfalls on the part of the MOH, the food was cleared from the docks and mostly has been moved to the regions. Inadequacies in the MOH budget have highlighted major funding gaps in the program which will have to be made up

with a combination of Title I local currency, monetization resources, and Child Survival Action Project funds. The comprehensive evaluation of the MOH Section 416 Program, recently completed by PRISMA in January 1989, will serve as the basis for the preparation of PRISMA's first multi-year operational program plan to be prepared in May. At this stage of the program, the Mission has decided not to expand the program to include beneficiaries under the Social Security Institute (IPSS) health care system, which was mentioned as a possibility in last year's Action Plan.

The Mission initiated a series of activities in late FY 1988 to improve the planning and management capability of the participating PVOs. These activities will continue into FY 1989 and into the Action Plan period. Efforts are well along in installing a common food commodity tracking system within USAID and all participating agencies, with computer equipment due to arrive and technical assistance and training inputs planned for the latter part of FY 1989, the system should be fully operational in all organizations by early FY 1990. The PVO planning and management needs assessment which was completed in December 1988 by the PVO, Planning Assistance, provided a solid overview of the strengths and weaknesses of each agency and a series of practical recommendations which will be implemented in FY 1989 and FY 1990 through the Strengthening Grants mentioned above, if approved, and with monetization and Title I local currency resources. The Mission also plans to work with the agencies to improve their project performance monitoring and financial management systems. As a result of these efforts, the PVOs are making progress in upgrading their capacity to carry out more complex and expanded program activities.

Two possible studies mentioned in last year's Action Plan, namely a study of food commodities and ration sizes and a feasibility study of using monetization proceeds to support a rural credit and community development program for small farmers, have been indefinitely postponed. Instead, the Mission has been focusing its attention and efforts on the impending food crisis and the likely need for considerably increased food resources for Peru in FY 1989 and into FY 1990. To this end, the Mission has asked all the participating agencies to submit plans, including food levels, beneficiaries targetted, required financial resources, and the like, to distribute a considerably increased volume of food beginning in FY 1989 in a manner which is cost-effective and which will not jeopardize their regular programs. Once the plans have been analyzed and consolidated, the Mission plans to submit a detailed request to AID/W for increased commodities from the Title II reserve in FY 1989 in response to the serious economic and food crisis in Peru.

Last year's Action Plan indicated that the Mission would examine alternative funding sources to finance the staff of its Food for Development (FFD) Division. Our efforts were unsuccessful in identifying any feasible option other than operating expense (OE) funds. As a result, the entire FFD Division of one USDH, one US/PSC, three FSN professionals and three FSN administrative staff, have been OE-funded since the beginning of FY 1989. With the arrival of the new USDH FFD officer in August 1988, the Mission FFD Division is now up to full strength.

II.C.3

FY 1988
LOCAL CURRENCY UTILIZATION
(\$000)

A. USES	-----SOURCES-----						TOTAL
	ESF	PL 480 I	PL 480 II	PL 480 III	SEC 416 SUGAR QUOTA	OTHER	
HG BUDGET GENERAL							
HG BUDGET ATTRIBUTED							
HG CONTRIBUTION TO AID PROJECTS		21,040			9,358		30,398
HG CONTRIBUTION TO OTHER DONOR PROJ.							
HG MANAGED L/C PROJ. (GOVT OR PRIVATE)		1,297					1,297
AID OE TRUST FUND							
AID PROJ TRUST FUND							
SECTION 108							
OTHER - PVO SUPPORT			1,688				1,688
TOTAL		22,337	1,688		9,358		33,383

B. CHANNEL FOR ASSISTANCE *							
PUBLIC SECTOR		20,118			9,358		29,476
PRIVATE SECTOR		2,219	1,688				3,907
TOTAL		22,337	1,688		9,358		33,383

* Determined by organization primarily responsible for managing the local currency.

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II.C.3

FY 1989
LOCAL CURRENCY UTILIZATION
(\$000)

A. USES	-----SOURCES-----						TOTAL
	ESF	PL 480 I	PL 480 II	PL 480 III	SEC 416	OTHER	
HG BUDGET GENERAL							
HG BUDGET ATTRIBUTED							
HG CONTRIBUTION TO AID PROJECTS		20,051					20,051
HG CONTRIBUTION TO OTHER DONOR PROJ.							
HG MANAGED L/C PROJ. (GOVT OR PRIVATE)		357					357
AID OE TRUST FUND							
AID PROJ TRUST FUND							
SECTION 108							
OTHER - PVO SUPPORT			1,722				1,722
TOTAL		20,408	1,722				22,130

B. CHANNEL FOR ASSISTANCE *							
PUBLIC SECTOR		19,243					19,243
PRIVATE SECTOR		1,165	1,722				2,887
TOTAL		20,408	1,722				22,130

* Determined by organization primarily responsible for managing the local currency.

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II.C.3

FY 1990
LOCAL CURRENCY UTILIZATION
 (\$000)

A. USES	-----SOURCES-----						TOTAL
	ESF	PL 480 I	PL 480 II	PL 480 III	SEC 416	OTHER	
HG BUDGET GENERAL							
HG BUDGET ATTRIBUTED							
HG CONTRIBUTION TO AID PROJECTS		19,630					19,630
HG CONTRIBUTION TO OTHER DONOR PROJ.							
HG MANAGED L/C PROJ. (GOVT OR PRIVATE)		370					370
AID OE TRUST FUND							
AID PROJ TRUST FUND							
SECTION 108							
OTHER - PVO SUPPORT			1,500				1,500
TOTAL		20,000	1,500				21,500
B. CHANNEL FOR ASSISTANCE *							
PUBLIC SECTOR		18,520					520
PRIVATE SECTOR		480	1,500				2,980
TOTAL		20,000	1,500				21,500

* Determined by organization primarily responsible for managing the local currency.

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1991

II.C.3

FY 1991
LOCAL CURRENCY UTILIZATION
(\$000)

A. USES	-----SOURCES-----						TOTAL
	ESF	PL 480 I	PL 480 II	PL 480 III	SEC 416	OTHER	
HG BUDGET GENERAL							
HG BUDGET ATTRIBUTED							
HG CONTRIBUTION TO AID PROJECTS		20,000					20,000
HG CONTRIBUTION TO OTHER DONOR PROJ.							
HG MANAGED L/C PROJ. (GOVT OR PRIVATE) AID MANAGED L/C PROJ							
AID OE TRUST FUND							
AID PROJ TRUST FUND							
SECTION 108							
OTHER - PVO SUPPORT			1,500				1,500
TOTAL		20,000	1,500				21,500
B. CHANNEL FOR ASSISTANCE *							
PUBLIC SECTOR		18,130					18,130
PRIVATE SECTOR		1,870	1,500				3,370
TOTAL		20,000	1,500				21,500

* Determined by organization primarily responsible for managing the local currency.

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II.C.4. WOMEN IN DEVELOPMENT

USAID/Peru is ensuring that women are effectively considered as both beneficiaries of and participants in the development process through (a) the existence of women-oriented projects (especially in health and population) in the overall portfolio mix, (b) the design of discrete women-related elements in multi-component projects (as in the food-for-work OPG's), and (c) integration of gender considerations in new project design and implementation (e.g. in agriculture and natural resources). All USAID officers are "WID officers", responsible for due consideration of women in their project, program, or support services activities. In this effort, the Deputy Director serves as the WID Coordinator.

To increase agricultural production. Under the technology transfer project, as only two of the first ten participants are women, we are seeking more female applicants through an affirmative recruitment program. This project will develop new technologies, adapting transfer techniques to the geographic, cultural, and gender-related differences inherent in each crop. Under the Small Ruminants CRSP, the role of women in livestock production in the Sierra was studied, with new technology adapted to maximize female contributions. In the design of the new agricultural exports project, the role of women is being considered in employment creation, especially in production of new crops, processing and quality control, and marketing of non-traditional exports.

To strengthen the private sector. Most of the PVO's under the Special Development Activities Project are women-operated and/or oriented, addressing economic (income-producing) or social (infrastructural) needs perceived by the majority women participants/beneficiaries. Under the Private Sector Planning Project, the Instituto Libertad y Democracia has effectively researched and forcefully advocated the elimination of constraints on the informal sector, a majority of which are women micro-entrepreneurs. Finally, in the Management Improvement Project, 30 percent of the participants in the small business management correspondence course are women.

To manage and preserve natural resources. The Central Selva I project assisted in the creation of ten Mothers' Clubs, through which enhanced health and sanitation methods and improved agricultural production practices were disseminated; the health center component of that activity provided midwife training and vaccinations to indigenous populations. Under Central Selva II, gender differentiated roles are being considered in refocussing the project; all annual operational plans, statistical reports, beneficiary/participant targets, and performance against those goals are to be gender disaggregated.

To increase access to voluntary family planning services. Given the cultural realities of Latin America, the population program concentrates largely on female contraceptive methods, at least 80 percent of beneficiaries are women. While two-thirds of the administrative, distribution, and other family planning workers are women, only one-third of those in senior executive or management positions are women. We are encouraging female advancement to leadership roles through our participant training program; at least 50 percent of such trainees are women. Our concern for a more balanced consideration of gender has led us to explore the inclusion of males more significantly in our new family planning project designs.

To improve health and child survival. Our health portfolio is essentially maternal and child in orientation, with women being the prime beneficiaries/participants. In the diarrheal disease control, acute respiratory infection, and vaccination elements of the Child Survival Project, at least 50 percent of the beneficiaries are women, with increasingly higher percentages registered in the nutritional/supplementary feeding component (approximately 65 percent) and population component (at least 80 percent). The prime beneficiaries of the Rural Water Project are the erstwhile female water carriers, who now have more time to engage in income-producing weaving, to enhance the nutritional standards of their children (through care and/or backyard cultivations), and to increase farm plot production (for auto-consumption and the market).

To alleviate malnutrition. The PRISMA, CARITAS, and ADRA/OFASA OPGs have a pronounced maternal/child health orientation, identifying and targeting food to those families at high risk of malnutrition. Under the PRISMA grant, approximately two-thirds of the at-risk primary school children are female, 90 percent of the health workers to be trained will be women. Between one-half and two-thirds of the food-for-work participants are women in the CARE and ADRA/OFASA programs. Under the CARE grant, the community kitchens are almost exclusively operated by women, generating a women's credit fund (with a commercial bank) for investment in artisanal, home textile, and sewing micro-enterprises; 60 percent of those paying for subsidized, nutritionally balanced meals are women. Finally, virtually all of the participants in the group-operated micro-enterprises component of the ADRA/OFASA OPG are women --- who are now successfully establishing stable sources of family income.

To strengthen democratic institutions; participant training and the judicial system. Under the Andean Peace Scholarship Program, 59 percent of the participants were women, while a lower 16-20 percent level was registered for other Mission, central, or regional projects. To enhance WID performance in these other projects, managers are undertaking special recruitment and outreach efforts to encourage female participation; in keeping with the Congressional mandate, a 50 percent target has been established and the WID Coordinator will be closely reviewing participant training performance. Under the Administration of Justice Project, at least half the users of the Ministry of Justice's legal information offices are women; the human and legal rights training activities have been modified to include education in women's rights, while the legislative outreach component is being redesigned to include focussed popular education campaigns in women's rights.

To support anti-narcotics programs. In our drug awareness activity, CEDRO has developed a training module on "Women as a Change Agent for Drug Prevention". This proceeds from the fact that one-half of its full-time and three-quarters of its part-time (volunteer) staff are women. CEDRO's outreach efforts rely greatly on --- and strengthen the drug prevention capabilities of --- women-oriented groups such as mothers' clubs, milk-for-children distribution programs, and community feeding centers. Most of the volunteers participating as counsellors in the summer youth drug prevention program are women. In the Upper Huallaga, mothers' clubs and rural women's clubs are intrinsic elements of the extension and community development activities, organizing and training women for a more active role in social and economic mainstream activities; handicrafts, vegetable plots, small ruminant production, health and nutrition training, and family planning (midwife training). The project has also provided in-service teacher training; 60 percent of the participants are women.

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PART III

A. MANAGEMENT STRATEGY

Summary

The volatility of the economic situation in Peru and the attendant fluctuation in the value of the inti plus hyperinflation have seriously complicated many aspects of Mission administrative and program management. While it is impossible to predict just how this economic situation will develop over time, the Mission does not anticipate any lessening of uncertainty. This continuing uncertain economic situation in Peru greatly hinders our capability to project local costs for the periods covered in this Action Plan. Significant reductions in OE staffing during the last three fiscal years (as outlined in the Staffing Proposal reduction plan presented to LAC in December 1987) are due to be fully implemented by the end of FY-89. We also note that Mission OE obligations have decreased over the last three years from \$5,200,000 in FY-86, \$4,671,700 in FY-87 and to \$3,817,700 in FY-88, a reduction of more than 26%. Nevertheless, we are uncertain as to whether this downward trend will continue. For example, we doubt that we can continue to count on the value of the dollar to outrun the rate of inflation.

No critical management issues for AID/W during or following Program Week are identified herein. The Mission may identify such issues which are likely to arise as a result of critical programmatic concerns which are to be addressed elsewhere in this Action Plan.

