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USAID/PERU

ACTION PLAN

FY 1996-1997

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OUTLINE OF USAID/PERU'S FY 96-97 ACTION PLAN DOCUMENT

		Page No.
I.	**Strategy Overview**	
A.	Continuing Need for U.S. Development Assistance to Peru	1
B.	Highlights of Peru's Changing Country Situation	2
C.	USAID/Peru's Development Strategy	5
D.	USAID/Peru's Strategic Framework	7
E.	Progress Towards Achieving Mission's Strategic Objectives	6
F.	Managing for Results	11
G.	Examples of Participation and Partnerships	13
II.	**Performance Report**	
A.	**Goal: Building Democracy**	16
	SO 1 - Increased Participation of Citizens in Democratic Processes	16
B.	**Goal: Encouraging Broad-Based Sustainable Economic Growth**	24
	SO 2 - Increased Incomes and Employment of the Poor	24
C.	**Goal: Stabilizing World Population Growth and Protecting Human Health**	34
	SO 3 - Improved Health of High-Risk Populations	34
III.	**FY 1996-97 Program Plans and Resource Requirements**	
A.	Modifications to the Strategic Plan	44
B.	Program Activity:	53
	1. Scenario 1: 100 Percent of FY 1996 DA Level	53
	2. Scenario 2: 85 Percent of FY 1996 DA Level	56

3. Scenario 3: 75 Percent of FY 1996 DA Level 56

4. Scenario 4: 105 Percent of FY 1996 DA Level 56

C. New Activity Descriptions 57

D. Planned Improvements to Performance Measurement System 92

E. Steps in Preparation of Country Strategic Plan 94

IV. FY Program Management Requirements - Workforce/OE

A. Workforce Requirements 95

B. Operating Expenses 95

V. Mission Initiated Issues 99

VI. Special Reporting Requirements

A. Sections 118 and 119 101

B. Food Security 102

Annexes

A. Modifications to USAID/Peru Strategic Framework

B. Performance Tables SO1-SO5 for FY 1996-97

C. FY 96 Budget Planning Document - Strategic Objective Summary Report

SECTION I: STRATEGY OVERVIEW

USAID/PERU'S FY 1996-97 ACTION PLAN

I. STRATEGY OVERVIEW

A. Continuing Need for U.S. Development Assistance to Peru

Assistance to Peru through USAID directly supports the United States' interests in the region and the achievement of U.S. sustainable development objectives by promoting democracy and civil society, including the protection of basic human rights, countering the threat of the narcotics trade, expanding microenterprise and small business development, expanding access to and the use of basic health and family planning services, and protecting the environment.

The country has achieved considerable success over the past five years in its quest to end the ravages of terrorism and to begin the long process of rebuilding a modern, sustainable democratic state. Particularly noteworthy advances include: (1) the return to popular elections for Congress in November, 1992 nationwide municipal elections in January, 1993 and the recent April 9 elections for president and Congressional persons; (2) Government of Peru's (GOP) subduing of the terrorist groups (Sendero Luminoso and MRTA), the success of its national pacification program and the return of 7,417 refugee families to their homelands; (3) full reinsertion with multilateral lending institutions, including planned commitments from IDB, IBRM, and IMF of US$ 2.5 billion over the period of 1994-96; (4) aggressive implementation of the privatization program to sell state-owned enterprises, resulting in the generation of more than US$ 3.0 billion in revenues to date with an additional US$ 5.0 billion expected; and (5) the unprecedented reduction in the rate of inflation from 7,600% in 1990 to 15% in 1994 and a real GDP growth rate of 12.7% in 1994, the highest in the world.

Despite the optimism generated from recent GOP successes in carrying out macroeconomic policy reform and economic stabilization, significant social, economic and political challenges still exist in its transformation to a modern state and a sustaining democracy in the Western Hemisphere. These problems are a legacy of decades of political turmoil and authoritarianism, insurgency/terrorism and bad macroeconomic policies. As a result, income distribution indices in Peru are some of the worst in the world. Despite the highest GDP (12.7%) growth rate in the world in 1994, the country continues to suffer serious problems of underemployment and unemployment, which affect 80% of the economically active population, particularly women. The number of Peruvians classified as poor, living below the poverty threshold, whose per capita income ranges from US$ 311/per year in the rural highlands to US$ 436/per year in Lima, is approximately 11.3 million, or 49% of the population. These people do not have access to or the economic means of acquiring the minimum level of shelter, health, education and other basic services. Approximately 19% of the poor are classified as "living in extreme poverty," who can not afford even the minimum basket. Consequently, the national rate of chronic malnutrition among school age children is 48%, and in some rural highland areas it runs as high as 72%. A ranking of food insecure countries (World Food Day Report to Congress, October 1994) shows Peru as the second highest in the Hemisphere, after to Haiti.

Continued USAID assistance is vital if Peru is to achieve its targets in the areas of strengthening democracy, health and population, and promoting economic growth and increasing access of the poor to the benefits of the country's development. Despite the ratification of a new Constitution in 1993, which was a critical benchmark on the road back from the April 5, 1992 "auto golpe", much work still remains to be done to strengthen the separation of powers among branches of government, to enhance the role and capabilities of local governments in decentralizing authority, and to promote increased participation of the people in local and national governance processes. Through our efforts in these areas, the people of the United States will make a vital, sustaining contribution to the political, economic, and social well-being of Peruvian society in general, and more specifically to its poor majority, while slowing the rate of immigration and illicit drugs to the United States, and creating a

stable, democratic society with expanding markets for U.S. goods and services. Indeed, the need for this commitment of the U.S. Government was made even stronger and more explicit in the December, 1994 Summit of the Americas held in Miami.

B. Highlights of Peru's Changing Country Situation

Introduction: Peru continues at the threshold of building a modern, prosperous state within a democratic society. The country has demonstrated the will and capacity to forge consensus and to make sound social policy decisions that are clearly beginning to lead it back from the chaos of the 1980s and early 1990s to a sustainable economic and social recovery. However, Peru is still building individual, institutional and societal capacity to achieve the political, social, and economic climate capable of promoting social and economic development over the long-term. The upcoming April 9, 1995 presidential and congressional elections as well as municipal elections scheduled for November of this year pose challenges and opportunities for national debate and consensus building on the current recovery program's policies and achievements attained under the Fujimori Administration as well as facilitating and strengthening democratic forums for open, informed discussions on alternative courses of actions, will build the bases Peru needs for sustained, broad-based national growth.

The April 9 elections -- following three previous elections or referendums since November 1992 -- were a key step in Peru's political and democratic transformation. President Fujimori was reelected with an unprecedented first round victory with more than 60% of the vote. His administration will most likely enjoy a majority in Congress. Key organizations fielding election observation teams -- including the local NGO Transparencia and the Organization of American States -- confirmed the integrity of the electoral process. An attempted fraud involving up to 3000 voting "actas" (each acta reports on the vote count at one mesa, which has 200 voters) was uncovered several days prior to the elections. The authorities quickly defused the situation by confiscating the illegal actas and arresting the perpetrators.

Important advances in the administration of justice occurred in 1994, such as the establishment of four new justice sector institutions (Judicial Academy, Judiciary Council, and Constitutional Guarantees Tribunal). The GOP demonstrated support for the judicial sector by substantially increasing funding to the sector in its 1995 budget. The 96 percent increase in real terms over 1994 levels will enable the Judicial Branch to hire previously approved administrative staff, judges, and justices. Also, it has been assigned additional resources to provide new courts in Lima and elsewhere. The Public Ministry has received an 81 percent increase over 1994 budget levels that will permit additional hiring of staff (prosecutors) and construction/renovation of support facilities.

To date, the National Registry of Detainees (NRD) has established a total of five regional offices nationwide, with eight more scheduled to be inaugurated during the next year. Important legislation on the new Criminal Procedures Code and the phasing out of the "faceless" terrorist courts is awaiting debate in Congress. President Fujimori recently submitted a proposal to Congress to abolish the "faceless" courts by May 1, 1995, and the Special Commission of Congress has indicated that the final law on the Criminal Procedures Code will be discussed and is expected to be passed by the new Congress following the April elections.

Economy: In 1994, Peru's real GDP growth rate was the highest in the world, with the economy expanding by 12.7%, well above the 7% GDP growth rate registered in 1993. Current forecasts for 1996 growth are 7%, with an average of 5% GDP growth foreseen for the rest of the decade. Hyperinflation, which approached five digit levels in 1990, was slashed to 15% in 1994, the lowest in 23 years. Inflation is expected to further decline, nearing single digit levels in 1995, due to the GOP's strict maintenance of fiscal and monetary policies and control of public spending. In recognition

of Peru's improved political, economic, and security situation, direct foreign investment in the country's US$ 32.0 billion economy increased significantly to over US$ 5.8 billion in 1994, up from US$ 2.3 billion in 1993.

The agricultural sector during 1994 mirrored that of the economy as a whole. Agricultural GDP grew at 13.2% in 1994 which was 1.8% greater in absolute terms than the record achieved in 1988. This resulted principally from increased yields per hectare rather than an expansion of land under production. In addition to the suppression of terrorism, control of inflation, and favorable weather conditions, the following structural improvements were key factors: substantially improved road network; increased credit availability through formal lending mechanisms including private banks, Cajas Rurales, and Cajas Municipales; and accelerated land titling. Production was stimulated by favorable agroexport markets in which the value of agricultural exports for 1994 exceeded the historical record of 1986 by US$ 140 million. This was due principally to a tripling of non-traditional agricultural exports from US$ 72 million in 1986 to US$ 208 million in 1994. Increased agroexports have allowed the country to reduce its negative agricultural trade balance by US$ 56 million from 1990.

Privatization: Peru's technically managed and transparent privatization process has been one of the most successful in the world, with the state's share in the economy down from 35% in 1992 to 5% currently. In taking dramatic steps to reform and privatize its formerly state-dominated economy, the GOP sold 49 of 75 state-owned enterprises from 1992-1994. In 1994 alone, 29 enterprises were privatized for a total of US$ 2.6 billion, quintupling revenues collected since the process began in 1991. These reforms have attracted significant investment in infrastructure (telecommunications, power, highways, etc.) - US$ 3.2 billion to date with an estimated US$ 5.0 billion in further foreign investment expected by the end of the decade.

Increases in privatization and direct foreign investments are positive signs of renewed international investor confidence due to the success of the GOP's stabilization and economic reform programs as well as the improved security situation in Peru. An important challenge for the new administration will be to adopt policies for the prudent use of the proceeds generated by the privatization process so that they benefit all Peruvians equitably, especially those in the poorest segments of the population.

Poverty, Food Security and Social Sector Expenditures: The root cause of poverty in Peru is low productivity, which in turn, reflects inadequate investment in human and material capital, infrastructure, and supportive public policies and institutions. Although primary educational enrollment is 87.8%, high repetition and drop out rates prevail. Illiteracy rates in rural areas, where extreme poverty is most prevalent is 28.1%. The illiteracy rate is 45.6% for rural women.

Food insecurity remains a critical problem facing Peru. Chronic poverty and chronically malnourished children in Peru reflect the historic neglect of vast sements of the country's population. Despite recent positive economic growth and a reduction of terrorist activity, Peru is still struggling to recover per capita food intake levels that it attained in the 1970's. Poverty or lack of purchasing power at the household level is reflected in the low levels of per capita caloric availability and the high rates of chronic malnutrition. In 1991, FAO estimated that the average Peruvian consumed fewer than 1,900 calories per day. The national rate of chronic malnutrition among school age children is 48% and in some highland departments runs as high as 72%.

The GOP will attempt to address more fully the above problems in the coming years by significantly increasing social sector spending on the poorest and most at-risk members of Peru's society, while at the same time attempting to make those expenditures more efficient through institution building. Fully 39%, or US$ 3.3 billion, of the GOP's 1995 budget, which increased by 24% in real terms over 1994 levels, will go to social expenditures, with the largest increases going to poverty reduction and improvement of basic social services. Social ministries receiving substantial increases include the Ministries of Health and Education, up 161% and 61%, respectively, over the prior year's levels.

Environment: Peru is a country rich in natural resources and unique ecosystems and environmental

conditions. Growth in Peru's economy and the welfare of its present and future generations depend directly on its use and management of its environment and natural resources. Yet poverty, population pressures, and rapid economic growth threaten Peru's growth and quality of life as never before. Rapid urbanization, uncontrolled growth of peri-urban areas, which lacking most or all urban services, and the large proportion of rural population that lives in poverty compel people to adopt survival strategies that are inherently destructive of the environment. **Rapid economic growth and foreign investment could increase pollution levels and result in long-term damages to the environment without proper stewardship by the GOP.**

Current legislation passed in 1993 and 1994 requires environmental impact studies for investments in development of mining, fishing, and industry. The recently enacted environmental law (November 1994) remains weak and continues a sectoral approach to environmental impact analysis and environmental norms. Concurrent with these legislative efforts, the GOP is attempting to strengthen institutions responsible for the environment. In 1993 the **National Institute of Natural Resources was created**, which is charged with coordinating the management and stewardship of Peru's reserve and parks areas, as well as establishing and monitoring standards for pollution associated with agricultural activities.

Despite these advances, much remains to be done. Environmental regulation remains confusing to industry: individual Ministries generally are charged with approving environmental impact studies for their sectors. The GOP has a unique window of opportunity to emerge as a leader in the world by taking proactive steps toward establishing a sound national environmental action plan that is in harmony with the economic growth needs of the country.

Continuing Development Challenges: Peru's economy has improved markedly due to the GOP's steadfast commitment to economic reforms and unyielding fiscal discipline. **Although impressive, 1994's national economic growth was very disproportionate, being heavily dependent on fishing and construction, and not restoring output levels of 1987.** Construction, which has produced a number of employment opportunities, was largely dependent on public spending of IDB monies, which are not expected to last beyond the near term. Fishing, also an employment generator, is currently at twice the required capacity needed to exploit the available fish stocks. With newcomers striving to recover their investments, overfishing remains a threat. In the mining sector, the price boom is similarlynot expected to last. An economy built around the differential rent derived from mining does not produce enough jobs to satisfy the country's employment needs. The approximately US$ 8.0 billion expected in mining sector investments during the coming years will create at most 50,000 jobs, according to "The Peru Report".

While major inroads in pacification and the capture of Sendero Luminoso terrorists have been made in the past two years, terrorism has not been entirely controlled. In fact, Sendero reportedly has taken advantage of the Peru-Ecuador border conflict (absence of counter-insurgency forces in areas where the GOP had regained control) to reassert itself once again in emergency zones. **Reducing coca production and controlling drug trafficking still remain serious problems.** Both terrorism and coca production drain scarce GOP resources and weaken efforts toward the economic integration of vast parts of the country.

Recent figures from a World Bank-financed study show that the percentage of Peruvians living in poverty dropped from 54% to 49% during the period 1991-1994, while those living in extreme poverty dropped from 24.6% to 19% during the same period. Despite this impressive and dramatic decrease of 2 million Peruvians no longer living at or below the poverty threshold, fully **11 million people, or one-half the population of nearly 23 million, still have incomes insufficient to cover a minimum consumption basket of basic food and are incapable of acquiring minimally adequate housing, health, educational and other basic services.** Currently, underemployment and unemployment still affect some 80% of the active population, especially women. Ongoing social reforms will need to continue to expand and improve basic education, health care, and jobs, allowing the poor to partake fully in opportunities created by the GOP's transformed economy.

The sustainability of the country's development process may prove elusive, if measures are not instituted to overcome the problems of Peru's discredited traditional, political parties and the authoritianism and centralization of power in the Executive branch that now exists. While these conditions may have been acceptable over the period 1990-95 when it might be argued, it required a "strong hand" on the part of the Fujimori administration to salvage the country from total disaster, the requirements of national governance leading Peru into the year 2000 are now quite distinct. **The solutions to existing and future problems will necessitate greater access and active participation of all elements of society in discussions on alternatives, formulation of national consensus on key issues, and adoption of mechanisms for managing and resolving conflicts that forge durable agreement on difficult problems.**

Other challenges loom for the new government as well. **The exchange rate remains overvalued, making it difficult to reactivate exports; the fiscal balance, although improving, remains precarious; real interest rates remain high, and debt arrears to the commercial banks remain serious.**

C. USAID/Peru's Development Strategy

The Mission's development program is targeted at achieving the Agency's goals and country-specific objectives dealing with Building Democracy, Encouraging Broad-Based Sustainable Economic Growth, and Stabilizing World Population Growth and Protecting Human Health. This strategic framework is described in further detail in Section I.D and Section III of this report. **It is particularly important to note that within these three primary areas of focus, the Mission gives significant importance to protecting the environment and contributing to reduce level of coca production.** It clearly recognizes that the success of its development strategy in promoting sustainable development in the areas above will be largely determined by the way we approach Peru's development challenges and the involvement of the different shareholders in the process and their responsibility for its outcomes.

The particular activities supported by our program and project interventions are designed to address three basic, long-standing development problems: (1) existence of weak democratic institutions and the need to increase respect for constitutional rule; (2) traditional weak organizational capacity and inefficiency of the State to regulate and administer economic and fiscal policy; and (3) the lack of access and inequitable distribution of the benefits of national growth to the majority of poor Peruvians.

To overcome these constraints, the Mission's strategy is predicated upon a concept of integrated, multidisciplinary planning across sectors that employs a cohesive and a coordinated set of policy and project interventions at both the national and community levels to impact directly on people's lives and the basic needs of families. This two-pronged approach has achieved remarkable success because it has reached out to a broad cross-section of Peruvians in a number of very innovative ways to raise consciousness on national issues, create opportunities for discussion and debate, and support and strengthen individual and institutional capabilities and capacities to implement actions that lead to tangible and sustainable results.

Particularly successful USAID/Peru actions taken to rebuild national and local institutions, to create a self-sustaining civil society and to reduce deep-seated poverty and despair are the following:

(1) Direct support to the National Congress in drafting legislation for a new Code of Criminal Procedures that will replace the existing, antiquated judicial system;

(2) Provision of operational manuals, training and computer equipment to install a modern, automated case tracking system through the Public Ministry to improve the efficiency of judges and prosecutors in administering justice through the courts;

(3) Funding of the establishment of an innovative, low-cost Alternative Conflict Resolution (ACR) mechanism in the Lima Chamber of Commerce to expedite commercial cases. Subsequently,

we have financed technical assistance to Congress to further broaden ACR legislation to encompass mediation, conciliation and negotiation, with the intention of serving the needs of communities at the grassroots level;

(4) Reaching out to a variety of Peruvian NGOs, such as GRADE, Foro Internacional, CEPEI, ILD and PROPUESTA, in sponsoring local and regional fora in which citizen and community organizations aired and debated issues of concern. The follow-on PARDEM project is providing sub-grants to NGOs for leadership and community organizational training, technical assistance and financial support to promote participatory democracy, monitor government activities and educate citizens about their rights and responsibilities;

(5) Improving the GOP's accountability and transparency and control of public corruption, mismanagement and government inefficiency through training being given to the Office of the Comptroller General and technical assistance planned particularly in the area of audit findings and improving GOP internal controls on the use of public funds;

(6) Spear-heading a national conference and follow-on workshops to promote the formulation of policies and institutional structures for improving the status of women. Specific emphasis is being directed to recognition of women's roles in economic production, family support and community organization;

(7) Peru was certified in September 1994 as polio-free allowing the Americas to be the first region in the world to have that designation. USAID has been Peru's major donor in immunization since the early 80s, with its first assistance dating back to 1976;

(8) Designing cutting-edge interventions in support of family planning and women's empowerment through: a) our ongoing Commercial and PVO Family Planning Projects as well as the upcoming new Reprosalud Project, which is predicated upon a bottom-up approach to promoting reproductive health and women's empowerment; and b) Mission coordination of 15 family planning activities (Peru Family Planning implementation Project) supporting GOP family planning programs. Similarly, the Mission is pioneering efforts to strengthen the institutional capabilities of local governments (Local Governments Development Project), based on a model of participatory interaction between local elected officials, common citizens and their community organizations which are ahead of their time. While the country debates the issue of decentralization of power, USAID/Peru is supporting Congressional interest in studying the comparative approaches and lessons learned in previous Latin American experience in delegating public functions and resources to regional and/or local levels of government;

(9) Further strengthening democratic institutions that promote popular participation, sustain individual rights and freedoms and transparency and responsiveness of elected officials to their constituencies, by developing and rapidly implementing a new Elections Support project in time for the 1995 Presidential and Congressional election process. This is being implemented through 4 U.S. or international NGOs--IFES, NDI, IRI and CAPEL. Following the April elections, USAID will provide long-term assistance to ensure sustainable impact in the elections field; another notable success of the elections assistance effort was the transformation of a local NGO called Transparencia into a dynamic, citizens advocacy group that will remain on the scene for years; and

(10) Increasing the direct participation of the poor and their grassroots organizations in Peru's economic growth, through the Microenterprise and Small Producers Support project, which generated 36,500 new jobs in the agriculture sector, identified new products and markets and business linkages, and strengthened more than 25 indigenous organization's capabilities to sustain impacts over the long-term.

The Mission's strategy gives special emphasis to improved targeting of its assistance, not only to the organizations with whom we operate as "development partners", but also on where our efforts are geographically focused, and ensuring that Peru's most critical poverty areas are principal recipients of our assistance. To ensure results we insist upon critical evaluations of our projects and maintain communications and oversight of implementation and use of resources.

Donor Coordination

In all areas of its country program, USAID/Peru employs both formal and informal mechanisms for coordinating activities with bilateral and multilateral donors. On a macro level, the Mission helps shape the overall approach to development in Peru through its participation in the annual donor meetings in Paris, as well as the programming missions of the World Bank and the IDB. On an operational level, the Mission interacts regularly with other donors through various Coordinating Committees and representative groups. Through these mechanisms, USAID/Peru: provides input regarding the technical merits of other donors' proposed programs; fosters the coordination and exchange of project documentation and lessons learned; secures continuing donor assistance beyond the pilot phases of its own programs; and identifies possible areas of complementary effort and/or need of support. The Mission further facilitates this coordination process by performing sectoral assessments and special studies, sharing its views and experiences with the visiting technical missions of other donors. This forms the basis for donor decision-making and planning and leverages much greater impact than USAID/Peru can itself finance.

USAID/Peru makes a concerted effort to work closely with the World Bank and the IDB, as they provide the bulk of multilateral donor funding in Peru. Since their re-entry into the country, both banks have dramatically stepped up their funding levels. In fact, combined commitments for 1995 are currently projected on the order of $1.1 billion. While initial investments concentrated primarily on sustaining the stabilization and adjustment process, strengthening infrastructure (e.g. transportation, electrification, irrigation, sanitation), and fostering private sector development/public sector reform, both entities are now placing much greater emphasis on poverty alleviation and social sector lending.

As our overarching goals more closely converge with those of other donors in the future, the Mission recognizes the importance and the necessity of joint cooperation to identify areas in which our scarce resources can be leveraged and our comparative advantages exploited. Investment in primary education is one example of this coordinated approach. While the Mission recognizes the need to improve access to and quality of education, the resources available for investment are not sufficient to have a measurable impact in the sector. We therefore choose to work within the parameters of the multi-million dollar investments of the World Bank and IDB by integrating complementary, high-impact educational components within our existing projects and strategic areas.

D. USAID/Peru's Strategic Framework

USAID/Peru's program is currently structured around three strategic objectives:

- Strengthened Democratic Institutions
- Broader-Based, Sustainable Economic Growth
- Improved Health of High-Risk Populations

These objectives are consistent with the Agency's sustainable development strategies and the LAC Bureau's Strategy Statement. Currently activities related to protecting the environment and alternative development are subsumed under the Mission's economic growth objective.

However, the Mission reexamined each of the strategic objectives to further bring them into conformance with PRISM methodological standards and Agency policy. Part of this review also included developing food security and environment strategy papers, and taking a close look at how the program needs to be modified immediately in light of current circumstances in Peru.

As a result, the Mission proposes for the FY1996-1997 Act' Plan period that its strategic objectives be revised as follows:

- Increased Participation of Citizens in the Democratic Process
- Increased Incomes and Employment of the Poor
- Improved Food Security of the Extremely Poor
- Improved Health of High Risk Populations
- Improved Environmental and Natural Resource Management

The following sections on strategic objective performance relate to the currently approved objectives. The new objectives are discussed in greater detail in Section III.

E. Progress Towards Achieving Mission's Strategic Objectives:

USAID/Peru's country prog for FY94-95 has focused on achieving three strategic objectives: 1) **Strengthened Democratic Institutions** that Promote Popular Participation, Sustain Individual Rights and Freedoms, and Are Transparent and Responsive to Their Constituents; 2) **Broader-Based, Sustainable Economic Growth**; and 3) **Improved Health of High-Risk Populations** through Access To and Use of Quality, Sustainable Primary Health Care, including Increased Community Involvement.

However, this strategic framework underwent modifications in November, 1994 and January, 1995 (PRISM exercises) to better articulate a revised country strategy in recognition of the important need to broaden and expand efforts in support of counternarcotics, to improve the food security of the extremely poor, and to improve environmental and natural resources management. The proposed changes to USAID/Peru's strategic framework also respond to Peru's changing needs and potential opportunities to leverage additional, significant reforms over the FY 95-97 period.

For purposes of reporting major achievements under our approved strategic framework in this Action Plan, the following summarizes key actions and impacts under those three SOs:

SO 1 - Strengthened democratic institutions that promote popular participation, sustain individual rights and freedoms and are transparent and responsive to their constituents.

Summary of Progress: The basic building block of a democracy is a system of free and fair elections. USAID, through its **Election Support Project**, was the primary donor supporting the process leading up to the April 9th elections. USAID worked with several U.S. and international organizations -- IFES, IRI, NDI, OAS and CAPEL -- to provide assistance to the JNE and several local organizations. The assistance included intensive training ected at poll workers and party poll watchers, technical assistance and limited equipment purchases for the JNE, voter awareness campaigns, and a debate among top congressional candidates. Through the local group Transparencia, a major observation (over 8,000 observers) and quick count was successfully staged.

A critical element in a functioning democracy is an effective, transparent and accountable governance structure that sustains the rule of law and protection of human rights. Towards these ends the **Administration of Justice (AOJ) Project**, that ended in December 1994, contributed to a more efficient and independent judicial system. Concrete achievements of AOJ over the past year include: (1) promotion and eventual establishment of two new judicial institutions -- the **Judicial Academy**, which provides training to lawyers seeking to become judges or prosecutors as well as improved skills training for existing judges and prosecutors who want to advance in their judicial career and the **Judiciary Council**, an independent body that oversees the appointment of all judges and prosecutors through a competitive examination process once they finish Academy courses. A USAID-sponsored three-day conference on "Judicial Reform and the New Constitution" held in July 1992 -- whose recommendations were incorporated into the judiciary articles of the 1993 Constitution -- led to the creation of the Judicial Council and the Judicial Academy. In addition, a third institution that still

remains to be integrated called the **Constitutional Guarantees Tribunal**, which will resolve questions of the constitutionality of laws or judicial actions; (2) training for 409 prosecutors and judges who are expected to assume new roles under a new criminal procedure code system that has been presented to Congress; (3) opening of two **National Registry of Detainees offices** through ILANUD assistance that facilitates the public's inquiry about the status of persons detained under suspicion of terrorism and/or crimes against national security (three more offices, for a total of five, have been opened with support from the **JUST Project**); and (4) review of the new draft of the Criminal Procedures Code through the Special Congressional Commission (to which OPDAT provided technical assistance) that will lead to a modern accusatorial system of justice, expected to be passed after the April national elections.

A US$200,000 PD&S-funded **Civic Education Activity** with the Lima Bar Association was successful in initiating the development of a systematic program of civic education in coordination with the Ministry of Education. It addressed fundamental aspects of citizenship, democracy, constitution, rule of law, and human rights.

Several new projects authorized at the end of FY 1994 will contribute to the further achievement of this objective. Through the new 2 year "bridge" **Justice Sector Support Project**, support is being given to local, human rights groups such as CEAS, IDL, CEAPAZ, CAJ and Coordinadora to promote greater respect for individual rights through education and legal defense activities through an umbrella arrangement with Catholic Relief Services. The Andean Commission of Jurists is promoting awareness of and Congressional passage of the law that will implement the Ombudsman. **Participatory Democracy Project** through its three components - civic awareness, public accountability and elections support - and the **Local Government Development Project** are aimed at enhancing reliability and responsiveness of governance institutions and to promote greater popular participation in decision-making and empowerment of the population, particularly women and the poor majority.

SO 2 - Broader-Based, Sustainable Economic Growth

Summary of Progress: USAID/Peru is pursuing three mutually reinforcing initiatives to achieve SO 2: (a) expanding opportunities and participation by low-income groups, especially microentrepreneurs, women and small farmers in an outward-looking market economy; (b) improved targeting of safety-net programs oriented towards increasing employment and food security; and (c) policy dialogue for improved economic and social policies focused on the rural and urban/peri-urban areas of the country where poverty is largely concentrated.

During 1994 Peru made significant progress in the areas of increased incomes and employment owing to the success of the GOP's well managed macroeconomic and social investment policies and implementation programs. As a direct result of these measures the annual rate of inflation continued to decline from 15.4% in 1994 to 12% in early 1995. Gross Domestic Product (GDP) reached 8% in 1994, one of highest rates in the world, where the agricultural sector grew by 12%. Privatization of state enterprises resulted in capital inflows of US$ 2.6 billion during 1994 with projections of additional foreign investment of US$ 5.0 billion through the year 2000. Consequently, GOP budgetary outlays for the social sector represented 31.4% of the budget or US$ 2.31 billion in 1994 and the 1995 budget has been approved at a level US$ 3.3 billion or 39.9% for the sector. The net results of Peru's expanding economy in 1994 has led to a reduction in the country's level of poverty from 54% to 49% (11 million inhabitants). In the case of families living in extreme poverty it has dropped from 24% to 20% or 2.2 million inhabitants.

The Mission's **Microenterprise and Small Producers Support Project** was redesigned and more sharply focused this year to increase the direct participation of the poor and their grassroots organizations in Peru's economic growth. Using a combination of Mission grant funds and central funds for APPLE anti-poverty lending, multiple initiatives were accelerated in their implementation using U.S. and local NGO contractors (ACDI, ADEX, CARE, CRS and FINCA) to delivery technical assistance and credit to microentrepreneurs, small producers, rural farmers, womens' groups community and producers asso-

ciations as well as indigenous populations in Peru's critical poverty areas. The objective of our inputs was to improve productivity, thereby increasing incomes and employment. The results have been impressive - 36,500 new jobs created in the agriculture sector, new products and markets were identified and business linkages made, and more than 25 indigenous organizations' capabilities were strengthened to sustain impacts over the long-term.

The combined efforts of the **P.L. 480 Program and the PVO Support Project** are creating income generation opportunities for small microenterprises and subsistence farmers as well as through the food for work mechanism providing temporary employment for poor households unable to meet their food requirements. Title II and III local currency-financed emergency employment programs directly impacted 209,098 workers and their families in 1994. Similarly, the Title II CARE revolving loan program generated 1,992 loans worth US$ 3.4 million and resulted in the strengthening of 1,594 microenterprises. These initiatives included the training of1,302 women in business management and 696 in technical skills (WIG Project). Title III local currency also financed programs designed for the reintegration of people displaced by years of civel strife into economic activities in their former communities. The local currency generations also served as bridge financing for the startup of the Alternative Development project which supports local governmental efforts to build a base of economic and social infrastructure. Primary school attendance was addressed by a Title III financed school breakfast program, which feeds 130,000 children per day.

USAID/Peru's **Policy Analysis, Planning and Implementation Project** supported a broad agenda of analysis, dialogue and reform of macroeconomic and sectoral growth policies with both public and private sectors. Key outcomes that were particularly important include: passage of legislation governing pub-lic enterprises, financial institutions, and liberalization of the foreign trade laws; a financial instruments study whose recommendations were adopted giving asset holders greater opportunity for portfolio diversification as well as new financial instruments for businesses to raise capital such as American Depository Receipts (ADRs); recommendations on improving export competitiveness helped lower the cost of exporting by streamlining tax rebate procedures; support to the GOP's policy initiatives to stimu-late the growth of the microenterprises sector; tax simplification procedures to broaden the base of taxpayers and to counter tax evasion; enactment of legislation reducing transaction costs through simplification procedures to register contracts and property titles and microenterprises; and training support to private and public sectors such as the recently held monthly policy forums initiated by CONFIEP, or the Ministry of Industry and Tourism course directed at both public/private sectors on project preparation and financial feasibility to analyze proposed tourism projects.

Building on the pilot experience of the Upper Huallaga Area Development Project, the recently approved **Alternative Development Project** will promote sustainable economic opportunities by increasing and diversifying the number of viable income-producing opportunities in areas affected by coca leaf production. This US$ 30.0 million, five-year effort supports the USG's and GOP's national counter-narcotics strategy to reduce and ultimately eliminate Peru's production of cocaine available for export to the U.S. This initiative is part of a integrated development program with financial contributions from bilateral donors, including Germany and Great Britain, and multilateral donors, including EC and UNDCP, as well as major infrastructure investments undertaken by the World Bank and the IDB.

SO 3 - Improved Health of High-Risk Populations through Access to and Use of Quality, Sustainable Primary Health Care, including Increased Community Involvement

Summary of Progress: The improvement of people's quality of life is inextricably linked to broad-based economic growth previously described and to national rates of fertility and improvements in health and nutrition. If population growth exceeds gains in economic growth, per capita income will decline. Conversely, broadening the base of population benefitting from national economic growth will allow more families to provide for their own health care through the private sector, thereby reducing the strain on government delivery of health services. The targeting of Mission interventions on high-risk

populations will ensure that its actions are more cost-effective and directly contribute to the long-term sustainability of the Peruvian health care system.

In recognition of the existing imbalances in fertility between income groups and geographic region (urban vs. rural areas), USAID/Peru has taken significant steps to expand its **PVO Family Planing** activities into 16 of Peru's rural areas through 5 indigenous NGOs. In four priority departments--Puno, Chavin, Tacna and Moquegua--the total increase in contraceptive use rose by 9.6% in 1993-94. Similarly, the **Commercial Family Planning Project** has broadened the focus of its informational campaigns (radio, TV and youth music concerts) to an inno-vative use of a telephone hotline, soon to be followed by an 800 phone number that will better reach large populations in urban and peri-urban centers. This project also launched a new brand of condom under its social marketing program during the 1994 World Cup Soccer that in this short time has become the third highest in national condom sales.

Similar mortality rate imbalances exist for infants, children and women. However, through continuous assistance by USAID since 1976 and through focused interventions since 1987 through the **Child Survival Action Project**, Peru was certified in 1994 as being polio-free. This was a significant achievement enabling the Americas to be the first region in the world to be free of polio. The Project's immunization coverage rates in Peru for children under one year of age remained high in six targeted diseases in 1994 (91% for tuberculosis to 74% for measles). An effective and timely rehydration campaign resulted in a cholera fatality rate that was 50% this summer season, down from an already low rate of 0.90% in 1994 to 0.47% in 1995, Finally, one of the most significant achievements this past year was Peru's certification as polio-free, enabling the Americas to be the first region in the world to receive that designation.