Discussion

The official rate of inflation in Peru for calendar year 1988 was 1722% (unofficial rates have been quoted in the 2000% range). Respected economists have estimated inflation for 1989 to be between 5,000 and 24,000%. Nearly every aspect of administrative effort that deals with payments in intis has been complicated by Peru's hyperinflation and its unpredictable gyrations. For example, the re-evaluation of project and OE budgets which generally was performed in the past on a semi-annual basis and quarterly basis, respectively, must now be done more frequently.

The implications for additional staff time are enormous. Paperwork to document needed adjustments multiplies exponentially. Also affected, but in a different manner, are voucher advances, vendor payment plans, payments to host country project counterparts, and monthly revisions to the local compensation plan. (There have been 17 adjustments in little more than a year.) Especially labor intensive is the required re-negotiation of service contracts and purchase orders denominated in intis. Not only must numerous meetings be held with vendors, but extensive amounts of staff time involving several offices must be spent to determine the proper levels of payment as adjusted for inflation. And to make matters worse, after all this effort many assumptions prove to be no longer applicable due to changes in the deteriorating economic environment.

Finally, RAMC/Mexico has retracted its previous authority for the emergency payment procedure at post and has implemented a more restrictive procedure for securing emergency payments. This has resulted in payments to vendors being made two weeks later than when using the prior emergency payment procedures. Consequently, payments in intis when received by the vendor are significantly devalued. Although the newly implemented emergency payment procedure allows us to make payment in approximately three days, we cannot use this on as frequent a basis as was done in the past.

In addition, U.S. Government sanctions concerning Peru's economic assistance cause our staff to prepare and have ready all the documentation that is needed if a window does occur. When GOP payments are not made, the efforts are virtually wasted.

Assuming no fundamental changes or major shifts in project portfolio, the Mission does not predict any significant increases in staffing or OE resources during FY-90 and 91. While the December 87 Staffing Proposal will continue to be followed in general, continual revisions and fine tuning will be made in FY-90 and 91. The USDH full-time level will remain at 20 as it was delineated in the Proposal and as established by AID/W in the ceilings approved in October 88. The FSNDH full-time level was set by AID/W at 45 and will remain so during FY-90 and 91. FSN PSC full-time level will remain steady at 55 during FY-90 and 91. Reductions in the level of FSN PSCs have occurred during the last three fiscal years due to the non-replacement of separations, elimination of positions and transfers of employees when appropriate from OE-funded to project-funded. The HYBOSA Manpower Contract positions have been increased from 57 to 59 in FY-89 and will remain constant in FY-90 and 91. The increase was necessitated by the addition of two USG agencies as tenants in the USAID office building requiring additional janitorial services. Although it affects our overall management of the contract, it does not affect our OE budget resources since the costs are offset by the tenants' rental payments. (HYBOSA Manpower Contract positions, net of other Agency offsets, have been reduced from 51 in FY 88 to 48 in FYs 89, 90 and 91.) The Mission continues to successfully implement plans (see Mission action plans for the last two years) to reduce office rental costs by expanding the leasing of our limited available excess office space to other U.S. Government agencies. During FY 89 we will rent additional office space to the NAU and DEA resulting in annual savings of almost \$17,000. During the current fiscal year we expect our leasing program will result in annual rental savings of approximately \$230,000, as well as FAAS offsets for the Medical Unit of \$35,270.

Comments are specifically requested in the Action Plan guidance on "portfolio consolidation: plans for reducing the number of discrete management units in order to achieve better program focus and facilitate management of the remaining portfolio". As of now, the Mission does not plan a substantial management unit reduction, but will continue to evaluate possible reductions. Comments are also requested in the Action Plan guidance

on management deficiencies identified by vulnerability assessments and audit reports. The latest Internal Control Assessment has identified specific areas that need to be corrected. Although not listed herein, these areas are being addressed and corrected by Mission staff.

The following policy, procedural and administrative improvements needed to be taken by AID/W to reduce the administrative burden on the Mission are noted:

- Need more Regional Contracting Officer (RCO) support. The RCO is frequently a bottleneck in implementation. His workload apparently makes it impossible to meet USAID/Peru's needs, despite substantial help from USAID/Peru staff. The Mission understands that the RCO's staff is to be expanded. This needs to be accomplished ASAP and then monitored.
- Increase travel ceiling within OE budget for training purposes. The current amount budgeted for travel is insufficient to support the need for training of both USDH and FSN personnel which was identified in the Mission's Internal Control Assessment.
- Send updates for Handbooks promptly. Often the Mission fails to receive all updates or receives them in an untimely manner.
- Relax freeze on FSN PSC hiring. Current guidance from AID/W states that positions vacated due to retirement or separation cannot be filled. Because of the significant staff reductions that have already occurred in USAID/Peru, and employees leaving Peru due to the economic situation, strict implementation of this policy would result in a serious diminution of the Mission's staff, with a serious negative impact on its ability to do an adequate job.
- TDY assistance needed to fill in USDH gaps. The Mission has experienced prolonged vacancies in USDH positions as timely replacement of departing personnel has not occurred. AID/W TDY assistance is vital during such extended periods. To put the USDH gaps in perspective, the private sector position will have been vacant for 18 months, the food for peace position 18 months, the health division chief position for at least 10 months, and the deputy controller position for approximately 8 months.
- Examination of ways to minimize the "sanctions" issue needs to be undertaken.
- Improve response of AID/W (not LAC/EMS) Personnel Office. Information received from AID/W PER is inadequate; often queries are given no response, where responses are provided they are greatly delayed, or when changes are made by AID/W the Mission is not informed. For example, a USDH first requested a shortened first tour on October 13, 1988, we did not receive a reply from AID/W until January 25, 1989.

Another example is the change in assignment of the USDH deputy controller who had been nominated and approved for Peru. We have learned informally that the nominee has been replaced by someone else.

- Install a U.S. Disbursing Office in Lima. Hyperinflation in Peru means that requested amounts have diminished in value substantially by the time they arrive in Peru. Approximately two weeks of required processing time could be saved if a disbursing function were established in Lima.
- Examine the number of requests to Mission from AID/W and LAC offices for action and/or information. The sheer volume of work required to answer satisfactorily these requests, combined with the high number received during any given month, detracts from this Mission's ability to perform its regular work. The LAC Bureau should establish a mechanism for controlling and prioritizing these requests.

B. STAFFING

See Mission Human Resource Tables for FYs 89, 90 and 91.

The allocation of workyears to activities has been based more upon the relationship of the activity to the corresponding Project Officer than to the funding source. This is especially true where projects are funded from more than one function code.

As most centrally funded projects and regionally funded projects receive field support on an as-needed basis, there is no precise and uncomplicated way to allocate workyears to management activity line items. The Mission suggests that a format change be made to show Mission allotted active projects, centrally funded and regionally funded. This would more accurately reflect workyears by management elements.

The drop-off in FYs 90 and 91 in the two categories of active centrally and regionally funded projects reflects the fact that we have no informational input for new projects coming on line and for continuing projects for which PACD's may be extended.

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USATG PERU
 DATE 01/30/89

MISSION HUMAN RESOURCE TABLE
 ALLOCATION OF WORKYEARS TO ACTIVITIES
 ACTUAL FOR FY 89

ACTIVITY	USDH	FNDH	US	PSC	FN	PSC	MAN	PWR	CONT	TOTALS	GRAND	NO. OF ACTIVE PROJECTS	
	OE	OE/TF	OE/TF	PROG	OE/TF	PROG	OE/TF		PROG	OE/TF	TOTAL		
MISSION MANAGEMENT													
EXEC DIRECTOR	2.0									2.0	2.0		
PROG PLANNING	1.6									1.6	1.6		
PARTICIPANT TRAINING	.1	1.5			1.0	.5			3.0	2.6	3.5	1	
FINANCIAL MGT	1.9	9.0	.8		17.0					28.7	28.7		
ADMINISTRATIVE MGT	2.0	.5								2.5	2.5		
CONTRACT MGT		.5			1.0					1.5	1.5		
CLERICAL SUPPORT		9.1	1.0		16.8	6.0			2.0	26.9	8.0	34.9	
OFFICE OPERATIONS SUPPORT		14.0			12.0		59.0			85.0	85.0		
ECONOMIC ANALYSIS	1.0	.1								1.1	1.1		
SUB-TOTAL	8.6	34.7	1.8		47.8	6.5	59.0		5.0	151.9	11.5	1	
PROGRAM/PROJECT MANAGEMENT													
ESF - PROJECTS	.7	.9		2.0		1.0				1.6	3.0	4.6	2
AG/RD/NUTRITION	4.0	1.0	.9	1.0	2.0	.8				7.9	1.8	9.7	17
POPULATION	.7	.1		1.0						.8	1.0	1.8	6
AIDS	.3			.2						.3	.2	.5	1
HEALTH	.9	.3		.5		.6				1.2	1.1	2.3	8
CHILD SURVIVAL	.1	.1		.6		.9				.2	1.5	1.7	1
EDUC & HUMAN RESOURCES	.1	.1								.2		.2	3
PVT SCTR/ENERGY/ENVMENT	1.3	1.2		2.0		2.2				2.5	4.2	6.7	7
HOUSING - GUARANTEE	.6	1.0								1.6		1.6	
PL-480 TITLE II	.6	1.1	.5		.5					2.2	.5	2.7	1
PL-480 ALL OTHER	.9	.9			.5					2.3		2.3	1
DISASTER ASSISTANCE		.2	1.0	1.0						1.2	1.0	2.2	1
CENTRALLY FUNDED PROJECTS	.8	.2	.5	.5	.5	.4				2.0	.9	2.2	51
REGIONALLY FUNDED PROJECTS	.1	.2	.5			.3				.8	.3	1.1	10
SUB-TOTAL	11.1	7.3	3.4	8.8	3.5	6.2				24.8	18.5	40.3	109
TOTAL	19.7	42.0	5.2	8.8	51.3	12.7	59.0		5.0	176.7	27.0	203.7	110

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USAID PERU
 DATE 01/30/89

MISSION HUMAN RESOURCE TABLE
 ALLOCATION OF WORKYEARS TO ACTIVITIES
 PROJECTED FOR FY 90

ACTIVITY	U S D H	F N D H	U S	P S C	F N	P S C	M A N	P W R	C O N T	T O T A L S	G R A N D	NO. OF ACTIVE PROJECTS	
	O E	O E/TF	O E/TF	PROG	O E/TF	PROG	O E/TF		PROG	O E/TF	T O T A L		
MISSION MANAGEMENT													
EXEC DIRECTOR	2.0									2.0	2.0		
PROG PLANNING	1.6									1.6	1.6		
PARTICIPANT TRAINING	.1	1.5			1.0	.5			4.0	2.6	4.5	1	
FINANCIAL MGT	2.0	9.0			17.0					28.0	28.0		
ADMINISTRATIVE MGT	2.0	.5								2.5	2.5		
CONTRACT MGT		.5			1.0					1.5	1.5		
CLERICAL SUPPORT		9.1	1.0		16.8	6.0			2.0	26.9	8.0	34.9	
OFFICE OPERATIONS SUPPORT		13.0			12.0		59.0			84.0	84.0		
ECONOMIC ANALYSIS	1.0	.1								1.1	1.1		
SUB-TOTAL	8.7	33.7	1.0		47.8	6.5	59.0		6.0	150.2	12.5	1	
PROGRAM/PROJECT MANAGEMENT													
ESF - PROJECTS	.7	.9		2.0		1.0				1.6	3.0	4.6	2
AG/RD/NUTRITION	4.0	1.0	.5	1.0	2.0	.8				7.5	1.8	9.3	10
POPULATION	.7	.4		1.0						1.1	1.0	2.1	6
AIDS	.3			.2						.3	.2	.5	1
HEALTH	1.1	.3		.5		.7				1.4	1.2	2.6	2
CHILD SURVIVAL	.3	.1		.8		1.0				.4	1.8	2.2	1
EDUC & HUMAN RESOURCES	.1	.1								.2		.2	3
PVT SCTR/ENERGY/ENVMENT	1.3	1.2		2.0		2.2				2.5	4.2	6.7	5
HOUSING - GUARANTEE	.6	1.0								.6	1.0	1.6	
PL-480 TITLE II	.6	1.1	.5		.5					2.2	.5	2.7	1
PL-480 ALL OTHER	.9	.9			.5					2.3		2.3	1
DISASTER ASSISTANCE		.2	1.0	1.0						1.2	1.0	2.2	1
CENTRALLY FUNDED PROJECTS	.9	.4	.5	.5	.5	.4				2.3	.9	3.2	20
REGIONALLY FUNDED PROJECTS	.1	.2	.5			.3				.8	.3	1.1	4
SUB-TOTAL	11.6	7.8	3.0	9.0	3.5	6.4				24.4	16.9	41.3	57
TOTAL	20.3	41.5	4.0	9.0	51.3	12.9	59.0		6.0	174.6	29.4	204.00	58