A major new design initiative is nearing completion on an innovative family planning project called **ReproSalud**. Its purpose is to increase the use of family planning in rural and peri-urban areas where high fertility prevails. It will explicitly focus on strengthening community organizations and women's decision-making to empower them to take control of their lives, reproductive health and family planning needs. A microenterprise component of the project will seek to promote individual and community-based businesses to stimulate employment, raise incomes, and ensure sustainability of the activity.

The further achievement of this strategic objective was attained through the contributions of the **Title II P.L. 480 Food Program** to nutritional rehabilitation of poor and extremely poor segments of the population. An estimated 264,241 high-risk children between the ages of 0-3 years participated in direct feeding programs sponsored by Title II NGOs. The Ministry of Health's Child Survival Program was supported by Title III local currencies. In conjunction with the **SHIP South Project**, these programs provided food to address short-term needs of at-risk children before they became seriously malnourished and encouraged families to use basic primary health care services, including family planning, immunization, oral rehydration therapy and breastfeeding, as ways of controlling and preventing malnutrition.

F. MANAGING FOR RESULTS (MFR)

During the past year, USAID/Peru has taken numerous concrete steps to manage effectively manage for results, both within its own organization and through outreach with its development partners.

Within the Mission itself, the following actions have been taken to promote management for results:

- Since last year's Action Plan review, the Mission has dedicated considerable time and resources to improve and refine its strategic management framework, including two intensive PRISM exercises, as well as development of a monitoring plan to better assess and analyze program impacts. This has been a key step in improving the Mission's monitoring, evaluation and reporting (MER) system. Additional planned improvements in FY95-96 are discussed in Section III. D of this report.

- Additional resources were invested in evaluation staff through establishment of a Performance Information and Monitoring Unit within the Project Development and Program Office, designed to assist technical officers to better ess performance, measure results and repo n impacts of their programs. This Unit is re nsible for overseeing special studies, o eing the development of project-level monit g systems, and initiating the design of a graphical information system (GIS) that will facilitate improved targeting and monitoring of activities.

- Current Mission monitoring and evaluation tools include weekly senior staff meetings, periodic Project Committee meetings, workshops with development partners, semi-annual reports (SARs), annual performance reports (Action Plan), special studies and evaluations.

The strategic management approach has created a climate in which teamwork is the norm and program and sectoral interdependency is understood and promoted. New, interdisciplinary planning units-- **Strategic Objective Working Groups (SOWGs)**-- are responsible for developing the Mission's strategic framework as well as monitoring implementation progress towards achieving each SO. As a result, there is now permanent cross-office coordination among project managers to produce better results, encourage cross-fertilization of ideas, and maximize the potential contributions of the total staff. In addition, there is heightened staff understanding of the significance of program impacts, as opposed to individual project inputs, activities and outputs. The coordination of two technical offices' activities in prevention and treatment of malnutrition in children is an excellent example of this spirit of cooperation.

The same management philosophy and strategies have been shared with our counterparts, other donors and im ementing agencies, so that all stakeholders can work cooperatively towards achieving impacts. The ission-wide strategic planning exercise was conducted with extensive counterpart participation, which served to reinforce partnerships with local NGOs, negotiate and articulate areas of mutual interest, and streamline activities to achieve discrete but manageable results.

Role of Performance Information vis-a-vis Strategy and Program Decisions

Under the MFR framework, there is increasingly dynamic interplay between performance and evaluation feedback and Mission decision-making. This iterative process has had the followi sitive impacts:

- **Design of New Projects.** By focusing on past lessons learned, the Mission is able to more effectively design new activities and projects, as well as structure program outcomes that will contribute to achievement of SOs. For example, based on experience from the Upper Huallaga Area Development Project, the new Alternative Development Project recognizes the need to build in community participation, as well as to couple development activities with enforcement efforts in coca-producing areas;

  Re-design of Ongoing Projects. Performance information gathered through SARs and evaluations is used by the Mission to assess whether projects should be extended, re-designed and/ or terminated. The Microenterprise and Small Producers Support Project, for example, was restructured so that activities with greater demonstrated impact on employment and incomes of the poor (handi-crafts, appare agriculture) could be emphasized while others could be phased out (metal mechanics);

- **Refocusing of Project Implementation Strategies.** Monitoring the implementation plans and progress of USAID/Peru's grantees permits the Mission to guide projects to ensure a strategic direction compatible with host country and Agency priorities. The Employment and Natural Resources Sustainability Project, implemented by the Nature Conservancy (TNC), initially focused solely on establishing infrastructure to protect a natural reserve in Peru. In order to enhance the people-level impact of the project, USAID/Peru made extension of the project to TNC contingent upon greater emphasis on income-generating activities and community involvement of Amazon-based residents;

- **Refinement of the Strategic Framework.** Performance information gathered through Demongraphic and Health Surveys (DHS) led to a decision to direct health resources to high-risk, peri-urban and rural areas. In spite of important improvements in health indicators at the aggregate national level, data showed that major attention should be given to those areas exhibiting enormous disparities in relation to urban areas;

- **More Efficient Use of Project Resources.** Project expertise can support other projects. Just recently, the PVO Support Project carried out a workshop with its NGO partners on sustainability. NGOs that are partners of projects supporting other SOs also participated in the workshop. Different projects contributing to a specific SO or PO are joining efforts to collect data or perform special studies on certain target areas or groups, thereby saving resources.

G. EXAMPLES OF PARTICIPATION AND PARTNERSHIPS

Both the philosophy of USAID/Peru and its operational approach to development are based on the fundamental concepts of grassroots participation and empowerment of people at all levels in society. At the policy and program level the Mission's development strategies are shaped by continuous consultations with the GOP, private sector leaders, international donors and host country partners in order to ensure the responsiveness of interventions to country priorities and the expressed needs of Peruvian citizens. To the extent possible, project designs seek to incorporate the concerns and capa-bilities of client institutions and communities so that the likelihood of successful implementation is enhanced. Great emphasis is given to grassroots involvement with regard to specific activities. Extensive input is sought from the community/client group in identifying its unique problems, concerns and priorities, approaches to finding solutions, and evaluation criteria to be employed in assessing project feasibility and its implementation and sustained use.

The following examples illustrate USAID/Peru's overarching integration of its partners' and beneficiaries' participation in the program:

1. Incorporating the Concerns of Customers and Partners

▪ USAID/Peru funded a highly successful study by *Foro Nacional/Internacional* on the problems of democratic governance and development in Peru. While the study began with a broad literature review and interviews with "experts"--i.e. economists, sociologists, businessmen and development specialists--special emphasis was given to gathering data from lower classes through focus groups and public opinion surveys. Additional feedback was solicited through a series of inclusive workshops, roundtables and seminars, resulting in a broadly representative statement of concerns and issues. Results from this study have been factored into the design of numerous projects by both USAID/Peru and its NGO partners.

▪ Community participation was built into the design of the Local Governments Development Project by extensively involving local government leaders (e.g., mayors and council members) and members of the targeted communities.

▪ The new *Reprosalud* project is predicated on the identification <u>by communities</u> of local needs and appropriate interventions in a participatory fashion. The project explicitly recognizes that the effectiveness of the inclusive priority-setting/planning process will profoundly influence future participation, successful implementation of activities, and communities' sense of "ownership."

2. Building Greater Consensus

▪ A national forum was organized with 280 participants, including Congress persons, GOP ministry officials, and a cross-section of business leaders, heads of PVOs/NGOs and repre-

sentatives of other donor ag[illegible]es to discuss gender/diversity issues in the context of the role of women in Peru. A follo[illegible] workshop was then c[illegible]ducted to stimulate discussion and build greater consensus and to enhance gender analys[illegible] skills of 80 USAID/Peru staff and counterparts. Sectoral groups were organized among strategic areas, giving them the opportunity to exchange information on experiences and methodological approaches to development problems. This participatory process set the basis for future coordination of activities and more systematic attention to gender issues in all development activities.

3. **Incorporating Partner Input on Program/Strategy Assessment**

▪ In order to maximize the impact of Title II resources on the neediest portion of the population, USAID/Peru is working closely with its PVO/NGO partners to coordinate priorities and plans for program implementation. Each partner must submit a strategic plan covering the LOP that outlines proposed steps for achieving desired impacts. Through a consultative process, the Mission reviews the relative strengths of each plan and allocates resources such that Agency and host government objectives are optimally met. In addition, semi-annual and annual reviews are held with partners to ensure that mutual objectives are being met and to refine the overall strategy as necessary.

4. **Addressing Development Constraints of the Poor**

▪ The Special Development Activities Fund continues to support high-impact initiatives focused on the needs of marginal, disadvantaged communities. Because project proposals are submitted directly from community-based organizations, resources are channeled specifically to low-income areas and are used to address various constraints identified by the community, i.e. in agriculture, appropriate technology, production initiatives and basic community services.

5. **Strengthening the "Demand" Side of Policy Change**

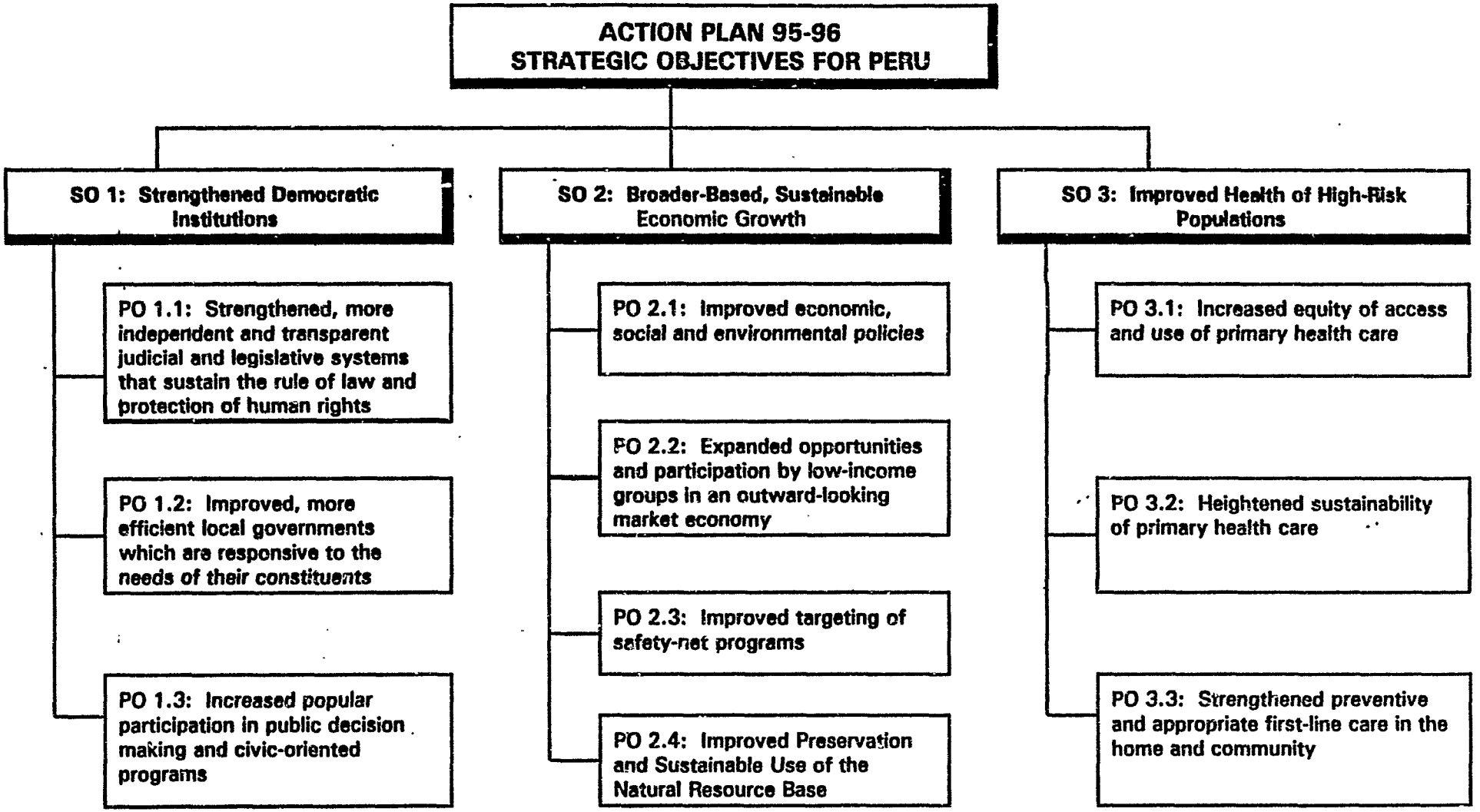
▪ The Mission's revised SO#[illegible] is specifically aimed at encouraging citizens to become actors in the democratic process by increasing their knowledge of rights and responsibilities as well as fostering their participation in public decision-making. Through the Local Governments Development and Participatory Democracy Projects, both citizens and institutions at the grassroots level will be encouraged and empowered to voice their concerns and press for greater government responsiveness and accountability to their needs and priorities by local officials and their Congressional representatives.

6. **Increasing Host-Country Capacity to Manage for Results**

▪ Catholic Relief Services, a Mission grantee in the area of human rights, has designed a workshop to train its subgrantees in the development of indicators, objectives, methodology and evaluation techniques. As a result of this training, both local human rights groups and USAID/Peru will be able to assess activities' impact and effectiveness and will consequently be better equipped to manage for results.

▪ In March 1995 the Mission conducted an "Organizational Management for Sustainability Workshop" designed to provide NGOs and other USAID/Peru counterparts with knowledge, techniques and methodologies in the areas of accounting, fund raising, and financial and administrative management directed toward sustainability. Between NGOs participating directly in the workshop and those subsequently trained by participants (i.e., consortia representatives), the institutional capacity of more than 60 NGOs was strengthened.

TABLE 1


ACTION PLAN 95-96
STRATEGIC OBJECTIVES FOR PERU
SO 1: Strengthened Democratic Institutions
PO 1.1: Strengthened, more independent and transparent judicial and legislative systems that sustain the rule of law and protection of human rights
PO 1.2: Improved, more efficient local governments which are responsive to the needs of their constituents
PO 1.3: Increased popular participation in public decision making and civic-oriented programs
SO 2: Broader-Based, Sustainable Economic Growth
PO 2.1: Improved economic, social and environmental policies
PO 2.2: Expanded opportunities and participation by low-income groups in an outward-looking market economy
PO 2.3: Improved targeting of safety-net programs
PO 2.4: Improved Preservation and Sustainable Use of the Natural Resource Base
SO 3: Improved Health of High-Risk Populations
PO 3.1: Increased equity of access and use of primary health care
PO 3.2: Heightened sustainability of primary health care
PO 3.3: Strengthened preventive and appropriate first-line care in the home and community

II. PERFORMANCE REPORT: CONTRIBUTION TO ACHIEVING AGENCY SUSTAINABLE DEVELOPMENT GOALS

A. AGENCY GOAL: BUILDING DEMOCRACY

Mission Strategic Objective 1: Strengthening Democratic Institutions that Promote Popular Participation, Sustain Individual Rights and Freedoms, and Are Transparent and Responsive to Their Constituents **(Existing SO)**

- Increased Participation of Citizens in Democratic Processes - **(Modified SO)**

Changes to Strategic Objective: SO#1 and related Program Outcomes were revised in November, 1994 and January, 1995 as part of the Mission's PRISM exercise. The most significant change is a more narrowed focus on "increased participation of citizens in democratic processes" and less concern on judicial and legislative systems. This decision reflects the new program thrust in the democracy area, and the targeting of the four democracy projects authorized at the end of FY94 - **Election Support (ES), Participatory Democracy (PARDEM), Local Government Development (LGD) and Justice Sector Support (JUST).** In addition, we have expanded the number of POs from 3 to 4 and sharpened the indicators at both the SO and PO levels. These indicators more accurately reflect what is within our manageable interest and provide a realistic measure of what we expect to accomplish. They also mirror more accurately the four new projects that were recently authorized. NGOs and other project activity implementors have participated significantly in the development of the indicators.

Local organizations, key individuals and other implementing institutions all played a major role in the design of the four new democracy projects. This is particularly important in such a sensitive sector. Thus, the SO's focus on increased participation was addressed from the beginning.

Linkage Between Goal and Strategic Objective: Building Democracy, one of the Agency's goals, is the transition to and consolidation of democratic regimes throughout the world -- as an end in itself and because it is a critical element in promoting sustainable development. This goal will be achieved through, inter alia, the establishment of democratic institutions, free and open markets, an informed and educated populace, a vibrant civic society, and a relationship between state and society that encourages pluralism, inclusion, and peaceful conflict resolution.

The linkage between the Agency's goal and the Mission's focus could not be closer -- our Strategic Objective has and will continue to support the essential underpinnings of a democratic Peruvian society. Furthermore, it is consistent with, and supportive of, the LAC Bureau's focus on "strengthening democratic institutions (civilian governments), deepening pluralism, and enhancing democratic values, knowledge and skills of citizens and their leaders."

Performance Report: This is largely a new portfolio of activities in the early stages of project implementation. The four new projects identified previously are in their initial stages of organization and are therefore mainly focused on starting implementation of approved annual workplans, establishing baselines, indicators and means of their measurement. Given the transition to a revised SO and POs, much of the report on progress toward achieving the SO is anecdotal in nature.

FY 95-96
TABLE 2: STRATEGIC OBJECTIVE PROGRAM TREE

AGENCY GOAL: BUILDING DEMOCRACY

MISSION STRATEGIC OBJECTIVE NO. 1:
Strengthened Democratic Institutions

PROGRAM OUTCOME #1 Strengthened, more independent and transparent judicial and legislative systems that sustain rule of law and protection of human rights	PROGRAM OUTCOME #2 Improved, more efficient local governments which are responsive to the needs of their constituents	PROGRAM OUTCOME #3 Increased popular participation in public decision-making and civic-oriented programs
Projects (Number/Title)	Projects (Number/Title)	Projects (Number/Title)
527-0303 Administration of Justice ***	*527-0371 Local Governments Development*	*527-0356 Participatory Democracy*
527-0352 Judicial Strengthening	527-0356 Participatory Democracy	*527-0371 Local Governments Development**
527-0356 Participatory Democracy	527-0244 Upper Huallaga Area Development**	527-0061 Special Development Activities Fund
527-0373 Judicial Sector Support	527-0340 Peruvian Peace Scholarship	527-0340 Peruvian Peace Scholarship
527-0340 Peruvian Peace Scholarship		527-0347 Narcotics Education and Community Initiatives
527-0347 Narcotics Education and Community Initiatives		527-0244 Upper Huallaga Area Development**
		527-0363 Elections Support***
598-0772 Private Sector Institutional Reform***		
		*598-0772 Private Sector Institutional Reform****

Note: Core projects are presented in italics
* Projects under development.
** Projects terminated in FY 93-FY 94
*** Projects terminating in FY 95

STRATEGIC OBJECTIVE 1 PERFORMANCE TABLE 2A

PERFORMANCE INDICATORS 1994 Action Plan Framework	BASELINE			1993		1994		1995	1996	1997	1998	1999
	Year	Unit	Data	Planned	Actual	Planned	Actual	Planned				
SO #1 STRENGTHENED DEMOCRATIC INSTITUTIONS.												
1993 Constitution is promulgated and implemented/amended, if necessary, to further conform to democratic norms.	1992		79 constitution suspended	Promul-gated	Yes		Initiative to amend sections under discussion in Congress.					
National and Municipal elections occurred as scheduled.	1992	N: National M:Municipal	N: Yes	M	Yes	N/A		N M	N/A	N/A	M	
% of public with confidence in judiciary and legislature.	1992	J:Judicial	J-25	J-30	J-29	J-35		J-40	J-45	J-50	J-55	
% of public with confidence in local governments.		TBD								+30%	+40%	
PO #1 Strengthened, more independent and transparent judicial and legislative systems that sustain the rule of law and protection of human rights.												
Demonstrable autonomy of judiciary and legislature from executive.	1992		Political interference in appointing judges	Non-political naming of judges	Esta-blished by law	Implemen ted		Others TBD				
Average time reduced between formal judicial accusation and ruling in civilian courts.	1992		26 months	26 m.	26 m.	24 m.		22 m.	20 m.	18 m.	16 m.	
Percentage of bills passed by legislature and approved by executive without executive changes or vetoes.					TBD							
Decline in number of "disappearances" and extrajudicial killings by forces of order.	1991	Over 300	292	138	70	55		40	25	15	0	
Number of narco-traffickers tried and convicted.								TBD				
New national policy statements and/or laws promulgated on drug production and trafficking.	1993				4	3	3	3	4	4	5	
Legislation enacted to implement Constitutionally-mandated decentralization of government.	1993				LGs with restricted functions						TBD	

PERFORMANCE INDICATORS 1994 Action Plan Framework	BASELINE			1993		1994		1995	1996	1997	1998	1999
	Year	Unit	Data	Planned	Actual	Planned	Actual	Planned				
PO # 2 Improved, more efficient local governments which are responsive to the needs of their constituents.												
% of population in target areas served with basic services provided by LGs.					TBD						TBD	
% of LGs' budgets coming from target areas' resources.					TBD						TBD	
Local governments' elected officials and staff trained in target areas.	1993				27	22	15	TBD			TBD	
Average number of open town meetings in target areas promoted by LGs or citizens.					TBD							
PO #3 Increased popular participation in public decision-making and civic-oriented programs.												
Non-traditional leaders and groups from socially and economically disadvantaged communities with exposure to democratic processes and training.	1993	a. people trained b.organizations		a.45	a.30 b.7770	a.110 b.7600	a.101 b.8164	a.80 b.7200	a.80 b.7200	a.80 b.7200	a.80 b.7200	
Number of draft laws and topical civic issues openly discussed.		TBD										
Number of proposals from non-legislative sources that become law or official policy.					3	6	3	6	6	6	6	
% of registered voters participating in elections.	1993				53%	N/A		TBD				
People participating in open town meetings in target areas.					TBD							
Increased public awareness on key civic issues (e.g. constitutional reform, drugs, role of political parties and citizens' responsibilities).							Drugs: 49%					

Program Outcome No. 1: Strengthened, more independent and transparent judicial systems that sustain the rule of law and protection of human rights

The JUST Project, authorized in September 1994, supports several critical activities. An important effort previously funded under the Administration of Justice (AOJ) Project is the development of the National Registry of Detainees. This activity, implemented through ILANUD, provides a system in which members of the public may inquire about the status of persons detained under suspicion of terrorism and/or crimes against national security. Five offices have been established through March, 1995. Eight more offices of the planned total of 13 will be established during the next year. This network and advertisements promoting its use have also increased public awareness and use of these services.

The Comision Andina de Juristas (CAJ) is promoting public awareness and congressional passage of the law that will implement the "Defensor del Pueblo" (Ombudsman). The Ombudsman's role is to defend the constitutional and fundamental rights of individuals and communi-ties. Through various meetings, interviews, articles and radio programs, the Andean Commission has highlighted the importance of establishing the Ombudsman. It is anticipated that the law will be adopted after the April presidential and congressional elections.

Experts from the Department of Justice's **Office of Professional Development and Training (OPDAT)** visited Peru to provide advice to the Congressional Commission that is revising the new Code of Criminal Procedures. OPDAT provided a report including recommendations to assist in the implementation of the law. Most of OPDAT's suggestions were included in the final draft presented to Congress on March 21. Many positive comments were made by GOP officials.

OPDAT's assistance spurred interest on the part of the commission in other reforms dealing with plea bargaining and alternative dispute resolution. The Commission has invited OPDAT to return for further assistance with the revised draft. Human rights in the Peru context often focuses on persons who are detained or disappear in connection with terrorism cases. We believe that an improved criminal justice system that is more transparent and efficient, directly improves the respect for human rights of a broader cross section of the population.

Catholic Relief Services (CRS) is managing a program of grants to local human rights groups to promote greater respect for human rights through education and legal defense. Numerous meetings have been held with various local human rights groups.

By mid-May, CRS will have signed grants with five local organizations: Instituto de Defensa Legal (IDL); Comision Episcopal de Accion Social (CEAS); Centro de Estudios y Accion para la Paz (CEAPAZ); Coordinadora Nacional de Derechos Humanos; and CAJ.

The grant to the Coordinadora is particularly important, for it will fund, among other things, a survey on peoples' knowledge and awareness of human rights. The first of its kind, this survey will provide a baseline. In this regard, CRS has designed a workshop (to be held in May) for grantees to develop indicators, objectives, methodology and evaluation techniques. It is evident that while many local groups have been promoting the protection of human rights, they have not been able to measure the impact of their activities.

Role of Other Donors: While USAID's financial resources are not large, its support to the justice sector and human rights in particular has been an important catalyst. USAID's activities are increasingly being complemented by those of other donors. The more significant are noted below:

- The Inter-American Development Bank (IDB) is providing $1.4 million for an alternative disputes resolution program. The program will establish a conciliation and arbitration center and provide equipment and training. It is also providing a small amount of assis-

tance to the judicial branch that may develop into a more significant ($5 million) effort to restructure, train and evaluate the judicial branch.

- The World Bank is considering a significant program ($25 million) in the area of administration of justice for 1997.

- This is the last of a three year United Nations Development Program (UNDP) activity that is assisting in Ministry of Justice reforms. These reforms include support for new laws, architectural assistance for new court houses and the Judicial Academy. UNDP may consider further activities in this area.

- The European Union is in the final stages of signing an agreement to provide assistance to the Judicial Academy. This assistance -- in the proposed amount of $780,000 -- will provide technical assistance for curriculum development and training.

- There are a number of other donors providing assistance in the form of small grants to local NGOs, primarily in the area of human rights. The World Bank has also noted its interest in providing assistance to displaced persons.

Program Outcome No. 2: Improved more efficient local governments which are responsive to the needs of their constituents.

The newly authorized **Local Government Development (LGD) Project** builds upon lessons learned under the Upper Huallaga Development Project. Participation was built into the design of LGD, as the mission worked closely with local government leaders--mayors and council members--and members of the targeted communities. Local leaders in many cases were reluctant to include communities in the development and planning process due to the considerable time and effort involved. Participatory processes have been emphasized that will promote and encourage community involvement in the elaboration of annual work plans. Channels of communication have also been established between communities and with different levels of local, regional and national governmental institutions.

With our support, the **Congressional Commission of Decentralization, Local Government and Social Development** implemented "public audiences," a mechanism to communicate with local governments. Five regional meetings were held to discuss a draft decentralization law and other proposals related to decentralization and local governments.

PARTICIPATION - A WASTE OF TIME?

Don Antonio Simons Vela--an industrial brick maker by profession--is currently the Mayor of Moyobamba, capital city of the San Martin region. He is wealthy, well educated and from a respected family. In 1992, Don Antonio ran as an independent in municipal elections, defeating the incumbent in a closely contested race. He is no stranger to municipal government, having twice been appointed as Mayor of Moyobamba by the military in the 1970s.

Two years ago, USAID began preliminary consultations regarding the implementation of democratic community participation in local government. Don Antonio initially rejected USAID's suggestion that he convoke a general meeting with councilmen to present the project proposal, explain the relevant concepts, and solicit their input and support. Even after the LGD Project began, Don Antonio decided which activities were most beneficial for the community since, "as a mayor," he knew the community needs well. According to him, the process of consultation and participation was too time-consuming and not necessary.

Changing Don Antonio's perception of democracy and participation was not an easy task. It took a year of hard work and long discussions before he accepted the concept of community participation and inclusion in project responsibilities. Last year for the first time, he agreed to hold local assemblies to determine and prioritize community activities.

By the end of 1994, Moyobamba was one of our top four municipalities implementing community development activities. In November, Don Antonio and another local mayor were invited by USAID/Peru to attend the Interamerican Mayor's Conference. At the conference, he enthusiastically presented his experiences and lessons learned from working cooperatively with communities. As a result of these successful achievements--and despite his 70 years of age--Don Antonio has decided to run once again in the 1995 municipal elections.

Other donor assistance in this area includes:

- Both the World Bank and IDB are financing community-level activities through loans to FONCODES. The total amount of loans is $200 million. They are planning a second set of loans that will provide greater em-phasis on coordination with municipalities.

- Earlier this year a World Bank team visited Peru to develop a program to strengthen major local governments that have the capability or have begun to improve their administrative ability to collect taxes, plan and manage their finances.

- IDB is planning a program similar to that of the World Bank and will send a team in May. Its coverage will apparently be wider than the World Bank's.

Program Outcome No. 3: Increased popular participation in public decision-making and civic-oriented programs.

The **Narcotics Education and Community Initiatives (CEDRO) Project** continues to focus its work on national drug prevention and awareness. Over 30 microenterprises have been initiated outside of Lima as an alternative to illicit production of coca. Having trained 30,000 high school teachers, over 800 high schools have adopted a drug prevention program. The United Nations' Drug Control Program is seriously considering replicating this activity through the Ministry of Education at the primary school level.

The **Institute for Liberty and Democracy (ILD)** is beginning to wind up its activities under the Private Sector Institutional Reform Project. We are confident that an end-of-project evaluation will confirm the enormous success of ILD's land titling system. It is hoped that as USAID/Peru funding ends, ILD will find other sources to expand its methodology internationally.

The newly authorized **Participatory Democracy (PARDEM)** Project's Civic Awareness component is being implemented through an umbrella grant arrangement with the Grupo de Analisis para el Desarrollo (GRADE), a local NGO. GRADE has concentrated its early efforts on meeting with other local and international groups, developing its first annual work plan and ensuring that activities can be measured and fit within the SO#1 framework. Grants to improve interaction between Congress and citizens and to improve civil/military relations have been signed. GRADE has adopted a very open and participatory approach in both the design and implementation of activities.

The design and implementation of PARDEM benefited greatly from a small grant to a local NGO, Foro Nacional/Internacional. Through various meetings, conferences, focus groups and discrete research activities, Foro assessed various governance related issues in Peru with the new Constitution as a backdrop. The findings were disseminated by various means, including through the recent publication of a book with its findings.

The **Local Governments Development Project** is providing training and technical assistance to communities and local leaders on rights, responsibilities and obligations of elected officials in relationship to governance. The project emphasizes participation in town meetings, in which community needs, priorities and planning processes to find solutions are models of operation. It is actively promoting greater paarticipation of women in all decision-making processes.

The most significant ongoing other donor activity is IDB assistance (with Japanese funding) to the Peruvian Congress. Assistance is provided in the areas of administrative reorganization, training, development of a technical advisory group and management information systems. Total cost of the project is $3 million. Other donors provide small grants and training opportunities.

New Program Outcome No. 4: Improved Electoral Systems.

This new PO was previously subsumed under the "increased participation" program outcome. It is a reflection of the increased levels of assistance we are providing in the 1994-95 election year and our commitment to achieving longer term reforms after these elections.

USAID is the primary donor in this area. The major focus of assistance has been on the April, 1995 presidential and congressional elections. This assistance has been provided through five international or U.S. NGOs and through subgrants to a number of local NGOs. The five international/U.S. NGOs are: Organization of American States (OAS); International Republican Institute (IRI); National Democratic Institute for International Affairs (NDI); Centro de Asesoria y Promocion Electoral (CAPEL) and International Foundation for Electoral Systems (IFES). The local organizations included Transparencia, Instituto de Economia y Libre Mercado (IELM), Consejo por La Paz, Instituto de Prensa y Sociedad (IPYS), Universidad del Pacifico and Centro Peruano de Estudios Internacionales (CEPEI).

ELECTIONS: TRANSPARENCIA MAKES A DIFFERENCE

Primarily through NDI (and to a lesser extent, IRI and IFES), the Election Support Project helped the Peruvian civic organization Transparencia to organize an election observation and quick count program for the April 9, 1995, national elections. Over the course of the last four months, Transparencia grew from a staff of three people to a national network with 47 regional committees and 9,000 volunteers. Initially considered an opposition group, it evolved into a credible and effective non-partisan player in the Peruvian political process.

Transparencia provided the general public, as well as the opposition political parties, two election day reports regarding the electoral process and the results of the presidential race. The quantitative results were closer than any other group's to the partial official results of the National Election Tribunal, while the qualitative information indicated that problems encountered were insufficient to undermine the integrity of the Peruvian electoral process.

This was the first time in Peruvian history that independent citizens directly verified the results of elections and assessed the quality of the process. Through its observation and quick count activities, Transparencia increased public participation and confidence in the country's electoral process.

USAID support has focused on technical assistance and training, with lesser amounts directed to equipment and material. This assistance has been provided both to the official GOP elections apparatus--the National Elections Board and its subordinates--as well as to local groups and political parties who have an important role to play in monitoring and observing the elections process. Significant voter education campaigns have also served to improvoe citizen participation.

There has been a high level of coordination among the various international and Peruvian entities. While much credit must go to these groups, USAID has been instrumental in encouraging close cooperation through numerous informal channels, as well as bi-weekly meetings of the international groups implementing activities.

USAID considers its assistance and the elections in general highly successful. Transparencia, who conducted a successful observation and quick count, confirmed the integrity of the electoral process. Transparencia also found that absenteeism and invalid votes cast for president declined as compared to past elections. The OAS in a similar vein concluded that the process evidenced those small problems normally associated with elections in this hemisphere.

Virtually all of the assistance in this area has focused on immediate concerns related to the April elections. After these elections, IFES--under PARDEM--will turn its attention to longer-term institutional issues through training of elections personnel, voter registration, purification of the voter rolls and other technical assistance. IFES will also support the November, 1995 local elections. These elections will also benefit from activities under the LGD Project, including those promoting participation and training.

USAID is the primary donor in the elections area, and we have taken the lead in promoting donor coordination. The Mission Director hosted several coordination meetings among donors that were

interested in the elections. The meetings provided an opportunity to exchange information and coordinate assistance. Other donor support in this area was rather limited. There were several small grants (under $100,000) to local NGOs, while the Japanese provided just under $100,000 to the National Elections Board to upgrade the computer system. The National Endowment for Democracy also provided a small grant to a local NGO (Transparencia) to support election observation and a quick count.

B. AGENCY GOAL: ENCOURAGING BROAD-BASED ECONOMIC GROWTH

Mission Strategic Objective 2: Broader-Based, Sustainable Economic Growth **(Existing SO)**

- Increased Incomes and Employment of the Poor **(New SO)**

Changes to Strategic Objectives: The new, revised SO -- Increased Incomes and Employment of the Poor -- more clearly concentrates the Mission's efforts on increasing the incomes and employment of the poor, rather than on the broader measurement of increased GDP per capita which does not provide an indication of income distribution, an important element of broad-based growth. It also expresses our belief that there is substantial potential for income and employment generation among small farmers and microenterprises as they participate in the country's productive economic expansion. We will address the key constraints of inaccessibility to markets and relatively low productivity of these target groups within the SO's program outcomes.

In addition to last year's POs on policy environment (#1) and expanded market access (#2), another program outcome (#3) has been added which focuses on improved productivity of the target group. This PO should directly impact on efficiency and, therefore, increased incomes. A new program outcome (#4) in support of Presidential Decision Directive (PDD-14) will geographically focus the income and employment objectives on the coca-growing and outmigration areas of Peru. Simultaneously, last year's PO #3 on improved targeting of safety-net programs has been transferred to the new Strategic Objective No. 3: Improved Food Security of the Extremely Poor.

Linkage Between Goal and Strategic Objective: The linkages between the Agency Goal and SO#2 are direct. Indeed, the same three key terms appear in each: economic growth, broad-based, and sustainable. By economic growth, USAID/Peru understands enhancement of the well-being of people as approximated by the economic yardstick of income. By broader-based growth, the Mission understands a process that is inclusive, people-focused, and participatory. Although all Peruvians will stand to benefit, USAID/Peru assistance will be directed primarily to raising the well-being of the poor. By sustainability, the Mission understands growth that will be renewable both economically and environmentally, as well as stable socially and institutionally.

USAID/Peru's program of support for broader-based economic growth under its SO#2 will emphasize economic and social policies that meet the needs of vulnerable groups, expanded access and participation by microenterprises and small farmers, and increases Peru's participation in hemispheric free trade. The focus of USAID/Peru's actions are directly supportive of the LAC Bureau's development priorities aimed at ensuring that economic reform and growth continue concurrently with effective efforts to expand incomes and opportunities for the poor.

Performance Report: This is largely a portfolio of activities that are in their advance stage of implementation. Significant impact is being attained toward achievement of the SO and POs. New design initiatives are underway in FY 95 for Alternative Development and Sustainable Natural Resource Management, however, the later will be reported on next year under the new SO No. 5.

TABLE 3: STRATEGIC OBJECTIVE PROGRAM TREE

AGENCY GOAL: ENCOURAGING BROAD-BASED, SUSTAINABLE ECONOMIC GROWTH

MISSION STRATEGIC OBJECTIVE NO. 2:
Broader-Based, Sustainable Economic Growth

PROGRAM OUTCOME #1 Improved economic, social, and environmental policies	PROGRAM OUTCOME #2 Expanded opportunities and participation by low-income groups in an outward-looking market economy	PROGRAM OUTCOME #3 Improved targeting of safety-net programs	PROGRAM OUTCOME #4 Improved management of natural resources	PROGRAM OUTCOME #5 Strengthened institutions and public awareness on environment and natural resource management.
Projects (Number/Title)	Projects (Number/Title)	Project (Number/Title)	Project (Number/Title)	Project (Number/Title)
*527-0343 Policy Analysis Planning and Implementation****	*527-0349 Microenterprise and Small Producers Support*	*P.L. 480 Title II*	*527-0341 Employment and Natural Resource Sustainability*	*527-0341 Employment and Natural Resource Sustainability*
527-0344 Economic Stabilization and Recovery Program	*P.L. 480 Title II*	*P.L. 480 Title III*	*527-0368 Sustainable Natural Resource Management**	*527-0368 Sustainable Natural Resource Management**
527-0349 Microenterprise and Small Producers Support	*P.L. 480 Title III*	527-0353 PVO Support	*527-0372 Integrated Pest Management*	527-0353 PVO Support
*527-0368 Sustainable Natural Resource Management**	*527-0348 Alternative Development**		527-0348 Alternative Development*	527-0340 Peruvian Peace Scholarship
P.L. 480 Title III	*527-0353 PVO Support*		P.L. 480 Title II	
	527-0061 Special Development Activities Fund		P.L. 480 Title III	936-5554 Biodiversity Support
598-0772 Private Sector Institutional Reform***				
	598-0807 LAC Tech II		*598-0780 FADEMAD*	
	ORT-0192 APT Link**		598-0807 LAC Tech II	
			EIA Activities*	

Note: Core projects in italics
*Projects under development
**Projects terminated in FY 93-94
***Projects terminating in FY 95

STRATEGIC OBJECTIVE 2 PERFORMANCE TABLE 3A

PERFORMANCE INDICATORS	BASELINE			1993		1994		1995	1996	1997	1998	1999
	Year	Unit	1992	Planned	Actual	Planned	Actual	Planned				
SO #2 BROADER-BASED, SUSTAINABLE ECONOMIC GROWTH.												
GDP/per capita .	1991	$1,185	$1,122		$1,175	$1,225	$1,300	$1,339	$1,379	$1,421	$1,463	$1,507
Value of consumption of the 40% lowest income urban groups.	1991	$380	$391	$403								
Value of consumption of the 40% lowest income rural groups.	1991	$194		$193				$213	$235			
PO #1 Improved economic and social policies.												
Maintenance of primary budget surplus.	1991	No	Yes		Yes	Yes	Yes	Yes	Yes	Yes		
GOP Social expenditures as % of GDP.	1992		2.8		4.8	3.8	4.6	4	4.5	5	5.5	
Microenterprise policy framework implemented.	1994					Need Assess-ment	Study done	Strategy for-mulated	Regula-tory reforms adopted	Review targets	Full imple-menta-tion	
Agricultural marketing policy framework implemented.	1994					Assess-ment	Study done	Anti-mon opoly law in agr. im-plemented	Pilot test of como-dity ex-change	TBD		
PO #2 Expanded opportunities and participation by low-income groups in an outward- looking market economy.												
Number of microenterprises and small farmers with access to credits.	1993	a.Micro-enter-prises b.Small Farmers c. Other (women)			a.1,695 b.1,479		a.2,091 b.13,969 c.1,740					
Value of sales of assisted micro-enterprises and small farmers. (in $000)	1993	a.Local Market b.Foreign market			b.25,000		b.$6,005				a.28,842 b.55,175	

PERFORMANCE INDICATORS	BASELINE			1993		1994		1995	1996	1997	1998	1999
	Year	Unit	1992	Planned	Actual	Planned	Actual	Planned				
Production of selected crops produced primarily by small farmers. (metric tons)	1993	a.Onion b.Garlic c.Mango			b.1800		a.1,350 b.1,947 c.20	a.2,048 b.3,200 c.720	a.4,000 b.6,400 c.5,400	a.9,100 b.6,400 c.11,000		
Employment in targeted microenterprises and small farms.	1993	a. New b.Streng-thened			1,277 10,870		2,476 5,468					
Legal employment in selected drug producing areas.	1991	60,590				Project not started						+9,009
Hectares of cultivation of legal crops in targeted drug producing areas.	1993	ha 44,084			44084	Project not started						63,208
PO #3 Improved targeting of safety-net programs.												
Number of beneficiaries reached by Title II resources that are within the 25% poorest population.	1993				53%	70%	53%	80%	85%	90%	95%	
Number of high-risk children 0-3 years assisted by direct feeding programs.	1993				283,528	282,608	264,241	218,510				
Emergency short-term employment.	1993				248,920	137,306	209,098	121,816				
PO #4 Improved natural resource management												
Selected areas of Sierra under soil conservation practices	1993	Cumulat. ha			8,830	13,000	13,788					
Selected areas of Sierra and Selva reforested (Cumulative)	1993	ha a. Sierra b. Selva			a.2,012 b.500		a.3,770					b.1,500
Number of farmers using integrated pest management control techniques in selected areas	1993	Cumula-tive			None	500	1,640					
Increased levels of agricultural productivity in selected areas from imporved management	1993	kg/ha a.Potato. b.Habas			a.4,700 b.1,000		a.8,750 b.2,010					

Program Outcome No.1: Improved economic, social and environmental policies

The Mission made considerable advances during 1994 under its policy dialogue efforts through its P.L. 480 Title III program and the ESAFI and MSP projects. Support was provided through technical assistance and policy insistence by the Mission to the following outcomes:

- Design and implementation of President Fujimori's economic reform program, including its negotiation of the Rights Accumulation Program with the IMF, rescheduling of the external debt by the GOP at the Paris Club, and the formation of the Donor Support Group which led to Peru's reinsertion into the international financial community and economic stabilization.

- Passage of legislation governing public enterprises, financial institutions, and liberal-ization of the foreign trade framework leading to increased efficiency in the private sector.

- Development and passage of legislation (Law No. 26366) which reorganizes and modernizes the national system of public registries under the Ministry of Justice, creates the Superintendency of Public Registries, and simplifies the procedure for registering contracts, titles and property.

SUPPORT TO PERUVIAN ARTESANS

The MSP Project dedicates significant resources to the promotion of Peruvian microenterprises, including handicrafts such as ceramics, jewelry, sweaters and tapestries. The project's Handicrafts Component began late in 1993 with an intensive two-week course designed to teach Peruvian small exporters/producers about U.S. market tastes and preferences for handicrafts. This training, combined with a series of visits by U.S. designers to Peru, led to improvements in the design of already high-quality Peruvian handicrafts. Making products more aesthetically pleasing and useful to U.S. consumers--many of whom have little or no knowledge of Peruvian culture--is precisely the change targeted by MSP to increase export potential.

In January, 1995, sixteen of the twenty-six small handicrafts exporters involved in the project paid their own expenses to participate in the International Gift Show (IGS) in New York City. The exporters displayed their MSP-improved prototype handicrafts to wholesalers at the event, marking the first time that any country made an integrated presentation at the IGS. As a result of their participation, Peruvian exporters made over 200 wholesale-level contacts. Between orders concluded and contracts under negotiation, estimated annual sales will increase by about $2.0 million--this after little more than one year's involvement in the MSP Project.

The people-level impact of such sales includes increased income for the 3,000 poor handicrafts-makers who provide products to the microentrepreneurs, as well as additional jobs in their workshops located in some of Peru's poorest peri-urban and rural areas. MSP is becoming increasingly known in Peru for its strategy of increasing the incomes of and creating meaningful employment for the poor majority by improving the international competitiveness of select products for which great market demand or potential already exists--as opposed to other programs which first promote production and subsequently attempt to determine where it can be sold.

- Establishment of a system of Negotiable Credit Notes for domestic sales tax refunds by the National Tax Authority (SUNAT), resulting in rebates to exporters of more than $140 million.

- Implementation of legislation (D.L. 776) for redistributing revenues to local governments, based on their degree of poverty, thereby enabling them to increase their capacity to provide basic services to their constituencies.

- Privatization of key public sector enterprises in the areas of mining, telecommunications, agroindustry and tourism.

- Reductions in April and October of the agricultural surcharge structure imposed by the GOP on commodity imports, thereby reducing prices for wheat- and corn-based

products for consumers. Specifically, in September 1994, the import surcharge for wheat was reduced from $26.00 to $7. 'metric ton. The surcharge was eliminated as of January 1995. In addition, a 10.1. ɔ percent tax on C.I.F. value was eliminated as of April 1995. These tax reductions combined to reduce the price of imported wheat from $232 per metric ton in 1994 to $198 per metric ton in 1995.

- Continued operation of the State Marketing Enterprise (ENCI) without subsidies from the GOP in an open market, competitive situation, providing inputs to farmers.

- Development and passage of legislation that authorizes the establishment and operation of commodity exchanges in Peru, with the first one for agricultural products.

- Transfer of five public sector agricultural research stations on the coast to the private sector for operation, with another 16 in the process of transfer.

- Completion by the Export Sector Panel of the first phase of the Peruvian Entrepreneurial Project (PEP), a three-phase private sector study of investment and development potential by geographic zones in various sectors of the economy.

- Nine rural banks (Cajas Rurales) established and operational with a paid-in capital of $2.6 million, and managing an additional $7.4 million of rotating loan funds from the Ministry of Agriculture and credit lines from the second-story bank (COFIDE) totalling $9.5 million.

- Delivery of 47,000 agricultural land titles to farmers nation .

- Establishment and operation of 60 multi-community and 1(community enterprises, grouping more than 4,000 peasant communities, to provide agricultural credit, inputs,

NECESSITY IS THE MOTHER OF INVENTION

Jesús Bendezu Prince lives with his mother and 8 of his 12 brothers in a marginal district of Lima afflicted by high levels of poverty, food insecurity and unemployment. A 26-year-old entrepreneur, Jesús is already approaching his fifth anniversary in the business of shoe making.

Jesús' entrance into the working world came rather abruptly, when his father was unexpectedly fired from the shoe f ory in which he worked. Although he was studying at the time, Jesús k w he had to find a way to earn money to support his family. He therefore started to make sandals, a skill which he had learned from his father. Starting his business with four pairs of borrowed shoe forms, homemade knives, needles, and a drying oven, and an old machine which he repaired himself, Jesús was able to make 1-2 dozen pairs of sandals per week.

A few months later he heard about CARE, a: organization which provided microenterprises with loans and technical assistance under its Sustainable Food Security Program, supported by USAID Title II and Title III resources. Through his own initiative, Jesús obtained support for his fledgling workshop and "was able to see a new world before" him. With the loan money, he purchased a dozen shoe forms and additional materials to increase production in a new area, rope-soled shoes (men's footwear). He was able to hire several employees from the same district, enhancing their incomes and food security as a result.

Jesús tells the story best: "I was already established in the market. My products are good and I'm always making small changes on them so that they won't be common. That may be the reason why they're always sold out. With the money I earned, I was able to hire more people; at one point I had 15 people working for me. Production increased greatly--I got to make 60-80 dozen shoes a week. Besides t redit provided by CARE (4 loans), I had the chance to attend those train... courses meant for small and microentrepreneurs. These courses helped me a lot; I was able to start making leather shoes. We're doing fine here now, and our models are exclusive--I design them myself. Now I have machinery and tools of my own. And I owe it all to CARE, who provided me with support."

marketing and technical services to poor small farmers.

Program Outcome No. 2: Expanded opportunities and participation by low-income groups in an outward-looking market economy

Activities directly supported by the Mission's MSP, ILD and PVO Support projects produced the following significant results during 1994:

- Formalization of an additional 50,000 peri-urban property titles through ILD's rapid, low-cost system, resulting in significant increases in production, employ-ment, income and credit access.

- Direct generation of $2.5 million increase in exports in the agricultural and fishing industries, with first-time exports of onions, beans, and table grapes to the U.S. and Europe, through MSP assistance.

- The Mission's pilot Caja Rural in Chiclayo completed its level of paid-in capital ($350,000) required to initiate operations to serve small farmers, microenterprises, and traders.

- More than 1.5 million small farmers receive a weekly nationwide update of technical information on production and marketing through MSP-sponsored radio programs broadcast by a network of 55 radio stations.

- More than 1,600 jobs created and incomes increased for 9,000 persons in agriculture and microenterprise (handicrafts) through MSP assistance.

- Initiated a $2 million anti-poverty lending program with CARE, Catholic Relief Services, and FINCA utilizing the "village banking" model of loans under $300 to 9,000 disadvantaged women.

- Thirty NGOs from Peru's poorest departments of Cuzco, Ayacucho, and Cajamarca are being strengthened through management training and implementation of sixteen sustainable development projects totalling $3.2 million which will benefit 18,600 families through improved production, income, and health through the PVO Support Project.

Within this objective area, coordination takes place with other donors through the Donor Coordinating Committee on Agriculture and Natural Resources, which meets monthly. It is co-chaired by FAO and USAID/Peru and is composed of the IDB, IICA, UNDP, European Union, World Food Program, Junta de Cartagena, and representatives of bilateral programs from Canada, Germany and Japan. In this forum, information is shared on international donor programs and projects, as well as investment priorities in Peruvian agriculture and natural resources. USAID/Peru also maintains continual working relationships with IDB and World Bank missions when they visit Peru, especially in the areas of macroeconomic reform, agricultural technology transfer, and rural finance.

The following example shows the practical impli-cations of such donor coordination. In the early stages of developing its Agricultural Sector Loan Program for Peru in 1992-93, the IDB consulted closely with the Mission and its Agricultural Technology Transformation (ATT) Project implementation units in order to understand ATT's mechanisms for working with public and private sector institutions in technology generation/ transfer, and to assess other areas in which it might place emphasis. Calling upon the ATT experiences and a series of programmatic analy-ses, the IDB and the Ministry of

Agriculture decided to concentrate their combined efforts in public sector technology generation/transfer in the sierra and the selva, leaving research and extension on the coast to the export-oriented private sector. Although the IDB program has not yet been signed, the Mission has taken the initiative to support private sector technology generation/transfer on the coast under the MSP Project and the Title III local currency program through Fundación Peru.

Program Outcome No. 3: Improved targeting of safety-net programs

The Mission's key actions dealing with the social safety-net fall within the **P.L. 480 Title II** program implemented by CARE, CARITAS, ADRA/OFASA and PRISMA, and the Emergency Employment Program (PEIS) funded with **P.L. 480 Title III** local currencies.

Specifically, under this PO the Mission's Title II programs continued to reach a large percentage of the poorest 25 percent of Peruvians. This segment of the population is characterized as having insufficient income or resources to afford even the minimum food basket. An estimated 53 percent of the program beneficiaries are found in this class, estimated to number over 5 million people. All Title II resources go to poor Peruvians, which are the majority (54 percent of an estimated total of 22.5 million people) of the population. For the purposes of targeting, poverty is defined as conditions that fail to provide the minimum standards of food access, education, health, and housing.

A higher degree of targeting efficiency under the Title II Program has been unattainable due in part to the difficult accessibility to extremely poor areas. Perhaps more important impediments existing during most of 1994 were the conditions of civil strife in the countryside and in some of the most economically disadvantaged zones of the country. Although the GOP has made great progress on pacification measures, terrorism and the general lack of security and law enforcement in extremely poor areas constrained the program from making significant inroads. In 1995, there has been a continual improvement in security in the countryside, and targeting indicators should show an increase in the percentage of extremely poor populations being reached under the program. In the beginning of FY96, all PVO Title II sponsors will adopt a targeting mechanism based on geographic and beneficiary poverty and or risk criteria. Qualification for receipt of program resources will be limited to the extremely poor and those in actual states or in high risk of malnutrition.

Also under this outcome, emergency short-term employment was provided to approximately 209,098 poor beneficiaries, exceeding 1994 planned indicator levels by over 40 percent. This increase was in part due to reductions in food-for-work rations, but also reflects the improved implementation of a GOP managed Title III local currency-financed emergency employment program (PEIS). In addition to the direct income impact achieved through Title II and Title III program interventions, the infrastructure works completed under these programs included rural road and irrigation system rehabilitation which have an indirect impact on production levels.

The Title II program also met the needs of an estimated 264,241 high-risk children, ages 0 to 3 years, that participated in direct feeding programs. The program will prove to be a significant factor in the eventual reduction of chronic and global malnutrition rates and other childhood health problems in the country due to the number of children reached. For example, demographic surveys estimate that the population of children aged 0 to 4 is 12.7 percent. Whether one applies this percentage to the estimated number of extremely poor or poor population, the significance of the impact of the direct feeding program is indisputable. The numbers of children reached in 1994 under the program represent 17 percent of the estimated number of poor children in the country. With improvements in 1995 and 1996 in the efficiency of program beneficiary targeting of the extremely poor, the impact on early childhood malnutrition, respiratory and diarrheal infections, and incidence of infectious diseases found in Peru's most vulnerable population group will be significant.

Donor coordination in this area takes place via monthly meetings of the Permanent Committee on Food Assistance, chaired by the World Food Program and composed of USAID/Peru, the European Union and representatives of bilateral programs from Canada, Japan, France, Holland, Italy and Spain. The purpose of the Committee is to share information on participants' food assistance/schedules and Peruvian feeding priorities.

Program Outcome No. 4: Improved Preservation and Sustainable Use of the Natural Resource Base

Under its **ENRS, FADEMAD and IPM** project interventions, the Mission has achieved the following:

- Four income generation activities with local inhabitants have been initiated in the Pacaya-Samiria National Reserve located in the Amazon jungle: salt-drying fish; community palm management; improved rice, maize and bean production; and management of taricaya turtles. This enables the inhabitants to earn income while using the Reserve's natural resources in a sustainable manner;

- Four community promoters and twenty conservation promoters (guards) have been trained and are working in the Pacaya-Samiria National Reserve in sustainable use activities, thereby providing more effective protection of the Reserve;

- More than 1,600 smallholder Andean farmers have been trained in the identification and control of potato pests using integrated pest management practices, while 430 farmers are successfully treating stored potato seeds with biological agents in order to reduce toxicity and storage costs;

- Digitized land cover/land use maps have been produced for all 19 communities participating in the Tambopata-Candamo Reserved Zone Land Classification Project, with 80 farmer participants being trained in the application of the results. It is still too early to determinate the beneficial impacts derived from the community' acceptance of the land classification system and its effects on productive capability and people's incomes; and

- Soil conservation and agroforestry activities have placed 495 hectares under food crop production.

USAID/Peru is sharing with and receiving information from other donors on existing and upcoming interventions in natural resources and watershed management through its monthly meetings with the Donor Coordinating Committee on Agriculture and Natural Resources. Close collaboration is maintained with the IDB as we complement it's $1.8 million support to strengthen the new National Environmental Commission's structure and analytical capability, prepare a national environmental plan, and strengthen the environmental offices of various sectoral ministries. We are also coordinating with the World Bank and the German government in their support to PROFONANPE. IDB, World Bank and UNDP missions visiting Peru continually share their information with the Mission on issues related to watershed management and protected areas.

Expected Future Program/Project Impacts

During the preparation of last year's Action Plan, an analysis entitled **"Broad-Based, Sustainable Economic Growth in Peru: A Strategy for USAID Assistance"** was prepared to better identify key areas of intervention related to broad-based, sustainable economic growth. The resulting priorities, used in the FY 1995-96 Action Plan, were the following: sectoral policy dialogue; GOP investments in productive infrastructure; trade and marketing; rural finance; private agricultural technology generation and

transfer; natural resource management; and local organization strengthening. A similar list of priority interventions emerged from the Mission's Food Security Strategy, developed in late 1994, which stressed the poverty alleviation (income) aspects of accessibility to food. Repeated national and regional workshops on agricultural and rural development during 1994, as well as the platforms of various political parties participating in elections in April, 1995, have stressed similar interventions. The common thread in all of these analyses is decentralized economic opportunity based on popular, organized participation in market economies.

In implementing this Strategic Objective, the Mission will focus its efforts on this common thread, through backward and forward linkages with urban and rural population centers, and with industry, commerce and service sectors. Through these linkages, coordinated agricultural and rural development activities can have strong positive [illegible] on rural employment and incomes, exports earning foreign exchange, raw materials for processing industries, availability and access to food, and expansion of effective demand for durable goods.

Reducing transaction costs of poor Peruvians' access to [illegible]ural resources, capital, technology and markets will be the focus of the Mission during the next two years. It builds on the approach presented in last year's Action Plan, concentrating more on the equity aspects of income generation and distribution than on the country's overall growth levels which are presently proceeding well. The delivery mechanism for Mission assistance is to and through microenterprises, small farmers, and NGOs, with public-sector participation [illegible] creating and enforcing policies, norms and regulations, and providing budgetary support to priority productive infrastructure and human resource preparation.

In order to implement this SO, the Mission will concentrate its efforts on policy, access and participation as described in the revised SO tree and its corresponding four Program Outcomes.

The Mission will continue to carry out its policy dialogue on incomes and employment (PO#1) with the GOP through its extended Policy Analysis, Planning and Implementation (PAPI) Project, with a greater emphasis on sectoral issues. With the demise of the P.L. 480 Title III and STMP programs, it will be even more critical for the Mission to coordinate with and support other donor policy dialogue with the GOP, especially the World Bank and the IDB, as is now the case with agricultural surcharges, the water users law, and the forestry law. Continued support to ADEX through the MSP Project and to Fundación Peru with remaining P.L. 480 Title III local currencies will provide a strengthened private sector approach to policy dialogue with the GOP on matters related to non-traditional exports, micro-enterprise development, agricultural investment incentives and a national Five-Year Agricultural Development Plan. Other key issues to be discussed with the GOP will include broader-based rural financial markets, improved norms and regulations for more efficient, transparent markets, increased access to improved technology, and appropriate incentives for alternative crops in coca-producing areas.

Mission actions on market access (PO#2) correspond closely to issues raised with the GOP under the policy dialogue effort described above, as well as to those activities posited in last year's Action Plan. The focus will be on reducing market-related transaction costs for the poor (through improved physical infrastructure, improved flow of market information, reduced transportation costs, and increased use of processing industries) while strengthening small producers' organizations to participate actively in the market on behalf of their members. These actions will be carried out under the MSP, PVO Support and Alternative Development (AD) projects, especially in the Sierra and Selva.

In order to achieve increased productivity of small farmers and microenterprises (PO#3), the Mission will use the three projects mentioned above to focus on increased use of improved production and post-harvest technologies, formal savings and lending operations, and improved entrepreneurial capabilities of the target group. Since the World Bank and the IDB are planning significant investments

(up to $100 million) in capitalizing formal rural financial systems in 1996-97, the Mission has decided not to undertake a new start in this area in FY96 as projected in last year's Action Plan. Rather, it will continue to fund pilot anti-poverty lending, microenterprise credit, and Caja Rural operations under the existing MSP, AD and PVO Support projects.

In support of this PO, the Mission will develop a new project for FY97 that deals with private sector agricultural technology adaptation and dissemination and small farmer training in the use of improved technologies. We will coordinate closely with the IDB in combined efforts to attain a strengthened public/private nationwide technology generation and transfer system.

A new PO#4 has been created to focus attention on the development of licit economic opportunities in coca and out-migration areas. In addition to its work to improve market access and increased productivity, the Alternative Development Project will also improve the capability of local governments to maintain infrastructure, provide basic services and promote a stable, attractive environment for the private sector to operate. This PO is part of the broader USG National Drug Control Strategy and all activities to be implemented are defined in PDD-14 as USAID's contribution to the achievement of this strategy.

C. AGENCY GOAL: STABILIZING WORLD POPULATION GROWTH AND PROTECTING HUMAN HEALTH

Mission Strategic Objective 3: Improved Health of High-Risk Populations through Access To and Use of Quality, Sustainable Primary Health Care, including Increased Community Involvement.

Changes to Strategic Objectives: The Mission's health, population, and nutrition SO is the least changed from the previous year. The proposed SO continues to focus on high risk populations in rural and peri-urban areas. It addresses the needs of these populations through interrelated actions aimed toward related program outcomes; increased use of primary health care; heightened sustainability of primary health care; and increased use of preventative practices and first-line care in the home and community. This is explained in more detailed in Annex A, the first and third POs were sharpened from last year's to make them more logically consistent and more objectively verifiable.

Linkages between Goal and Strategic Objective: The linkage between SO#3 and the Agency's goal could not be stronger. Through access to and use of quality, sustainable primary health care, assistance will be directed primarily at reducing infant, child and maternal mortality and fertility in high-risk peri-urban and rural populations. An emphasis on increased community involvement will help ensure that the target populations in these poor and neglected parts of the country are empowered to assume increased responsibility for preventive and first-line curative actions in the community and the home. Sustainability is explicit in the objective and will be pursued in both its programmatic and financial aspects, e.g., human resource development and cost-recovery programs.

The direction of USAID's program is consistent with the LAC Bureau's development priorities, namely ensuring access to basic health and family planning--making these fundamental services universally available and accessible, to the extent possible on a self-sustaining basis--and ensuring that critical challenges to the hemisphere are addressed.

Performance Report: Measuring Progress - In 1996 the third Demographic and Health Survey (DHS) will take place in Peru. Following on the previous surveys of 1986 and 1991-92, it will provide both national and sub-national data on health, population and nutrition indicators at the strategic objective level. These are: infant mortality, child mortality, chronic malnutrition, maternal mortality and total fertility. This source of comparable, time-series data is the most valid and reliable way to show progress over time and to avoid mistaken inferences from point-prevalence data that may be artifactual. For

the interim years, project-specific data and data from the Ministry of Health's health information system--developed with USAID funding--provide evidence of performance at the program outcome level and below.

Nonetheless, we can confidently say that in the year since the last Mission Action Plan, substantial progress has been made in improving the health of high-risk populations. The Mission defines high-risk populations along several lines:

By age: children under one prioritarily; children under five; and women in fertile age (15-49).

By residence: people in rural areas, in peri-urban areas, in the sierra and jungle, and in the Mission's priority regions.

By lifestyle: people at risk of HIV/AIDS.

The Mission breaks this strategic objective down into three POs. Reporting on the SO is organized around them.

MAKING CONDOMS "COOL"

Martin was joking around with some of his friends at a party, "I'm a *trome* (I'm 'with it'),' he said. A group of young women not too far away smiled mischievously as they repeated what they had overheard Martin say. We moved closer to Martin, a young university business student. He continued, "That is what convinced me to use a condom. It's one word that sums up everything. It's like the time I saw a campaign against drugs that said, 'If you use drugs, you're a loser.' But here they put it in the positive – if you take care of yourself (use contraception), you're a *trome*."

This comment was made in the second year of the *Los Tromes* cam-paign, which is intended to create a favorable climate towards contra-ception in Peru, improve the image of people who use contraception, and encourage people to seek further information about contraceptive methods. In the first year of the campaign, the target group was women – *Las Tromes* – but males quickly complained that they were being excluded from the positive associations people were making between the term *trome* and the use of contraception.

In an evaluation survey conducted in November 1994, 98 percent of people surveyed remembered the messages, 91 percent approved of them, more than 90 percent associated them with a positive image of contraception, 72 percent felt motivated to seek out further information and 57 percent said they felt motivated to use contraception as a result.

Program Outcome No. 1: Increased equity of access and use of primary health care.

The indicators for PO#1 center on immunization coverage, pregnancy and childbirth care, pneumonia and diarrhea cases treated appropriately, contraceptive prevalence and the length of birth intervals. Annual national data are available for immunization coverage. Project data are available for contraceptive use. The other indicators rely on periodic measurement by the DHS.[1] Nonetheless, there is considerable relevant information to report at the sub-program and outcome levels.

Immunization coverage. The foremost achievement of the year was Peru's certification in September, 1994 as polio-free, the nation having successfully met the rigorous standards of the WHO/PAHO Polio Certification Commission. This certification of Peru meant that the entire region of the Americas could be declared polio-free, the first region in the world to be able to make that claim. USAID has been the major donor in immunization in Peru since the early 1980s, having initiated the Sunday vaccination campaigns that have been a hallmark of the Ministry's successful efforts to extend coverage.

[1] For this and other reasons, the indicators cited here from last year's Action Plan have been revised to facilitate annual reporting. The program outcomes have been similarly slightly revised.

FY 95-96

TABLE 4: STRATEGIC OBJECTIVE PROGRAM TREE

AGENCY GOAL: STABILIZING WORLD POPULATION GROWTH AND PROTECTING HUMAN HEALTH

MISSION STRATEGIC OBJECTIVE NO. 3:
Improved Health of High-Risk Populations

PROGRAM OUTCOME #1 Increased equity of access and use of primary health care	PROGRAM OUTCOME #2 Heightened sustainability of primary health care	PROGRAM OUTCOME #3 Strengthened preventive and appropriate first-line care in the home and community
Projects (Number/Title)	Projects (Number/Title)	Projects (Number/Title)
527-0285 Child Survival Action **	*527-0285 Child Survival Action* **	*527-0285 Child Survival Action* **
527-0319 Strengthening Private Sector Health Institutions	*527-0319 Strengthening Private Sector Health Institutions*	*527-0319 Strengthening Private Sector Health Institutions*
527-0335 Private Voluntary Sector Family Planning Services Expansion **	*527-0335 Private Voluntary Sector Family Planning Services Expansion* **	*527-0335 Private Voluntary Sector Family Planning Services Expansion* **
527-0366 Project 2000	*527-0366 Project 2000*	*527-0366 Project 2000*
527-0355 ReproSalud *	*527-0355 ReproSalud* *	*527-0355 ReproSalud* *
527-0326 Private Commercial Family Planning		
527-0353 PVO Support	*PFPIP Peru Family Planning Implementation Plan*	*PFPIP Peru Family Planning Implementation Plan*
PFPIP Peru Family Planning Implementation Plan		

Note: Core projects are in italics
* Projects under development.
** Projects terminating in FY 95

STRATEGIC OBJECTIVE 3 PERFORMANCE TABLE 4A

PERFORMANCE INDICATORS	BASELINE			1993		1994		1995	1996	1997	1998	1999	2000
	Year		1992	Planned	Actual	Planned	Actual	Planned					
SO #3 IMPROVED HEALTH OF HIGH-RISK POPULATIONS.													
Infant mortality (IMR).	1986	73	55			N/A		45					40
Child mortality (CMR).	1986	106	78			N/A		68					60
Fertility (TFR).	1986	4.1	3.5			N/A		3.2					3
Maternal mortality (MMR).	1991		303			N/A		250					200
Chronic malnutrition in children (H/A) (a.rural/ b.urban)	1991	a.57 b.23	a.53 b.26			N/A		32					25
PO #1 Increased equity of access and use of primary health care.													
Immunization coverage for 6 EPI childhood diseases.	1986	47	73	80	85	85	87	88					90
Immunization coverage for tetanus toxoid.	1986	20	13		31		16	60					80
Proportion of births attended by trained personnel.	1986	49	52					60					67
Proportion of pneumonia cases treated appropriately.	1991		48					58					67
Proportion of diarrhea cases treated appropriately.	1991		31					40					50
Contraceptive prevalence rate.	1986	48	59				60	63					67
Proportion of birth intervals <24 months.	1991		29					20					10
Proportion of women receiving prenatal care.	1991		68				64	75					80
PO #2 Heightened sustainability of primary health care.													
Proportion of health personnel trained in key technical areas and management.	1993				5%		5%	33%					67%
Proportion of health facilities with basic equipment and supplies							13.5%	67%					80%
Proportion of family planning delivery sites with adequate range of contraceptives.							56%	70%					90%
Proportion of family planning delivery sites with personnel trained in counseling.								70%					90%
Cost recovery through user fees.	1991	0			20%		20%						50%

PERFORMANCE INDICATORS	BASELINE			1993		1994		1995	1996	1997	1998	1999	2000
	Year		1992	Planned	Actual	Planned	Actual	Planned					
Proportion of annual costs supported through other income generation.	1991	0							20%				
Total proportion of annual costs supported through non donor funds.	1991	0			20%		20%						70%
PO #3 Strengthened preventive and appropriate first-line care in the home and community.													
Average duration of exclusive breastfeeding.	1991		2.2					2.6					3
Proportion of children who received home-based oral rehydration therapy during last episode of diarrhea.	1991		31%					40%					50%
Proportion of children who received two daily rations of appropriate weaning foods.	1991		62%					68%					75%
Contraceptive failure rate.	1991		29%					20%					10%

National statistics are available on immunizations for the six diseases targeted by the Expanded Program on Immunization. Coverage of children under one in 1994 for these vaccines was: 91 percent for BCG (tuberculosis); 87 percent for both polio and the triple vaccine of diphtheria, pertussis and tetanus; and 74 percent for measles. The average for all immunizations was 85 percent, which is the Mission target for 1995.