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USAID PERU
DATE 01/30/89

MISSION HUMAN RESOURCE TABLE
ALLOCATION OF WORKYEARS TO ACTIVITIES
PROJECTED FOR FY 91

ACTIVITY	U S D H	F N D H	U S	P S C	F N	P S C	M A N	P W R	C O N T	T O T A L S	G R A N D	NO. OF ACTIVE PROJECTS	
	O E	O E/TF	O E/TF	PROG	O E/TF	PROG	O E/TF		PROG	O E/TF	T O T A L		
MISSION MANAGEMENT													
EXEC DIRECTOR	2.0									2.0	2.0		
PROG PLANNING	1.6									1.6	1.6		
PARTICIPANT TRAINING	.1	1.5			1.0	.5			4.0	2.6	4.5	2	
FINANCIAL MGT	2.0	9.0			17.0					28.0	28.0		
ADMINISTRATIVE MGT	2.0	.5								2.5	2.5		
CONTRACT MGT		.5			1.0					1.5	1.5		
CLERICAL SUPPORT		9.1	1.0		16.8	6.0			2.0	26.9	8.0	34.9	
OFFICE OPERATIONS SUPPORT		13.0			12.0		59.0			84.0	84.0		
ECONOMIC ANALYSIS	1.0	.1								1.1	1.1		
SUB-TOTAL	8.7	33.7	1.0		47.8	6.5	59.0		6.0	150.2	12.5	2	
PROGRAM/PROJECT MANAGEMENT													
ESF - PROJECTS	.7	.9		2.0		1.0				1.6	3.0	4.6	2
AG/RD/NUTRITION	4.0	1.0	.5	1.0	2.0	.8				7.5	1.8	9.3	8
POPULATION	.7	.4		1.0						1.1	1.0	2.1	5
AIDS	.3			.2						.3	.2	.5	
HEALTH	1.1	.3		.5		.7				1.4	1.2	2.6	1
CHILD SURVIVAL	.3	.1		.8		1.0				.4	1.8	2.2	2
EDUC & HUMAN RESOURCES	.1	.1								.2	.2	.2	2
PVT SCTR/ENERGY/ENVMENT	1.3	1.2		2.0		2.2				2.5	4.2	6.7	2
HOUSING - GUARANTEE	.6	1.0								.6	1.0	1.6	
PL-480 TITLE II	.6	1.1	.5		.5					2.2	.5	2.7	1
PL-480 ALL OTHER	.9	.9			.5					2.3		2.3	1
DISASTER ASSISTANCE		.2	1.0	1.0						1.2	1.0	2.2	1
CENTRALLY FUNDED PROJECTS	.9	.4	.5	.5	.5	.4				2.3	.9	3.2	2
REGIONALLY FUNDED PROJECTS	.1	.2	.5			.3				.8	.3	1.1	
SUB-TOTAL	11.6	7.8	3.0	9.0	3.5	6.4				24.4	16.9	41.3	27
TOTAL	20.3	41.5	4.0	9.0	51.3	12.9	59.0		6.0	174.6	29.4	204.00	29

C. OPERATING EXPENSESTHE BUDGET

The attached detailed operating expense budget tables constitutes the Mission's best estimate of resource needs for FY-89 through FY-91. At the outset, it should be noted that budgeting local currency costs and their dollar equivalent is a highly uncertain exercise in Peru. The current hyperinflationary environment produces chaotic price behavior, including two of the fundamental determinants of the Mission's dollar costs: domestic inflation and the exchange rate. For example, the monthly inflation rate ranged between 8.8 and 114.1 percent over CY-88. The monthly adjustment of the exchange rate available to the Mission ranged between a 1.2 percent revaluation and a 150 percent devaluation. Thus, any estimate of the projected behavior of those two cost determinants is likely to have wide margins of error, and may end up being of little practical use.

In order to illustrate this point, the Mission constructed an index that reflects the relationship between rates of change in Mission local salary adjustments and percentage changes in exchange rate adjustments. See Chart I. The index begins with the first pay period of FY-86 with an arbitrary value of 100.0. If the index increases, it means that Mission local wage costs rise faster than the exchange rate, resulting in increased Mission dollar costs. If the index decreases, dollar costs decline. The index, at the beginning of fiscal year 1989, increased from 66.9 to a value of 131.4 two pay periods later, moving down to a value of 68.0 at the end of the quarter. In dollar terms, this meant that payroll costs doubled from one pay period to the next, falling again to its original level by the end of the quarter. The wide range of gyrations that this index reflects, illustrates the difficulty and near futility of working with domestic cost and exchange rate projections in order to budget future dollar costs. Yet, the behavior of these variables determine the Mission's dollar costs for local salaries.

In projecting our dollar needs for FSN salaries, the Mission's major objective is to be prepared to meet wage increases that respond to unpredictable monthly inflation. It is disturbing to the Mission that all cables requesting approval for salary increases have a clause stating that authorization is subject to the availability of OE funding. Under current circumstances, our foreign national employees run the risk of not receiving a needed wage increase, and worst of all, of not receiving it while their counterparts at the Embassy and other USG agencies do. To avoid the pitfalls associated with trying to predict the two fundamental determinants of dollar costs (inflation and the exchange rate), the Mission has opted to base its estimate on the long term average dollar payroll cost using actual dollar costs over the last three fiscal years. We believe that this approach minimizes the impact of recent violent short term fluctuations in the exchange rate or wage adjustments. Whereas in the recent past we had assumed that the savings generated by a favorable exchange rate adjustment trend would cover wage increases, we are no longer confident of that assumption. Our projections also include adjustments for other payroll cost-push elements such as step increases.

There are additional elements which may adversely affect our budget estimates. First, the current situation has caused the widespread repudiation of the domestic currency (the Inti) in favor of the US Dollar. Many vendors have moved to dollars and refuse to deal with the domestic currency. This may eventually force the Mission to move to at least "pegging to the dollar" in order to operate efficiently. This could result in higher dollar expenditures than we are projecting.

Second, several factors point to the possibility that USG strategy and programs will change during the Action Plan period. For example, two program initiatives, the Andean Action Plan and the Andean Region Strategy, are under review, with significant implications for OE and program levels. Third, the new USG administration has signalled its intention to review U.S. debt strategy. Finally, of course, national elections are scheduled in Peru in 1990. Their outcome is likely to be relevant to what we do in Peru.

Although our FY-89 Action Plan OE Budget reflects estimates below our current approved FY-89 level of \$4,000,000, prudence requires that this level remain unchanged. The Mission has been revising, and will continue to revise its Budget estimates at least monthly, reflecting the current and prospective economic realities in Peru. Our estimate for FY-90 (which is in excess of proposed level of \$3,800,000) and FY-91 also depends on highly uncertain variables. During the preparation of the FY-91 ABS, we hope to be in a more confident position to determine overall Mission needs and the effects of the hyperinflationary economy on our operations. We will keep the LAC/CONT informed of our periodic reviews and the effects on our current OE Budget.

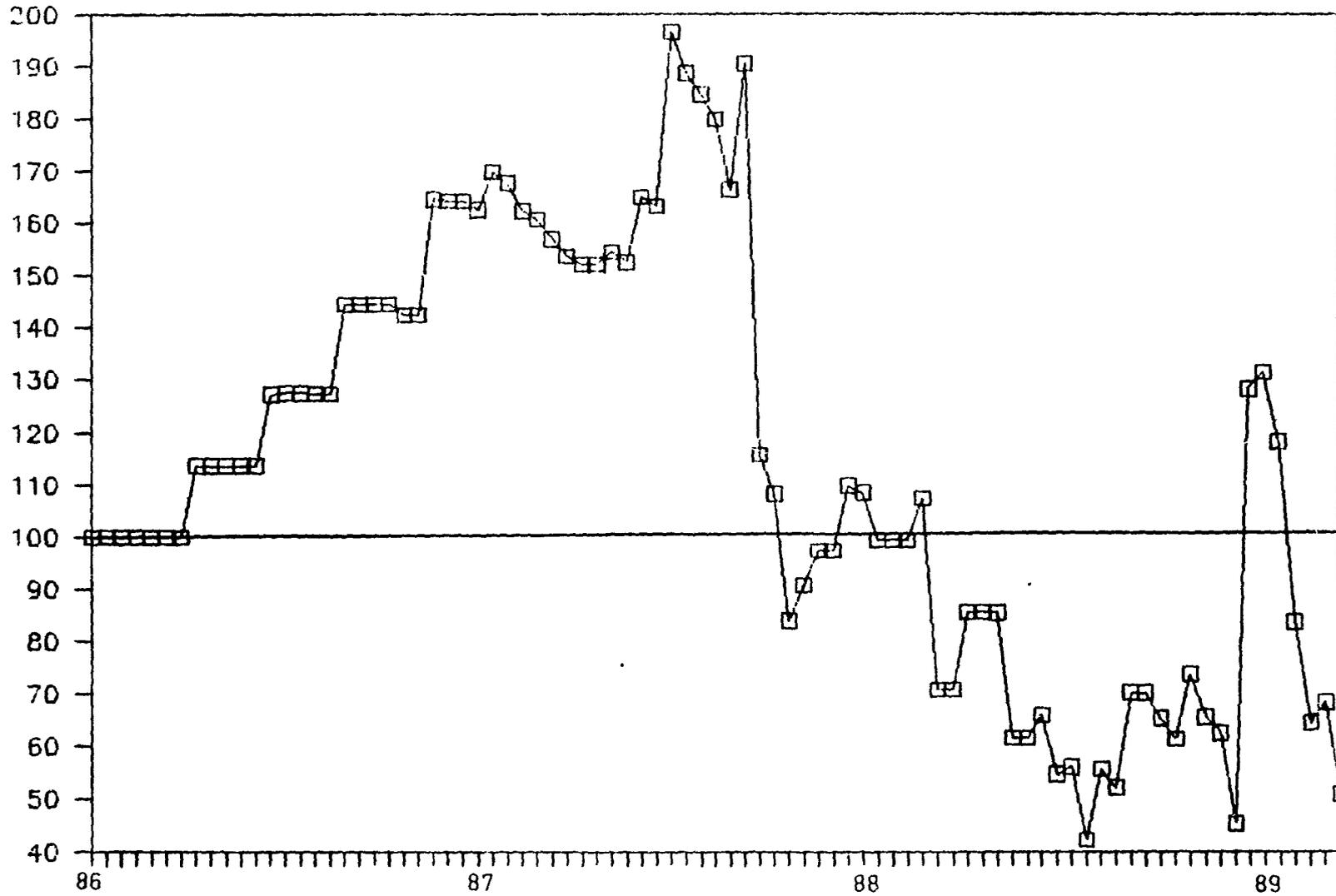
Under the circumstances, no OE trust funds are likely to be available. Last year it was anticipated that Title I generations would be authorized to establish an OE Trust Fund. This did not happen. In addition, even if the Mission was permitted to use generations to set up an OE Trust Fund, grave financial problems would probably cause the GOP to disapprove of allocation to our operations.

For FY-89 we anticipate that \$105,000 and \$2,000 will be needed for operational travel and representation expense allowance, respectively. These amounts are currently in excess of our ceilings but reflect best estimates of actual Mission needs.

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FSNDH Payroll - US Dollar Cost Index