Even though measles shows the lowest coverage of the EPI-targeted diseases, the coverage has been sufficiently high to exert already a dramatic effect on disease incidence. In 1992, for example, there were 14,912 reported cases of measles in Peru. In 1993 this number declined markedly to 1,730 cases -- a scant 11 percent of the previous year's total. In 1994, that number fell even farther, to 666, or an incredible 4 percent of the 1993 level. And it appears that the trend may continue: As of March 4, 1995 -- one-sixth through the year -- only 64 cases have been reported. As is well known, in developing countries measles can be a deadly disease, in part because it so often interacts with malnutrition to activate the deadly downward spiral of infection and malnutrition.

Appropriate Treatment of Diarrhea. January-March 1995 is the fifth Peruvian summer since cholera broke out in Peru in January 1991. Once cholera appears, it is resistent to eradication. Public health actions must focus on prevention and timely management of cases. Despite these challenges, the number of reported cholera cases in the 1995 summer is, to date, 2.7 percent lower than last year's numbers (7,200 compared with 7,400). Even more promising, however, is that this year's fatality rate is about half that of last summer -- 0.47 vs. 0.9 percent. Timely use of oral rehydration salts and, where necessary, intravenous rehydration, have been the key. USAID has supported a large training program for health personnel in this area, as well as the development of health education materials that focus on such preventive measures as washing hands, cooking food properly and avoiding street foods.

Contraceptive Prevalence. Despite some political pressures on family planning in Peru, the USAID-supported program continued to make gains in this key area:

-- Improving Beneficiary Access. Some 16 new service delivery sites were opened in rural areas, each one in turn supporting a network of posts and promoters. These sites, most of which are in the sierra departments of Cusco, Junin, La Libertad and Puno, serve a population of 275,000. They are helping make services available and accessible to the largely underserved rural populations, among whom health and fertility indicators are dramatically poorer than among urban residents.

Second, USAID contraceptive commodities are now also reaching a network of health facilities in some nine sugar cooperatives in rural coastal areas. Coupled with USAID-financed training in contraceptive technology, these supplies help meet the family planning needs of some 200,000 sugar-cane workers.

Third, an NGO supported by USAID launched a new brand of condoms in its social marketing program. Called Piel ("Skin"), the condom was launched via leveraged air-time during the 1994 World Soccer Cup, which had an extremely high audience rating among young adults. Its distribution has also reached three-fourths of the pharmacies in Peru. Piel quickly catapulted to third place in national condom sales, obtaining a sales rate that was 10 percent higher than even the most optimistic projections. In the seven months from its launching in June through the end of 1994, some 1.5 million packages were sold.

-- Better Understanding of Customer Demand. A series of five anthropological studies were commissioned to find out more from non-users at the community level about why they do not use existing services. The Mission needed this work to shed light on the paradox in Peru of underutilized services existing side-by-side with a huge unmet need for family planning. The findings are now being translated into improvements and new strategies that will make services more acceptable--and therefore more utilized--by poor people whom the system has failed to reach in the past. A principal finding has been the need to work more intensively with males, not only so they become users of male methods, but because of the pivotal role they play in decision-making about contraceptive use by their female partners.

-- Improving Consumer Choice. Three new contraceptives were added to the method mix in Peru: the injectable Depo-provera, considered to be key for sustained demand from rural women; progesterone-only oral contraceptives, which are well suited for nursing women, since they do not inhibit pro-duction of breastmilk (breastfeeding is long in Peru and usually persists beyond resumption of menstruation); and natural family planning methods, which are gaining an equal place with other methods. Since periodic abstinence is the most used natural method in Peru, USAID support focuses on making couples who chose that method more effective users and introduces the option of combining natural methods with barrier methods.

The consequence of the above is **improved use**. As a result of USAID's investment in support of public sector family planning in key geographic areas of Peru, couple-years-of-protection (CYP, a standardized way of reporting the distribution and use of the gamut of contraceptives) has increased markedly in these priority areas. In one year's time, CYP has risen by 16 percent in Puno, an area historically resistant to contraception. The total increase between 1993-94 in the four priority departments (Puno, Chavin, Tacna y Moquegua) was 9.6 percent. By method, the largest increases were for the injectable Depo-provera, which has been available through USAID the past year. Distribution of that method increased by 84 percent. Intrauterine device (IUD) insertions, already the most popular modern method in Peru, increased by 22 percent, while distribution of oral contraceptives rose by 20 percent.

Program Outcome No. 2: Heightened sustainability of primary health care.

The indicators for this PO center on the proportions of health personnel trained in key areas, of facility sites that are adequately equipped and supplied, and of annual costs covered by non-donor sources. Project-specific data are available for many of these indicators. Further, much of the technology transfer that promotes sustainability comes through technical assistance from U.S-based specialists. In 1994, the HPN Office has managed no fewer than 144 technical assistance visits in health, population and nutrition.

Training. Training has been a prime activity of USAID/Peru during the last year, under its PROCAME (Programa de Capacitacion de Medicos y Enfermeras) sub-project. During the year as many as 323 physicians, midwives and nurses were trained as trainers in intensive two-week courses in Lima on clinical management of diarrheal diseases, acute respiratory infections, breastfeeding and weaning. A full two-thirds of these key trainees were women. In turn, members of this cadre returned to their home bases and, through replica courses, trained almost 7,000 of their colleagues in public hospitals, health centers and health posts. These trainees represent 30 percent of relevant health personnel in the public sector, exceeding the 1993 baseline of 5 percent and virtually accomplishing the 1995 target of 33 percent.

This year USAID has continued to fund the Ministry of Health's Field Epidemiology Training Program (FETP), a two-year, master's level training that to date has graduated 20 physicians as skilled epidemiologists; seven of these graduates have been women. With all graduates placed in Ministry offices at the central and regional levels, this cadre constitutes the national epidemiological network, capable of monitoring diseases and investigating outbreaks of transmissible diseases. Over the last year, this cadre's involvement in the cholera epidemic, the outbreak of bubonic plague in the North, and of yellow fever and rabies in the jungle has provided the Ministry with the critical information needed to determine the type of public health interventions warranted. In the case of the bubonic plague outbreak, the information helped organize the participation of the military, the Ministry of Agriculture and U.S. assistance from the Centers for Disease Control and Prevention.

Extensive training also took place in family planning, much of it featuring counseling. During the year service personnel in five NGOs supported by the Mission received training in total quality care, management of health and family planning services, voluntary surgical contraception, and natural family planning. This group of service deliverers numbers 833 -- 71 percent of which were women.

Training in the public sector has also been extensive. In a year and a half, more than 3,000 participants have benefited from some type of training in family planning and reproductive health. Some 164 health workers have been trained as trainers; they in turn have trained 1,189 fellow workers via replica courses. Additionally, there have been 921 health workers trained in counseling, 145 physicians trained in voluntary surgical contraception, and 66 physicians and midwives trained in post-partum IUD insertion. Some 633 health workers have participated in contraceptive technology up-dates, which typically last 3-5 days. Finally, 85 university professors have been trained in educational assessment of undergraduate reproductive health curricula and/or quality of care in family planning/reproductive health. In management, a total of 154 public sector personnel were trained in management information systems, health services management and logistics. This extensive work in training--much of it in training of trainers so that courses can be replicated--augurs well for programmatic sustainability.

Equipment, Supplies and Contraceptives. The system for distributing logistic supplies to 188 distribution points nationwide has been consolidated, cutting down greatly on stockouts. On a national level, 945,700 CYPs were provided by supply methods donated by USAID during the period November 1993-October 1994. Some 55 health workers in charge of contraceptives have been trained in logistics management.

Second, two laboratory technicians from Puno were trained by the National Institute for Neoplastic Diseases in Lima to set up and operate a Papanicolaou test laboratory to service the Puno region, where such services are not otherwise available. This will help many women use the IUD more safely and will help protect against cervical cancer and other insults to the female genital tract.

Financial Sustainability. In June 1995 a contract was signed for the SHIP North (MaxSalud) Project. The project seeks to develop a financially self-sustainable NGO that will provide primary health care services in a network of clinics in Chiclayo, on Peru's north coast. The first clinic, which will feature cost-recovery mechanisms from the onset, will open by September 1995. Project 2000, the Mission's new maternal and child health project (the contract was signed in December 1994), contains a strong health financing component. Work in this important area within the context of the Ministry of Health services will now move forward.

The in-kind contribution made by one NGO supported by USAID rose by 140 percent over the past year, from $386,389 to $855,269. This accounting includes person-hours volunteered, promotional materials, media time and in-kind contributions from pharmaceutical companies.

Among other advances in promoting sustainability, the IV National Contraceptive Inventory, an annual activity funded by USAID, was conducted last November-December. It revealed a decreased loss of products due to expiration of shelf life: the range was 0.1-1.3 percent, down from 1-3 percent in 1993. Similarly, a marked improvement was noted in warehousing conditions for contraceptive supplies: optimal storage went up from 26 percent in 1993 to 55 percent in 1994.

Program Outcome No. 3: Strengthened preventive and appropriate first-line care in the home and community.

The indicators for this program outcome center on durations of exclusive breastfeeding, timely provision of oral rehydration therapy, appropriate weaning practices and contraceptive failure rates. Reliable information on these indicators was not available during the past year, since all are based on the DHS series. Nonetheless, performance information is available on important precursors that allow gains in these indicators over a multiple-year period. Since many of these were cited in more detailed form above, they are recapitulated briefly here:

Breastfeeding, Oral Rehydration Therapy and Weaning Foods. Key precursors to achieving gains in these areas that were achieved this year include: training of 60 Ministry health communicators in formative research and strategy design; development of educational materials (television and radio

spots) that promote exclusive breastfeeding; development of a national communications policy; training of over 7,300 public sector professionals in these technical areas; coordination with UNICEF and other donors in supporting the community-based oral rehydration units that exist throughout Peru; training of 922 counselors in family planning and reproductive health; qualitative research on how women view their reproductive health and physiology; and training in the lactational amenorrhea method of family planning.

Contraceptive Failure. Activities undertaken during the past year to reduce the contraceptive failure rate by the time of the next DHS study include: qualitative research on how women view their reproductive physiology (so as to design appropriate educational strategies and recommend any needed improvements in counseling); training of 921 family planning practitioners in counseling; expansion of the method mix of contraceptives available in Peru; extension of services to rural areas through social marketing; upgrading of Ministry service delivery points, making such contraceptives as condoms, orals, injectables, tablets more widely available at the community level; and training to service providers in natural family planning, so that they can help people become more effective users of such methods.

In addition, multiple information, education and communication (IEC) activities sensitize people, increase their knowledge and help them become more effective users of contraception. A major weakness in service delivery in Peru has been the lack of take-away educational materials that users and would-be users can look at in the home and share with spouses, friends and relatives. This year different sets of attractive materials have been developed for people on the coast, in the sierra and in the jungle, as well as a special set for decidedly rural populations. Among USAID-supported innovative approaches to diffusing messages about family planning, five professional theater groups present a specially-written comedy as the opening act at youth events and jazz concerts. Some 32 presentations occur monthly, having entertained and informed over 50,000 spectators cumulatively.

Target of Opportunity. HIV/AIDS is perhaps the single best example of how essential is preventive care in the home and community. There is no vaccine against HIV/AIDS and no cure. The only appropriate public health intervention is prevention based on changes in personal behavior. Although the Mission has no AIDS funding, in 1994 it used limited non-restricted funding to finance an assessment of HIV/AIDS in Peru. Among salient findings: the serious lack of reliable data; the shift in infection patterns from homosexuals, through bisexuals, to heterosexuals, with a subsequent increased incidence of transmission to women; and the decreasing age of people testing positive for HIV. Using limited resources well. the Mission has been the catalyst in organizing a coordination mechanism for groups working in HIV/AIDS in Peru, which heretofore have been working in an uncoordinated way.

Coordination with Other Donors. The HPN Office coordinates actively with other donors that have programs relevant to this strategic objective. As noted above, the project teams for Project 2000 and the large health and nutrition projects of the World Bank and the IDB share office space, so that they can coordinate activities on a daily basis. Further, USAID and the World Bank have made a geographic division of labor in their respective maternal and child health and nutrition projects. All three major donors are charter members of an Inter-Agency Coordinating Committee chaired by the Minister of Health and for which USAID took the initiative. This committee provides a regular forum for donors to interact in a concerted way with the Minister, particularly regarding reforms needed in the sector.

USAID also coordinates with UNICEF, PAHO and Rotary International in immunization support, as well as such other primary health care interventions as oral rehydration therapy and breastfeeding promotion. We coordinate with UNFPA, the second donor in Peru in family planning, in support to that sector. Minor donors in family planning and reproductive health, such as the Ford Foundation and the U.K.'s Overseas Development Administration, call on the Mission each time their representatives visit Peru, to ensure that their assistance dovetails with that of USAID.

THE IMPACT OF FAMILY PLANNING

Elvira Salazar, age 32, lives with her husband in a modest home on the periurban fringe of Ayacucho. Their dream is to establish their own repair shop. Elvira, who has had six pregnancies and four children, never wanted to go to her local health center to learn about family planning. She was recently interviewed about the impact family planning has had on her life:

What do you think about family planning? It's good for me. Without it I don't know how many more children I would have had by now. Now I can save and get ahead.

Before you started using family planning, what did you think? I didn't think anything. That's why I have four children. I even had two others ripped out of me. Then, when my youngest daughter was only one, the promoter spoke to me about family planning. Now my daughter is three and a half, and I am fine, unworried.

What type of family planning do you use? Pills.

What other methods are you familiar with? Injectables, tablets, condoms, foams. I found out about them from my neighbor; she's a promoter.

Who chose the method you use? I did. My husband didn't know anything about it, he wasn't interested. I was afraid of having any more children. But now he knows and he agrees with me. He even tells me that he thinks it's fine.

Why do you keep using pills as your method? Because they suit me fine. I have nothing wrong with me. I feel fine.

What does your husband think of family planning? He agrees with it. He's been happy since I have been using contraception. You know, I used to get pregnant without our really wanting that. That's why we had two pregnancies aborted, but that type of thing is very dangerous.

Have you noticed any changes in your home since you started using contraception? Life has improved. I save more now. I don't get pregnant anymore. I can buy little things I need. I have time to work and take care of my house. When my youngest child was little, I couldn't work. I had to carry her everywhere I went. Now I can put her down and work.

How is your relationship with your husband now? Just fine. Before I didn't watch myself. He didn't do anything to stop the pregnancies either. But now I can be with him whenever I want to. Every month he tells me how good it is that I take the pills. Now we are making a little bit of money with our little repair business, and we are saving up for our children's education.

What advice would you give to women in general or to your friends? I would tell them to go visit the promoter, so that they can use family planning, too. Too often women do not know about these things and they wind up having too many children.

III. FY 1996-1997 PROGRAM PLANS AND RESOURCE REQUIREMENTS

A. Modifications to the Strategic Plan

USAID Peru proposes modifying the strategic plan to disaggregate the broader-based, sustainable economic growth strategic objective into three new strategic objectives. These new objectives are: Increased Incomes and Employment of the Poor, Improved Food Security of the Extremely Poor, and Improved Environmental and Natural Resource Management. The proposed strategic objective framework for FY 96-97 is shown in Table 5.

These changes build a practical program level performance management system with a set of objectives clearly within the Mission's manageable interest. The Mission undertook this program review with the assistance of CDIE. The Mission believes that the new strategic objective framework is an improvement over the current structure by clarifying the conceptual basis of the overall program as well as streamlining the measures of our impact. The three "new" strategic objectives are precise, representative of the Mission's portfolio, and results-oriented. Other minor adjustments to the strategic objective framework are briefly described in Section II of this Action Plan. A graphic presentation of the differences between the old and new strategic frameworks is shown in Annex A. Section III below focuses on the three "new" objectives and the rationale for their adoption.

SO2: Increased Incomes and Employment of the Poor

This objective is significantly different from that presented in FY 95-96 AP, primarily in its narrower focus, both in terms of its substantive objective and its target beneficiary population. The new SO statement reflects the Mission's commitment to productive economic expansion; and a recognition of the critical need to improve the economic prospects of the poor in Peru. The SO's scope is narrow enough to be doable yet broad enough to represent a significant development achievement.

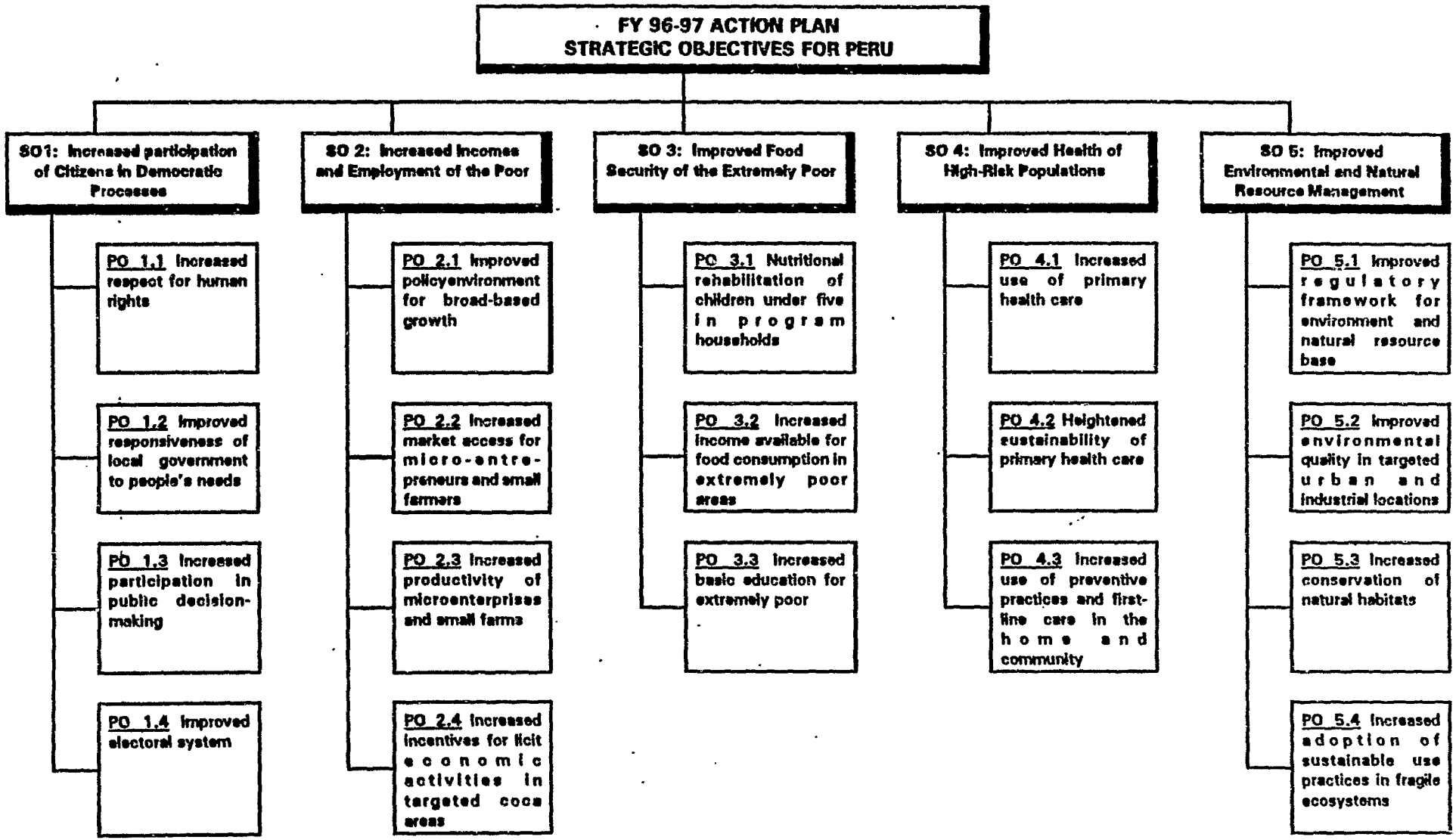
The SO will be achieved by focusing resources on the substantial potential that microenterprises and small agricultural producers have for rapidly generating income and employment. The Program Outcomes (PO) address the major constraints to achieving the SO: inaccessibility to local, regional, and international markets; and low productivity of many microenterprises and small farms. The objective tree for this new objective is shown in Table 5A.

The <u>first program outcome</u>, improved policy environment for broad-based growth, is not substantially different from the "improved policy" program outcome in the FY1995-1996 Action Plan. It recognizes the significant and necessary contribution the policy and regulatory environment makes to increasing incomes and employment in Peru. For example, while many fiscal, monetary or pricing policies targeted to formal sector enterprises do not have many direct impacts on small farmers and microenterprises, they are affected indirectly through their backward or forward linkages to those formal sector firms affected by those policies. Thus, fiscal and monetary policies do affect, if indirectly, the income and employment opportunities for Peru's poor.

The <u>second program outcome</u>, increased market access for microenterprises and small farmers, is a significant modification to the second program outcome presented in the FY1995-1996 Action Plan. The original formulation was ambiguous and multidimensional that led to confusion about its intent and measurement. The reformulated outcome more clearly focuses on the reduction of bottlenecks that serve to limit opportunities for the target groups to fully participate in domestic and international markets. Removing those constraints is expected to lead to production growth in those sectors, which in turn will drive increases in employment and incomes.

The <u>third program outcome</u>, increased productivity of microenterprises and small farms, is new and is a counterpart to the program outcome described in the preceding paragraph. This PO focuses on increasing the volume produced per unit of input. Thus, by increasing the profit margin per unit of

TABLE 5


FY 96-97 ACTION PLAN
STRATEGIC OBJECTIVES FOR PERU
SO1: Increased participation of Citizens in Democratic Processes
PO 1.1 Increased respect for human rights
PO 1.2 Improved responsiveness of local government to people's needs
PO 1.3 Increased participation in public decision-making
PO 1.4 Improved electoral system
SO 2: Increased Incomes and Employment of the Poor
PO 2.1 Improved policyenvironment for broad-based growth
PO 2.2 Increased market access for micro-entre-preneurs and small farmers
PO 2.3 Increased productivity of microenterprises and small farms
PO 2.4 Increased incentives for licit economic activities in targeted coca areas
SO 3: Improved Food Security of the Extremely Poor
PO 3.1 Nutritional rehabilitation of children under five in program households
PO 3.2 Increased income available for food consumption in extremely poor areas
PO 3.3 Increased basic education for extremely poor
SO 4: Improved Health of High-Risk Populations
PO 4.1 Increased use of primary health care
PO 4.2 Heightened sustainability of primary health care
PO 4.3 Increased use of preventive practices and first-line care in the home and community
SO 5: Improved Environmental and Natural Resource Management
PO 5.1 Improved regulatory framework for environment and natural resource base
PO 5.2 Improved environmental quality in targeted urban and industrial locations
PO 5.3 Increased conservation of natural habitats
PO 5.4 Increased adoption of sustainable use practices in fragile ecosystems

FY 96-97

TABLE 5A: STRATEGIC OBJECTIVE PROGRAM TREE

AGENCY GOAL: ENCOURAGING BROAD-BASED, SUSTAINABLE ECONOMIC GROWTH

MISSION STRATEGIC OBJECTIVE NO. 2:
Increased Incomes and Employment of the Poor

PROGRAM OUTCOME 2.1 Improved policy environment for broad-based growth	PROGRAM OUTCOME 2.2 Increased market access for micro-entrepreneurs and small farmers	PROGRAM OUTCOME 2.3 Increased productivity of microenterprises and small farms	PROGRAM OUTCOME 2.4 Increased incentives for licit economic activity in coca areas*
Projects (Number/Title)	Projects (Number/Title)	Projects (Number/Title)	Projects (Number/Title)
527-0343 Policy Analysis Planning and Implementation	***527-0349 Microenterprise Support***	***527-0349 Microenterprise Support***	***527-0348 Alternative Development***
527-0349 Microenterprise Support	527-0348 Alternative Development	***527-0348 Alternative Development***	527-0349 Micro-enterprise Support
	527-0353 PVO Support Project	527-0353 PVO Support Project	
		598-0780 Tambopata-Candamo Reserved Zone	
		527-0372 Integrated Pest Management	
		P.L. 480, Title III**	

Note: Core projects are presented in italics

* Other development actions that increase licit economic activity in coca and out-migration areas contribute to and are counted under POs 2.2 and 2.3. Where appropriate, provision has been made for disaggregation of performance data.

** No Title III resources are anticipated after FY95

production, the microenterprise owner or small farmer will increase their income. When this increased productivity is coupled with increased production due to the effect of the second program outcome, the increased income and employment generated should be substantial.

The fourth program outcome, increased licit economic activity in targeted coca and out-migration areas, is new, but complements the second and third program outcomes. It is more closely tied to broader U.S. government interests in combatting coca production. Without alternative sources of legitimate employment and income with reasonably acceptable rates of return, even though less than can be earned from coca production, farmers will have little incentive to abandon coca cultivation. [redacted] stringent penalties to coca producers or traffickers is indispensable as a deterrent. The base for selecting sites for activities under this program outcome differ significantly from the criteria that may be used under the other program outcomes of this strategic objective. This program outcome also incorporates activities related to strengthening local governments.

SO3: Improved Food Security of the Extremely Poor

Originally part of the broad-based economic growth strategic objective in the Mission's FY1995-1996 Action Plan, the Mission concluded from its reassessment of its strategic framework that the food security issues and the resources directed toward ameliorating of those issues were significant enough to warrant elevating this program area to a full strategic objective. USAID/Peru's portfolio has included a **significant PL 480 program** (resources totally approximately $98.9 million in FY 1994, $45.9 million in FY95, and an estimated $42.9 million in FY96).

The Agency's recently promulgated **Food Security Policy Paper** outlines three interrelated areas of emphasis for food aid programs: availability; access; and utilization. The Mission's Title II program and reflows from a Title III trust directly contribute to addressing these focus areas. The Mission also tracks and uses selected assistance to address policy and investment issues affecting the general availability of food in Peru.

Strategic Objective 3, *Improved food security of the extremely poor*, represents the anticipated impact of the food aid program on a specific sector of the population, utilizing a resource specifically earmarked for food security purposes (USAID Food Aid and Food Security Policy Paper, 2/27/95). The SO focuses explicitly on Peru's extreme poor, a group numbering approximately 18.3 percent of the total population, families of which, by definition, have expenditure rates less than the cost of the basic food basket. Moreover, management efficiency concerns led to the conclusion that the specific sector and programs designed to assist the food insecure would best be served by a separate SO.

It is important to note that USAID/Peru's food aid program is *directly and exclusively targeted* at increasing food security in Peru. First, program interventions are designed to get at the root causes of food insecurity, and address food utilization, access, and availability constraints. **Second**, implementing PVO agencies and GOP Ministries map and direct their programs to areas where food insecurity is most clearly manifested, areas of chronic malnutrition and poverty. **Third**, a strict beneficiary selection process limits food or other types of assistance to the demonstrably needy, the extremely poor, nutritionally at-risk, or food insecure. **Fourth**, the Title II commodity selection maximizes the utility of the food in terms of caloric and protein intake for the target population, while minimizing the utility to the general population. **Lastly**, proceeds from the monetization of food are budgeted for complementary inputs, such as training, technical assistance, materials, tools, etc. which are directed to alleviate the causes of food insecurity.

TABLE 5B: STRATEGIC OBJECTIVE PROGRAM TREE

AGENCY GOAL: ENCOURAGING BROAD-BASED, SUSTAINABLE ECONOMIC GROWTH

MISSION STRATEGIC OBJECTIVE NO. 3:
Improved Food Security of the Extremely Poor

PROGRAM OUTCOME 3.1 Nutritional rehabilitation of children under five in program households	PROGRAM OUTCOME 3.2 Increased income available P.L. 480, Title IIfor food consumption in extremely poor households	PROGRAM OUTCOME 3.3 Increased basic education for extremely poor
Projects (Number/Title)	Projects (Number/Title)	Projects (Number/Title)
P.L. 480, Title II	*P.L. 480, Title II*	*World Food Program Project No. 4808***
P.L. 480, Title III*	P.L. 480, Title III*	P.L. 480, Title II
527-0343 Policy Analysis Planning and Implementation	527-0343 Policy Analysis Planning and Implementation	P.L. 480, Title III*
	527-0353 PVO Support Proejct	527-0343 Policy Analysis Planning and Implementation

* No Title III resources are anticipated after FY95
**Food Assistance to Preschool and Primary School Children in Rural Zones

Improvements in food utilization will be achieved through the rehabilitation of malnourished children and broad-based increases in knowledge and practice of appropriate health and nutrition practices, especially among women. Food access will be expanded through support for productive and sustainable income generating activities. Food availability will be increased by both the "supply responsiveness" of small farmers, and the "effective demand" of extremely poor Peruvians. Food availability is a limiting factor in Peru's food security equation in part due to macroeconomic or sectoral distortions, but more importantly due to the widespread low productivity and lack of purchasing power. If the extremely poor had an effective demand for food (i.e., more income), and had greater productive capacity (i.e. better technologies, infrastructure) then, food availability would increase markedly.

The achievement of Strategic Objective 3 is supported by three program outcomes: *Nutritional rehabilitation of children under five in program households; Increased income available for food consumption in extremely poor households; and Increased basic education for the extremely poor.* Program Outcome 3.1 reflects activities directly aimed at improving the nutritional status of acutely and chronically malnourished children and the knowledge of mothers. Specifically, this PO captures efforts to increase the availability of food to those in need and to increase people's knowledge and practices to fully utilize the food they consume. This program outcome is, in turn, supported by two sub-program outcomes.

Program Outcome 3.2 principally addresses access and availability components of food security. Mission programs in this area attempt to create income generation opportunities for extremely poor households, thereby enabling the households to purchase more food. The "supply responsiveness" of extremely poor people is addressed through appropriate technology adoption and productive infrastructural investments.

Program Outcome 3.3 places the concern with basic education under the food security strategic objective. This decision reflects a concern with the longer term sustainability of its effort to develop food security in the country. The SO takes a 5-8 year time frame and targets activities at those households that are currently extremely poor, but the strategy recognizes that an important measure of success will actually involve reducing, both in absolute and relative terms, the size of this disadvantaged population. The strategy supports the growing body of evidence that suggests basic educational attainment, especially for young girls, leads to more permanent improvements in food access, availability and utilization.

Interventions funded by the PL 480 Title II and III programs, PVO Support Project and the World Food Program support the achievement of SO 3 and its related program outcomes and sub-program outcomes. Included is support from: Title II direct and monetized food accounts that support PVO nutrition and production programs; the World Food Program; and through Title III for an innovative pilot basic education support program in selected rural areas; the Mission-managed Title III Trust Fund, which will support dialogue on policy issues ranging from: the efficiency of targeting investment and social sector expenditures; to iron fortification; expansion of native weaning food production; and institutional reform in food delivery and nutrition interventions. A sub-set of policy issues being addressed under the PAPI Project under the "Economic Growth" objective pertains to enhancing export capability, financial markets, and modernization of the agricultural sector with obvious links to food security for the country's most vulnerable population.

Critical assumptions to meeting this strategic objective center on the complementarity between the Mission's SOs. The Mission SO focusses on what can be accomplished through effective use of its feeding programs and associated Title II development activities. For this strategy to be effective, it is assumed that overall economic growth will absorb segments of the currently extremely poor populations. In this way, the targeted programs described under this SO will reach a strategically more important segment of the remaining disadvantaged group. Likewise, the institutional strengthening of

the health sector will have favorable consequences in terms of coverage and sustainability of programs serving the extremely poor and food insecure. In essence the strategy assumes that the present over-reliance on donor food assistance, in particular USAID Title II assistance, to insure food security will diminish if: the current economic policies and an outward growth strategy are maintained over the 5-8 year time frame of the SO; there is success in targeting a greater level of social and economic investments to extremely poor zones; and social, economic, and financial institutions develop and offer reliable support services to a larger portion of the general population.

SO5: Improved Environmental and Natural Resource Management

This is a new strategic objective for the FY1996-1997 Action Plan. Environmental problems will increasingly constrain sustainable economic and social development in Peru. The Mission first proposed this new objective during the Washington review of the Mission's FY1995-1996 Action Plan. However, the LAC Bureau decided to postpone a decision pending the results of a Mission comprehensive analysis and strategy development for this sector. This was completed recently.

The sector analysis highlights how poverty, urbanization, and rapid economic growth threaten Peru's environment and natural resource base. The poor often are compelled to pursue survival strategies that undermine sustainable resource use in rural areas. This results in unsustainable agricultural practices, deforestation, and loss of biodiversity. In particular the mining, fisheries and energy sector industries are accelerating environmental degradation.

Similarly, urbanization trends fueled by in-migration of the rural poor have brought increasing pressure on the urban environment. In particular, urban areas have suffered contamination from hazardous and solid waste which has affected drinking water quality and brought concomitant health problems. Urban pollution has also severely affected coastal waters resources.

Finally, Peru's ability to deal effectively with these environmental problems has been exacerbated by inadequate legal and regulatory framework, and a weak institutional base to develop and enforce environmental standards and effectively manage environmental resources.

USAID Peru proposes to launch a new strategic objective to address these environmental constraints. The definition of the objective and its associated program outcomes (see Figure xxx) are tentative until the results of pilot activities can be assessed and more adequate funding levels are established. However, during the development of the ENRM strategy, the Mission recognized the challenge it faces to articulate a significant strategic impact in multiple environmental and natural resource program areas with only limited human and financial resources. The Mission's current portfolio includes contributions from its FY1996-1997 DA budget of $4.5 million toward environmental activities in addition to the $3.0 million to be re-obligated in FY1995 from prior year ESF for the Alternative Development project and additional FY1995 DA obligations of $3.1 million. The Mission's FY1997 budget includes $1.8 million in DA for the environment. The Mission is seeking additional support from the Environmental Initiative of the Americas (EIA) to launch selected pilot activities, and anticipates establishing an inter-donor working group to coordinate programs and expand the pool of sources to fund follow-on activities.

The Mission expects to support the establishment a unifying emphasis on cross-cutting issues of policy and regulatory change complemented by carefully developed demonstration or pilot field activities in each of the key areas of concern to the Mission:

- health hazards due especially to poor solid and hazardous waste processing in peri-urban areas;

FY 96-97

TABLE 5C: STRATEGIC OBJECTIVE PROGRAM TREE

AGENCY GOAL: PROTECTING THE ENVIRONMENT

MISSION STRATEGIC OBJECTIVE NO. 5:
Improved Environmental and Natural Resource Management

PROGRAM OUTCOME 5.1 Improved regulatory framework for environment and natural resource base	PROGRAM OUTCOME 5.2 Improved environmental quality in targeted urban and industrial locations	PROGRAM OUTCOME 5.3 Increased conservation of natural habitats	PROGRAM OUTCOME 5.4 Increased adoption of sustainable use practices in fragile ecosystems
Projects (Number/Title)	Projects (Number/Title)	Projects (Number/Title)	Projects (Number/Title)
527-0368 Sustainable Natural Resource Management	***527-0368 Sustainable Natural Resource Management***	***527-0368 Sustainable Natural Resource Management***	***527-0348 Alternative Development***
527-0343 Policy Analysis Planning and Implementation	Centrally-funded (EP3, EHP,...), EIA Activities**	***527-0341 Employment and Natural Resource Sustainability***	***P.L. 480, Title II***
P.L. 480, Title III*		***598-0780 Environmental Support***	***527-0372 Integrated Pest Management***
Centrally-funded (EP3, PiP, BSP), EIA Activities**		Centrally-funded (PiP, BSP), EIA Activities**	527-0349 Microenterprise Support
			527-0353 PVO Support Project
			527-0368 Sustainable Natural Resource Management

Note: Core projects are presented in italics

* No Title III resources are anticipated after FY95

** Proposed new activities

- pollution resulting from inefficient production practices in selected industries such as fishing and mining;
- declining productive potential due to poor maintenance of soil and vegetative cover in fragile ecosystems; and
- loss and degradation of natural habitats especially in the Amazonian lowlands, wetlands and coastal zones.

As adjusted, SO 5 thus focusses on, 1) improving the policy environment for ENRM, 2) using pilot interventions to demonstrate the positive economic bnefits to pollution prevention and solid waste processing in carefully targeted sectors, 3) supporting biodiversity conservation through protected area strengthening, and 4) maintaining a productive resource base in fragile ecosystems. The resulting framework anticipates a new ENRM project design, likely Environmental Initiative for the Americas funding, and subsequent and as yet unformulated new starts. It also builds on ongoing Mission ENRM activities which are concentrated on more sustainable management of natural resources and on improving protected areas management.

The Mission Environmental Strategy highlights the Mission's historic accomplishments in the sustainable agriculture and forestry areas and recommends building on that experience. The Mission will closely integrate this experience with its strategy for increasing employment and income of the poor. While tied to economic growth, "green" sustainable agriculture programs in LAC Missions generally fall under "environmental SOs." New guidance, as imparted, for example, through the "Making Markets Work .." paper, proposes that Missions "build in responsible natural resource management as part and parcel of all rural growth programs." The shift will underscore the synergy that exists between these strategic objectives.

The Mission places high priority on intersectoral linkages in the formulation of the strategic objectives in these two areas. The assumption is that improved natural resource management is undertaken in the interest of promoting increased economic well-being among the rural poor of the Sierra. This change, by relying on economic and market forces, helps underscore the link between adopting improved NRM practices and increases in income. Some of the anticipated improvements in the policy, regulatory and normative context for ENRM, that are now counted under the restated SO 5, "*Improved environmental and natural resource management*" will have a positive effect on NRM activities undertaken in the economic SO. Policy related reporting and performance measurement, however, will remain under the environmental SO. This avoids double counting and makes the linkage explicit within the SO tree.

The following projects support the achievement of the SO and POs currently included in the proposed framework for SO 5:

- Employment and Natural Resources Sustainability, **ENRS** (the principal project support to biodiversity conservation)
- **FADEMAD** (pioneering participatory approaches to rural zoning for conservation purposes)
- **Integrated Pest Management** (moving a promising environmentally sustainable agriculture technology from research to the farmer)
- **PL-480 Title III** (policy dialogue and support for some environmental development activity)
- **PAPI** (policy studies which have made some environmental contribution with potential to expand such efforts).
- **PL 480 Title II** collaborator projects such as the CARE Altura project

New FY1995 projects which will contribute to the strategic objective framework:

- Sustainable Environmental and Natural Resc es Management (currently envisioned as combining policy development, awarenes and advocacy at the central level with selected field activities)
- Alternative Development (better land use management, cleaner water in former coca producing regions, integrated watershed management)

Other anticipated support includes:

- Centrally funded projects -- PiP, BSP, EIA
- Peru Environmental Trust fund
- PL-480/Conservation International
- Other Mission projects with key linkages such as MSP and participatory democracy (PARDEM) initiatives
- FY 97 and subsequent new starts.

To address the environmental issues in Peru over the medium to long term, the Mission will elaborate further the preliminary strategic objective framework develc with CDIE technical assistance during the Mission's upcoming strategic planning exercise. The s egic planning exercise will identify the expected impact and resources needed to achieve the intended objective.

B. Program Activity

USAID Pe 's committed to managing for results, and uses the strategic objective framework and performance measurement system to guide portfolio development and management (for details, please see Section I.D of this Action Plan). The Mission focuses portfolio analysis on the relative contributions to the strategic objectives that can be expected from current and proposed activities within anticipated budget constraints. Table 6 presents the analysis results for four program budget scenarios arrayed against the five proposed strategic objectives. These scenarios are based on DA percentages of the FY 1996 DA levels: 100%; 85%; 75%; and 105%. These scenarios do not include FY 1997 ESF and PL-480 Title II, which are assumed to remain at their respective FY 1996 CP levels for the FY 1997 budget.

The required FY1997 obligation levels for currently active projects and projected new starts are a function of Agency and Mission resource management decisions, including Agency budget directives and congressional earmarks, and the effect these decisions have on projects' mortgages and pipelines.

FY1996 obligations are expected to reach $52.0 million, comprised of $35.0 million in DA; and $17.0 million in ESF counternarcotics (CN) resources. In addition, the Title II program is budgeted at $42.997 million. The projected ending FY1996 mortgage is $69.339 million; the ending FY 1996 pipeline is estimated at $64.621 million.

Between FY1995 and FY1996 the Mission is further consolidating its project portfolio. At the end of FY 1995 there will be 21 active projects. By the end of FY1996 the portfolio will decline to 20 projects, including three new starts and two amendments. Table 7 graphically presents the portfolio of project timeline arrayed against the Mission's strategic objectives.

Scenario 1: 100 Percent of FY1996 CP Level

The Mission's strategic objectives and associated projects during the Action Plan period are premised on FY1997 DA funding at 100 percent of the FY1996 Congressional Presentation level of $35.0 million. This is the baseline against which the Mission analyzed the impact of varying the projected FY 1997 DA budget. Under this scenario, the Mission's project portfolio will remain at 20 by the end

TABLE 6 - FY 1997 DA BUDGET LEVELS

	FY 96 CP	FY 97 Funding Scenarios			
		100 Percent #1	85 Percent #2	75 Percent #3	105 Percen #4
SO# 1 -/FS					
Increased Participation of Citizens in Democratic Process					
MISSION	400	2,400	1,800	1,800	2,400
GLOBAL	450	200	200	200	200
TOTAL SO#1	850	2,600	2,000	2,000	2,600
SO#2 - Increased Incomes and Employment of the Poor					
MISSION	4,989	5,340	4,790	4,790	5,480
GLOBAL	-	-	-	-	-
TOTAL SO# 2	4,989	5,340	4,790	4,790	5,480
SO#3 - Improved Food Security of the Extremely Poor					
	*	*	*	*	*
SO#4 - Improved Health of High Risk Population					
POPULATION					
MISSION	11,000	5,300	4,810	3,930	5,400
GLOBAL	6,700	8,570	7,730	7,070	8,570
SUBTOTAL	17,700	13,870	12,540	11,000	13,970
CHILD SURVIVAL					
MISSION	6,000	5,600	5,400	4,810	6,000
GLOBAL	500	400	100	-	500
SUBTOTAL	6,500	6,000	5,500	4,810	6,500
OTHER					
MISSION	[1]361	5,190	3,200	1,930	5,200
GLOBAL	100	200	200	200	500
SUBTOTAL	461	5,390	3,400	2,130	5,700
TOTAL SO#4	24,661	25,260	21,440	17,940	26,170
SO#5 Improved Environmental and Natural Resource Management					
MISSION	4,500	1,800	1,520	1,520	2,500
GLOBAL	-	-	-	-	-
TOTAL SO#5	4,500	1,800	1,520	1,520	2,500
GRAND TOTAL	35,000	35,000	29,750	26,250	36,750

* PL480 Title II & III.

[1]Includes $261,000 unrestricted funds used for health related activities.

TABLE 7
USAID/PERU PORTFOLIO
PROJECT TIMELINE BY STRATEGIC OBJECTIVE

PROJECT NUMBER & TITLE		FY 94				FY 95				FY 96				FY 97				FY 98				FY 99				PACD
		1	2	3		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	
STRATEGIC OBJECTIVE #1: INCREASED PARTICIPATION OF CITIZENS IN DEMOCRATIC PROCESSES																										
527-0061	SPECIAL DEVELOPMENT ACTIVITIES FUND																									06/30/95
527-0303	ADMINISTRATION OF JUSTICE																									12/31/94
527-0340	PERUVIAN PEACE SCHOLARSHIP																									09/30/97
527-0347	NARCOTICS EDUCATION & COMMUNITY INITIATIVES																									09/29/97
527-0352	JUSTICE SECTOR SUPPORT																									09/30/96
527-0356	PARTICIPATORY DEMOCRACY																									09/30/99
527-0363	ELECTION ASSISTANCE																									12/31/94
527-0371	LOCAL GOVERNMENT DEVELOPMENT																									09/30/99
527-0376	ELECTION SUPPORT																									06/30/95
598-0772	PRIVATE SECTOR INSTITUTIONAL REFORM																									04/30/95
527-0379	CITIZEN AWARENESS AMONG DRUG PRODUCERS																									09/30/97
527-0380	CONGRESSIONAL INFORMATION AND RESEARCH																									09/30/99
527-0377	TRAINING FOR DEVELOPMENT INITIATIVE																									09/30/99
	Sub-total projects 1/		10				5				6				7				5				4			
STRATEGIC OBJECTIVE #2: INCREASED INCOMES AND EMPLOYMENT OF THE POOR																										
527-0343	POLICY ANALYSIS, PLANNING & IMPLEMENT																									03/30/97
527-0344	ECONOMIC STABILIZATION & RECOVERY PROGRAM																									09/30/95
527-0346	ALTERNA[illegible] DEVELOPMENT																									09/30/00
527-0349	MICR[illegible] SMALL PRODUCERS SUPPORT																									03/31/96
527-0353	PVO S[illegible]																									09/30/96
527-0362	MODERI[illegible] TECHNOLOGY																									09/30/03
	Sub-total projects		4				5				4				4				3				2			
STRATEGIC OBJECTIVE #3: IMPROVED FOOD SECURITY OF THE EXTREMELY POOR																										
PL 480	TITLE II PROGRAM																									
PL 480	TI[illegible]																									
	Sub-total projects		–				–				–				–				–				–			
STRATEGIC OBJECTIVE [illegible] IMPROVED HEALTH OF HIGH-[illegible] POPULATIONS																										
527-0285	CHILD SURVIVAL ACTION																									12/31/95
527-0319	STRENGTHENING HEALTH INSTITUTIONS																									12/31/99
527-0326	PRIVATE COMMERCIAL FAMILY PLANNING																									06/30/96
527-0335	PRIVATE VOLUNTARY ORGANIZATION FAMILY PLANNING SERVICE EXPANSION																									09/30/95
527-0355	REPROSALUD																									09/30/00
527-0366	PROJECT 2000																									12/31/00
527-0375	POPULATION AND FAMILY PLANNING SUPPORT																									9/30/00
527-0378	AIDS HELP – HEALTHIER THROUGH PREVENTION																									9/30/99
527-0381	INTEGRATED CHILD DEVELOPMENT																									9/30/01
	Sub-total projects		5				6				6				6				6				5			
[illegible]GIC OBJECTIVE #5: IMPROVED ENVIRONMENT[illegible] NATURAL RES[illegible]RCE MANAGEMENT																										
5[illegible]1	EMPLOYMENT AND NATURAL RESOURCE 2/																									09/30/95
527[illegible]372	INTEGRATED PEST MANAGEMENT																									09/30/95
598-0780	FADEMAD																									09/30/95
527-0366	SUSTAINABLE NATURAL RESOURCE MANAGEMENT																									
	EIA ACTIVITIES																									
	Sub-total projects		3				5				4				3				1				1			
NUMBERS OF TOTAL PROJECTS AT END OF EACH FY			22				21				20				20				15				12			

1/ Does not include project amendments.
2/ Subject to final Mission decision in Spring FY 95 SAR Review.

APRIL 17, 1995

of FY1997, including four new starts. At the 100 percent level, $2.6 million or 7.4 percent of total DA funds is projected to be obligated for the democracy strategic objective (SO1); $5.34 million or 15.3 percent against the income and employment strategic objective (SO2); $25.26 million or 72.2 percent for the health, population and nutrition strategic objective (SO4); and $1.8 million or 5.1 percent for the environment and natural resource management strategic objective (SO5).

Scenario 2: 85 Percent of FY1996 CP Level

If the Mission receives 85 percent of its FY1996 DA Congressional Presentation level, funding will drop to $29.75 million. All objectives will be affected in absolute dollar terms. However, due to the funding needs for various ongoing and planned projects, SO1 will decline proportionately to 6.7 percent of the DA budget. However, the cutback in funding to $2.0 million represents a 23.1 percent reduction from the 100% scenario. Although the proportional funding for SO2 will increase to 16.1 percent of DA, the dollar amount would decrease to $4.79 million; a reduction of 10.3 percent. SO4 will decrease slightly to 72.1 percent of the total FY1997 DA budget, but decline by 15.1 percent from full funding as the dollar amount drops to $21.44 million. Finally, although SO5 will remain constant at 5.1 percent of the DA budget, the funding for this SO will decline to $1.52 million, representing a 15.6 percent reduction.

Scenario 3: 75 Percent of FY1996 CP Level

If the Mission receives only 75 percent of its FY1996 DA CP level, total DA would drop to $26.25 million. Funding for SO1, SO2, and SO5 would be maintained at their scenario 2 dollar levels. Given the overall cutback in resources at the 75 percent scenario, the proportional share of the DA budget that would be programmed for these SOs are 7.6 percent, 18.2 percent, and 5.8 percent, respectively. The entire reduction in DA in moving from the 85 percent scenario to the 75 percent scenario would be taken under SO4. SO4 would be cut to $17.94 million, which would represent 68.3 percent of the FY1997 DA budget, but a 29 percent reduction from the full budget option.

Scenario 4: 105 Percent of FY1996 CP Level

If the Mission receives 105 percent of its FY1996 DA CP level, the $36.75 million would permit the Mission to restore full funding to its democracy strategic objective, and augment its income and employment and health; population and nutrition; and environment strategic objectives by modest amounts. SO1 would be restored to the $2.6 million under the full funding scenario, which would represent 7.1 percent of the DA budget under the 105 percent scenario. SO2 would be increased to $5.48 million, or 14.9 percent of the DA budget, and representing a modest 2.6 percent increase over the 100 percent scenario for this SO. SO4 would increase to $26.17 million, which would represent 71.2 percent of the DA budget, and a 3.6 percent increase over the 100 percent funding option. Finally, SO5 would be increased to $2.5 million, representing 6.8 percent of the DA budget, but a 39 percent increase over the 100 percent scenario. This latter increase would provide needed funds to assist the Mission to achieve its important new strategic objective in the environment and natural resource management sector.

C. New Activity Designs and Amendments

NEW ACTIVITY DESCRIPTION

1. BASIC DATA

(a)	Activity Title:	Citizen Awareness Among Drug Producers (CITAD)
(b)	Activity Number:	527-0379
(c)	Funding Source:	ESF
(d)	Duration:	FY 1997-2000
(e)	Proposed LOA Funding:	$2 million

2. STRATEGIC OBJECTIVE AND PROGRAM OUTCOME SUPPORTED

CITAD supports Mission Strategic Objective (SO) No. 1, "Increased Participation of Citizens in Democratic Processes" through Program Outcome (PO) No. 1.3, "Increased Participation in Public Decision-Making," and contributes indirectly to the achievement of Strategic Objective (SO) No. 4, "Increased Incomes and Employment of the Poor."

3. ACTIVITY PURPOSE

The drug problem in illicit coca-growing areas (initially in the Huallaga Valley and now extending to other basins around the Mayo, Aguaytia, Pachitea, Ene, the Perene rivers in the Departments of San Martin, Ucayali, Huanuco, Pasco, Ayacucho, Cuzco, Junin and Loreto) is of such complexity, that it is not only a matter of drug production, trafficking and consumption, but also of creating an illegal culture in these areas that distorts market conditions and contributes toward the destruction of basic societal values. The narco culture leads to the destruction of the family unit; accelerates environmental degradation; increases crime and corruption of governmental officials; and weakens the country's political stability. To counteract this effect, CITAD has been conceived with the purpose of organizing communities to increase their awareness on the need for sustained local economic growth, while creating a social base that supports USAID's Alternative Development Strategy and the GOP's Drug Prevention and Control Plan to fight drugs at all levels.

4. ACTIVITY DESCRIPTION

In order to promote citizen awareness of the drug problem in illicit crop cultivation areas, CITAD will develop a variety of interrelated activities, including: a) the creation and/or improvement of local youth and adult organizations with a strong antidrug focus; b) the training of local leaders so as to develop negative attitudes toward coca leaf production and other illicit crops, and positive attitudes toward licit economic activities and the preservation of the environment; c) supporting and stimulating individual and collective initiatives that promote the region's sustained development; d) developing campaigns through the media (radio, TV, written press), as well as nonconventional dissemination means, to promote the positive attitudes mentioned above; and e) implementation of educational programs oriented to children and youth to promote attitudinal changes and the adoption of a strong ethical outlook towards development.

5. EXPECTED RESULTS

CITAD, through public awareness mechanisms, will change the way of thinking of those populations living in new drug production areas and will promote favorable attitudes towards sustained development in the long term. CITAD will complement previous efforts carried out in neighboring areas which are countering the adverse effects of drugs.

6. LINKAGE TO OTHER ACTIVITIES

CITAD activities will boost Narcotics Education and Community Initiatives (NECI) activities in Peru's Selva Region and will support and facilitate the implementation of the USAID Local Government Development and Alternative Development Projects. CITAD will support initiatives of other donors (UNDCP, GTZ) and the GOP (INADE).

The GOP has expressed its intention to intensify its drug interdiction efforts, and slow illicit crop production and drug trafficking as expressed in its Letter of Intention to the IMF. Currently, the Ministry of Education (MOE) with USAID/NECI Project resources is expanding its drug prevention program in high schools. The MOE is also seeking UN funding to replicate similar Drug Prevention Program in primary schools and universities.

7. TYPE(S) OF INTERVENTION ANTICIPATED AND MANAGEMENT COSTS EXPECTED FOR USAID

The activity will be implemented through CEDRO, a non-partisan NGO implementing the NECI Project. CEDRO will primarily provide technical assistance and training to targeted communities. CEDRO will be assisted by other local groups, including those that belong to CEDRO's national network.

Existing staff (including the NECI Project Manager) will be sufficient to manage this activity.

8. STATEMENT OF POLICY AGENDA AND PROPOSED IMPLEMENTATION

N/A

9. DESIGN AND ANALYTICAL WORK

The design will be based on CEDRO's unsolicited proposal (an outline of which served as the basis for this NAD). It also will draw upon CEDRO's work in Lima and elsewhere during the last several years. Potential Issues: While pacification is taking hold, the design must be cognizant of the danger that violence due to narcotraffickers and terrorists could reappear in the mid-term.

10. PRELIMINARY IDENTIFICATION OF KEY STAKEHOLDERS, PARTNERS AND BENEFICIARIES

Key stakeholders include the media, local farmer associations, chambers of commerce, school teachers and businessmen. Participation will be promoted through CEDRO and its national network of organizations.

11. TIMETABLE AND RESOURCE REQUIREMENTS

Based on CEDRO's considerable experience under NECI and other activities, the information base for this activity will continue to be gathered during this and the following FY. Final design activities will occur in late FY 1996 and will permit authorization/obligation in early FY 1997.

12. RECOMMENDATIONS FOR REVIEW, WAIVER APPROVAL, AND ACTIVITY AUTHORIZATION AUTHORITIES

It is recommended that the mission be given the authority to approve this activity. No waivers are anticipated at this time.

13. PRELIMINARY LOGICAL FRAMEWORK OR OBJECTIVE TREE

This activity fits most directly under SO No. 1 and Program Outcome No. 3, emphasizing citizen participation. The very nature of the activities planned requires active and wide community participation. The eventual activities should also result in an improved economic environment, thus indirectly contributing to SO No. 4.

NEW ACTIVITY DESCRIPTION

1. BASIC DATA

(a)	Activity Title:	Congressional Information and Research
(b)	Activity Number:	527-0380
(c)	Funding Source:	Development Assistance
(d)	Duration:	FY 1997-1999
(e)	Proposed LOA Funding:	$4 million

2. STRATEGIC OBJECTIVE AND PROGRAM OUTCOME SUPPORTED

This activity supports Mission Strategic Objective (SO) No. 1, "Increased Participation of Citizens in Democratic Processes" and specifically addresses Program Outcome (PO) No. 3, "Increased Participation in Public Decision-Making."

3. ACTIVITY PURPOSE

The activity purpose is to establish a sustainable, non-partisan center capable of providing Congress with technical information and research required for drafting legislation and related activities.

4. ACTIVITY DESCRIPTION

This activity will establish a center that can provide assistance to Congress in the areas of bill drafting, research and information collection. The center would, in most cases, respond to requests from Congress to draft legislation and provide policy analysis options or other information. It could also provide background information and analysis on related issues of national interest. The center would establish and maintain data bases that contain information on pending legislation, laws, major speeches, key periodicals, etc.

Preliminary research indicates that this center could best be established under the auspices of a local university. During the initial design stage, however, consideration will be given to examining other alternatives including establishing the capability within Congress.

If the center is established in a university, it may also provide several ancillary services. These could include: training of Congressional representatives and staff; developing curricula leading to an advanced degree in legislative administration; and Congressional internships for students and linkages with other institutions. The center could also promote public access to Congress through the provision of information and other activities.

5. EXPECTED RESULTS

By the end of the activity, a non-partisan center capable of providing research and bill-drafting services to Congress will be established and in operation. The center will have gained the respect of -- and its services will be sought out by -- Congress and others. Congress will have access to objective information and analyses. It will be more effective and informed and will debate issues based on facts and reliable data.

The center will also improve interaction between Congress and the electorate. The process will become more open and transparent as reliable information becomes more readily available. The public and local organizations will be better able to discuss pending matters with congress.

6. LINKAGE TO OTHER ACTIVITIES

A new Congress was elected in April. The redesigned unicameral body is based on a recently approved constitution. There will be a number of first-time legislators as well as those accustomed to a different system. Thus, reliable and non-partisan information and analysis will be essential to focus debate on key issues.

This activity will build upon a smaller intervention begun under the Participatory Democracy Project (PARDEM). Under PARDEM, a local NGO will pave the way through a two-phased approach. The first will be a series of conferences and publications designed to promote a better understanding of the role of Congress. The second phase will include periodic reports on the principal activities of Congress once it goes into session. It will also support legislative initiatives by citizens.

This activity will also build upon an Inter-American Development Bank (BID) initiative that began about two years ago. That initiative is providing assistance to Congress in administrative reorganization, human resource training, development of technical advisory groups and management information systems. We will work closely with BID to ensure correction and consistency.

7. TYPE(S) OF INTERVENTION ANTICIPATED AND MANAGEMENT COSTS EXPECTED FOR USAID

This activity will primarily provide technical assistance to establish the center. It will also include some training and a small amount of computer and related equipment. This assistance will probably be provided through an experienced NGO or contractor. There will be two activity-funded personnel (project coordinator and secretary/program assistant).

8. STATEMENT OF POLICY AGENDA AND PROPOSED IMPLEMENTATION

There is no policy agenda per se. This activity, however, would provide an opportunity to promote other USAID democracy interests and policy issues raised in other sectors. It will provide contacts and be an objective forum for debate on all policies presented to Congress.

9. DESIGN AND ANALYTICAL WORK

The Mission will have to further assess similar projects in other (primarily Latin American) countries. Further work in analyzing the situation in Peru is required.

10. PRELIMINARY IDENTIFICATION OF KEY STAKEHOLDERS, PARTNERS AND BENEFICIARIES

Those who will feel the greatest impact of this activity include members of Congress and their staff, as well as individuals and groups most affected by proposed legislation or seeking passage of legislation. The design process will better define stakeholders, partners and beneficiaries.

The design process must be highly participatory. While basic concepts may be found in similar projects in other countries, the activity must fit the unique Peruvian situation. It must also provide key actors with a sense of ownership. The mission will work closely with former and present members of congress and local groups, individuals, universities with an interest or expertise in this area. Peruvians will determine what is workable, most effective, within the bounds of USAID assistance in this area.

11. TIMETABLE AND RESOURCE REQUIREMENTS

Preliminary information will be gathered from BID, the PARDEM activity and other USAID Missions during the remainder of Fiscal Year (FY) 1995 and into 1996. Design documentation will be put together toward the end of FY 1996 with authorization to occur at the beginning of FY 1997. This will be accomplished through focus groups and/or conferences in Peru, as well as a few visits from experts on similar projects in other countries. Up to $75,000 in PD&S funds will be required for project design.

12. RECOMMENDATIONS FOR REVIEW, WAIVER APPROVAL, AND ACTIVITY AUTHORIZATION AUTHORITIES

It is recommended that the Mission be given the authority to approve this activity. No significant waivers are contemplated at this time.

13. PRELIMINARY LOGICAL FRAMEWORK OR OBJECTIVE TREE

This is a relatively straight forward activity that fits nicely in the evolution of the USAID/Peru program and the democracy strategic objective. The immediate focus of the activity is on the development of a center that would promote the effectiveness of Congress, a key institution in the democratic process. While the initial result is the better functioning of a key institution, the more lasting and diffuse result is expanded citizen participation.

As Congress has better access to objective analysis, its legislative processes will become more focused on key issues and its decisions reflective of the facts. It will be easier to scrutinize its actions from the inside and outside, since they will be fact-based, impartial analysis upon which to form conclusions. Citizen participation will be enhanced because it will be better informed on the issues and have a better understanding on how Congress reaches decisions. Congress and its deliberations will become less mysterious and more transparent as decisions based on issues and analysis are substituted for those made in a less open manner.

A preliminary logframe will be developed which demonstrates the linkages between this activity and Mission SO No. 1 and PO No. 3, emphasizing the link between increased effectiveness of the Congress and expanded citizen participation.

NEW ACTIVITY DESCRIPTION

1. BASIC DATA

(a)	Activity Title:	Training for Innovation and Development Initiative
(b)	Activity Number:	527-0377
(c)	Funding Source:	Development Assistance
(d)	Duration:	FY 1996-1999
(e)	Proposed LOA Funding:	$5 million

2. STRATEGIC OBJECTIVE AND PROGRAM OUTCOME SUPPORTED

The major contribution of this activity will be towards the achievement of Strategic Objective (SO) No. 1, "Increased Participation of Citizens in Democratic Processes" and Program Outcome (PO) No. 3, "Increased Participation in Public Decision-Making." This activity will indirectly impact on other SOs, depending on the technical nature of the training provided.

3. ACTIVITY PURPOSE

The purpose of this activity is to enhance entrepreneurial leadership and to promote improved management skills and strategic planning in selected public and private organizations through technical and academic training.

4. ACTIVITY DESCRIPTION

This activity will capitalize on the lessons learned from prior USAID/Peru training activities and will promote cost-effective training opportunities not regularly accessible to Peruvians nationwide. It will: strengthen institutional development through specialized training both off-shore and in-country (targeted to national organizations and decision-makers with leadership responsibilities in both public and private development sectors); promote a variety of in-country training models for reaching underserved areas and institutions in order to maximize their ability to effect change and impact on national development; and strengthen academic linkages with U.S. and Latin American institutions through the implementation of cost-effective programs that will maximize the ability of individuals to effect change.

70% of funding will support technical training and 30% academic training. Both academic and technical training opportunities will capitalize on quality programs available in the U.S., third-countries, including Israel, and in-country programs.

5. EXPECTED RESULTS

Project activities will improve significantly the universe of technical training opportunities required for improved leadership management and strategic planning in targeted public and private organizations. Training will be strictly related to the needs of today's evolving economy, democratic processes and priority development sectors. This initiative will broaden access to cost-effective training opportunities off-shore and in-country through a network of specialized training opportunities not regularly accessible to Peruvians.

Rather than spreading limited resources thinly across sectors, institutions or individuals, this initiative will promote group-centered training as a means to build in-country core capacity for selected fields, within an institution, a geographic region or across sectors within key professions. It is hoped

that this activity will generate "new core competencies" through the reengineering of training strategies that will have short-term impact on the process of Peruvian democratic consolidation. By the end of this initiative, approximately 400 Peruvians from both the public and private sectors will have participated in specialized technical/academic training.

6. LINKAGE TO OTHER ACTIVITIES

The developmental nature of this initiative will facilitate its linkage with other USAID programs, particularly in targeting specialized management, planning and technical skills programs in support of USAID's strategic objectives. Through buy-ins to on-going USAID/W training initiatives, such as the Israel Training Program, this initiative will take advantage of other technical offices and will facilitate high-caliber, cost-effective programs.

Demand in Peru for short and long-term training in the U.S. and/or third countries exceeds available resources or programs. In a similar vein, local technical/academic training opportunities available to Peruvians exceed the financial possibilities of the public sector. Thus, demand for specialized training of critical importance for strengthening the managerial and planning capacities of key governmental institutions is not being met.

A very limited number of training opportunities have been provided to Peruvians by other donors. Great Britain, through the British Council, has traditionally offered scholarships for professionals working in academic institutions to pursue study in areas such as law, political science, and economics. Others, such as Japan and Israel, offer short-term technical training opportunities in agriculture, education and labor.

The range of training options funded by others is limited. Based on significant positive experiences, training opportunities provided by USAID are perceived by Peruvian organizations as the most effective avenue to access new learning and acquire innovative technical skills.

7. TYPE(S) OF INTERVENTION ANTICIPATED AND MANAGEMENT COSTS EXPECTED FOR USAID

The activity will support cost-effective and substantive training programs specifically designed to have a direct impact on institution building and technical leadership nationwide. Among other interventions, this initiative will: a) establish an in-country fellowship program to promote access to specialized technical/academic programs available in Peru for young Peruvians, particularly young girls and women; and b) promote cost-effective, in-country training programs with U.S. teams in areas of key importance for Peru's human capacity development objectives. The objective is to achieve a multiplier effect and to network with provinces so as to leverage limited training resources. Linkages with U.S. learning institutions will also contribute to institutional strengthening of provincial academic institutions and local organizations.

This activity will build upon prior USAID experience in training activities which support low-income sectors in Peru. Given the umbrella type training activities to be promoted, one or more Cooperative Agreement may be signed with local organizations (ESAN, University of Piura, APUKAI) to implement the in-country fellowship program. Initial design work will determine whether training activities to be implemented in the U.S. and/or third countries and their corresponding placement activities will be managed directly by USAID staff or a U.S.-based contractor. The mode of implementation selected will determine final additional staffing requirements. At this writing, we envision hiring a Program Assistant (FSN-10) and a secretary.

8. STATEMENT OF POLICY AGENDA AND PROPOSED IMPLEMENTATION

N/A

9. DESIGN AND ANALYTICAL WORK

A training needs assessment will be conducted to establish current priorities for institutional development and the relevance of specialized training programs to be promoted both in-country and in the U.S. This assessment will serve as a resource to identify long-term and individual training plans, key institutions by sector, as well as the network of decision makers to be selected.

Although the threat of political terrorism is diminishing, one issue to be considered is geographical site selection, as well as the strategy for the recruitment of candidates. Travel restrictions to certain areas may continue.

10. PRELIMINARY IDENTIFICATION OF KEY STAKEHOLDERS, PARTNERS AND BENEFICIARIES

The analytical work to be completed will involve USAID, GOP individuals and institutions, as well as local educational institutions. As a result, USAID will have a training strategy by sector and region. A specific macro/broad occupational supply/demand information study will be conducted to facilitate the development of the overall operational strategy.

Key partners for this initiative include: U.S. training institutions with recognized expertise in specialized technical training required to build core capacity for selected fields; Peruvian academic/technical institutions; institutions in Israel through the USAD/W centrally-funded Israel Training Program; and G/HCD's Entrepreneurs International training program.

11. TIMETABLE AND RESOURCE REQUIREMENTS

$15,000 will be provided by G/HCD through the Human and Educational Resources Network Support Project (HERNS) for the training needs assessment. Additional design assistance will be financed with FY 95 PD&S funds. The design is scheduled to be completed by the first quarter of FY 1996.

12. RECOMMENDATIONS FOR REVIEW, WAIVER APPROVAL, AND ACTIVITY AUTHORIZATION AUTHORITIES

A waiver permitting USAID to pay international travel costs may be required.

13. PRELIMINARY LOGICAL FRAMEWORK OR OBJECTIVE TREE

The umbrella nature of this activity will be an avenue to promote access to human capacity development programs that will have an impact on citizens' responsibility for their own lives, their communities and their roles as agents of social change. Strengthening institutions and networking between Lima and provinces toward reengineering training strategies will enhance leadership, and will introduce new and innovative skills required for participatory democracy. A logical framework will be developed clearly demonstrating the linkages among project activities and the Mission's strategic objective framework -- specifically its support for SO 1 and PO No. 3.

NEW ACTIVITY DESCRIPTION

1. BASIC DATA

(a)	Activity Title:	Sustainable Environmental and Natural Resources Management
(b)	Activity Number:	527-0368
(c)	Funding Source:	Development Assistance
(d)	Duration:	FY 1995-2000
(e)	Proposed LOA Funding:	$11 million

2. STRATEGIC OBJECTIVE AND PROGRAM OUTCOME SUPPORTED

The balanced green and brown activities and the regulatory emphasis of this project on environment and natural resources (ENR) puts into practice the recommendations of the recently completed Mission Environmental Strategy (MES). This approach strongly supports the Agency's goals of protecting the environment and encouraging broad-based, sustainable economic growth.

More specifically, it supports the Mission's newly established Strategic Objective (SO) No. 5, "Improved Environmental and Natural Resource Management" and impacts directly on all four Program Outcomes (POs) of this SO: "Improved Regulatory Framework for Environment/Natural Resource Base;" "Improved Environmental Quality in Targeted Urban and Industrial Locations;" "Increased Conservation of Natural Habitats;" and "Increased Adoption of Sustainable Use Practices in Fragile Ecosystems." The activity will also contribute to improved health and nutrition under the SO No. 3 "Improved Health of High-Risk Populations."

3. ACTIVITY PURPOSE

The purpose of the activity is to establish an effective enabling framework for Peruvians to participate in and resolve their environmental and natural resource problems.