FY86 - FY89



□ Pay Period Index

11-111

FY 1989-1991 ACTION PLAN PERU (25527)			FY 1988 ACT. (\$ 000)					FY 1989 EST. (\$ 000)					FY 1990 REQUEST (\$ 000)					FY 1991 REQUEST (\$ 000)					
EXPENSE CATEGORY	FUNC	OBJ	TRUST	TOTAL	UNITS	UNIT	DOLLARS	TRUST	TOTAL	UNITS	UNIT	DOLLARS	TRUST	TOTAL	UNITS	UNIT	DOLLARS	TRUST	TOTAL	UNITS	UNIT	DOLLARS	
FY 1989-1991 ACTION PLAN PERU (25527)	CLASS	CLASS	FUNDS			COST		FUNDS			COST		FUNDS	BUD		COST	DOLLARS	FUNDS	BUD		COST	DOLLARS	
U.S. DIRECT HIRE	U100		2,064.0	0.0	2,064.0		2,064.6	0.0	2,086.6			2,134.0	0.0	2,134.0			2,167.0	0.0	2,167.0				
U.S. CITIZENS BASIC PAY	U101*	110	1,015.1		1,015.1	16.8	60.4		1,026.2		17.9	57.3		1,151.5		20.0	57.6		1,151.5		20.0	57.6	
PT/TEMP U.S. BASIC PAY	U102*	112	28.3		28.3	0.7	40.4		37.6		1.1	34.2		46.3		1.5	30.9		46.3		1.5	30.9	
DIFFERENTIAL PAY	U103*	116	137.0		137.0				139.6					179.7					179.7				
OTHER AID/W FUNDED CODE 11	U104*	119	139.5		139.5				159.6					179.7					179.7				
OTHER MISSION FUNDED CODE 11	U105	119			0.0				0.0					0.0					0.0				
EDUCATION ALLOWANCES	U106	126	134.2		134.2	16.0	8.4		155.5		19.5	8.0		139.3		22.0	8.3		144.0		25.0	8.3	
RETIREMENT-U.S. DIRECT HIRE	U107*	120	218.7		218.7				181.6					203.9					203.9				
LIVING ALLOWANCES	U108	428			0.0				0.0					0.0					0.0				
OTHER AID/W FUNDED CODE 12	U109*	129	23.0		23.0				26.8					30.8					30.8				
OTHER MISSION FUNDED CODE 12	U110	129	34.8		34.8				32.8					6.8					7.1				
POST ASSIGNMENT - TRAVEL	U111	212	73.8		73.8	12.0	6.2		35.5		8.0	4.4		18.0		2.0	9.0		20.9		2.0	10.3	
POST ASSIGNMENT - FREIGHT	U112	220	208.1		208.1	12.0	17.3		165.0		8.0	20.6		41.5		2.0	20.8		43.6		2.0	21.0	
HOME LEAVE - TRAVEL	U113	212	23.2		23.2	9.0	2.6		35.4		7.0	3.1		40.3		8.0	3.0		61.3		10.0	6.1	
HOME LEAVE - FREIGHT	U114	220	14.9		14.9	9.0	1.7		22.7		7.0	3.2		28.0		8.0	3.3		40.2		10.0	4.0	
EDUCATION TRAVEL	U115	215	1.9		1.9				7.3		3.0	2.4		12.6		3.0	2.3		13.2		3.0	2.8	
R AND R TRAVEL	U116	215	6.6		6.6	4.0	1.7		23.0		8.0	2.9		37.8		11.0	3.4		25.0		9.0	2.8	
OTHER CODE 215 TRAVEL	U117	215	2.9		2.9	4.0	0.7		18.0		6.0	3.0		19.0		6.0	3.2		20.0		6.0	3.3	
F. N. DIRECT HIRE	U200		640.1	0.0	640.1				804.9	0.0				845.9	0.0				886.0	0.0			
BASIC PAY	U201	114	347.3		347.3	45.3	8.0		448.7		44.6	10.1		477.4		45.0	10.8		501.3		45.0	11.1	
OVERTIME, HOLIDAY PAY	U202	115	9.1		9.1	0.9	10.1		11.0		1.3	8.5		11.5		1.3	8.8		12.0		1.3	9.2	
ALL OTHER CODE 11 - FN	U203	119	13.3		13.3				11.0					11.6					12.1				
ALL OTHER CODE 12 - FN	U204	129	117.1		117.1				174.2					185.4					194.8				
BENEFITS FORMER FN PERSONNEL	U205	130	153.3		153.3				160.0					160.0					160.0				
CONTRACT PERSONNEL	U300		933.5	0.0	933.5				805.9	0.0				933.6	0.0				873.1	0.0			
PASA TECHNICIANS	U301	258			0.0				0.0					0.0					0.0				
U.S. PSC - SALARY/BENEFITS	U302	113	98.6		98.6	1.3	74.3		159.3		2.0	79.7		186.4		2.0	85.2		83.0		1.0	85.0	
ALL OTHER U.S. PSC COSTS	U303	235	73.3		73.3				72.0					63.6					57.0				
F.N. PSC - SALARY/BENEFITS	U304	113	401.6		401.6	69.3	5.8		464.6		60.6	7.7		450.6		55.7	8.1		473.1		55.7	8.5	
ALL OTHER F.N. PSC COSTS	U305	235	20.9		20.9				10.0					10.0					10.0				
HANPOWER CONTRACTS	U306	259	341.1		341.1				100.0					245.0					250.0				
JCC COSTS PAID BY AID/W	U307*	113			0.0				0.0					0.0					0.0				
HOUSING	U400		295.8	0.0	295.8				338.4	0.0				454.9	0.0				489.6	0.0			
RESIDENTIAL RENT	U401	235	38.3		38.3				39.4					39.4					40.8				
RESIDENTIAL UTILITIES	U402	235	2.4		2.4				3.0					3.2					3.4				
MAINTENANCE AND RESERVATION	U403	259	0.1		0.1				2.0					2.1					2.2				
QUARTERS ALLOWANCE	U404	127	212.8		212.8	16.0	13.3		226.6		15.8	14.3		283.3		19.0	13.0		299.4		21.0	13.1	
RESIDENTIAL FURNITURE/Equip	U405	311	38.5		38.5				43.5					78.4					93.5				
TRANS./FREIGHT - CODE 311	U406*	220			0.0				16.7					38.8					42.6				

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 PERU (25527)

FY 1989-1991 ACTION PLAN			FY 1989 ACT.					FY 1989 EST.					FY 1990 REQUEST					FY 1991 REQUEST					
PERU (23327)			(S 000)					(S 000)					(S 000)					(S 000)					
EXPENSE CATEGORY	FUNC	OBJ	DOLLARS	TRUST FUNDS	TOTAL	UNITS	UNIT COST	DOLLARS	TRUST FUNDS	TOTAL	UNITS	UNIT COST	DOLLARS	TRUST FUNDS	TOTAL	UNITS	UNIT COST	DOLLARS	TRUST FUNDS	TOTAL	UNITS	UNIT COST	
SECURITY GUARD SERVICES	U407	259	1.7		1.7			5.0		5.0			5.2		5.2			5.4		5.4			
OFFICIAL RESIDENCE ALLOWANCE	U408	254	0.2		0.2			0.2		0.2			0.5		0.5			0.5		0.5			
REPRESENTATION ALLOWANCES	U409	252	2.0		2.0			2.0		2.0			2.0		2.0			2.0		2.0			
OFFICE OPERATIONS	U500		1,483.1	0.0	1,483.1			1,406.9	0.0	1,406.9			1,308.8	0.0	1,308.8			1,503.6	0.0	1,503.6			
OFFICE RENT	U501	234	393.7		393.7			514.8		514.8			531.7		531.7			568.0		568.0			
OFFICE UTILITIES	U502	234	51.1		51.1			22.3		22.3			23.4		23.4			24.6		24.6			
BUILDING MAINT./RENOVATION	U503	259	5.5		5.5			0.0		0.0			0.0		0.0			0.0		0.0			
OFFICE FURNITURE/EQUIPMENT	U504	310	321.5		321.5			83.5		83.5			88.2		88.2			191.2		191.2			
VEHICLES	U505	312			0.0			0.0		0.0			57.0		57.0	3.0	19.0	63.0		63.0	3.0	21.0	
OTHER EQUIPMENT	U506	319	116.2		116.2			87.3		87.3			19.4		19.4			13.1		13.1			
TRANSPORTATION / FREIGHT	U507	229	0.1		0.1			46.9		46.9			25.1		25.1			46.7		46.7			
FURN/EQUIP/VEH REPAIR/MAINT.	U508	259	24.4		24.4			32.0		32.0			34.0		34.0			36.0		36.0			
COMMUNICATIONS	U509	230	54.3		54.3			69.2		69.2			72.6		72.6			76.2		76.2			
SECURITY GUARD SERVICES	U510	257	36.6		36.6			60.6		60.6			60.6		60.6			60.6		60.6			
PRINTING	U511	240	0.1		0.1			0.0		0.0			0.0		0.0			0.0		0.0			
SITE VISIT-MISSION PERSONNEL	U513	210	29.2		29.2	65.0	0.4	34.3		34.3	77.0	0.4	35.9		35.9	90.0	0.4	40.0		40.0	89.0	0.5	
SITE VISIT-ADP/ PERSONNEL	U514	210	25.5		25.5	14.0	1.8	9.7		9.7	4.0	2.4	10.2		10.2	4.0	2.6	11.0		11.0	4.0	2.6	
INFORMATION MEETINGS	U515	210	15.8		15.8	10.0	1.6	18.5		18.5	13.0	1.4	19.4		19.4	14.0	1.4	21.4		21.4	14.0	1.5	
TRAINING ATTENDANCE	U516	210	14.0		14.0	5.0	2.8	26.5		26.5	14.0	1.9	27.8		27.8	13.0	2.1	39.1		39.1	13.0	2.3	
CONFERENCE ATTENDANCE	U517	210	9.0		9.0	5.0	1.8	16.0		16.0	8.0	2.0	16.8		16.8	8.0	2.1	18.5		18.5	8.0	2.3	
OTHER OPERATIONAL TRAVEL	U518	210	5.1		5.1	5.0	1.0	0.0		0.0			0.0		0.0			0.0		0.0			
SUPPLIES AND MATERIALS	U519	260	266.3		266.3			270.0		270.0			200.0		200.0			210.0		210.0			
FOOD	U520	257	35.2		35.2			35.3		35.3			36.7		36.7			38.2		38.2			
CONSULTING SVCS. - CONTRACTS	U521	259			0.0					0.0					0.0					0.0			
MG./PROF. SVCS. - CONTRACTS	U522	259			0.0					0.0					0.0					0.0			
SPEC STUDIES/ANALYSES - CONT.	U523	259			0.0					0.0					0.0					0.0			
ALL OTHER CODE 25	U524	259	79.5		79.5			80.0		80.0			50.0		50.0			55.0		55.0			
TOTAL O.P. EXPENSE BUDGET			3,416.3	0.0	3,416.3			3,442.7	0.0	3,442.7			3,679.2	0.0	3,679.2			3,913.3	0.0	3,913.3			
RECONCILIATION			1,598.8	0.0	1,598.8			1,626.7	0.0	1,626.7			1,828.4	0.0	1,828.4			1,829.9	0.0	1,829.9			
SECTION 638(c) (Non-add)	0800	320	0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0			
OPERATING EXPENSE REQUIREMENTS	U000		3,817.7	0.0	3,817.7			3,816.0	0.0	3,816.0			3,850.8	0.0	3,850.8			4,085.4	0.0	4,085.4			
TOTAL NO. ADP WORK STATIONS						42					42					67			70		70		
TOTAL NUMBER OF PC'S						40					47					30			50		50		
OBJECT CLASS 210 TRAVEL			98.6	0.0	98.6			105.0	0.0	105.0			110.1	0.0	110.1			121.0	0.0	121.0			
Dollars Required for Local Currency Expenses					1,766.6					1,676.2					1,866.6					1,976.1			
Exchange Rate Used : See Budget Narrative																							
Inflation factor used for local costs (unit price increases exceeding exchange rate gains) FY 90 and FY 91: 31																							

141126

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FY 1989-1991 ACTION PLAN FEMU (25527)			FY 1988 ACT. (\$ 000)					FY 1989 EST. (\$ 000)					FY 1990 REQUEST (\$ 000)					FY 1991 REQUEST (\$ 000)															
EXPENSE CATEGORY	FUND	OBJ	TRUST	TOTAL	UNITS	UNIT	TRUST	TOTAL	UNITS	UNIT	DOLLARS	TRUST	TOTAL	UNITS	UNIT	DOLLARS	TRUST	TOTAL	UNITS	UNIT	DOLLARS	TRUST	TOTAL	UNITS	UNIT	DOLLARS	TRUST	TOTAL	UNITS	UNIT	DOLLARS		
	CLASS	DOLLARS	FUNDS			COST	FUNDS			COST		FUNDS			COST		FUNDS			COST	FUNDS			COST	FUNDS			COST	FUNDS			COST	
U.S. DIRECT HIRE	U100		2,064.0	0.0	2,064.0		2,064.0	0.0	2,064.0		2,134.0	0.0	2,134.0		2,167.0	0.0	2,167.0		2,167.0		2,167.0	0.0	2,167.0		2,167.0		2,167.0		2,167.0		2,167.0		2,167.0
U.S. CITIZENS BASIC PAY	U101	110	1,015.1		1,015.1	16.8	60.4		1,026.2	17.9	57.3		1,151.5	20.0	57.6		1,151.5		1,151.5		1,151.5	20.0	57.6		1,151.5		1,151.5	20.0	57.6		1,151.5		1,151.5
PT/TEMP U.S. BASIC PAY	U102	112	28.3		28.3	0.7	40.4		37.6	1.1	34.2		46.3	1.5	30.9		46.3		46.3		46.3	1.5	30.9		46.3		46.3	1.5	30.9		46.3		46.3
DIFFERENTIAL PAY	U103	116	137.0		137.0				159.6				179.7				179.7		179.7		179.7				179.7		179.7		179.7		179.7		179.7
OTHER AID/W FUNDED CODE 11	U104	119	139.5		139.5				159.6				179.7				179.7		179.7		179.7				179.7		179.7		179.7		179.7		179.7
OTHER MISSION FUNDED CODE 11	U105	119			0.0				0.0				0.0				0.0		0.0		0.0				0.0		0.0		0.0		0.0		0.0
EDUCATION ALLOWANCES	U106	126	134.2		134.2	16.0	8.4		155.5	19.5	8.0		138.3	22.0	6.3		144.0		144.0		144.0	23.0	6.3		144.0		144.0	23.0	6.3		144.0		144.0
RETIREMENT-U.S. DIRECT HIRE	U107	120	218.7		218.7				181.6				203.9				203.9		203.9		203.9				203.9		203.9		203.9		203.9		203.9
LIVING ALLOWANCES	U108	428			0.0				0.0				0.0				0.0		0.0		0.0				0.0		0.0		0.0		0.0		0.0
OTHER AID/W FUNDED CODE 12	U109	129	25.0		25.0				26.8				30.6				30.6		30.6		30.6				30.6		30.6		30.6		30.6		30.6
OTHER MISSION FUNDED CODE 12	U110	129	34.8		34.8				32.8				6.8				6.8		6.8		6.8				6.8		6.8		6.8		6.8		6.8
POST ASSIGNMENT - TRAVEL	U111	212	73.8		73.8	12.0	6.2		35.5	8.0	4.4		18.0	2.0	9.0		20.9		20.9		20.9	2.0	10.5		20.9		20.9	2.0	10.5		20.9		20.9
POST ASSIGNMENT - FREIGHT	U112	220	208.1		208.1	12.0	17.3		165.0	8.0	20.6		41.5	2.0	20.8		43.6		43.6		43.6	2.0	21.8		43.6		43.6	2.0	21.8		43.6		43.6
HOME LEAVE - TRAVEL	U113	212	23.2		23.2	9.0	2.6		35.4	7.0	5.1		40.3	8.0	5.0		61.3		61.3		61.3	10.0	6.1		61.3		61.3	10.0	6.1		61.3		61.3
HOME LEAVE - FREIGHT	U114	220	14.9		14.9	9.0	1.7		22.7	7.0	3.2		28.0	8.0	3.5		40.2		40.2		40.2	10.0	4.0		40.2		40.2	10.0	4.0		40.2		40.2
EDUCATION TRAVEL	U115	215	1.9		1.9				7.3	3.0	2.4		12.6	5.0	2.5		13.2		13.2		13.2	5.0	2.6		13.2		13.2	5.0	2.6		13.2		13.2
R AND R TRAVEL	U116	215	6.6		6.6	4.0	1.7		23.0	8.0	2.9		37.8	11.0	3.4		25.0		25.0		25.0	9.0	2.8		25.0		25.0	9.0	2.8		25.0		25.0
OTHER CODE 215 TRAVEL	U117	215	2.9		2.9	4.0	0.7		18.0	6.0	3.0		19.0	6.0	3.2		20.0		20.0		20.0	6.0	3.3		20.0		20.0	6.0	3.3		20.0		20.0
F. N. DIRECT HIRE	U200		640.1	0.0	640.1				804.9	0.0	804.9		845.9	0.0	845.9		880.0	0.0	880.0		880.0				880.0	0.0	880.0		880.0		880.0		880.0
BASIC PAY	U201	114	347.3		347.3	45.3	8.0		448.7	44.4	10.1		477.4	43.0	10.6		501.3		501.3		501.3	43.0	11.1		501.3		501.3	43.0	11.1		501.3		501.3
OVERTIME, HOLIDAY PAY	U202	115	9.1		9.1	0.9	10.1		11.0	1.3	8.5		11.5	1.3	8.8		12.0		12.0		12.0	1.3	9.2		12.0		12.0	1.3	9.2		12.0		12.0
ALL OTHER CODE 11 - FN	U203	119	13.3		13.3				11.0				11.6				12.1		12.1		12.1				12.1		12.1		12.1		12.1		12.1
ALL OTHER CODE 12 - FN	U204	129	117.1		117.1				174.2				185.4				194.6		194.6		194.6				194.6		194.6		194.6		194.6		194.6
BENEFITS FORMER FN PERSONNEL	U205	130	153.3		153.3				160.0				160.0				160.0		160.0		160.0				160.0		160.0		160.0		160.0		160.0
CONTRACT PERSONNEL	U300		933.5	0.0	933.5				805.9	0.0	805.9		935.6	0.0	935.6		875.1	0.0	875.1		875.1				875.1	0.0	875.1		875.1		875.1		875.1
PASA TECHNICIANS	U301	258			0.0				0.0				0.0				0.0		0.0		0.0				0.0		0.0		0.0		0.0		0.0
U.S. PSC - SALARY/BENEFITS	U302	113	96.6		96.6	1.3	74.3		159.3	2.0	79.7		166.4	2.0	83.2		85.0		85.0		85.0	1.0	85.0		85.0		85.0	1.0	85.0		85.0		85.0
ALL OTHER U.S. PSC COSTS	U303	255	73.3		73.3				72.0				63.6				57.0		57.0		57.0				57.0		57.0		57.0		57.0		57.0
F.N. PSC - SALARY/BENEFITS	U304	113	401.6		401.6	69.3	5.8		464.6	60.6	7.7		450.6	55.7	8.1		473.1		473.1		473.1	55.7	8.5		473.1		473.1	55.7	8.5		473.1		473.1
ALL OTHER F.N. PSC COSTS	U305	255	20.9		20.9				10.0				10.0				10.0		10.0		10.0				10.0		10.0		10.0		10.0		10.0
MANPOWER CONTRACTS	U306	259	341.1		341.1				100.0				245.0				250.0		250.0		250.0				250.0		250.0		250.0		250.0		250.0
JLC COSTS PAID BY AID/W	U307	113			0.0				0.0				0.0				0.0		0.0		0.0				0.0		0.0		0.0		0.0		0.0
HOUSING	U400		295.8	0.0	295.8				338.4	0.0	338.4		454.9	0.0	454.9		489.6	0.0	489.6		489.6				489.6	0.0	489.6		489.6		489.6		489.6
RESIDENTIAL RENT	U401	235	38.5		38.5				59.4				59.4				40.8		40.8		40.8				40.8		40.8		40.8		40.8		40.8
RESIDENTIAL UTILITIES	U402	235	2.4		2.4				3.0				3.2				3.4		3.4		3.4				3.4		3.4		3.4		3.4		3.4
MAINTENANCE AND REPAIRS	U403	259	0.1		0.1				2.0				2.1				2.2		2.2		2.2				2.2		2.2		2.2		2.2		2.2
QUARTERS ALLOWANCE	U404	127	212.6		212.6	16.0	13.3		236.6	12.0	14.5		265.5	19.0	15.0		299.2		299.2		299.2	19.0	15.7		299.2		299.2	19.0	15.7		299.2		299.2
RESIDENTIAL FURNITURE/EQUIP	U405	311	38.5		38.5				43.5				48.4				52.5		52.5		52.5				52.5		52.5		52.5		52.5		52.5
TRANS. FREIGHT - LODG 311	U406	220			0.0				16.7				16.7				42.6		42.6		42.6				42.6		42.6		42.6		42.6		42.6

D. EVALUATION PLANFY 88 Evaluations

The Mission's evaluation activities reflected attempts to maximize the impact of increasingly scarce resources within the context of a sharply deteriorated economic situation. In FY 88, evaluations emphasized three of the most important sectors in the Mission's portfolio: agriculture, private sector, and health. The evaluation of the Agricultural Planning and Institutional Development Project (527-0238) was completed in the second quarter of the fiscal year. This evaluation was the basis to extend the project, which supports the Agrarian University and provides the Ministry of Agriculture with needed policy advice. On the private sector side, two evaluations of the ILD component of the Private Sector and Institutional Development Project (527-0298) were carried out. The first analyzed the overall direction of the project against its original objectives. After the initial success of ILD's work, best exemplified with the publication and wide dissemination of "El Otro Sendero," the Mission believed that it was necessary to review the Institute's subsequent work to ensure continued high impact. The second evaluation consisted of a financial management review. The results of the first evaluation served as the basis to increase emphasis on the research component of the project, while the second provided guidelines with a view towards achieving the financial self-sufficiency of ILD.

In the health and nutrition area, evaluations were completed for the PRISMA-Identification of High Risk Families to Reduce Child Mortality Project (527-0311), the Rural Water Systems and Environmental Sanitation Project (527-0269). Additionally, the Mission carried out in-house evaluations of various activities under the Title II program. This included a review of the MOH/MCH Supplementary Feeding Program which led to a project redesign, and a review of PVO Planning/Managements needs.

FY 89 Evaluations

During the first quarter of FY 89, two evaluations were completed. A second financial management review of the ILD component of the Private Sector Policy Planning and Institutional Development Project (527-0298) completed an in-depth review of ILD's activities prior to the authorization of substantial increase of support to the Institute. The evaluation of the John Hopkins-Identification of High Risk Families to Reduce Child Mortality Project (527-0311) confirmed that sound methodologies are being developed to assist in the identification of high risk families.

For the rest of FY 89, the Mission's evaluation plan calls for several evaluations. On the private sector side, the CONFIEP component of the Private Sector Policy Planning and Institutional Development Project will be evaluated. This evaluation had been postponed to allow CONFIEP to resume its work on institution building which had been interrupted when CONFIEP became an

active opponent to GOP efforts to expropriate private banks. The Private Sector Management Improvement Project (527-0272) will also be evaluated. On the agricultural sector side, the Mission has tentatively scheduled a final evaluation of the Research Agricultural Extension and Education Project (527-0192). Actual implementation will be subject to the lifting of in-country travel restrictions as a result of security concerns.

In the nutrition/health/population area, the transportation costs of in-country movement of Title II food will be reviewed from a financial perspective. The UPCH-Training Physicians and Nurses Project (527-0309) will also be evaluated. While the Mission had originally scheduled the first major evaluation of the Child Survival Action Project (527-0285), it was postponed to FY 90 in response to initial implementation delays. The Private Sector Family Planning Project (527-0269) originally scheduled for the fourth quarter was cancelled in response to a series of internal project reviews that led to the decision to cancel the project in favor of more cost-effective alternatives to private sector family planning programs. In the special projects area, the mid-term evaluation of the Narcotics Education Initiative Project (527-0288) will take place.

USAID PERU
EVALUATION PLAN

PROJECT NO. AND TITLE	Last Eval. Completed (Mo./Yr.)	FY 1990		FY 1991		REASONS/ISSUES
		Start (Qtr)	To AID/W (Qtr)	Start (Qtr)	To AID/W (Qtr)	
527-0308 Private Sector Nutrition for Child Survival		1				<u>PACD: 12/88</u> Evaluation to assess the project achievements.
Title II - Monetization Program		2	3			Interim evaluation.
527-0285 Child Survival Action Project - First progress evaluation		2	3			<u>PACD: 12/92</u> Evaluation will consist of three conferences/seminars between Mission and Implementing Agencies.
- Mid-term evaluation				2	3	
527-0288 Narcotics Education Initiative				2	3	<u>PACD: 9/90</u> Final evaluation.
527-0238 Agricultural Planning and Institutional Dev.	2/88			3	4	<u>PACD: 12/89</u> Final evaluation.
527-0282 Agricultural Technology Transformation				3	4	<u>PACD: 8/93</u> Original evaluation plan was changed upon signing of ProAg.
527-0244 Upper Huallaga Area Dev.	1/87			3	4	<u>PACD: 9/91</u> Final evaluation.

E. COUNTRY TRAINING PLAN

FY 1990 CTP UPDATE - PERU

INTRODUCTION

USAID/Peru's training portfolio consists of four elements: project-related training; AID/Washington centrally/regionally-funded training; the LAC Training Initiatives II Project (LAC II); and the Andean Peace Scholarship Program (APSP). This CTP Update summarizes progress achieved to date and training plans for FY 1989 and FY 1990 under LAC II and APSP and identifies those changes which have occurred in both these projects and other Mission training activities since the submission of the FY 1989 CTP Update in March 1988.

A. Restatement of Mission Training Objectives

The overall objective of USAID/Peru's participant training program is to strengthen the human resource base in both the public and private sectors of Peru by supporting training which fosters technology transfer and institution-building in priority development sectors. Primary areas of emphasis for training include: macro-economic policy, agriculture, economics, health/child survival, population, public administration, labor, energy, food for development, drug abuse prevention, administration of justice and private sector development.

Consistent with USAID/Peru's overall training program objective, the regional LAC II Project is designed to provide the leadership and technical skills needed for the sustained economic, social and political development of Peru. The objectives of the APSP, which is specifically intended to counter the large amount of training scholarships being offered by the Soviet bloc countries, particularly to disadvantaged populations, are: 1) cultural, that is, to strengthen ties between the U.S. and Andean countries by exposing trainees to the U.S., its citizens, values, cultures and institutions, to enable them to acquire a realistic and positive understanding of the U.S., and, 2) developmental, that is, to provide trainees with appropriate and relevant training to increase their skills and/or broaden their knowledge base in a particular discipline or sector related to priority development concerns in the country.

B. Summary of Training Programs under LAC II and APSP

The LAC II Project, initiated in late FY 1985, has three major program components: 1) public sector training in priority development sectors coordinated by the National Institute of Planning (INP), including a special training program in Israel; 2) private sector training coordinated by the National Confederation of Private Enterprise Institutions (CONFIEP), whose members represent almost 90% of the formal private sector in Peru; and, 3) training for socially/economically disadvantaged groups coordinated by the National Association of the Partners of the Americas (NAPA). Of the 110 participants trained under LAC II in FY 1986 - FY 1988, 96 were short-term and

14 were long-term participants. An additional 23 participants are projected for FY 1989 and 7 for FY 1990, the last year of the project, which will bring the total number of participants trained under LAC II to 140.