4. ACTIVITY DESCRIPTION

The activity will be implemented through the following three components:

(a) Legal, Regulatory and Policy Framework

This component cuts across most of the key intervention areas identified by the MES and impacts directly on all four POs under this SO. Establishing an adequate legal, regulatory and policy ENR framework is the top priority of the MES and of this project, providing Peruvians with the tools needed to articulate a framework designed to resolve their ENR problems.

Assistance for institutional strengthening will be provided to the newly-created National Environmental Commission (CONAM) to identify its role and responsibilities, structure, and areas of influence and control. Short-term technical assistance to undertake specific analyses and long-term assistance for institutional strengthening will be provided to the CONAM under the project, especially in the areas of wealth creation through the use of clean technologies and secondary recovery in which the U.S. is the leader worldwide. Simultaneously, the ENR activities of environmental units of public sector ministries (e.g., Ministry of Fisheries, Ministry of Energy/Mines, Ministry of Industry/Commerce) and local governments will be strengthened.

Some specific activities to be supported include: promoting integrated, uniform Environmental Impact Assessments; establishing maximum pollution levels; preparing an Environmental Code; supporting legislation on forestry and water use; preparing management plans for national reserves; encouraging "best practices" use in environmental management; undertaking comparative risk assessments; certifying laboratory processes and procedures; and developing a National Environmental Plan.

(b) Public Awareness and Advocacy

This component, at least as important as the first, is clearly complementary and involves the strengthening of private sector advocacy organizations (i.e., environmental NGOs, grassroots organizations, universities) which will ensure broad participation by the populace in the formulation of public opinion on issues related to appropriate ENR use. This component will promote transparency, local empowerment, and "checks and balances" within the system.

Activities to be undertaken will include: Public hearings by the GOP to discuss proposed ENR laws and norms; consensus building forums with all ENR stakeholders (industry, government, advocacy organizations) to discuss the benefits of pollution prevention and wealth creation of wealth through the use of clean technologies; educational campaigns to raise broad public awareness on ENR issues; and research and workshops on specific problems.

(c) Small Demonstration Projects

This component will provide funding to undertake small demonstration projects (averaging $300,000) in green and brown areas which could include such activities as integrated pest management, wetlands management, industrial and urban pollution, and ecotourism. These projects will serve to show the feasibility of recommended interventions and to leverage other donor or industry funding to extend the positive experiences.

To be eligible for fundi small projects must: Address a critical problem area identified by the MES; demonstrate cost recovery and/or fee structures (financial sustainability); have reasonably short time frames to produce results (i.e., not more than 18 months); provide cash contributions by participating organizations; and be preferentially focused on women. Not more than 12 demonstration projects will be funded over the LOP.

Mission projects presently under consideration for Environmental Initiative for the Americas (EIA) funding could be considered as "start-up money" if they are approved. This component could expand the approved EIA projects, or could fund them at reduced levels if they were not approved under the EIA. The five initiatives are: (1) Pollution Prevention and Consequent Controls of Mining Effluent Wastes Affecting Lake Junin and the Mantaro River; (2) Industrial Pollution and its Prevention in the Paracas National Reserve; (3) Innovative Approaches to Solid Waste Management in Periurban Areas: A Pilot Demonstration Project; (4) Comparative Risk Assessment for Lima; and (5) Technical Training for Environmental Management in the Mining and Energy Industries.

5. EXPECTED RESULTS

The creation of an improved regulatory framework and greater public awareness of ENR problems will result in broadly-supported solutions in which citizens acting together will take personal responsibility for improving ENR management. Through ensuring environmental protection and sound management of the natural resource base, the project will generate greater income and employment opportunities by stimulating increased private investment in these areas. There will be specific, measurable impacts related to improved ENR management (e.g., reduced industrial and urban

contamination, improved fragile ecosystems management, reduced health risks, increased exports of contamination-free products).

6. LINKAGE TO OTHER ACTIVITIES

The Inter-American Development Bank will provide $1.8 million to strengthen the CONAM's operations and expand its outreach. The Mission will collaborate closely with the IDB in providing supplementary short- and long-term technical assistance to the CONAM in specific problem analysis and regulatory and legislative solutions. The IDB and the Mission will also collaborate in strengthening the environmental capabilities of various GOP sectoral ministries.

The Mission's Local Government Development and Alternative Development Projects will provide a forum for discussion and resolution of local ENR issues through the municipal government structure within which they work. The Policy Analysis, Planning and Implementation (PAPI) Project will be instrumental in supporting ENR policy and regulatory dialogue, while the Employment and Natural Resource Sustainability (ENRS) and Tambopata-Candamo Projects will provide the SENREM Project with direct linkages to biodiversity activities in the tropical lowlands. Significant linkages will also be accomplished with Agency centrally-funded activities (e.g., Parks in Peril, Biodiversity Support Program, BHR/PVC Matching Grant PVO implementors, and EP3 and EPH programs).

7. TYPE(S) OF INTERVENTION ANTICIPATED AND MANAGEMENT COSTS EXPECTED FOR USAID

The Mission will sign a collaborative agreement with an existing local foundation (e.g., FPCN, PROFONANPE) or network of environmental organizations (e.g., Red Ambiental Peruana) to implement all three project components. It may be necessary for the Mission to competitively contract a U.S. firm to provide the necessary technical assistance package over the LOP. The activity will be managed directly by a project-funded Project Manager.

Because the Mission has very limited staff expertise in the areas of industrial and urban contamination, it will follow the MES's strong recommendation for training of some ORD staff in these areas. In addition, the scope and breadth of this activity, plus other Agency initiatives in environment (e.g., EIA projects, Parks in Peril), require an additional USDH to share the ENR workload with the Mission's FSN Environmental Officer who is located in ORD.

8. STATEMENT OF POLICY AGENDA AND PROPOSED IMPLEMENTATION

With the recent creation of the CONAM, the institutional mechanism to carry out policy dialogue now exists. The first and key component of this activity is the legal, regulatory and policy framework to be implemented through the CONAM and GOP sectoral ministries. Short- and long-term technical assistance will be provided by the activity to carry out this agenda.

9. DESIGN AND ANALYTICAL WORK

A three-person U.S. team will be contracted by the Mission to prepare the SENREM Project Paper (PP). The team will need to analyze the institutional responsibilities/capabilities/interests of the GOP sectoral ministries, as well as various local environmental organizations and/or networks, to determine with whom and how the activity will work. The team will take an in-depth look at the alternative of creating a new environmental foundation (as recommended by the MES), which would involve an endowment not only by the Mission but by other donors. The PP will determine how this project will collaborate with other donors (especially the IDB) and will integrate the experiences of other Mission projects in strengthening institutional mechanisms and expanding awareness and advocacy.

10. PRELIMINARY IDENTIFICATION OF KEY STAKEHOLDERS, PARTNERS AND BENEFICIARIES

Key participants in the development and implementation of this activity include: CONAM and sectoral ministry environmental personnel; environmental/advocacy NGOs; local governments; private industries; and the public in general. The first two groups will be integrally involved in the preparation of the PP, while the latter three will be involved in implementation.

11. TIMETABLE AND RESOURCE REQUIREMENTS

Development and design of this activity is currently underway. The PP will be presented to the Mission Director for review and approval in July and obligations will be made in August. The Mission has $150,000 of FY 1995 PD&S funds presently available for activity design and will require an FY 1995 obligation of $2.8 million.

12. RECOMMENDATIONS FOR REVIEW, WAIVER APPROVAL, AND ACTIVITY AUTHORIZATION AUTHORITIES

USAID/Peru has already been authorized by USAID/W to review and approve this activity at the Mission. Since this new NAD is not a significant departure from the NAD presented in the FY 1995-96 Action Plan, and is presented herein only as a sharpened focus resulting from the MES, the Mission will exercise the authority provided to it last year.

13. PRELIMINARY LOGICAL FRAMEWORK OR OBJECTIVE TREE

The linkages between activities supported, other Mission-supported activities and the SOs and POs supported by the activity (Section 2), will be presented in a logical framework to be developed during activity design.

NEW ACTIVITY DESCRIPTION

1. BASIC DATA

(a)	Activity Title:	Modern Agricultural Technology
(b)	Activity Number:	527-0382
(c)	Funding Source:	Development Assistance
(d)	Duration:	FY 1997-2003
(e)	Proposed LOA Funding:	$8 million

2. STRATEGIC OBJECTIVE AND PROGRAM OUTCOME SUPPORTED

Applying modern agricultural technologies to improve the efficiency and income of small farmers responds to the Agency's goal of encouraging broad-based, sustainable economic growth. More specifically, it supports the Mission's Strategic Objective (SO) No. 4, "Increased Incomes and Employment of the Poor" and impacts directly on Program Outcome (PO) 4.3, "Increased Productivity of Microenterprises and Small Farmers." The project will also support Mission SO No. 3, "Improved Food Security of the Extremely Poor," and PO No. 3.2, "Increased Income Available for Food Consumption in Extremely Poor Households."

3. ACTIVITY PURPOSE

The purpose of this activity is to increase small farmer productivity and efficiency through the application of modern agricultural technologies.

4. ACTIVITY DESCRIPTION

The activity will be implemented through the following two components:

(a) Technology Adaption and Dissemination. Under this component, existing private sector institutions which are presently engaged in or have the potential to contribute to adapting and disseminating modern production and post-harvest agricultural technologies to the Peruvian setting will receive assistance from the project to expand these activities among small farmers. Contracts will be signed by the project with these entities to assist them in developing and testing new technologies as well as disseminating the results, with continued funding depending upon the entity achieving measurable results over the short term.

Financial assistance would include: limited improvement of research facilities; expansion of testing/outreach staff; adaptive testing, certification, multiplication and distribution of improved seeds and rootstock; refinement of integrated pest management methods; and laboratory testing services (soils, water, pesticide residues, etc.). Special focus will be given to expanding the outreach capacity of the International Potato Center (CIP) in potatoes and other Andean crops (kiwicha, quinoa, olluco, mashua, etc.) in the sierra and to Foundation Peru on the coast in their activities directly linked to small farmers.

(b) Small Farmer Training. This component will support the ability of small farmers to understand and adopt improved technologies through non-formal and on-the-job training provided by rural technical schools in production areas. Activities will revolve around strengthened rural institutes which will provide short-course training, field days, and follow-up technical assistance to both individual small farmers and their support organizations (NGOs, associations, etc.). Instruction will concentrate on how to use improved production and post-harvest technologies, while including training on farm management decision-making and efficient farm enterprise operations.

Financial assistance would support: expansion of training facilities; preparation of training materials; hiring of teaching staff; purchase of demonstration inputs; and "scholarships" for the poorest farmers. Special focus will be given to expanding the Instituto Rural Valle Grande's outreach to various other technical schools in the sierra and on the coast.

5. EXPECTED RESULTS

The application of improved production and post-harvest technologies by small farmers will result in increased productivity and reduced transactions costs, thereby allowing a greater margin of the sales price to accrue to producers. Training will also provide farmers with greater awareness of how to act as entrepreneurs in deciding what to plant and how much to invest in modern technologies in order to assure a reasonable profit margin.

6. LINKAGE TO OTHER ACTIVITIES

The Inter-American Development Bank (IDB) will soon approve a $146 million Agricultural Sector Loan to Peru of which approximately $60 million will be used to assist the GOP in developing and consolidating a nationwide technology generation and transfer system (SINITA) through the establishment of a Fund for Agricultural Technology and the restructuring of INIA, the GOP agricultural research and extension service. The IDB/INIA effort will be focussed in the sierra (four stations) and the selva (three stations), with the remaining 21 INIA stations to be privatized and/or eliminated. Mission efforts to support the privatized INIA stations will complement IDB activities and will result in a strengthened public/private technology generation and dissemination system.

The Mission's Microenterprise and Small Producers Support Project will provide market information and limited technical expertise in the identification of new crop varieties and the latest pesticide requirements for exporting agricultural products. This will help to determine research protocols, i.e., what and when to grow. Close collaboration will be maintained with the Mission's Alternative Development Project which is implementing technology generation and dissemination activities in coca producing areas of the selva.

7. TYPE(S) OF INTERVENTION ANTICIPATED AND MANAGEMENT COSTS EXPECTED FOR USAID

Agreements will be signed with existing foundations (e.g., Foundation Peru), centers (e.g., CIP), and NGOs (e.g., Instituto Rural Valle Grande) to undertake the investment, research, extension, and training activities. Short-term technical assistance will be provided to these organizations for the identification and transfer of new technologies to Peru, as well as for upgrading technical training capabilities. The activity will be managed within the Office of Rural Development and will require a project-funded local hire PSC and secretary for project administration.

8. STATEMENT OF POLICY AGENDA AND PROPOSED IMPLEMENTATION

By the time the activity is approved in FY 1997, facilitating legislation on water use, seeds, and the nationwide technology generation and transfer system discussed above should already be in place as a result of the policy agenda carried out with the GOP by the IDB within its Agricultural Sector Loan Program. The Mission will continue to support the IDB in these areas through its own policy dialogue with the GOP under the P.L. 480 Title III program in FYs 1995 and 1996. If part or all of this legislative framework is not in place at the time of project authorization, outstanding issues will need to be included under a project policy dialogue component and/or as conditions precedent.

9. DESIGN AND ANALYTICAL WORK

The Mission will need to review the experience to date of the IDB Agricultural Sector Loan Program as well as progress made toward achieving the passage of enabling legislation mentioned above to ensure that appropriate mechanisms are in place to implement the new project. Additionally, a careful analysis will need to be undertaken of the institutional capabilities of possible participant organizations before a definitive selection is made. Finally, an inventory of traditional vs. modern technologies by crop will need to be developed in order to determine the activity's geographic focus.

10. PRELIMINARY IDENTIFICATION OF KEY STAKEHOLDERS, PARTNERS AND BENEFICIARIES

Key participants in the development and implementation of this activity include: small farmers and their organizations in the sierra and the coast; private sector institutions/foundations supporting agricultural research (CIP and Foundation Peru); rural technical schools; and the Ministry of Agriculture's SINITA.

11. TIMETABLE AND RESOURCE REQUIREMENTS

A technical assistance team will be contracted in late FY 1996 to undertake the preliminary studies on institutional capabilities of existing organizations and the prevalence of modern vs. traditional technologies by crop. FY 1996 PD&S funds in the amount of $80,000 will be made available for these studies, while $40,000 of FY 1997 PD&S funds will be made available for the actual preparation of activity documentation and corresponding annexes. Activity design will be completed by March in order to ensure obligation by July 1997.

12. RECOMMENDATIONS FOR REVIEW, WAIVER APPROVAL, AND ACTIVITY AUTHORIZATION AUTHORITIES

The Mission recommends that it be given the authority to review and approve this activity at post.

13. PRELIMINARY LOGICAL FRAMEWORK AND OBJECTIVE TREE

A logical framework will be developed which presents in summary form the linkages between this activity and the SOs and POs supported.

NEW ACTIVITY DESCRIPTION

1. BASIC DATA

(a)	Activity Title:	Amendment No. 1 to Local Government Development Project (LGD)	
(b)	Activity Number:	527-0371	
(c)	Funding Source:	$5 million ESF	
(d)	Duration:	Currently Authorized:	FY 1994-1999
		Proposed Amendment:	FY 1996-1999
(e)	LOA Funding:	Currently Authorized:	$5 million
		Proposed Amendment:	$5 million
		Proposed LOA Total:	$10 million

2. STRATEGIC OBJECTIVE AND PROGRAM OUTCOME SUPPORTED

This amendment will support Strategic Objective (SO) No. 1, "Increased Participation of Citizens in Democratic Processes" and directly supports Program Outcome (PO) Nos. 2, 3 and "Improved Responsiveness of Local Government to People's Needs," and "Increased Participation in Public Decision-Making and Improved Electoral System," respectively.

3. PROJECT PURPOSE

This amendment maintains the same project purpose, i.e., to "strengthen the institutional capability of local governments (LGs) and develop participatory mechanisms that promote sustainable democracy at the local and national level and improve the quality of life of their citizenry."

4. PROJECT DESCRIPTION

This amendment will expand the project's area of coverage to up to 10 Departments which are coca production or labor outmigration areas. The reason for expanding the area of coverage is the active interest of the GOP in expanding the capabilities of local governments to manage more financial resources and to promote greater community participation in governance. Project activities were initiated in FY94 in five Departments in Peru. The response of local governments and national leadership has been positive. In fact, several other departments requested that they be included in the Project, but had to be excluded due to the lack of funding.

This amendment will also expand the LGD Project's previous experience in training local government officials by working with selected institutions of higher learning in the establishment of a formal training course which will be offered to all elected officials following local elections and helping to establish a university curriculum which will lead to degrees in the field of local government administration and planning.

Activities described in the original PP will otherwise be maintained. These include the institutional strengthening of local municipal organizations and participatory community development activities.

5. EXPECTED RESULTS

EOPS include the following: (a) increased community participation in LGs decision-making; (b) increased responsiveness of LGs to community needs; c) improved management of at least 50

additional provincial municipalities and 400 district municipalities; d) associations of local officials established in all of the Departments where the Project is implemented; and e) elected officials who have uniform basic knowledge of local government laws and basic management skills.

6. LINKAGE TO OTHER ACTIVITIES

This amendment will expand the LGD Project's coverage up to an additional seven new Departments. It will also support other donor activities such as local government strengthening programs currently being implemented by the World Bank and IDB, which provide loans to Fondo de Compensación y Desarrollo Social (FONCODES) for local level infrastructure projects. The Mission is working closely with both the IDB and the World Bank to avoid duplication and ensure the efficient and effective use of resources. The GOP, through the Decentralization Commission, Local Governments and Social Programs, is actively pursuing the development and passage of laws which will decentralize government functions and strengthen the capability of LGs to manage their own affairs. USAID is supporting this effort under the LGD Project.

7. TYPE(S) OF INTERVENTION ANTICIPATED AND MANAGEMENT COSTS EXPECTED FOR USAID

The type of intervention is the same as that described in the original LGD Project Paper. There will be no additional management costs.

8. STATEMENT OF POLICY AGENDA AND PROPOSED IMPLEMENTATION

USAID/Peru's policy agenda of this Project is to strengthen local governments as the basis for a strong democratic political system that is responsive to the needs of the people, promotes greater participation of the voters and responsiveness of elected officials, and greater decentralization of governmental functions and revenue generation. The Mission considers local governments to be unit of government in Peru most capable of responding to the people's basic services, security and social needs. By promoting democratic community participation in governance, helping people to understand what their duties, rights and responsibilities are, as well as improving the managerial and leadership skills of local elected officials and supporting local government staff, the Project will help to achieve this policy agenda.

9. DESIGN AND ANALYTICAL WORK

No additional design and/or analytical work will be required.

10. PRELIMINARY IDENTIFICATION OF KEY STAKEHOLDERS, PARTNERS AND BENEFICIARIES

N/A

11. TIMETABLE AND RESOURCE REQUIREMENTS

The amendment will be completed and approved during the first quarter of FY96, at which time funding in the amount of $5.0 million will be obligated.

12. RECOMMENDATIONS FOR REVIEW, WAIVER APPROVAL, AND PROJECT AUTHORIZATION AUTHORITIES

N/A

13. PRELIMINARY LOGICAL FRAMEWORK OR OBJECTIVE TREE

The Logframe will be amended to modify the EOPS in accordance with Section 5 above.

NEW ACTIVITY DESCRIPTION

1. BASIC DATA

(a)	Activity Title:	Amendment No. 1 to Justice Sector Support (JUST) Project	
(b)	Activity Number:	527-0352	
(c)	Funding Source:	ESF	
(d)	Duration:	Currently Authorized:	FY 1994-1996
		Proposed Amendment:	FY 1996-1998
(e)	Proposed LOA Funding:	Currently Authorized:	$1.6 million
		Proposed Amendment:	$4 million
		Proposed LOA Total:	$5.6 million

2. STRATEGIC OBJECTIVE AND PROGRAM OUTCOME SUPPORTED

This amendment will support Strategic Objective (SO) No. 1, "Increased Participation of Citizens in Democratic Processes," and specifically addresses Program Outcome (PO) No. 1.1, "Strengthened Respect for Human Rights."

3. PROJECT PURPOSE

This amendment maintains the same JUST Project Purpose, which is to "promote the protection of basic human rights and the rights of the accused within internationally accepted standards of due process of law while promoting judicial independence."

4. PROJECT DESCRIPTION

While there are still significant concerns in the judicial sector, the GOP has begun some important reform measures in areas that have previously been neglected. Among the most important reforms have been the development of three institutions that will promote the independence of the judiciary: the Judicial Academy, Judicial Council and the Constitutional Guarantees Tribunal. Possibly even more significant was the promise of the promulgation of the new Code of Criminal Procedures in the near future. This is based on statements and accolades by members of the GOP during and after the formal presentation of the revised code to Congress in March 1995. The GOP also increased the budgetary resources of key justice sector institutions. Although less than requested, the Public Ministry received a 181% increase between FY 1994 and 1995 and the Judicial Branch received a 96% increase. These are just a few of the advances in the judicial sectc Others are noted in documents sent to USAID/W (e.g., 95 Lima 0491 entitled "Changes in Peru's Justice System" and a December 27, 1994 Memorandum entitled "Judicial Sector Benchmarks").

This amendment will build upon these GOP advances as well as the JUST Project's previous two years of implementation experience in: (1) providing legal defense for poor persons unjustly accused of crimes related to terrorism; (2) sponsoring a public information campaign in support of human rights; (3) providing support for the victims of human rights violations; (4) expanding the National Registry of Detainees; (5) establishing the Office of the Ombudsman and (6) drafting an implementation plan for the Code of Criminal Procedures.

The JUST expansion will include:

(1) technical assistance and training of prosecutors, judges and criminal defense attorneys responsible for the implementation of the Code of Criminal Procedure; and the

completion of a case-tracking system and other delay reduction techniques, as well as a community outreach program;

(2) development of a public defenders and pro bono assistance program through bar associations and law schools;

(3) development of an alternative dispute resolution program;

(4) technical assistance to the Judicial Academy and the Judiciary Council;

(5) continued support for the legal defense of human rights violations;

(6) limited continued technical assistance to the National Registry of Detainees;

(7) human rights training for police, prosecutors, and judges; and

(8) training and technical assistance for the Office of the Ombudsman.

5. EXPECTED RESULTS

By the end of this activity:

(1) the Criminal Procedures Code will be established and those working in the criminal area will have been trained (substantively and methodologically); the criminal system will be working under the accusatorial system following the new Code standards;

(2) the National Registry of Detainees will be working properly and will expand its coverage to sentencing aspects of the accused;

(3) citizens will have an increased awareness of their rights;

(4) there will be an increased NGO, bar association and university clinical program activity in legal defense;

(5) the establishment of the Judiciary Academy and the Judicial Council will promote a more independent judiciary; and

(6) the Office of the Ombudsman will be fully established and operating to safeguard community rights.

6. LINKAGE TO OTHER ACTIVITIES

While there are still significant concerns in the Judicial sector, the GOP has begun some important reform measures in areas that have previously been neglected. Among the most important reforms have been the development of three institutions that will promote judiciary independence: the Judicial Academy, Judicial Council and the Constitutional Guarantees Tribunal. Possibly even more significant was the promise of the promulgation of the new Code of Criminal Procedures in the near future.

The implementation of this program will build upon a smaller intervention begun under the JUST project to ensure the protection of basic human rights and the rights of the accused within internationally accepted standards of due process of law. It will also assure that other national and

international programs (World Bank and IDB) in support of human rights, due process, alternative means of dispute resolution and judicial independence are adequately supported. The Mission is working closely with both the IDB and the World Bank to avoid duplication and to ensure the efficient and effective use of resources.

7. TYPE(S) OF INTERVENTION ANTICIPATED AND MANAGEMENT COSTS EXPECTED FOR USAID

The types of interventions are basically the same as those described in the original JUST Project paper. This activity will enhance the original JUST project by primarily providing technical assistance to prosecutors, judges, criminal defense attorneys, bar associations, law schools, the Public Ministry, the Supreme Court, the Judicial Academy, the Judiciary Council and the Ombudsman office. It will also include some training and a small amount of computer and related equipment. This assistance will probably be provided through primary counterparts such as the Public Ministry and the Supreme Court. Implementing institutions would include local organizations such as the Andean Commission of Jurists, Lima Bar Association, local human rights groups and universities and some U.S. NGOs and contractors (including the Office of Professional Development and Training and Catholic Relief Services).

8. STATEMENT OF POLICY AGENDA AND PROPOSED IMPLEMENTATION

There is no policy agenda per se. This activity, however, would provide an opportunity to promote other USAID democracy issues and policy issues raised in other sectors.

9. DESIGN AND ANALYTICAL WORK

The mission will have to further assess similar projects in other (primarily Latin American) countries -- in order to design the implementation of the Code of Criminal Procedures and the Ombudsman office. For the human rights component no significant additional design work will be required.

10. PRELIMINARY IDENTIFICATION OF KEY STAKEHOLDERS, PARTNERS AND BENEFICIARIES

Those who will feel the greatest impact of this activity include prosecutors, judges, criminal defense attorneys, law students, and the public trying to access the criminal justice system and those who are victims of human rights violations. The design process will better define stakeholders, partners and beneficiaries.

The design process must be highly participatory. While basic concepts may be found in similar projects in other countries, the activity must fit the unique Peruvian situation. It must also provide key actors with a sense of ownership. The mission will work closely with the Public Ministry and Supreme Court personnel, local human rights groups, and universities with an interest or an expertise in these areas.

11. TIMETABLE AND RESOURCE REQUIREMENTS

Preliminary information will be gathered from JUST activities during the remainder of Fiscal Year 1995 (FY) and into 1996. Design documentation will be drafted during the first quarter of FY 1996 with the authorization to occur during the second or third quarter. This will be accomplished through focus groups and/or conferences in Peru, as well as a few visits from experts o similar projects in other countries. Up to $30,000 in PD&S funds may be required for project design.

12. RECOMMENDATIONS FOR REVIEW, WAIVER APPROVAL, AND PROJECT AUTHORIZATION AUTHORITIES

It is recommended that the mission be given the authority to approve this activity. No significant waivers are contemplated at this time.

13. PRELIMINARY LOGICAL FRAMEWORK OR OBJECTIVE TREE

This is a relatively straightforward activity that fits nicely in the evolution of the USAID/Peru program and the democracy strategic objective. The immediate focus of the activity is on the implementation of the Code of Criminal Procedure and the establishment of the Office of the Ombudsman.

NEW ACTIVITY DESCRIPTION

1. BASIC DATA

(a)	Activity Title:	AIDS HELP - Healthier Lives through Prevention (SIDAYUDA)
(b)	Activity Number:	527-0378
(c)	Funding Source:	Development Assistance
(d)	Duration:	FY 1996-1999
(e)	Proposed LOA Funding:	$ 1 million

2. STRATEGIC OBJECTIVE AND PROGRAM OUTCOME SUPPORTED

This activity supports Strategic Objective No. 4, "Improved Health of High-Risk Populations" and Program Outcome No. 3, "Increased Use of Preventive Practices and First-line Care in the Home and Community."

3. ACTIVITY PURPOSE

To strengthen the environment in Peru for HIV/AIDS interventions.

4. ACTIVITY DESCRIPTION

For the moment, Peru, by world standards, appears to have a yet low incidence of HIV/AIDS. However, this could change quickly given that a geometric progression of the infection can take place unless measures are taken to contain it. USAID/Peru has a window of opportunity to help Peru avoid what in an increasing number of countries has become a pandemic of enormous proportions, with extremely high social, economic and human costs. Current data indicate that incidence is increasing among monogamous women infected by their non-monogamous partners and among younger adults who initiate sexual activity early and engage in high-risk behavior. Funds under this activity will primarily jump start coordination between agencies, which will maximize the investment being made by avoiding duplication, and will encourage the development of leadership within this group, government and opinion leaders to create a hospitable environment for HIV/AIDS interventions.

The project will coordinate the activities of private and public agencies currently working in some aspect of HIV/AIDS prevention to promote broadened participation by providing support for and encouraging the emergence of leadership. A formalized structure or coordinating body will be created that will enable this group to work collaboratively to develop strategies for prevention activities. Due to the lack of reliable data, quantitative and qualitative research will assess more carefully the nature and magnitude of the problem. The information gathered from a rapid assessment of incidence and results from special studies on the target population, will help to direct the training and information that will be disseminated under this project. The commitment of public sector officials is critical for prevention programs. To create this positive disposition of government officials and opinion leaders, a RAPID presentation model will be developed that graphically demonstrates the course of the disease and the impact it has on all aspects of life and development efforts. Finally, the coordinating body will develop an Information Center that will make available the latest information about the disease. A group from the coordinating body will be prepared to make the RAPID presentation to government officials and opinion leaders and individuals will be selected from institutions serving target populations such as teachers, professors, reproductive health service providers. Youth and women's groups will be trained as trainers and counselors in HIV/AIDS prevention.

5. EXPECTED RESULTS

End of Project Status (EOPS) will be the following: Government officials, business entrepreneurs and other decision-makers are aware of the devastating economic and social impact of rapid HIV transmission; organizations working in HIV/AIDS are mutually supportive and carry out complementary activities that have a synergistic effect; reliable baseline data on HIV/AIDS are collected and systems are in place for ongoing data collection; a central repository exists for information on HIV/AIDS that is accessible to all interested parties; that center implements a pro-active, advocacy-oriented information strategy; and a cadre of trained people is in place, in institutions accessible to the target groups, to counsel and educate on HIV/AIDS.

6. LINKAGES TO OTHER ACTIVITIES

At the moment, few linkages exist with ongoing programs working in HIV/AIDS prevention, either within the Mission, the Government of Peru, other donors or non-governmental organizations. This project will forge those linkages so that efforts can be coordinated. This renewed initiative of USAID/Peru, after a two-year hiatus in funding of HIV/AIDS information and prevention, is expected to stimulate other donors and local and international NGOs to invest in slowing further transmission of HIV/AIDS.

Project 2000 (527-0366), a newly-awarded initiative, will work to improve the health and nutrition of young children and women of childbearing age. Under the management component of this project, it is conceivable that the MoH Health Information System (HIS) can be expanded to collect more complete HIV/AIDS data. ReproSalud (527-0355) will address the issues of women in development and related health and reproductive problems, especially of poor and rural women. Genital tract infections, sexually transmitted diseases and HIV/AIDS should receive close attention under this project. Within the Government of Peru, the Ministry of Health (MOH) established the Special Program for the Control of AIDS (PECOS), to carry out the mandate that its name indicates. Each Regional MoH hospital has a permanent AIDS committee responsible for reporting HIV/AIDS data to PECOS.

7. TYPE(S) OF INTERVENTION ANTICIPATED AND MANAGEMENT COSTS EXPECTED FOR USAID

Assuming that the ratio of O/HPN staff to project activities remains constant, this project will be subsumed by existing in-house staff. Supply Requirements: The project assumes a ready supply of USAID/Peru donated condoms available for use by the coordinating agencies.

8. STATEMENT OF POLICY AGENDA AND PROPOSED IMPLEMENTATION

The activities of the project will bring to the attention of GOP officials and opinion leaders the consequences that will result unless they take an active role in marshalling resources to help reduce the spread of HIV/AIDS in Peru while the levels are still somewhat low. More support from other governmental agencies is anticipated as a result of the sensitization effort of this project.

9. DESIGN AND ANALYTICAL WORK

Design and analytical work to be completed, including any policy issues and/or program innovations to be explored, consist of an assessment of: HIV/AIDS cases and RAPID models, information available from a technical assistance visit made in July 1994 to assess the HIV/AIDS situation in Peru will be assembled; information gathered from meetings of the Coordination Group, through attendance at workshops, focus groups and a KAP study of youth in Villa el Salvador.

10. PRELIMINARY IDENTIFICATION OF KEY STAKEHOLDERS, PARTNERS, AND BENEFICIARIES

Key Stakeholders in the attempt to contain the spread of HIV/AIDS transmission are all the inhabitants of the **Global Village**. This disease has grown, worldwide, at such a rapid rate that in countries such as Peru, where the numbers are still somewhat low, it is a sacred obligation and responsibility to contain its spread and protect the **Peruvian Villagers**.

Mission partners will be those agencies and donors already working in HIV/AIDS prevention. If strong leadership and more effective, broader-based prevention mechanisms can be developed, new donors should be attracted to augment funding for prevention efforts.

Project beneficieries are those groups targeted by this project: women and youth. However, the general public will benefit if government officials can be convinced of the importance of HIV/AIDS prevention and then take every opportunity to bring governmental resources to bear on preventing the spread of this disease.

11. TIMETABLE AND RESOURCE REQUIREMENTS

Initially, PD&S funds will be required for the quick statistical assessment. If the experts can be identified and funds made available rapidly, it is possible that this activity could be fully designed by September 1995. It is anticipated that three person-months will be needed to develop the activity. Resource requirements include: 1) an HIV/AIDS expert with wide experience in other countries, especially Latin America; 2) a project development specialist with USAID experience; and 3) a local expert who will provide the data available in Peru.

12. RECOMMENDATIONS FOR REVIEW, WAIVER APPROVAL, AND ACTIVITY AUTHORIZATION AUTHORITIES

It is recommended that the Mission be given authority to approve this activity. No waivers are anticipated.

13. PRELIMINARY LOGICAL FRAMEWORK

As a result of the activities of this project, a more favorable environment for HIV/AIDS interventions will result, as evidenced by a more active participation by government officials in AIDS events; press coverage on the disease that is based on scientific evidence and a non-judgmental understanding; participation by Ministries in addition to the MoH, the private sector and the university community in the training program; a functioning coordinating body of all major actors in HIV/AIDS in Peru; and an active information center that responds to requests from women, youth, industry, government, other donors and NGOS. A logical framework will be developed which shows the linkages between this activity, other Mission activities, and their contribution to the achievement of Mission SO No. 4 and PO No. 3.

NEW ACTIVITY DESCRIPTION

1. BASIC DATA

(a)	Activity Title:	Population & Family Planning Support (APOYO)
(b)	Activity Number:	527-0375
(c)	Funding Source:	Population
(d)	Duration:	FY 1996-2000
(e)	Proposed LOA Funding:	$30 million

2. STRATEGIC OBJECTIVE AND PROGRAM OUTCOME SUPPORTED

APOYO supports Mission Strategic Objective (SO) No. 4 "Improved Health of High-Risk Populations." The principal Program Outcome (PO) supported is PO No. 1 "Increased Use of Primary Health Care," but POs Nos. 2 and 3 are also relevant.

3. ACTIVITY PURPOSE

To strengthen population and family planning in Peru by supporting key programs that further the Mission strategy in this sector.