An estimated 280 short-term participants (6 - 8 weeks in the U.S.) and 120 long-term participants (more than 9 months) or a total of 400 participants from the public and private sectors are expected to receive training under the APSP by the end of FY 1991. As planned, the first 84 APSP participants travelled to the U.S. in FY 1988, 76 to attend short-term training programs and 8 for long-term programs. Of the 76 short-termers, 28 (37%) were male, 48 (63%) were female, 31 (41%) were from Lima and 45 (59%) were from the provinces. The fields of study were: micro-enterprise development, agriculture, integrated health services, community development and journalism. The eight long-term participants, of whom six (75%) were male, two (25%) were female, six (75%) were from Lima and two (25%) were from the provinces, are attending Master's degree programs in regional development planning, agricultural economics, public policy studies, animal production systems, agricultural engineering, applied agricultural economics and mass media communications. An additional 127, 125, and 64 participants are projected to depart in FY 1989, 1990, and 1991, respectively.

All training activities under the APSP are geared to provide Peruvian participants with an opportunity to receive specialized training and practical experience that cannot be obtained in-country and to provide an exposure to the values and mechanisms of democratic pluralism, volunteerism, equal opportunity, free-press and democratic institutions. All training will take place in the U.S., and all participants will be leaders or potential leaders. A minimum of 40% of the total participants will be women, and a minimum of 70% will be socially and/or economically disadvantaged. At least 30% of the participants will be sent for long-term (more than 9 months) training, and a minimum of 10% will attend programs at HBCUs in the U.S. The diverse groups from which participants will be selected include, among others, lawyers, community leaders and promoters, labor union leaders, university professors, health workers, small entrepreneurs, primary and secondary school teachers/principals, journalists, farmers and cooperative leaders, development and finance specialists, and industrial workers. The technical U.S. training will range from formal academic studies at community colleges and universities to observation trips, meetings with officials and technicians, visits to active local community organizations, factories and farms, seminars, lectures, workshops, and hands-on technical training. Training in the U.S. will be offered in Spanish, in English with Spanish interpreters, or in English without interpreters. The second component of the training, exposure to the U.S. culture, its citizens, values, and organizations, will be supported through the social contacts and living situations arranged for the participants. All training programs will contain an integrated "Experience America" component, directly related to the technical training component, to achieve this objective. To the extent practical and feasible, participants will interact and live with American families. They will participate in local community events and activities through such organizations as the Scouts, 4-H, civic action groups, sports clubs, cultural societies, church groups, and the like.

1.26

C. LAC II and APSP Target Groups and Training Programs in FY 1989 and FY 1990

1. LAC II

The NAPA component of the project ended on December 31, 1988 as planned. The proposed programs and target groups for the 30 participants projected for training in FY 1989 (23) and FY 1990 (7) under the INP and CONFIEP components are as follows:

a. FY 1989

- 2 male public sector professionals to pursue a Master's degree program in Puerto Rico, one in economics and the other in economic planning.
- 2 public sector professionals (1 female/1 male) to attend the seven-month course in statistics offered by the Bureau of the Census (ESAYTEC).
- 3 public sector officials (1 female/2 males) to participate in technical courses ranging from 3 to 6 months in public administration.
- 1 male public sector professional to attend an on-farm management course in Israel.
- 3 public sector professionals (2 females/1 male) to participate in courses ranging from 2 to 3 months in Israel in rural community organization and development.
- 12 private entrepreneurs (4 females/8 males) to participate in individual 3 or 4-week observational and on-the-job training programs in the U.S. in their respective field of expertise (metal mechanics, agro-industry, textiles, etc.) under the Entrepreneurs International Program.

b. FY 1990

- 3 public sector officials (2 females/1 male) to participate in technical courses ranging from 3 to 6 months in public administration.
- 2 male public sector professionals to attend a 2-month course in Israel on breeding, nutrition and management of dairy cattle.
- 2 public sector officials (1 female/1 male) to attend a seven-month course in Israel on integrated rural regional development planning.

2. APSPa. FY 1989

The proposed programs and target groups for the 125 participants projected for training in FY 1989 under APSP are as follows:

i. Short-Term Training (70)

- 14 male (7) and female (7) community promoters involved in drug/alcohol abuse prevention activities to attend a six-week program to improve their skills in the planning, implementation and management of community-based drug abuse prevention programs.
- 14 male (7) and female (7) judges and assistant prosecutors to attend a 6-week program designed to provide an overview of the U.S. Justice System and the role of judges, bar associations and public prosecutors and to provide exposure to topics relevant to reform efforts of the Peruvian Justice System.
- 14 male agricultural leaders from rural areas to attend an integrated pest management training program designed to increase their understanding of the principles of integrated pest management and efficient and environmentally-sound crop protection practices and control technologies.
- 14 female non-formal early education coordinators from urban and marginal urban areas to expand their knowledge of advanced pedagogical methods and educational materials preparation and to improve their supervisory skills.
- 14 male agricultural leaders from valley and producer associations to attend an 8-week program in irrigated vegetable production to provide them with a better understanding of economic and efficient water use and to promote crop quality and improved post-harvest handling for better marketing.

ii. Long-Term Training (55)

An innovation to be implemented in FY 1989 is to send 4 groups of 12-15 participants each in 4 different fields of study (2 in agriculture and 2 in education) in specially-tailored, 12-month, non-degree programs in Spanish in the U.S. as follows:

- 12-15 male regional university professors of agronomy in irrigated vegetable production, designed to increase their understanding of the basic concepts of soil-water-plant relationships, the principles of irrigation systems, basic concepts to improve horticultural techniques, and to improve the quality and relevance of their teaching, research and extension activities.

- 12-15 male technicians and/or agronomists in the field of alternative tropical crops and forestry management, designed to acquaint the students with soil erosion mechanisms, plant adaptation and community development as influenced by soil, climate and other environmental factors.
- 12-15 male and female teachers in the field of adult education to improve their teaching methods, curriculum development skills, and outreach activities.
- 12-15 male and female teachers of vocational education to enhance their technical knowledge and improve their teaching methods, curriculum development skills and field/outreach activities.

In addition to the above (or in lieu of one of the above groups, if a satisfactory program cannot be designed), the Mission may send up to 10 or 12 individuals with English language proficiency for Master's degree training in the U.S. in such fields as economics, communications, ELT, etc.

b. FY 1990

The very preliminary/tentative programs and target groups for the 127 participants projected for training in FY 1990 under APSP are as follows:

i. Short-Term Training (70)

- 14 male labor union leaders to attend an 8-week program on leadership/organizational skills and management and to observe labor union organizations in the U.S.
- 14 male (7) and female (7) administrators of public/private Superior Technological Institutes to attend an 8-week program designed to expand their knowledge and skills in school administration, financial and personnel planning and management, and supervisory techniques.
- 14 male (7) and female (7) officials of middle-sized agricultural cooperatives to pursue an 8-week program dealing with credit promotion and management, loan processing and monitoring, and community outreach strategies.
- 14 male (7) and female (7) mayors from small provincial towns to attend an 8-week program dealing with the organization, roles and functions of municipal governments and the planning, organization and management of social welfare and other community-oriented activities.
- 14 male (7) and female (7) leaders/promoters working directly with youth groups such as civic action groups, Scouts, recreation and sports program supervisors, to attend an 8-week program in the U.S.

ii. Long-Term Training (57)

- 14 male and female private sector agricultural professionals in one of the following fields of specialty: forestry, cattle development, agribusiness and marketing, agriculture cooperatives organization and management, for specialized non-degree programs.
- 14 male and female senior managers and technicians in the public and private sector financial and banking community for specialized non-degree programs.
- 14 male and female economists employed as full-time professors at universities in the main cities of the country to pursue specialized non-degree programs.
- 15 male and female public sector development specialists (economists, statisticians, sociologists, etc.) for training in regional development planning.

As in FY 1989, the Mission may also sponsor a relatively small number of candidates with minimal or no ELT requirements, to attend Master's degree programs in the U.S. in priority development sectors.

D. Compliance with CLASP Policy Guidance

In FY 1988, a total of 50 individuals or 60% of the 84 APSP participants were female, of which 48 (or 63% of the 76 total) were short-termers and 2 (or 25% of the 8 total) were long-termers. For short-term training, the Mission has been able to identify a diverse and broad range of priority training areas where women are well-represented. For long-term training, both the fields of study and the universe of potential female participants are more narrow. Nevertheless, overall, the Mission does not anticipate any problem in meeting the minimum 40% requirement for female participants. We did learn in FY 1988 that for some target groups such as community leaders, a mixed group of both sexes may be too heterogenous, in terms of background, interests, perceptions, and expectations, to design appropriate training programs.

Because of the late start-up of the program in FY 1988, the Mission and the U.S. placement contractor were unable to place any FY 1988 APSP participants in HBCUs. We have targetted one group of 14 participants in FY 1989 (the early childhood education coordinators) for HBCU training and similarly plan to send one short-term group of 12-14 participants each in FY 1990 and FY 1991 to an HBCU for training, which should exceed the 10% overall program requirement.

In FY 1988, only 14 out of 86 or 16% were projected as long-termers because of the late start-up of the program. Actually only 8 or 9.5% of the total participants were long-termers. Although the Mission received over 100 applications for long-term candidates, only 8 of these were judged to be eligible for the APSP, suitably qualified to merit a scholarship, and sufficiently proficient in English to require either minimal or no ELT. To meet the 30% overall program target, the Mission plans to send 55 long-termers

in FY 1989 and 57 in FY 1990, which together with the FY 1988 long-termers, will total 120 or exactly 30% of the total 400 participants by the end of the program in FY 1991. Because of the Mission's concerns about the cost-effectiveness of ELT for "disadvantaged" population groups, the lack of fit between the background and educational levels of these groups on the one hand and the minimum academic requirements and academic rigor of many established off-the-shelf programs in the U.S. on the other, and the limited number of such programs in the U.S. in appropriate fields of study or with relevance to Peru, we have decided to "experiment" in FY 1989 with 4 groups (2 in agriculture, 2 in education) of 12-14 participants each in 12-month, specially-tailored, non-degree training programs in the U.S. in Spanish. If successful, the Mission will continue with this strategy in FY 1990. In both FY 1989 and FY 1990, the Mission is also likely to sponsor a smaller number (up to 10 or 12) of individuals with no or minimal ELT requirements each year in degree programs in the U.S., either in addition to or in lieu of the long-term group training. Through a combination of these two modalities, the Mission is confident it will be able to achieve the 30% target for long-term training over the life of the program, provided sufficient financial resources are available.

All 76 short-term participants in FY 1988 attended programs of 7-8 weeks duration in the U.S. with an average of 7.3 weeks. All future short-term training programs are planned for about 8 weeks, with a minority being 5-6 weeks in duration. In no case will short-term training be less than 28 days.

Of the 84 participants who departed in FY 1988, 76 or 90% were judged to be socially/economically disadvantaged. All were inhabitants of marginal urban settlements or rural areas with minimal educational opportunities, and most of them were low-income wage earners. The Mission sees no problem in meeting the 70% minimum requirement and believes that the new modality for long-term training discussed above will facilitate the selection of increased numbers of disadvantaged participants for long-term training.

The Mission has been very satisfied with the performance of the U.S. placement contractor in identifying truly integrated and meaningful yet cost-effective "Experience America" activities for all of its short-term training groups. Our experience with homestays in FY 1988 was mixed, as a result, we have decided to limit homestays for at least our first two short-term groups in FY 1989 to no more than a weekend and to evaluate the experience to determine whether to continue with homestays and, if so, to possibly expand their duration. We also learned that our expectations regarding internships/apprenticeships were too high. The Mission has concluded that if the U.S. placement contractor is sufficiently committed to this element of the program to put in the "extra" time and effort it requires, and the contractor has creative and energetic staff, then a fully integrated and substantively sound, cost-effective training program can be designed and implemented.

Because of insufficient staff and inadequate APSP financial resources as well as minimal complementary resources from other Mission projects/activities, follow-on with former participants has been limited to occasional interviews, letter exchanges and Christmas cards. The Mission is considering the possibility of hiring another Peruvian staff person beginning in FY 1990

specifically to focus on follow-on. In addition to seeking ways of integrating our on-going Special Development Activities Fund program of small grants with APSP follow-on, we are considering a possible alumni association and perhaps even an APSP newsletter. The Mission, however, believes that AID/W should reduce its expectations with respect to follow-on under CLASP I/APSP as the financial and other constraints dictate a modest effort in this area relative to other priority objectives of the program.

The Mission has worked closely with the U.S. placement contractor to seek ways of containing costs. Together, we have been able to identify moderately-priced institutions of higher education for our long-term placements and have consciously avoided placements at higher-priced universities. We have also tried to limit the travel of short-term participants to one state and have also sought to house participants in furnished apartments or on-campus housing where possible rather than hotels.

While it was impossible to meet the minimum lead times for programming in FY 1988 due to the late start-up of the program, the Mission has already transmitted to the U.S. placement contractor a detailed and complete FY 1989 APSP training plan as well as all five PIO/Ps for the short-term groups, the first of which will depart on May 1. We do not see any serious problem in meeting the 3-month minimum lead time for short-term training. However, due to the difficulty and complexity of identifying appropriate and qualified long-term candidates, the task will be more challenging to meet the minimum 6-month lead time for long-termers. We will attempt to meet this requirement, but the U.S. contractor will have to be flexible in this regard.

Partly as a result of the target groups identified for training, the Mission has been able to avoid training "elites". In addition, for each short-term group as well as for all long-term candidates, the Mission develops a detailed set of very specific eligibility criteria which are shared with a nationwide network of over 100 intermediaries established by the Mission. The intermediaries undertake a preliminary screening of candidates and submit to the Mission detailed application forms for the candidates they recommend and are willing to "sponsor". The Mission then thoroughly reviews the applications and interviews the most promising candidates. We have found that this time-consuming, labor-intensive process is essential to ensure the selection of appropriate and qualified candidates who will benefit from the training.

E. Major Changes in Training Plan from Approved CTP

The relatively minor changes that have occurred since the submission of the FY 1989 CTP Update in March 1988 include: 1) modifications in the numbers of APSP participants in FY 1989 as explained above and changes in the specific groups originally targetted for training for FY 1989; 2) extension of the CONFIEP and INP components of LAC II to December 31, 1989 and September 30, 1990, respectively for the reasons cited in Objective 12; and 3) minimal changes in the actual departures for FY 1988 and projected targets in FY 1989 and beyond under other training programs. The targets contained in the accompanying tables are realistic and achievable and supercede the data provided in the FY 1989 Action Plan and the FY 1989 CTP Update.

TABLE 1

SUMMARY

FY 1990 COUNTRY TRAINING PLAN UPDATE
NUMBER OF NEW STARTS

PROGRAM: ALL PROGRAMS

COUNTRY OF ORIGIN: PERU

<u>TYPE OF TRAINING</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991</u>
<u>TECHNICAL - 27 days or less</u>							
Female	9	15	6	13	9	8	10
Male	24	58	15	54	9	8	14
<u>TECHNICAL - 28-179 days</u>							
Female	9	8	19	55	52	38	33
Male	40	23	12	66	85	55	48
<u>TECHNICAL - 180- 269 days</u>							
Female	2	--	1	1	1	1	--
Male	6	1	2	2	2	3	1
<u>TECHNICAL - 270 days or more</u>							
Female	2	1	2	1	23	24	1
Male	--	--	1	2	34	35	1
<u>TOTAL TECHNICAL</u>	<u>92</u>	<u>106</u>	<u>58</u>	<u>194</u>	<u>215</u>	<u>172</u>	<u>108</u>

TABLE 1
(page 2 - continued)

FY 1990 COUNTRY TRAINING PLAN UPDATE
NUMBER OF NEW STARTS

PROGRAM: ALL PROGRAMS

<u>TYPE OF TRAINING</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991</u>
<u>ACADEMIC Undergraduate - 1 year</u>							
Female							
Male							
<u>ACADEMIC Undergraduate - 2 years</u>							
Female							
Male							
<u>Academic Undergraduate - 3 years</u>							
Female							
Male							
<u>Academic Undergraduate - 4 years</u>							
Female							
Male							
<u>Academic - Graduate level - 1 year</u> to							
Female 18 months	1	2	3	3	1	--	--
Male	1	2	--	2	2	--	--
<u>Academic - Graduate level - 2 years</u>							
Female or more	5	4	6	4	4	2	--
Male	22	7	11	21	13	6	--
<u>TOTAL ACADEMIC</u>	<u>29</u>	<u>15</u>	<u>20</u>	<u>30</u>	<u>20</u>	<u>8</u>	

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TABLE 1
(page 3 - continued)

FY 1990 COUNTRY TRAINING PLAN UPDATE
NUMBER OF NEW STARTS

TYPE OF TRAINING: AL PROGRAMS

<u>TYPE OF TRAINING</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991</u>
<u>SUMMARY</u>							
<u>TOTAL TRAINEES</u>	<u>121</u>	<u>121</u>	<u>78</u>	<u>224</u>	<u>235</u>	<u>182</u>	<u>108</u>
<u>ACADEMIC</u>							
Female	6	6	9	5	5	2	--
Male	23	9	11	25	15	6	--
<u>TECHNICAL</u>							
Female	22	24	28	70	85	71	44
Male	70	82	30	124	130	103	64
<u>LONG-TERM</u>							
Female	8	7	11	6	27	25	--
Male	23	9	12	26	48	40	--
<u>SHORT-TERM</u>							
Female	20	23	26	69	63	48	44
Male	70	82	29	123	97	69	64
<u>HBCU PLACEMENTS</u>	(-)	(-)	(-)	(-)	(-)	(-)	(-)

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TABLE 2 (A)
CLASP TRAINING

FY 1990 COUNTRY TRAINING PLAN UPDATE
NUMBER OF NEW STARTS ^{1/}

PROGRAM: A.P.S.P. 2/

COUNTRY OF ORIGIN: _____

<u>TYPE OF TRAINING</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991 AND BEYOND</u>	<u>TOTAL</u>
<u>TECHNICAL - 27 days or less</u>								
Female	--	--	--	--				
Male	--	--	--	--				
<u>TECHNICAL - 28-180 days</u>								
Female	--	--	--	49	28	28	26	131
Male	--	--	--	27	42	42	38	149
<u>TECHNICAL - 180-269 days</u>								
Female	--	--	--	--				
Male	--	--	--	--				
<u>TECHNICAL - 270 days or more</u>								
Female	--	--	--	--	22	23		45
Male	--	--	--	--	33	34		67
<u>TOTAL TECHNICAL</u>	--	--	--	<u>76</u>	<u>125</u>	<u>127</u>	<u>64</u>	<u>392</u>

^{1/} Do not include training to be carried out under CLASP II.

^{2/} Please make separate tables, where relevant, for LAC II/PTIIC and LAC II/APSP

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TABLE 2 (A)
(page 2 - continued)

FY 1990 COUNTRY TRAINING PLAN UPDATE
NUMBER OF NEW STARTS

<u>TYPE OF TRAINING</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991 AND BEYOND</u>	<u>TOTAL</u>
<u>ACADEMIC Undergraduate - 1 year</u>								
Female	--	--	--	--				
Male	--	--	--	--				
<u>ACADEMIC Undergraduate - 2 years</u>								
Female	--	--	--	--				
Male	--	--	--	--				
<u>Academic Undergraduate - 3 years</u>								
Female	--	--	--	--				
Male	--	--	--	--				
<u>Academic Undergraduate - 4 years or more</u>								
Female	--	--	--	--				
Male	--	--	--	--				
<u>Academic - Graduate level - 1 year</u>								
Female	--	--	--	--				
Male	--	--	--	--				
<u>Academic - Graduate level - 1 year or more</u>								
Female	--	--	--	2				2
Male	--	--	--	6				6
<u>TOTAL ACADEMIC</u>	--	--	--	<u>8</u>				<u>8</u>

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TABLE 2 (A)
(page 3 - continued)

FY 1990 COUNTRY TRAINING PLAN UPDATE
NUMBER OF NEW STARTS

<u>TYPE OF TRAINING</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991 AND BEYOND</u>	<u>TOTAL</u>
<u>SUMMARY</u>								
<u>TOTAL TRAINEES</u>	--	--	--	84	125	127	64	400
<u>ACADEMIC</u>								
Female	--	--	--	2	--	--	--	2
Male	--	--	--	6	--	--	--	6
<u>TECHNICAL</u>								
Female	--	--	--	49	50	51	26	176
Male	--	--	--	27	75	76	38	216
<u>LONG-TERM</u>								
Female	--	--	--	2	22	23	--	47
Male	--	--	--	6	33	34	--	73
<u>SHORT-TERM</u>								
Female	--	--	--	49	28	28	26	131
Male	--	--	--	27	42	42	38	149
<u>HBCU PLACEMENTS</u>	(--)	(--)	(--)	(0)	(14)	(14)	(12)	(40)

TABLE 2 (B)
CLASP TRAINING

FY 1990 COUNTRY TRAINING PLAN UPDATE
NUMBER OF NEW STARTS 1/

PROGRAM: LAC II 2/

COUNTRY OF ORIGIN: PERU

<u>TYPE OF TRAINING</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991 AND BEYOND</u>	<u>TOTAL</u>
<u>TECHNICAL - 27 days or less</u>								
Female	--	6	--	3	2	--	--	11
Male	--	26	1	15*	4	--	--	46
<u>TECHNICAL - 28-180 days</u>								
Female	--	--	15	3*	5*	2	--	25
Male	--	2	3	18	8*	3*	--	34
<u>TECHNICAL - 180-269 days</u>								
Female	--	--	1	1	1	1*	--	4
Male	--	--	1	1	1	1*	--	4
<u>TECHNICAL - 270 days or more</u>								
Female	--	--	--	--	--	--	--	--
Male	--	--	1*	--	--	--	--	1
<u>TOTAL TECHNICAL</u>	--	<u>34</u>	<u>22</u>	<u>41</u>	<u>21</u>	<u>7</u>	--	<u>125</u>

1/ Do not include training to be carried out under CLASP II.

2/ Please make separate tables, where relevant, for LAC II/PTIIC and LAC II/APSP

* Includes training in Israel

TABLE 2 (B)
(page 2 - continued)

FY 1990 COUNTRY TRAINING PLAN UPDATE
NUMBER OF NEW STARTS

PROGRAM: LAC II

<u>TYPE OF TRAINING</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991 AND BEYOND</u>	<u>TOTAL</u>
<u>ACADEMIC Undergraduate - 1 year</u>								
Female	--							
Male	--							
<u>ACADEMIC Undergraduate - 2 years</u>								
Female	--							
Male	--							
<u>Academic Undergraduate - 3 years</u>								
Female	--							
Male	--							
<u>Academic Undergraduate - 4 years or more</u>								
Female	--							
Male	--							
<u>Academic - Graduate level - 1 year to 1 1/2 years</u>								
Female	--	2	--	1	--	--	--	3
Male	--	1	1	--	2	--	--	4
<u>Academic - Graduate level - 2 year</u>								
Female	--	2	1	--	--	--	--	3
Male	--	4	1	--	--	--	--	5
<u>TOTAL ACADEMIC</u>	--	<u>9</u>	<u>3</u>	<u>1</u>	<u>2</u>	--	--	<u>15</u>

TABLE 2 (B)
(page 3 - continued)

FY 1990 COUNTRY TRAINING PLAN UPDATE
NUMBER OF NEW STARTS

PROGRAM: LAC II

<u>TYPE OF TRAINING</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991 AND BEYOND</u>	<u>TOTAL</u>
<u>SUMMARY</u>								
<u>TOTAL TRAINEES</u>	--	43	25	42	23	7	--	140
<u>ACADEMIC</u>								
Female	--	4	1	1	--	--	--	6
Male	--	5	2	--	2	--	--	9
<u>TECHNICAL</u>								
Female	--	6	16	7	8	3	--	40
Male	--	28	6	34	13	4	--	85
<u>LONG-TERM</u>								
Female	--	4	1	1	--	--	--	6
Male	--	5	3	--	2	--	--	10
<u>SHORT-TERM</u>								
Female	--	6	16	7	8	3	--	40
Male	--	28	5	34	13	4	--	84
<u>HBCU PLACEMENTS</u>	--	--	--	3	2	1	--	6

TABLE 3 (A)
NON CLASP TRAINING

FY 1990 COUNTRY TRAINING PLAN UPDATE
NUMBER OF NEW STARTS

PROGRAM: Project Related Training - U.S.

COUNTRY OF ORIGIN: PERU

<u>TYPE OF TRAINING</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991</u>
<u>TECHNICAL - 27 days or less</u>							
Female	2	3	1	1	3	2	5
Male	13	16	4	9	--	2	3
<u>TECHNICAL - 28-179 days</u>							
Female	--	1	--	2	12	5	5
Male	10	4	2	--	17	8	4
<u>TECHNICAL - 180- 269 days</u>							
Female	1	--	--	--			
Male	--	--	1	1			
<u>TECHNICAL - 270 days or more</u>							
Female					1	1	1
Male					1	1	1
<u>TOTAL TECHNICAL</u>	<u>26</u>	<u>24</u>	<u>8</u>	<u>13</u>	<u>34</u>	<u>19</u>	<u>19</u>

TABLE 3 (A)
(page 2 - continued)

FY 1990 COUNTRY TRAINING PLAN UPDATE
NUMBER OF NEW STARTS

PROGRAM: Project Related Training U.S.

<u>TYPE OF TRAINING</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991</u>
<u>ACADEMIC Undergraduate - 1 year</u>							
Female							
Male							
<u>ACADEMIC Undergraduate - 2 years</u>							
Female							
Male							
<u>Academic Undergraduate - 3 years</u>							
Female							
Male							
<u>Academic Undergraduate - 4 years</u>							
Female							
Male							
<u>Academic - Graduate level - 1 year to</u>							
Female				1	--	--	--
Male				--	--	--	--
<u>Academic - Graduate level - 2 years</u> or..							
Female	3	--	4	--	3	1	
Male	15	3	9	10	12	4	
<u>TOTAL ACADEMIC</u>	<u>19</u>	<u>4</u>	<u>13</u>	<u>13</u>	<u>15</u>	<u>5</u>	

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TABLE 3 (A)
(page 3 - continued)

PROGRAM: Project Related Training U.S.
FY 1990 COUNTRY TRAINING PLAN UPDATE
NUMBER OF NEW STARTS

<u>TYPE OF TRAINING</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991</u>
<u>SUMMARY</u>							
<u>TOTAL TRAINEES</u>	<u>45</u>	<u>28</u>	<u>21</u>	<u>26</u>	<u>49</u>	<u>24</u>	<u>19</u>
<u>ACADEMIC</u>							
Female	4	--	4	1	3	1	--
Male	15	4	9	12	12	4	--
<u>TECHNICAL</u>							
Female	3	4	1	3	16	8	11
Male	23	20	7	10	18	11	8
<u>LONG-TERM</u>							
Female	4	--	4	1	3	1	--
Male	15	4	9	12	12	4	--
<u>SHORT-TERM</u>							
Female	3	4	1	3	16	8	11
Male	23	20	7	10	18	11	8
<u>HBCU PLACEMENTS</u> (*)	(-)	(-)	(-)	(-)	(9)	(10)	(10)

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* HBCU placements will be carried out as part of more extended training programs for individual trainees in the U.S.