4. ACTIVITY DESCRIPTION

This activity will support key activities in population and family planning, and will serve as a follow-on to the Private Voluntary Family Planning Service Expansion (PVFP) Project (527-0335), which is scheduled to terminate in September 1995, but will be extended through a good part of FY 96 via a no-cost extension. APOYO will also follow the Commercial Family Planning (CFP) Project (527-0326), which will terminate in September 1996. In addition to carrying forward some critical and successful components of these two projects, APOYO will feature new components that are relevant to SO No. 4. In short, APOYO will serve as the Mission's umbrella activity in population and family planning, as distinguished from ReproSalud, which has a distinct community-based focus. The proposed components are:

(a) Management and distribution of contraceptive supplies. This is a follow-on activity of the PVFP Project. In collaboration with the Contraceptive and Logistics Management Division (CLM) of the Office of Population, the in-country management of these activities in Peru will be procured outside the Mission. Technical assistance will be given to the public sector for the development of funding schemes (*e.g.*, treasury funds, cross-subsidies, fees) for a medium-term plan to purchase its own contraceptives and progressively decrease reliance on USAID in this regard. This activity will require about $3 million annually, or $15 million over LOP.

(b) Support to selected family planning organizations. Five family planning organizations are currently supported under the PVFP Project. Support will continue for the organizations that are performing well, as indicated by various evaluations. Other organizations may be invited to apply for support. Areas of focus will be income-generation, institution building, management systems, training in the provision of quality services and counseling, and subsidization of rural services, in coordination with the public sector. The management of this support to family planning organizations will be procured outside the Mission. This will require $5 million over LOP.

(c) Coordination of the Peru Family Planning Implementation Plan (PFPIP), a constellation of the Peru-based activities of 15 centrally-funded projects of the Global Bureau's Office of Population. This G investment is valued at over $5 million annually. This is a new activity that will require about

$200,000 per year, or one million dollars over LOP. These will be bilateral funds, controlled by the Mission, that will support HPN staff to perform this coordination, as well as funds for monitoring and evaluation.

(d) Social marketing of contraceptives. This currently takes place under the CFP Project. If the Mission decides to continue in this area, APOYO will be the vehicle. Likely products are condoms, pills, injectables, vaginal tablets and IUDs. The marketing strategy would focus on pharmacies, private providers and the target public. Marketing might be done through other than an NGO (*i.e.*, a commercial firm). Some $3.5 million will be needed for this over LOP.

(e) Mass communications in population and family planning. This currently takes place under the CFP Project and will encompass the activities that the Mission decides warrant follow-on. Some $700 per annum ($3.5 million over LOP) will be used for this.

(f) Small grants in population. A grants program will be developed to support worthy activities that further the Mission's strategy. These might include policy work at the national or regional levels, sensitization of lawmakers and other decision-makers on population issues and well-focused research. This might be handled through a buy-in the to G Bureau's new Policy Project, or directly by the Mission. This will require $1.0 million over LOP.

(g) Coordination of APOYO itself. This will require about $1.0 million over LOP. Further information is given under item 7, below.

5. EXPECTED RESULTS

A stronger policy environment conducive to family planning in Peru; a public that is more well-informed about family planning; increased demand for family planning services; a reliable stock of the gamut of contraceptives in the public, NGO and commercial sectors; a plan for phasing out reliance on donated contraceptives; high-quality care offered and utilized by the best performers in the NGO sector; and increased sustainability of NGOs that provide services.

6. LINKAGE TO OTHER ACTIVITIES

The only service delivery component of this project is No. 2, which will support conventional family planning services in the NGO sector. The other components are enabling ones that will either help provide a conducive environment for family planning in Peru, strengthen the programmatic sustainability of family planning programs or increase demand for services. APOYO will dovetail with: the HPN Office's Project 2000, which is a service delivery project in integrated maternal and child health in the public sector; the Peru Family Planning Implementation Plan, which is a coordinated effort of centrally-funded projects in support of family planning in the public sector; and ReproSalud, which supports community-based programs that also refer clients up to the public sector and the NGO sector.

The activity will be consistent with GoP plans in the area of reproductive health, as articulated by the Ministry of Health. The chief other donor in family planning in Peru is UNFPA, which supports a series of small-scale activities. USAID regularly liaises with UNFPA to ensure complementarity of effort.

7. TYPE(S) OF INTERVENTION ANTICIPATED AND MANAGEMENT COSTS EXPECTED FOR USAID

The activity will fund 2-3 project coordinators who will work in the Mission. One will handle

components a and b, and another will handle components d, e and f. Alternatively, a third person will handle component f, if it is done directly by the Mission. This will require about $1.0 million over LOP.

8. STATEMENT OF POLICY AGENDA AND PROPOSED IMPLEMENTATION

This project will seek to improve the policy and political environment for family planning in Peru. Examples of policy agenda items are: a stronger National Population Council to analyze relevant issues and bring them to the public fore; an increased commitment on the part of government to family planning and to protection of maternal health through voluntary surgical contraception; a keener awareness among decision-makers of human rights, health and sustainable development benefits of family planning; and a revised Law of Population (the present one dates from 1985).

9. DESIGN AND ANALYTICAL WORK

Design and analytical work to be completed in preparing the Project Paper for approval and obligation, including any policy issues and/or program innovations to be explored: The performance of NGOs currently being supported needs to be evaluated, identifying the best performers, who may be invited to apply for continued funding. Possibilities for new groups need to be explored. The Mission strategy in social marketing needs to be re-examined, with positive experiences incorporated into the new project and less successful ones not carried over. A more elaborate policy agenda needs to be developed.

10. PRELIMINARY IDENTIFICATION OF KEY STAKEHOLDERS, PARTNERS AND BENEFICIARIES

Key stakeholders, partners and beneficiaries will be family planning service providers, senior policymakers in the public health sector, NGOs, the commercial contraceptive sector, at-risk populations, the LAC Bureau and the Center for Population, Health and Nutrition of the Global Bureau. The LAC Bureau and the Global Bureau will participate in PP preparation, both via Peru backstops and through technical assistance from the POPTECH project. Though procurement sensitivity will limit the participation of some other stakeholders, USAID will work informally with members of the population/family planning community in Peru to develop a more refined policy agenda.

11. TIMETABLE AND RESOURCE REQUIREMENTS

Design should begin in the last quarter of FY 95, or at latest, the first quarter of FY 96. The PP should be ready by December 95, with initial procurements following shortly afterward. The procurement plan will be spaced over time. Some of the obligations will not be needed until later in the fiscal year. The resource requirements total $30 million from population funds.

12. RECOMMENDATIONS FOR REVIEW, WAIVER APPROVAL, AND ACTIVITY AUTHORIZATION AUTHORITIES

For some of the procurements, a waiver of the 25 percent counterpart contribution may be called for. A waiver for U.S. origin motorbikes may be necessary, if any such vehicles are contemplated, as may be a waiver of U.S.-source trucks.

13. PRELIMINARY LOGICAL FRAMEWORK OR OBJECTIVE TREE

The various components all feed into three activity outcomes: a) strengthened quality service delivery (contraceptive supplies and NGO support); b) increased independence from donor support, *i.e.*, sustainability (plan for phasing out contraceptives, social marketing and policy environment); and c)

a more informed public (mass communications and social marketing). A stronger policy environment, a more informed public and stronger service delivery of high quality that is sustainable together will realize the project purpose of strengthening population and family planning in Peru. This in turn will contribute substantially to the activity goal of achieving fertility that is consistent with individual preferences and sustainable development and promotive of personal health.

NEW ACTIVITY DESCRIPTION

1. BASIC DATA

(a)	Activity Title:	Niño Sano (Integrated Child Development Project)
(b)	Activity Number:	527-0381
(c)	Funding Sources:	Development Assistance
(d)	Duration:	FY 1997-2001
(e)	Proposed LOA Funding:	$3.2 million

2. STRATEGIC OBJECTIVE AND PROGRAM OUTCOME SUPPORTED

This activity will support Mission Strategic Objective (SO) No.4, "Improved Health of High-Risk Populations," and, in particular, Program Outcome (PO) No. 1, "Increased Use of Primary Health Care Services."

3. ACTIVITY PURPOSE

To test and demonstrate the operational and financial feasibility of a primary health care service delivery model in which community-based organizations provide quality PHC services to children aged 0-5 and their mothers through an integral child development program.

4. ACTIVITY DESCRIPTION

The *wawa uta* program of integrated child development services including health, education, and nutrition, developed under the Strengthening Health Institutions Project (527-0319) with training and technical assistance from CARE under a cooperative agreement, has demonstrated a capacity to attend a network of child development centers coordinated by community mothers' clubs and managed by their community-based regional organizations to a limited number of Aymara Indian children in southern Puno. Niño Sano will consolidate that program and develop its capacity for sustainability by expanding coverage and maintaining or improving service quality. It will build on CARE's input by strengthening a consortium of community-based organizations and NGOs brought together by SHIP and developing their capacity to manage the program independently of CARE. USAID Peru will coordinate this activity with the CBO/NGO consortium, which will manage it directly, having previously been trained and certified by USAID as grant worthy.

5. EXPECTED RESULTS

- Some 40,000 children in 350 *wawa utas* in 150 Aymara Indian communities will receive sustainable primary health care, basic education, and nutrition services through a community-based program.

- Infant mortality in these communities will be reduced from approximately 80/1000 to below the national average of 55/1000.

- Chronic malnutrition rates for children in the first grade of primary school in the targeted communities will decline from 71 per cent to 50 per cent.

- Contraceptive prevalence in the target area will rise to at least the national average.

- Full vaccination coverage will be attained for 90 per cent of children under one year of age in targeted communities.

- Some 350 commmunity-sponsored health promoters will be adequately trained to provide primary health care services to 150,000 people.

- Reproductive health information and access to services will be made available to all women of reproductive age in targeted communities.

- A basic inventory of pharmaceuticals will be available to 350 community pharmacies, which will be incorporated into a rational system for pharmaceuticals distribution following safety, quality control guidelines, with 90 per cent cost recovery.

- Community birth attendants will be trained and PAP test services available to all women in targeted communities.

- Basic education services, including hygiene education, will be provided to 40,000 pre-school children in 350 *wawa utas*.

- Some 350 community health promoters will have provided improved micronutrient and weaning foods services to 18,000 infants in targeted communities.

6. LINKAGE TO OTHER ACTIVITIES

This is a follow-on activity to the Strengthening Health Institutions Project, or SHIP (527-0319), which is likely to be extended via cooperative agreement with CARE until December 31, 1997. Niño Sano should begin on January 1, 1998. Activities will be coordinated to complement those of Project 2000 (527-366) and ReproSalud (527-355). Basic education activities will complement and reinforce Global programs. Nutrition activities will complement and strengthen those of the Mission Food Security portfolio, as well as Global micronutrient and weaning food activities.

7. TYPE(S) OF INTERVENTION ANTICIPATED AND MANAGEMENT COSTS EXPECTED FOR USAID

USAID will provide Mission-based project management with PSC coordination in both Lima and Puno. This support will make unnecessary intermediary agency overhead and profits.

8. STATEMENT OF POLICY AGENDA AND PROPOSED IMPLEMENTATION

Niño Sano will promote and consolidate sustainable community-based primary health care, basic education, and nutrition services in Aymara Indian communities of southern Puno, and also strengthen the institutional capability of their CBOs and supporting NGOs. Implementation will build upon the infrastructure, trained primary health care and basic education staff, and the overall experience generated by SHIP. This approach supports the "fundamental thrust" of USAID's programs, which "aid at building indigenous capacity, enhancing participation, and encouraging accountability, transparency, decentralization, and the empowerment of communities and individuals."[2] By strengthening these indigenous rural organizations, this activity will also strengthen ethnic identity and self-esteem among the Aymara Indians. The "integrated approach and method," combining health, education, and nutrition services in a single community-sponsored program, will address all of these problems in one of Peru's poorest regions in a manner consistent with USAID policy.[3]

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[2] Strategies of Sustainable Development, p. 4. USAID, January 1994.

[3] Ibid., p. 6.

9. DESIGN AND ANALYTICAL WORK

Following the newly re-engineered procedures, the appropriate sociocultural, gender/WID, environmental, and other analys nd documentation for new activities will be prepared for approval in FY 95 and FY 96. During FY 9 consortium of NGOs and CBOs consolidated under USAID/Peru's SHIP South Project during FY 9 ill have administrative and accounting staff trained to develop a documentation and reporting sys n that meets USAID requirements, and the implementing agency will be certified by USAID as grant worthy.

10. PRELIMINARY IDENTIFICATION OF KEY STAKEHOLDERS, PARTNERS, AND BENEFICIARIES

Stakeholders include USAID and the Government of the United States; the Aymara Indian multicommunal organizations UNCA, San Carlos, and Wiñay Marka; the approximately 350 mothers' clubs integrated into these CBOs; the Aymara Indian *comunidades campesinas* that participate in the multicommunal organizations; the communities themselves and the women and small children in them; the approximately 350 trained community-sponsored health promoters; the MoH and its José Carlos Mariátegui Region officials and staff; the approximately 350 trained initial education teachers in the *wawa utas*; the MoE and its José Carlos Mariátegui Region officials and staff; district and provincial local governments; such supporting NGOs as CECAPSA, CEPROSDE, Amakella, and the Puno Red Cross; and CARE which will have paved the way under SHIP South for this activity to be carried out successfully.

All stakeholders will participate actively in activity planning and development to the degree that USAID regulations support. CARE will organize workshops and other events and provide preliminary training under SHIP South and will prepare the consortium to become grant worthy for USAID. If necessary, additional technical assistance will be contracted by the Mission under SHIP to help plan and develop this activity.

11. TIMETABLE AND RESOURCE REQUIREMENTS

To be developed in FY 95.

12. RECOMMENDATIONS FOR REVIEW, WAIVER APPROVAL, AND ACTIVITY AUTHORIZATION AUTHORITIES

None.

13. PRELIMINARY LOGICAL FRAMEWORK OR OBJECTIVE TREE

To be developed in terms described in section 5 (Expected Results), according to new procedures in line with Mission SOs and HPN POs, as described in Section 2 above.

NEW ACTIVITY DESCRIPTION

1. BASIC DATA

(a)	Activity/Project Title:	Amendment to Alternative Development Project	
(b)	Activity Number:	527-0348	
(c)	Funding Source:	ESF	
(d)	Duration:	Currently Authorized:	FY 1995-2000
		Proposed Amendment:	FY 1996-2000
(e)	LOA funding:	Currently authorized:	$30 million
		Proposed amendment:	$8.796 million
		Proposed LOA Total:	$38.796 million

2. STRATEGIC OBJECTIVE AND PROGRAM OUTCOME SUPPORTED

This amendment will support USAID/Peru's Strategic Objective No. 2, "Increased Incomes and Employment of the Poor." It is directly responsible for Program Outcome 2.4, "Increased Licit Economic Activity in Targeted Coca and Outmigration Areas," and will impact Program Outcomes 2.2 and 2.3, "Increased Market Access for Microentrepreneurs and Small Farmers, and "Increased Productivity of Microenterprises and Small Farms," respectively.

3. PROJECT PURPOSE

This amendment maintains the same Project Purpose to increase employment and income from alternative licit economic activities in the Project areas, in order to achieve the Project Goal which is to reduce coca cultivation in the target areas pursuant to the GOP National Drug Prevention and Control Plan.

4. PROJECT DESCRIPTION

This amendment will expand the area of coverage of the Alternative Development Project. The current funding level of the AD Project is substantially lower ($30 million) than originally planned in 1992. Because of the initial lower funding level for the AD Project, the area of coverage was reduced. This amendment will allow the Project to expand its activities from the current 10-12 coca producing valleys to 15. The new valleys will be concentrated in one or more of the Departments of Huanuco, Pasco, Junin and Madre de Dios. In some areas, the AD Project will work with indigenous groups to help stop the spread of coca in protected forests and wildlife parks. The activities undertaken in the additional valleys included in this amendment will be the same as those described in the original project paper.

5. EXPECTED RESULTS

The EOPS for this amendment will include: 1) a 50% reduction of coca cultivation in target areas as defined by the GOP National Drug Prevention and Control Plan; 2) increased employment opportunities to replace jobs lost from reduction of coca cultivation; 3) additional hectares of land devoted to the production of licit crops; 4) an increase in agricultural income as a result of increases of legal crops farm gate prices and a decrease of agricultural input costs; 5) improved basic services in target areas; and, 6) an increased awareness about the serious damage which coca production inflicts on the environment.

6. LINKAGE TO OTHER ACTIVITIES

This Amendment will continue to support the GOP National Drug Prevention and Control Plan, the major Peruvian Counternarcotics Strategy Statement. OLGAD will also work with other Mission offices to coordinate activities being implemented in the target areas and to encourage their expansion, wherever possible, into areas which are critical to the AD Project. These areas include health, micro-enterprise, nutrition, Title II activities and environmental activities. Efforts to coordinate AD activities in the additional target areas with other donors such as World Bank, InterAmerican Development Bank, European Union, UNDCP, the Germans, etc. will also continue.

7. TYPE(S) OF INTERVENTION ANTICIPATED AND MANAGEMENT COSTS EXPECTED FOR USAID

The type of intervention is the same as that described in the original AD Project Paper. There will be no additional management costs.

8. STATEMENT OF POLICY AGENDA AND PROPOSED IMPLEMENTATION

USAID Peru's policy agenda for this Project is to support PDD-14 which states that USAID's role in the USG Drug Control Strategy is to promote sustainable development in coca growing areas of source countries. USAID's role is part of an integrated approach whose success depends on the success of the sum of all players, i.e. INL, DEA, ONDCP, USAID, etc. In terms of achieving the coca reduction targets, USAID must be judged as part of the team and cannot be held solely responsible for achieving the 50% reduction.

9. DESIGN AND ANALYTICAL WORK

No additional design and/or analytical work will be required.

10. PRELIMINARY IDENTIFICATION OF KEY STAKEHOLDERS, PARTNERS AND BENEFICIARIES:

The key primary beneficiaries will be the residents living in the selected cuencas and surrounding areas.

11. TIMETABLE AND RESOURCE REQUIREMENTS

This amendment will be completed and approved by the third quarter of FY 96 at which time funding in the amount of $8.796 will be obligated.

12. RECOMMENDATIONS FOR REVIEW, WAIVER APPROVAL, AND PROJECT AUTHORIZATION AUTHORITIES

N/A

13. PRELIMINARY LOGICAL FRAMEWORK OR OBJECTIVE TREE

The Logframe will remain the same as for the original Project.

D. Planned Improvements to the Mission Performance Measurement System

USAID/Peru will continue its ongoing effort to improve the Performance Measurement System (PMS) in order to ensure that satisfactory progress is made toward achievement of development results, as a basis for making resource allocation decisions. Based on LAC recommendations and PRISM technical assistance, five inter-office Strategic Objective Working Groups (SOWGs) have been formed with Mission technical staff and key development partners. These teams completed Performance Measurement Plans (PMPs) for the strategic framework presented in this Action Plan and set up Performance Tables for the SOs and POs, which are shown in Annex B. In the short-term, the SOWGs will:

- Refine and improve the PMPs collaboratively with the designers of new activities, as well as the implementors of new and ongoing activities;

- Continue to advance new management approaches to achieve results posited in SOs, POs and in cross-sectoral goals, and to explore cross-SO linkages in terms of potential synergies and contributions to both individual SOs and overall Mission goals;

- Complete the Mission Geographic-Based Information System (GIS), which will illustrate spatial interrelationships between SOs and provide a management tool for increasing cross-sectoral contributions to results packages. New and ongoing projects will be monitored and data collected using standardized geographic codification, providing a basis for cross-sectoral analyses;

- Strengthen the coordination of data collection efforts by our development partners--particularly those working in similar areas--to better identify activity contributions to different SOs;

- Improve the reporting and analysis of impact data to meet the Mission's different reporting requirements, including SARs, BDPs, APs and specific reports;

- Update the current WID policy, approved in 1989, to better reflect current activities and objectives. This will allow the Mission to set new benchmarks to fully integrate gender analysis into our development work. This will be complemented with the analysis of gender disaggregated data from relevant indicators identified in the PMPs.

The degree of development of the PMP for each SO varies according to the type and stage of implementation of its contributing activities. The following steps will be taken to improve the respective PMPs:

SO1 - Democracy

- Implement the PMP at the project level monitoring systems, particularly for those indicators to which multiple activities contribute. This will entail standardization of definitions and data collection methodologies in cases where more than one implementing agency is carrying out the same type of activity (e.g. legal services, public education and awareness programs). Since they are all in the process of refining and developing their activities, agencies will be urged to thoughtfully determine those having the greatest potential impact. This collaborative process should be continued in the context of analyzing PO impacts.

- Perform surveys to refine baseline data for PO-level indicators for at least three projects. The SOWG will coordinate efforts with counterparts to conduct survey work efficiently.

SO2 - Incomes and Employment

- Acquire data results from the 1994 National Living Standards Survey, the 1994 Agricultural Census, and the upcoming 1995 National Household Survey. These sources will provide valuable data in areas such as income, poverty, employment levels and agricultural productivity, and will facilitate evaluation of progress made as well as the need--if any--to refine targets.

- Implement the AD Project monitoring system, once the project is approved. Given the fact that both the AD and MSP projects are contributing to most of the POs under SO2, MSP monitoring system experience will be made available to AD to ensure standard methods for data collection.

SO3 Food Security

- Coordinate with the World Food Program to implement the monitoring system for the FY95 start basic education activity to which USAID will contribute.

- Refine targets, if necessary, after analyzing the results of the national data collection efforts mentioned above.

SO4 Health

- Design the sampling framework to be used by projects working at the community level, such as Project 2000. This will permit the Mission to obtain data on the broad geographic areas covered by its program. Furthermore, the SOWG will coordinate with the National Statistics Institute to include a component regarding use of community primary health care in their quarterly national survey on consumption levels.

- Include peri-urban areas as a new source of disaggregated data in the design of the 1996 DHS survey. Since DHS indicators currently do not reflect the health status of high-risk groups living in these areas, this will allow better targeting and monitoring of efforts in the health area.

SO5 Environment

- Refine and revise performance indicators, monitoring and reporting plans. Only when the content and thrust of the program is fully established will the Mission be able to perform detailed analysis of indicators and data collection.

Evaluations

Nine evaluations were completed during FY94 and the first quarter of FY95. The final evaluation of the Upper Huallaga Area Development Project and the in-house evaluation of the Administration of Justice Project have provided valuable lessons for the Mission in the design of new projects, such as Alternative Development and Justice Sector Support. Recommendations from evaluations of the ENRS, PVO Support, PAPI, CFP and SHIP projects have led the Mission to make decisions on refocusing and/or revising the project implementation strategies, thus improving their frameworks to enhance impacts to target populations. On the other hand, results from the Small Development Activities Fund and Narcotics Education and Community Initiatives projects' evaluations documented the extent of successes and impact.

Seven evaluations have been scheduled for the remainder of FY 95: MSP, Peruvian Peace Scholarship, Title II and Title III programs, ILD, IPM, CSAP and Private Voluntary Family Planning Services. Evaluation recommendations not only enhance the evaluated projects' implementation, but also provide

lessons to be applied in the design or implementation of other projects. For instance, given the pilot nature of the IPM project, evaluation results will be key to replicate IPM experiences throughout all Mission agriculture-related activities. The final evaluation of ILD will provide input to strengthen activities in the democracy area, such as the PARDEM project. A second interim evaluation has been planned in FY 96 to monitor improvements in PVO Support, CFP and SHIP. Initial evaluations for PARDEM and JUST will be performed in FY 96, while LGD and Project 2000 will be evaluated in FY 1997.

E. Steps in Preparation of Country Strategic Plan

The Mission will develop a new strategic plan for submission to Washington during the second quarter of FY 1996. The plan will be the Mission's first under the new program operations system that USAID is developing under the auspices of reengineering. The plan will cover a five to eight year period. The Mission's Program Office will have overall coordination and management responsibility for development of the strategic plan.

The Mission's "customer service plan" is the first step in developing the strategic plan. It will be completed by October 1, 1995, as required by Agency policy. To complete the customer service plan, the Mission will form strategic objective teams, which will be comprised of Mission, including appropriate Embassy personnel in Peru, USAID Washington personnel as well as of representatives of potential development partners (including other donors), key stakeholders, and the beneficiary population.

The results of the customer service plan will serve as the basis for developing a more specific set of strategic objectives. The strategic plan will articulate the results framework that defines the known necessary and sufficient conditions or intermediate results and their causal links that are hypothesized to lead to achievement of the strategic objectives. The Mission expects to draw heavily on LAC and Global Bureau support to assist in carrying out the development analysis required to develop these results frameworks. The preliminary strategic objectives and results frameworks will be vetted within the strategic objective teams and refined prior to being finalized.

The strategic objective teams will draw up cost estimates for achieving the strategic objective. These estimates will be based on the total cost for the objective. The Mission will assess its projected contribution based on expected budget levels as well as anticipated contributions from other donors, the private sector and the Government of Peru. This analysis will assist the Mission to identify the specific results in the results framework that the Mission will fund, and form the basis for negotiation with other partners and donors to identify their respective contributions. The resulting strategic plan, including the resource request will be submitted to USAID Washington for review and approval.

Once the strategic plan is approved Washington has entered into the management contract with the Mission, the Mission will organize itself under the new policy directives to manage the achievement of each of the strategic objectives.

IV. FY PROGRAM MANAGEMENT REQUIREMENTS - WORKFORCE/OE

A. Workforce Requirements

Due to diminishing OE resource levels, USAID/Peru was once again faced with a downsizing exercise during FY 95. Both the FY 95 and FY 96 OE budget levels were reduced to the point that no alternative existed but to restructure the Mission by deleting 10 FSN positions and one USPSC position. This eight percent reduction, when combined with an earlier staff reduction of 21 FSN positions in March of 1994, represents a cut of more than 22% of our OE funded staff.

Pending the Ambassadors' approval, the USDH ceiling will include two new positions beginning in FY 96. One of these employees will work in the democracy area and the other with our OHPN portfolio. Additional project funded FSN staff will also be required to manage our large labor-intensive portfolio in the democracy area where we will continue to work with numerous small NGOs. The alternative Development and Local Government Development Projects, with activities focused in coca growing regions of the country, will also require significant oversight and additional project funded FSN staff.

B. Operating Expenses

The approved FY 95 annual level of $5.790 million, including $600,000 of OE trust funds, will be adequate for anticipated FY 95 requirements, although Lima is a very expensive place to maintain a mission. Local inflation, currently at around 15% per annum, continues to put upward pressure on FSN salaries, rents, utilities and other costs of local operations.

Staying within our FY 95 budget would not have been possible had we not taken dramatic measures in FY 94 and early FY 95 to reduce our OE-funded staff costs by approximately $1,000,000 per year. The last FSN salary survey resulted in overall increase in FSN salary and benefit costs of more than 50%, effective Nov. 1, 1994. To partially offset the impact of these increased costs, we eliminated an additional 11 FSN and USPSC positions in January of 1995. Having completed this "right-sizing", USAID/Peru will maintain its current OE-funded staff levels during the period of this Action Plan and will search for savings in other budget elements.

In June, 1995 the Embassy will relocate all of its offices to the new Embassy compound. Embassy offices currently occupy approximately 40% of the USAID office building. To offset the loss of the Embassy rental payments ($430,000/year), we successfully renegotiated our office lease with the very favorable result of reducing our annual rent liability by $520,000 per year. Unfortunately, the benefit of this renegotiation will not begin to be realized until January of 1996. Additionally, with the Embassy move, USAID will be required to cover the full cost of maintaining a security force for the USAID building ($100,000/year), a cost previously covered by the Embassy.

Devaluation of the Peruvian sole against the U.S. dollar continued at a very slow pace during 1995, limiting exchange rate gains. One-tenth of a point in the sole exchange rate (i.e., from 2.2 to 2.3/US$) represents a difference of $115,000 in our budget. The average exchange rate projected for FY 95 is 2.20 soles/US$.

We have completed the conversion of our WANG VS operation to a LAN environment using the Banyan E-mail system. Last year, we converted WANG MACS and MACSTRAX to UNIX MACS. In FY 95, we will complete the training of all staff in the Windows environment. Following our full conversion to Windows in May, 1995, USAID/Peru will be prepared for the re-engineering efforts being introduced in the areas of Accounting, Program Budgeting and Procurement. For our FY 96 and FY

97 budget projections, we assume funds limited to ADP purchases in FY 95 will be available for other budget requirements.

FY 96 normal requirements are projected at $5.790 million, plus a special requirement of $970,000 for new furniture and a new telephone system for the new USAID office building -- total $6.760 million.
In FY 96, We assume a relatively conservative average exchange rate of 2.4 soles/US$ due to the current stability of the Peruvian sole against the dollar. We expect another FSN salary increase of 18.0% effective at the beginning of the fiscal year, thereby increasing requirements by $150,000. Pending the Ambassador's approval, the two new USDH positions require an additional $110,000 in allowances and support costs. There will be no OE trust funds available in FY 96 and we do not expect to secure additional OE trust funds in the foreseeable future.

Office rent ($680,000) and security costs ($180,000) will continue for the full year. Pending final approval of the plan by AID/Washington and FBO, we expect to begin construction of a new USAID office building on the Embassy compound sometime in FY 96. The building should be available for occupancy shortly before December 1997 when our current office lease expires. As the new building will be constructed to FBO space standards, to maximize efficiency in much smaller offices, specially designed "system" furniture, at a cost of $800,000 will be required. A new telephone system at a cost of $170,000 is also being proposed. As these are one time investments in the new office building, they are treated as additive to our normal FY 96 requirements.

FY 97 requirements are projected at $5.790 million. We assume a relatively conservative average exchange rate of 2.6 soles/US$ and no OE trust funds. Costs for USDH allowances for the two new positions and FSN salaries are also projected to increase. Costs of office rent and security will continue for the full year, as the new office building will not be ready until December of 1997. Of course, these costs for FY 98 and beyond will be reduced to zero, a savings of approximately $860,000 per year. It should be noted we are assuming that amounts earmarked in the FY 95 level for ADP equipment ($157,900) will be available for alternate budget elements in FY 97. Total budgeted for non-expendable purchases is $25,000 allowing for emergency procurement only. There is no provision for contingencies in a year when USAID will be preparing to move to a new building. Our assumption is that moving costs will be covered in FY 98.

Table 8
USAID/Peru
OE Funding Requirements
($000)

OE/TRUST FUNDED LEVELS By Major Function Code:	FY 95	FY 96	FY 97
U100 U.S. Direct Hire	416.0	534.0	524.0
U200 F.N. Direct Hire	1,016.0	1,001.0	1,009.0
U300 Contract Personnel	1,809.7	2,073.0	2,082.0
U400 Housing	425.0	546.0	559.0
U500 Office Operations	1,750.0	1,593.0	1,591.0
U600 NXP Procurement *Systems Furniture & Telephone for New Bldg	373.0	43.0 Special 970.0 **	25.0
Total Mission Funded OE/TF Costs	5,789.7	6,760.0	5,790.0
Of which TF Funded	630.0	0.0	0.0

Mission Staffing Requirements															
	FY 95					FY 96					FY 97				
	USDH*	USPSC **	TCNPSC **	FSN	Other	USDH *	USPSC **	TCNPSC **	FSN	Other	USDH *	USPSC **	TCNPSC **	FSN	Other
Total Authorized Positions	18	7	1	134	--	20	7	1	133	--	20	8	--	135	--
of which Program Funded	--	4	1	11	--	--	5	1	20	--	--	6	--	22	--

* May not exceed authorized USDH position ceiling.
** *Must agree with Bureau established PSC ceiling for FY 95. Any increases requested for FY 96/97 must be specifically justified within the context of planned program activity.*

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Table 8A

USAID/Peru
Impact of Alternative Program Levels on OE and Staff

	FY 1995 Estimated Actual	FY 1996 Projected Requiremts	FY 1997 Minus 3 Percent	FY 1997 Loss Of OE/TF	FY 1997 160 Staff Limit	FY 1997 Minus 25 Percent
Program Budget	35,000.0	35,000.0	35,000.0	35,000.0	35,000.0	26,250.0
OE Requirements	5,159.0	6,760.0	5,616.0	5,790.0	5,790.0	5,450.0
Trust Funds	630.0	--	--	--	--	--
Total OE/TF	5,789.0	6,760.0	5,616.0	5,790.0	5,790.0	5,450.0
Staffing:						
USDH	18	20	20	20	20	20
USPSCs	3	2	2	2	2	2
FSNs	123	113	109	113	113	105
Total OE Staff	144	135	131	135	135	127
USPSCs/TCNs Project	5	6	6	6	6	6
FSNs/Project	11	20	22	22	19	22
Total OE/PF Staff	160	161	159	163	160	155

Impacts of the four additional FY 97 scenarios are as follows:

1. Maximum OE/trust fund level of minus 3%: An OE reduction of $174,000 and would force us to further redu our already thin FSN staff by an additional 4 mid- to high-level positions.

2. No OE trust fund substitution: As USAID/Peru has no OE trust funds in FY 96, this scenario has no impact on our FY 97 budget.

3. Total staff limit of 160: We would reduce our FSN staff by 3 project-funded positions, with no resultant OE savings.

4. Program budget reduced by 25%: USAID/Peru would plan for a FY 97 reduction in OE-funded FSN staff of 7% (8 positions) and would search for other potential savings. As we have recently taken significant reductions in O funded staff (22%), further reductions would make it impossible for the mission to continue to effectively manage our portfolio. Additional staff cuts and savings would have to be phased in over a period of three to four years as the active project portfolio declines.

V. MISSION INITIATED ISSUES

1. Confidence Level in FY 97 Funding Levels and Assumptions Regarding Straight-Lining ESF and Title II Food Assistance

USAID/Peru's strategic framework for the planning period relies substantially on the availability of Economic Growth, Democracy, Environment and P.L. 480 Food Assistance resources to support activities under these SOs. Since the decision on new starts in FY 96-97 will require resources in the outyears, the Action Plan guidance to straight-line FY 97 ESF and Title II resource levels poses a question for due consideration. **With what level of confidence can the Mission reasonably expect that these resource levels will be available to finish what we have started in this Action Plan cycle much less on what may be proposed as a result of our country strategy exercise planned in FY 1996?**

2. Increased Flexibility from Funding Directives under New Reengineering

It is clear that the problem of the Agency's budgeting process being tied to directives funding is not within the control of LAC to resolve. However, USAID/Peru wishes to indicate for LAC's consideration and future consultations with the Hill that despite the benefits that are expected to derived from reengineering and strategic frameworks, the continued use of budget restrictions (POP,CS and Environment earmarks) will pose serious constraints on the Mission's ability to respond to Peru's evolving development needs and the Agency's priorities.