TABLE 3 (B)
NON CLASP TRAINING

FY 1990 COUNTRY TRAINING PLAN UPDATE
NUMBER OF NEW STARTS

PROGRAM:

Project Related Training - Third Country

COUNTRY OF ORIGIN: PERU

<u>TYPE OF TRAINING</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991</u>
<u>TECHNICAL - 27 days or less</u>							
Female	-	1	2	2	1	2	2
Male	5	12	7	13	1	2	5
<u>TECHNICAL - 28-179 days</u>							
Female	5	1	-	-	7	3	1
Male	17	9	1	5	17	3	5
<u>TECHNICAL - 180- 269 days</u>							
Female	1	-	-	-	-	-	-
Male	5	1	-	-	-	-	-
<u>TECHNICAL - 270 days or more</u>							
Female	1	-	-	-	-	-	-
Male	-	-	-	-	-	-	-
<u>TOTAL TECHNICAL</u>	<u>34</u>	<u>24</u>	<u>10</u>	<u>20</u>	<u>26</u>	<u>10</u>	<u>13</u>

TABLE 3 (B)
(page 2 - continued)

PROGRAM: Project Related Training - Third Country FY 1990 COUNTRY TRAINING PLAN UPDATE
NUMBER OF NEW STARTS

<u>TYPE OF TRAINING</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991</u>
<u>ACADEMIC Undergraduate - 1 year</u>							
Female							
Male							
<u>ACADEMIC Undergraduate - 2 years</u>							
Female							
Male							
<u>Academic Undergraduate - 3 years</u>							
Female							
Male							
<u>Academic Undergraduate - 4 years</u>							
Female							
Male							
<u>Academic - Graduate level - 1 year to</u>							
Female <u>18 months</u>	-	-	2	-	-	-	-
Male	1	-	-	-	-	-	-
<u>Academic - Graduate level - 2 years or</u>							
Female <u>more</u>	1	-	1	1	1	1	
Male	6	2	1	6	1	2	
<u>TOTAL ACADEMIC</u>	<u>8</u>	<u>2</u>	<u>4</u>	<u>7</u>	<u>2</u>	<u>3</u>	

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TABLE 3 (B)
(page 3 - continued)

PROGRAM: Project Related Training - Third Country ^{FY 1990} COUNTRY TRAINING PLAN UPDATE
NUMBER OF NEW STARTS

<u>TYPE OF TRAINING</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991</u>
<u>SUMMARY</u>							
<u>TOTAL TRAINEES</u>	42	26	14	27	28	13	13
<u>ACADEMIC</u>							
Female	1	-	3	1	1	1	-
Male	7	2	1	6	1	2	-
<u>TECHNICAL</u>							
Female	7	2	2	2	8	5	3
Male	27	22	8	18	18	5	10
<u>LONG-TERM</u>							
Female	2	-	3	1	1	1	-
Male	7	2	1	6	1	2	-
<u>SHORT-TERM</u>							
Female	6	2	2	2	8	5	3
Male	27	22	8	18	18	5	10
<u>HBCU PLACEMENTS</u> N/A	(-)	(-)	(-)	(-)	(-)	(-)	(-)

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TABLE 3 (C)
NON CLASP TRAINING

FY 1990 COUNTRY TRAINING PLAN UPDATE
NUMBER OF NEW STARTS

PROGRAM: CENTRALLY/REGIONALLY FUNDED U.S.

COUNTRY OF ORIGIN: PERU

<u>TYPE OF TRAINING</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991</u>
<u>TECHNICAL - 27 days or less</u>							
Female	7	5	3	2	2	2	3
Male	6	4	3	7	2	2	1
<u>TECHNICAL - 28-179 days</u>							
Female	4	6	2	-	-	-	1
Male	13	8	10	13	1	1	1
<u>TECHNICAL - 180- 269 days</u>							
Female	-	-	-	-	-	-	-
Male	1	-	-	-	1	2	1
<u>TECHNICAL - 270 days or more</u>							
Female	1	1	-	1	-	-	-
Male	-	-	-	2	-	-	-
<u>TOTAL TECHNICAL</u>	<u>32</u>	<u>24</u>	<u>18</u>	<u>25</u>	<u>6</u>	<u>7</u>	<u>7</u>

TABLE 3 (C)
(page 2 - continued)

FY 1990 COUNTRY TRAINING PLAN UPDATE
NUMBER OF NEW STARTS

PROGRAM: CENTRALLY/REGIONALLY FUNDED U.S.

<u>TYPE OF TRAINING</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991</u>
<u>ACADEMIC Undergraduate - 1 year</u>							
Female							
Male							
<u>ACADEMIC Undergraduate - 2 years</u>							
Female							
Male							
<u>Academic Undergraduate - 3 years</u>							
Female							
Male							
<u>Academic Undergraduate - 4 years</u>							
Female							
Male							
<u>Academic - Graduate level - 1 year to</u>							
Female							
Male							
<u>Academic - Graduate level - 2 years or</u>							
Female							
Male							
<u>TOTAL ACADEMIC</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>		

TABLE 3 (C)
(page 3 - continued)

FY 1990 COUNTRY TRAINING PLAN UPDATE
NUMBER OF NEW STARTS

<u>TYPE OF TRAINING</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991</u>
<u>SUMMARY</u>							
<u>TOTAL TRAINEES</u>	<u>34</u>	<u>24</u>	<u>18</u>	<u>26</u>	<u>7</u>	<u>7</u>	<u>7</u>
<u>ACADEMIC</u>							
Female	1	-	-	-	1	-	-
Male	1	-	-	1	-	-	-
<u>TECHNICAL</u>							
Female	12	12	5	3	2	2	4
Male	20	12	13	22	4	5	3
<u>LONG-TERM</u>							
Female	2	1	-	1	1	-	-
Male	1	-	-	2	-	-	-
<u>SHORT-TERM</u>							
Female	11	11	5	2	2	2	4
Male	20	12	13	21	4	5	3
<u>HBCU PLACEMENTS</u> N/A	(-)	(-)	(-)				

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TABLE 3 (D)
NON CLASP TRAINING

FY 1990 COUNTRY TRAINING PLAN UPDATE
NUMBER OF NEW STARTS

PROGRAM: CENTRALLY/REGIONALLY FUNDED T.C.

COUNTRY OF ORIGIN: PERU

PROGRAM:

<u>TYPE OF TRAINING</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991</u>
<u>TECHNICAL - 27 days or less</u>							
Female				5	1	2	-
Male				10	2	2	5
<u>TECHNICAL - 28-179 days</u>							
Female				1	-	-	-
Male				3	-	-	-
<u>TECHNICAL - 180- 269 days</u>							
Female							
Male							
<u>TECHNICAL - 270 days or more</u>							
Female							
Male							
<u>TOTAL TECHNICAL</u>				<u>19</u>	<u>3</u>	<u>4</u>	<u>5</u>

1/91

TABLE 3 (D)
 (page 2 - continued)

FY 1990 COUNTRY TRAINING PLAN UPDATE
 NUMBER OF NEW STARTS

PROGRAM: CENTRALLY/REGIONALLY FUNDED T.C.

<u>TYPE OF TRAINING</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991</u>
<u>ACADEMIC Undergraduate - 1 year</u>							
Female							
Male							
<u>ACADEMIC Undergraduate - 2 years</u>							
Female							
Male							
<u>Academic Undergraduate - 3 years</u>							
Female							
Male							
<u>Academic Undergraduate - 4 years</u>							
Female							
Male							
<u>Academic - Graduate level - 1 year</u>							
Female							
Male							
<u>Academic - Graduate level - 2 years</u>							
Female							
Male							
<u>TOTAL ACADEMIC</u>	-	-	-	-	-	-	-

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TABLE 3 (D)
(page 3 - continued)

PROGRAM: CENTRALLY/REGIONALLY FUNDED T.C.
FY 1990 COUNTRY TRAINING PLAN UPDATE
NUMBER OF NEW STARTS

<u>TYPE OF TRAINING</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991</u>
<u>SUMMARY</u>							
<u>TOTAL TRAINEES</u>				<u>19</u>	<u>3</u>	<u>4</u>	<u>5</u>
<u>ACADEMIC</u>							
Female					-		
Male					-		
<u>TECHNICAL</u>							
Female				6	1	2	
Male				13	2	2	5
<u>LONG-TERM</u>							
Female					-		
Male					-		
<u>SHORT-TERM</u>							
Female				6	1	2	-
Male				13	2	2	5
<u>HBCU PLACEMENTS</u>	N/A			(-)	(-)	(-)	(-)

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1973

F. GRAY AMENDMENT

1. FY 1988

1. Total DA	\$27,417,000
2. DA Available for U.S. Procurement	5,457,402
3. Gray Amendment Awards	2,109,661
4. Percent to Gray Amendment Firms	39%

2. FY 1989 (estimated)

1. Total DA	\$14,500,000
2. DA Available for U.S. Procurement	5,655,000 *
3. Gray Amendment Awards	2,262,000
4. Percent to Gray Amendment Firms	40%

* This figure represents a maximum estimate based on projected FY 89 DA level.

3. FY 1988 Gray Amendment Contractors

1. a) Contractor's Name: RONCO Consulting Corporation
b) Project Title: Central Selva Resource Management
c) Amount of Contract: \$513,212
d) Date of Contract: 11/13/87
2. a) Contractor's Name: Lilibiana Cuya-Gonzalez
b) Project Title: Upper Huallaga Area Development
c) Amount of Contract: \$12,573
d) Date of Contract: 2/16/88
3. a) Contractor's Name: Rafael Diez
b) Project Title: Integrated Regional Development
c) Amount of Contract: \$15,000
d) Date of Contract: 10/29/87
4. a) Contractor's Name: Micro Express Corporation
b) Project Title: Integrated Regional Development
c) Amount of Contract: \$1,798
d) Date of Contract: 1/13/88
5. a) Contractor's Name: Linn A. Hammergren
b) Project Title: Administration of Justice
c) Amount of Contract: \$36,000
d) Date of Contract: 3/24/88
6. a) Contractor's Name: Development Associates
b) Project Title: LAC Training Initiatives II
c) Amount of Contract: \$57,945
d) Date of Contract: 4/21/88

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7. a) Contractor's Name: Pacific and Atlantic Corp.
 b) Project Title: Ag. Planning and Institutional Development
 c) Amount of Contract: \$1,800
 d) Date of Contract: 10/27/87

8. a) Contractor's Name: Linn A. Hammergren
 b) Project Title: Program Development and Support (ARDN)
 c) Amount of Contract: \$39,723
 d) Date of Contract: 8/16/88

9. a) Contractor's Name: Linn A. Hammergren
 b) Project Title: Administration of Justice
 c) Amount of Contract: \$20,432
 d) Date of Contract: 1/20/89

10. a) Contractor's Name: Development Associates
 b) Project Title: Andean Peace Scholarships
 c) Amount of Contract: \$1,269,505
 d) Date of Contract: 8/31/88

11. a) Contractor's Name: Development Associates
 b) Project Title: Narcotics Education and Public Awareness
 c) Amount of Contract: \$77,998
 d) Date of Contract: 8/29/88

12. a) Contractor's Name: Development Associates
 b) Project Title: Andean Peace Scholarships
 c) Amount of Contract: \$675
 d) Date of Contract: 2/12/88

13. a) Contractor's Name: Development Group
 b) Project Title: Program Development and Support (POP)
 c) Amount of Contract: \$48,600
 d) Date of Contract: 7/14/88

14. a) Contractor's Name: Karen Foreit
 b) Project Title: Program Development and Support (POP)
 c) Amount of Contract: \$8,600
 d) Date of Contract: 8/26/88

15. a) Contractor's Name: Karen Foreit
 b) Project Title: Program Development and Support (POP)
 c) Amount of Contract: \$5,800
 d) Date of Contract: 6/15/88

USAID/Peru continues its strong commitment to the goals of the Gray Amendment, a commitment reinforced by the superior performance which the Mission has received in recent years from its Gray Amendment contractors.

USAID / PERU ACTION PLAN : FY 1990 - FY

PD-ABC-003

1991

1 OF 2 (24X)

PERU

1989

ACTION PLAN

USAID / PERU ACTION PLAN : FY 1990 - FY

PD-ABC-003

1991

2 OF 2 (24X)

PERU

1989

ACTION PLAN