The Mission's 1995 combined OYB, including Global, is 72.3% earmarked with POP, and CS funding. Based on our FY 1996 CP level it will drop to 69.4% and then will vary from 72.1% to 68.3% under the respective 85% - 75% scenarios. At best under these scenarios the level of unrestricted, discretionary funding will only be 27.9 - 31.7%. **Can additional flexibility be built into the Agency's reengineering to enable Missions to better respond to areas of greatest need without encumberments of funding sources?**

3. New Office Building

In Fiscal Year 94, USAID initiated a contract with an architectural and engineering firm to study the feasibility of constructing an office building on the new Embassy compound. FBO, Diplomatic Security and the Office of Overseas Management have approved the project to be funded from Diplomatic Security funds through AID/W. We are currently preparing a contract for the design phase of the project and expect to award the construction contract by September 30, 1995. Completion of construction and occupancy of the building are scheduled for the first quarter of FY 98.

The design and construction of this building will be to FBO standards, including allowable office square footage. In order to make the most efficient use of this much diminished space, special systems furniture will be required at a projected cost of $800,000. Estimates were provided by our architectural and engineering firm and collaborated by FBO based on actual cost of similar system furniture in the new Embassy. In addition, a new telephone system, at an estimated cost of $170,000 will

be required to tie into the Embassy switchboard. These are one-time costs related to the permanent relocation of our office into fully-owned and therefore, rent free space in the secure Embassy compound. This will represent significant savings in rental and security costs far into the future. **Can these additional OE resources be made available for FY 96?**

4. **Budget Fluctuations and Short Deadlines**

The Mission congratulates LAC for its efforts in the design of the BPD budget software program and its collaborative relationship that it has maintained with us through this transition period as reengineering changes begin to emerge.

However, Mission suggests that the LAC Bureau establish under the new reengineering process a mechanism through which greater control and more forward planning is exercised to avoid constant changes to budgets and CP levels. Both Mission and DPP staff have expended significant amount of time in preparing and updating data required on very short notice. **What can be done to establish a more orderly, systematic approach to our budgeting process that is supportive of our strategic planning framework?**

VI. SPECIAL REPORTING REQUIREMENTS

A. Sections 118 and 119: Tropical Forestry/Biodiversity

Over the past year, USAID/Peru has continued providing support to forestry and biodiversity conservation through several on going projects. Some new activities financed with central funds and P.L.480 resources have also been approved. Other donors and international and local non-governmental organizations have also continued providing support in these areas.

Implementation of the Mission-funded Employment and Natural Resources Sustainability Project has continued. This project aims at establishing in Pacaya-Samiria, Peru's largest protected area, management and production systems which will create a balance between: (a) natural resource conservation and biodiversity protection and (b) economic use of resources and sustainable productivity in the Project area. During its first three years, the Project has put into place most of the elements needed to produce the expected results: baseline studies have been completed and integrated, community centers and control posts have been constructed and equipped, participatory workshops have been conducted, and the first income-generating activities have been initiated. In March 1994, a mid-term evaluation of the Project was completed. One of its main recommendations was that an extension of the Life of Project should be considered, because this type of project normally requires longer implementation periods to show tangible results. In line with this recommendation, a no-cost, two-year extension through September 30, 1997 is currently being processed. It is supported by a revised work plan which places greater emphasis on community participation and income generating activities. It is anticipated that the Zoning and the Reserve Management proposals will be completed this year by the Project.

The Participatory Land Classification Project within the Tambopata-Candamo Reserved Zone of Madre de Dios is also progressing satisfactorily. This project, originally funded under the regional Biodiversity Support Project with a counterpart contribution of the Mc Arthur Foundation, has been very successful in establishing relationships with other international and local organizations such as the Interamerican Foundation, which has provided a grant for the establishment of a credit fund, and Conservation International, which has a long association with the Reserved Zone. USAID/Peru and the GOP have agreed to provide $400,000 in P.L.480, Title III funds to Conservation International to finance the first-year costs of a three-year Conservation Based Development Program in Tambopata-Candamo.

Under the Agency's centrally funded Parks in Peril Project, conservation and park management activities continue at Pampas del Heath National Sanctuary of Madre de Dios and the Yanachaga-Chemillen National Park of Pasco. While this park will graduate from the Program this year, a new PiP site has been approved in principle for inclusion in the program: the Paracas National Reserve, a coastal and marine area, exceptionally rich in bio-diversity.

USAID/Peru has responded enthusiastically to the recently announced Environmental Initiative for the Americas Program. Five proposals have been presented to this program and two of these involve interventions at the Paracas and Junin National Reserves. Both will be directed at the reduction of industrial pollution which is seriously affecting biodiversity in these protected areas.

In September 1994, USAID/W provided a $2 million grant to Conservation International to support a Biodiversity Rapid Assessment Program in Peru and three other countries. The objective of this project is to build local capacity for biological inventory and conservation priority setting necessary for the development of national conservation strategies, and to catalyze global conservation action through the application of quick, efficient, reliable and cost-effective biodiversity assessments.

During November 1994 - January 1995, the Mission Environmental Strategy (MES) was completed by a team of six consultants under Mission supervision. Two of the seven areas of priority concern analyzed and nine of the twenty-eight main constraints identified are related to deforestation and threat of biodiversity loss. Under the proposed new Mission Strategic Objective No. 5 "Improved Environmental and Natural Resource Management", two of the four proposed Program Outcomes are also related to these areas. It is expected that the new Sustainable Environment and Natural Resource Management (SENREM) Project will assist in the development, through the new National Environmental Council (CONAM), of laws and regulations dealing with forestry and biodiversity protection. It wll also support the preparation of management plans for some selected reserves such as Huascaran, Junin and Paracas. The recently approved Alternative Development Project has an environmental protection and awareness component which will support sustainable agriculture and reforestation in areas deforested and degraded by coca production.

With regard to other donors, the German Cooperation Agency (GTZ) continues a very active cooperation with the National Institute of Natural Resources (INRENA) and its National System of Protected Areas. The ongoing GTZ program comprises five components: a) strengthening of INRENA's Directorate for Protected Areas and Fauna; b) development of the Master Plan for Protected Areas; c) training program for Protected Areas personnel; d) initial support to PROFONAMPE; and e) pilot projects. The Master Plan (Plan Director), which has been developed in a participatory manner, will be completed in June 1995. It addresses the improved management of the areas, institutional structuring and support, mechanisms for generating funding, and the need for additional legal authority. Under component (e), grants have been awarded this year to three NGOs for pilot conservation and sustainable development projects in the Rio Abiseo National Park and the Manu and Northwest Biosphere Reserves. The ongoing GTZ program will end this year but there is a commitment to continue it for the next two years with an additional investment of US$3 million.

PROFONAMPE, the national trust fund for parks and protected areas has been very active during the year in its search for funding. After overcoming many problems related to the selection of the bank and the establishment of operational procedures, the final agreement with the World Bank for the provision of the US$5 million in seed money from the GEF was signed in January 1995. Several debt swap operations have also been agreed upon or are under negotiation. In July 1994, a grant of CAN$ 500,000 was received as an exchange for debt with the Canadian International Development Agency. In September 1994, the GOP approved the terms of reference for a debt swap with the German Government, which would provide approximately US$6.5 million for the management of the Protected Areas System. Concurrently, negotiations are being held with KFW of Germany for a non-reimbursable credit of DM10 million for the procurement of equipment for the System. In January 1995, the GOP signed an agreement with the Government of Finland for the purchase of the outstanding debt at a 25% value; approximately $3.7 million from this operation will be assigned to PROFONAMPE. Finally, the World Wildlife Fund of England has made a commitment for the provision of US$200,000 as seed capital for the establishment of a trust fund for the Manu National Park.

B. Food Security

Food security, or lack thereof, is a significant development concern in Peru. It is perhaps most clearly manifested by: a high percentage of the population unable to afford the minimally acceptable food basket (approximately 19 percent of population in extreme poverty); low levels of per capita caloric availability (national average under 1900 calories per day); and a high incidence of chronic malnutrition (national average 36.5 percent). For this reason, the Mission has incorporated a specific strategic objective in food security (see Section III. A.) which addresses the three major dimensions of food security - access, availability, and utilization - and incorporates an integrated set of interventions to improve these dimensions for the country's most food insecure. Titles II and III food assistance, in the form of directly distributed or monetized food, are the principle inputs into USAIDs Food Security interventions.

Of the three dimensions of food security, lack of access is the root cause of food insecurity in Peru. In other words, Peru's food insecurity is more than anything else a question of extreme poverty and insufficient income. If extreme poverty can be alleviated, both availability and poor utilization can be addressed as well. Income generation, especially for the majority of Peru's extremely poor located in rural areas, implies increases in agricultural productivity, and the transformation and marketing of agricultural surpluses. An obvious consequence of productivity and income increases is greater household food availability, as well as enhanced access to health services which improve food utilization.

Under the rubric of food access, Titles II and III resources have assisted over 7,800 microenterprises in poor urban and rural zones with revolving credit funds. Over 9,300 women have seen a 200 percent increase in their incomes under a community kitchen income generation project. Microenterprises have succeeded in paying their workers an average salary 155 percent above the minimum wage. 1,742 Food-for-Work projects have benefitted over 550,000 people, whose incomes were increased directly through the wages paid, and indirectly through improvements to productive and market infrastructure. Title III has provided over $11.0 million to GOP employment and income generation projects, implemented through programs designed to reintegrate persons displaced from years of civil strife into the economy, support the economic growth initiatives of local governments, and provide emergency employment to extremely poor areas.

Since poverty alleviation is a medium to long term effort, in the short term, large numbers of Peruvians will continue to be malnourished or at nutritional risk. Addressing malnutrition is more than providing food supplements to the most vulnerable populations. It is also a task of ensuring that appropriate pre and post natal care, breast feeding, weaning, diarrheal and respiratory disease control, immunization, food preparation, family planning, and food production practices, among others, are adopted and practiced on a sustained basis. An integrated intervention approach is therefore recommended to improve food utilization aspects of food security.

In addition to the over 200,000 children in nutritional risk, under 5 years of age, who receive food supplements under the Title II program, over 132,000 mothers receive non-formal education and follow-up assistance on appropriate health and nutrition practices. Title III provided $2.0 million to a Ministry of Health Child Survival Program, which has succeeded in reducing the incidence of childhood diseases. The successful impact of this integrated approach to addressing malnutrition is evident from multiyear studies undertaken in a Lima shanty town or "pueblo joven", where the Title II cooperating sponsor and the Ministry of Health provided Title II food supplements, training, medical care, and child survival assistance. Child mortality dropped to below 10 per 1000, well below the national average of 55 per 1000. Chronic malnutrition (low height for age) has dropped from over 35 percent in 1990 to below 15 percent in 1993. The lessons learned from this documented experience are being incorporated in ongoing Title II programs.

Food availability concerns are being addressed by Title II and Title III resources on two levels. At the micro-level, cooperating PVO sponsors, financed by Titles II and III are having an impact on household food production through the transfer of improved seeds and animal husbandry practices, construction of hillside terraces, rehabilitation of irrigation canals, the provision of tools and technical assistance, and a highly successful highland greenhouse program. Title II supports soil conservation and food crop production on over 2,000 hectares of hillside land. Potato yields have increased by 95 percent where farmers have adopted improved seed selection and treatment technology. Wheat, oat, and bean yields have increased over 50 percent. Profitable off-season production opportunities have been experienced under a highland greenhouse program which has installed over 250 low-cost greenhouses, constructed and managed by family groups. Title III resources have supported the technology generation program of the International Potato Center and irrigation rehabilitation programs.

Increased recognition is being given to the essential role that basic education plays in bringing about sustainable improvements in food access, utilization, and availability, especially among women, as a result of increased educational attainment and performance. Under the Title III program, counterpart resources are provided to a World Food Program designed to increase attendance and performance rates in three extremely poor highland departments. The outcomes of this pilot effort will serve as a guide to future food assistance programs implemented by the GOP. Title III also has supported the execution of a highly efficient school breakfast program, which provides a nutritious and high energy supplement to over 130,000 poor children on a daily basis.

ANNEX A

MODIFICATIONS TO USAID/PERU STRATEGIC FRAMEWORK

SO 1	ACTION PLAN 96-97	ACTION PLAN 95-96	RATIONALE FOR CHANGE
STRATEGIC OBJECTIVE NO.1	**INCREASED PARTICIPATION OF CITIZENS IN DEMOCRATIC PROCESSES**	Strengthened democratic institutions that promote popular participation, sustain individual rights and freedoms, and are transparent and responsive to their constituents	This is the expected impact from Mission activities in the democracy area.
Program Outcome No.1.1	**Strengthened Respect for Human Rights**	Strengthened, more independent judicial and legislative systems that promote the rule of law and protection of human rights	To reflect Mission's intention and current democracy interventions.
Program Outcome No.1.2	**Improved Responsiveness of Local Government to People's Needs**	Improved, more efficient local governments which are responsive to the needs of their constituents	Rewording to increase the precision of this PO.
Program Outcome No.1.3	**Increased Participation in Public Decision-Making**	Increased popular participation in public decision-making and civic-oriented programs	Rewording to reflect a more precise PO statement. Public decisions include government and non-government decision.
Program Outcome No.1.4	**Strengthened Electoral System**		NEW. Reflects Mission's high level of activity in this area.

SO2	ACTION PLAN 96-97	ACTION PLAN 95-96	RATIONALE FOR CHANGE
STRATEGIC OBJECTIVE NO.2	INCREASED INCOMES AND EMPLOYMENT OF THE POOR	Broader-based, sustainable economic growth	More precise SO and under Mission's manageable interests.
Program Outcome No.2.1	Improved Policy Environment for Broad-Based Growth	Improved economic, environment and social policies	Reflects Mission's objective to improve overall policy environment for economic growth.
Program Outcome No.2.2	Increased Market Access for Microentrepeneurs and Small Farmers	Expanded opportunities and participation by low-income groups in an outward growing market economy	Clearer, less ambiguous statement.
Program Outcome No.2.3	Increased Productivity of Microenterprises and Small Farms		NEW. Reflects activities aimed to improved operational constraints and use of improved production technologies.
Program Outcome No.2.4	Increased Incentives for Licit Economic Activities in Targeted Coca areas		NEW. Captures the intended impact of Mission activities that support USG Counternarcotics Strategy.

SO 3	ACTION PLAN 96-97	APPROVED ACTION PLAN 95-96	RATIONALE FOR CHANGE
STRATEGIC OBJECTIVE NO. 3	**INCREASED FOOD SECURITY FOR THE EXTREMELY POOR**	Improved targeting of safety-net programs (Former PO No. 2.3)	NEW SO. Highlights importance of food program in USAID/Peru.
Program Outcome No.3.1	**Nutritional Rehabilitation of Children Under Five in Program Households**		NEW. Reflects Mission activities directly aimed at improving the nutritional status of acute or chronically malnourished people. Access and use of Food.
Program Outcome No.3.2	**Increased Income available for Food Consumption in extremely Poor Households**		NEW. Addresses the access component of food security. Activities are aimed at creating income generation opportunities for extremely poor households, thereby enabling them to purchase more food.
Program Outcome No.3.3	**Increased Basic Education for Extremely Poor**		NEW. Reflects Mission's concern with the longer term sustainability of its effort to develop food security in the country.

SO4	ACTION PLAN 96-97	ACTION PLAN 95-96	RATIONALE FOR CHANGE
STRATEGIC OBJECTIVE NO.4	**IMPROVED HEALTH OF HIGH-RISK POPULATIONS** (Former SO. No.3)	Improved health of high-risk populations through access to and use of quality, sustainable primary health care, including increased community involvement.	Avoid causal-effect relationship within the objective statement.
Program Outcome No.4.1	**Increased use of primary health care**	Increased equity of, access and use of primary health care services	The objective is use. Access is a prerequisite for use.
Program Outcome No.4.2	**Improved sustainability of primary health care**	Heightened sustainability of primary health care	Same, just reworded.
Program Outcome No.4.3	**Increased Use of Preventive Practices and First-line Care in the Home and Community**	Strengthened preventive and appropriate first-line care in the home and community	Refined for clarity and intent, as well as to make it objectively verifiable.

SO5	ACTION PLAN 96-97	APPROVED ACTION PLAN 95-96	RATIONALE FOR CHANGE
STRATEGIC OBJECTIVE NO. 5	**IMPROVED ENVIRONMENTAL AND NATURAL RESOURCE MANAGEMENT**	Improved management of natural resources (Former PO 2.4)	NEW [1]. Reflects growing concern for brown issues and historical Mission's regard for natural resources management in the Sierra.
Program Outcome No.5.1	**Improved Policies and Regulatory Framework for Natural Resource Base**		NEW. Focuses on policy reform efforts and creates environment within which to increase public participation in policy discourse.
Program Outcome No.5.2	**Increased Environmental Protection in Targeted Industrial Sectors**		NEW. Frames actions that respond to the growing recognition that urban and industrial pollution seriously threatens Peru's sustainable development. Potential targeted locations include: mining, fisheries, and solid waste disposal in peri-urban areas.
Program Outcome No.5.3	**Increased Conservation of Natural Habitats**		NEW. Reflects Mission efforts to conserve biodiversity through strengthened targeted protected areas.
Program Outcome No.5.4	**Increased Adoption of Sustainable Use Practices in Fragile Ecosystems**	Improved management of natural resources (Former PO 2.4)	Draws attention to the adoption of improved management practices, and differentiates level of causality with the SO.

[1] Validity of the proposed SO should be evaluated against the recommendations made by the Environmental Strategy team, in light of new information regarding funding levels and USAID Peru manageable interests.

ANNEX B

TABLE B-1 :DATA FOR STRATEGIC OBJECTIVE 1: BASELINE, TARGETS AND ACTUAL RESULTS

PERU				
STRATEGIC OBJECTIVE No. 1: Increased Participation of Citizens in Democratic Processes				
Indicator: Change in Freedom House rating				
Unit: Qualitative Rate: a. Overall status, b. Political rights, c. Civil liberties		Year	Planned	Actual
Source: Freedom House Annual Report	Baseline	1991-1992		a. P b. 3 c. 5
Comments: a. Overall Status: F: Free State, P: Partly Free State, N: Not Free State. b. and c.: Most Free:1, Least Free: 7 b. Civil Liberties: - Independent media - Independent, non-discriminatory judiciary - Free business, religion - Gender equality - Freedom from government .... c: Political Rights: - Free elections for president and legislative - Allowance for citizen to organize in political parties - Occurence of significant opposition - Minority rights are considered in the decision-making process (cultural, ethnic, religion, etc.)		1994		
		1995		
		1996		
		1997		
		1998		
	Target	1999		a. F b. 1 c. 1

PROGRAM OUTCOME NO.1.1 Strengthened respect for human rights				
Indicator: Change in State Department Human Rights report assessment				
Unit: change (better/worse/same)		Year	Planned	Actual
Source: Annual State Department Human Rights Reports	Baseline	1994	Better (*)	Same ?
Comments: In order to set 1994 standards as unit of measurement we have to compare to 1993 Human Rights report. Informally we will also evaluate other reports such as: Coordinadora Nacional Report, and Amnesty International. The State Department report sometimes describes human rights violations in reference to women and men – if there are any differences in the report we will use this information in our baseline. Target set to 1997, PACD for key activity. (*) Areas to be evaluated: due process, access to justice, respect integrity, less torture, fundamental freedom		1995	Better	
		1996	Better	
	Target	1997	Better	

110

Indicator: % of serious human rights violation allegations in total caseload of implementing NGO's.				
Unit: % of cases involving due process violations and threat to the individual's physical integrity.		Year	Planned	Actual
Source: Collected caseload data of participating NGOs. Judicial Sector Support (JUST) project.	Baseline	1995		*
Comments: The caseload data will provide figures distinguishing between men and women cases; adults and minors:Since JUST have recently started we do not have the information regarding how many cases will be attended and thus cannot provide a baseline measure. NOTE:JUST project is a two year project and thus most activities can only be forecasted until 1996. Since the project has just started we are still working with the counterparts in order to design the projects, the outcomes, the indicators and baseline.		1996		***
	Target	1997		***
* Will have baseline and target information by August 1995.				

Indicator: % of targeted human rights caseloads a: completed; b: held up for due process reasons				
Unit: from the total number of cases pursued; the % of cases completed; % of cases unfinished or "held up" because of due process reasons		Year	Planned	Actual
Source: Caseload of NGO implementing legal defense program. JUST project.	Baseline	1995		(*)
Comments: Since our programs have recently started we do not have the baseline information regarding how many cases we expect to finish on times and which ones will be held up because of procedural delays. The NGOs are starting to gather this information. NOTE:JUST project is a two year project and thus most activities can only be forecasted until 1996. Since the project has just started we are still working with the counterparts in order to design the projects, the outcomes, the indicators and baseline.		1996		
	Target	1997		
(*) Baseline and target data will be completed by August 1995.				

Indicator: high risk citizens' knowledge of fundamental rights				
Unit: % of how certain pre-established questions are answered (% divided by male and female; adults and youngsters)		Year	Planned	Actual
Source: Coordinadora and other NGOs opinion polls of high risk population	Baseline	1995		(*)
Comments: The poll will be conducted in 1995 by the Coordinadora and USAID will collect the information. Once the NGOs start conducting the classes they will proceed to evaluate the acquired knowledge. The indicator must be monitored with measures of the quality and quantity of knowledge, as well as whether this acquired information is being used in their daily lives.		1996		
	Target	1997		
* Since the agreement has not been signed between CRS and the Coordinadora we still do not have a baseline or a date when we can provide the "actual date".				

PROGRAM OUTCOME No.1.2 Improved Responsiveness of Local Government to People's Needs				
Indicator: % of targeted local governments that have improved basic services				
Unit: % (Cumulative)		Year	Planned	Actual
Source: Local Government Developemnt (LGD) records.	Baseline	1994		29.5%
Comments: Total local governments directly and indirectly reached by the LGD project are 756. Currently 220 have improved basic services. In 1994 the LGD "bridge program" invested US$3'500,000 approximately. The 1995 LGD budget for basic services activities is US$1'500,000		1995	(47%)	
		1996	(60%)	
		1997	(73%)	
		1998	(86%)	
	Target	1999	(100%)	

Indicator: % of targeted local governments with public town meetings and budget hearings				
Unit: % (cumulative)		Year	Planned	Actual
Source: LGD records	Baseline	1994		5.5%
Comments: 25 districts out of the 453 targeted local governments for the LOP.		1995	22.5%	
		1996	64.9%	
* targets will be revised in 1998		1997	100%	
		1998	100% *	
	Target	1999	(453) 100%	

Indicator: % of targeted local governments that are implementing projects based on constituents' expressed needs				
Unit: %		Year	Planned	Actual
Source: LGD records	Baseline	1994		5.5%
Comments: 25 districts out of the 453 targeted local governments for the LOP.		1995	22.5%	
		1996	64.9%	
* targets will be revised in 1998		1997	100%	
		1998	100%*	
	Target	1999	(453) 100%	

PROGRAM OUTCOME No.1.3 Increased Participation in Public Decision-Making				
Indicator: Number of formal mechanisms for communication between citizens and government in targeted areas.				
Unit: Number		Year	Planned	Actual
Source: PARDEM, LGD records. Legislation on government procedures.	Baseline	1994		None
Cmments: New Indicators. Under the Participatory Democracy (PARDEM) Project a whole set of activities will be carried out to improve communication between Executive, Legislative branches and citizenship including NGOs ability to represent needs of the population.		1995		
		1996	2	
		1997		
		1998		
	Target	1999	TBD	

Indicator: Number of public petitions under new constitutional mechanisms that result in the introduction of Congressional legislation				
Unit: Number		Year	Planned	Actual
Source: PARDEM reports.	Baseline	1994		3 (*)
Comments: The indicator reflectsmore the initiative of non-legislative groups, such as the policy oriented think-tanks ILD, CEDRO, GRADE, CAL as well as grass-roots organizations, of creating new or complementary laws.		1995	4	
		1996	6	
		1997	6	
		1998	8	
* Drug related proposals, CAL proposal for election law.	Target	1999	8	

Indicator: Number of groups (targets) that carry out one or more activity to encourage deliberation of public policy issues				
Unit: Number		Year	Planned	Actual
Source: Project records (LGD, PARDEM & NECI)	Baseline	1995		TBD
Comments: Greater understanding of rights and responsibilities inspire people/group to participate in the deliberation of policy issues.		1996		
		1997		
		1998		
		1999		
		2000		

13

Indicator: Number of groups (targets) that carry out activities to monitor government activities				
Unit: Number		Year	Planned	Actual
Source: LGD, PARDEM & NECI's records	Baseline	1995		TBD
Comments:		1996		
		1997		
		1998		
		1999		
	Target	2000		

Indicator: Number of groups (targets) that carry out activity to educate citizens about channels for participation in public decision-making				
Unit: Number		Year	Planned	Actual
Source: LGD, PARDEM & NECI's records	Baseline	1995		1
Comments: New indicator. Under the PARDEM Project, GRADE will sign a subgrant agreement with Apoyo to carry out activities oriented to diffuse the role of Congress and to improve citizens participation in Congress activities.		1996	TBD	
		1997		
		1998		

Indicator: Average % of women oriented organizations in target areas that participate in community decision-making processes.				
Unit: Percentage		Year	Planned	Actual
Source: LGD, NECI & SDAF records	Baseline	1994		15/60
Comments: New Indicator. Baseline only includes community level conceived and implemented drug prevention activities, and community level initiatives financed through SDAF. Will include LGD and PARDEM communities, as activities begin.		1995	25%	
		1996	28%	
		1997	30%	
		1998	32%	
		1999	35%	

Indicator: Number of articles/programs on participatory democracy carried in widely read/received media				
Unit: Number		Year	Planned	Actual
Source: GRADE Project records	Baseline	1995		TBD
Comments: New Indicators. A more technically competent media capable of channeling information between diversity of interest groups and the governant will be established by the PARDEM Project (IPYS subgrant)		1996	TBD	
		1997		
		1998		
		1999		
		2000		

114

PROGRAM OUTCOME NO.1.4 Improved Electoral System				
Indicator: Elections (presidencial and congressional) are certified "free and fair" by official observer groups				
Unit: Yes/No (Qualified)		Year	Planned	Actual
Source: OAS, NDI, CAPEL	Baseline	1995	Yes	Yes
Comments:		1996		
		1997		
		1998		
		1999		
	Target	2000	Yes	
Indicator: % of citizens with perception of "clean" election				
Unit: %		Year	Planned	Actual
Source: Apoyo Survey	Baseline	1994		48%
Comments:		1995	60%	
		1996		
		1997		
		1998		
		1999		
	Target	2000	80%	
Indicator: % of valid ballots cast				
Unit: %		Year	Planned	Actual
Source: JNE Statistics	Baseline	1990		P: 84.8 S: 80.6 C: 72.8
Comments:		1994	N/A	
P = president & first round S = senate C = congress M = Municipalities		1995	P: 88% C: 84%	
		1996		
1992 for Congress: 76% 1993 for Referendum: 91.3% 1992 for Municipalities: 74.8%		1997		
		1998		
	Target	2000	P:93% C:88%	

115

Indicator: # of valid complaints about irregularities in election procedures				
Unit: Number		Year	Planned	Actual
Source: JNE	Baseline	1995		
Comments:		1995		
Data not available and will be problematic to find, suggest we eliminate this indicator		1997		
		1999		
	Target	2000		

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116

TABLE B-2: DATA FOR STRATEGIC OBJECTIVE 2: BASELINE, TARGETS AND ACTUAL RESULTS

STRATEGIC OBJECTIVE NO. 2: Increased Incomes and Employment of the Poor

Indicator: Gross Domestic Product per capita

Unit: US dollars per capita			Planned	Actual [1]
Source: Central Reserve Bank of Peru (CRBP)	Baseline	1[illegible]		1,185
ents: [illegible]P per [illegible]ita p[illegible]vides a b[illegible]ter picture of the improving [illegible]omic [illegible]ndition, [illegible]although it does not reflect who is benefitting		1992		1,122
		1993		1,175
[illegible]or 1994 was calculated with the relation between the GDP value as estimated by the CRBP, which uses exchange rate parity, and the National Statistics Institute estimates for 1994.		1994	1,225	1,300
		1995	1,339	***
		1996	1,379	***
Targets assume the GOP planned annual growth rate of 5%.		1997	1,421	***
		[illegible]	1,453	***
	[illegible]get	[illegible]	1,507	***

Indicator: Value of consumption of urban poor

Unit: US dollars per capita			Planned	Actual
Source: ENNIV (Living Standard Survey)	Baseline	1991		380
Comments: Broad-based economic growth should be reflected in an increase at the same or higher rate of GDP of the value of consumption (as a proxy of income) of the poorest population. ENNIV 1991 is the latest available information. The surveys are done every 2-3 years. The World Bank-financed 1994 ENNIV results will be released by May 94.		1992		–
		1993		354
		1994	–	***
		1995	390 (**)	***
The 1993's urban consumption has been extrapolated by using the real growth rate of Lima's blue collar salaries between 1991/93 as published by the CRBP. (**) Assumes a yearly annual growth of 5%		1996	–	
		1997	430 (**)	
		1998	451	
	Target	1999	474	***

[1] *** Indicates the year when actual data will be available

117

Indicator: Value of consumption of rural poor				
Unit: US dollars per capita		Year	Planned	Actual
Source: ENNIV (Living Standard Survey)	Baseline	1991		194
Comments: The poorest population of Peru is located in rural areas, so special monitoring needs to be done for the adequate targeting of interventions.		1992		
		1993		193
1994 ENNIV results will be released by May 94.		1994	–	***
		1995	213 (**)	***
1993 Rural consumption was estimated by extrapolating the real growth rate of the agriculture sector between 1991-93 as published by the CRBP.		1996	–	***
		1997	235 (**)	
(**) Assumes a yearly annual growth of 5%		1998		
	Target	1999	259 (**)	***

Indicator: Proportion of population (M/F) which is poor				
Unit: %		Year	Planned	Actual
Source: ENNIV (Living Standard Survey)	Baseline	1991		55.1
Comments: Number of people that have a consumption level below the World Bank defined basic basket of goods and services divided by the estimated total population in the reference year.		1992		
		1993		
1994: a. Male: 49.7%		1994	–	49.6
b. Female: 49.5%		1995	49	***
		1996	–	
		1997		
		1998		
	Target	1999	42	***

Indicator: Level of under-employment				
Unit: %		Year	Planned	Actual
Source: ENNIV (Living Standard Survey), ENAH (National Household Survey).	Baseline	1991		78.5 (*)
Comments: Change in the percentage of economically active population that are under-employed (as defined as people who are currently occupied but want to work more hours.)		1992		75.9 (*)
		1993		77.4 (*)
1994 ENNIV results will be released by May 94.		1994	76	***
		1995		***
(*) Data for Lima only.		1996	–	
		1997		
		1998		
	Target	1999	70	***

118

PROGRAM OUTCOME No. 1: Improved Policy Environment for Broad-Based Growth

Indicator: Social expenditures as percentage of GDP

Unit: %		Year	Planned	Actual
Source: CRBP, Ministry of Economy and Finance (MEF)	Baseline	1992		2.8
Comments: Includes GOP budget expenditures in Health, Education and Justice, to assure GOP carries a social stabilization program in the medium term.		1993		4.8
		1994	3.8	4.6
1994 data is preliminary, considers GOP budget in social sectors.		1995	4.6	***
		1996	4.8	***
		1997	5.0	***
	Target	1998	5.5	***

Indicator: Policy Matrix Score

Unit: Index		Year	Planned	Actual
Source: PAPI, Title III records	Baseline	1994		37
Comments: PAPI ends in 1997		1995	50	***
Items included in the policy matrix are:		1996	70	***
- Institutional rfeorm and decentralization - Microenterprise and Rural development - Fine-tuning of Macro reforms with impact on social sectors - development of environmental policies	Target	1997	90	***
		1998		
		1999		

Indicator: Proportion of studies and technical assistance contributing in policy changes.

Unit: %		Year	Planned	Actual
Source: PAPI, Title III records	Baseline	1994		
Comments: PAPI Project ends in 1997		1995	60	***
		1996	70	***
	Target	1997	75	***
		1998		
		1999		

119

PROGRAM OUTCOME NO. 2: Increased Market Access for Microentrepreneurs and Small Farmers				
Indicator: Change in volume of targeted commodities sold				
Unit: Metric Tons (M.T.)		Year	Planned	Actual
Source: Microenterprise and Small Producers Support (MSP), Alternative Development, PVO Support projects' records.	Baseline	1993		1,919
Comments: Targeted agricultural commodities produced by projects' clients include: onions, garlic, grapes, beans, mangoes, cotton, limes, coffee, cacao, rice, corn, shrimp, bananas, and potatoes.		1994		3,433
		1995	20,416	***
1994 refers only to garlic, onion, lime, and mango production in target areas directly attributed to the project. Total production level was 6,578 M.T. for MSP target products.		1996	53,074	***
	Target	1997	107,636	***
Current figures only for active projects; MSP ends in 1997		1998		***
		1999		***
Indicator: Value of targeted commodities sold				
Unit: $000		Year	Planned	Actual
Source: MSP, AD, PVO Support projects' records.	Baseline	1993		899
Comments: Targeted commodities produced by projects' clients include agricultural (see above) and handicrafts, apparel, and shoes.		1994		6,005
		1995	17,415	***
Current figures only for active projects; MSP ends in 1997		1996	40,959	***
	Target	1997	84,033	***
		1998		
		1999		
Indicator: Number of new markets for targeted commodities				
Unit: Number		Year	Planned	Actual
Source: MSP, AD, PVO Support projects' records.	Baseline	1993		–
Comments: New markets refers to sales to new gegraphic locations by all targeted commodities. 1994 data is for onions and mangoes.		1994		10
		1995	9	
Current figures only for active projects; MSP ends in 1997		1996	17	
	Target	1997	32	
		1998		
		1999		

120

PROGRAM OUTCOME No. 3: Increased Productivity of Microenterprises and Small Farms				
Indicator: Average percentage change in yield per hectare of targeted crops				
Unit: %		Year	Planned	Actual
Source: MSP records, AD records, PVO Support records.	Baseline	1993		
Comments: Targeted crops include: onions, garlic, grapes, beans, mangoes, cotton, limes, coffee, cacao, rice, corn, shrimp, bananas, and potatoes. 1994 data only for garlic (MSP). Target refers to the average increase in yields of MSP targetd crops.		1994		33%
		1995		***
		1996		***
	Target	1997	52%	***
		1998		***
	Target	1999		***
Indicator: Average percentage change in volume of sales of targeted commodities per worker				
Unit: %		Year	Planned	Actual
Source: MSP records, AD records, PVO Support records.	Baseline	1993		
Comments: Reflects productivity.		1994		***
		1995	30%	***
		1996	126%	***
		1997	167%	***
		1998		***
	Target	1999		***
Indicator: Number of women/men using project promoted improved practices.				
Unit: Cumulative nNumber		Year	Planned	Actual
Source: MSP, PVO Support, AD records	Baseline	1993		
Comments: Current data only for MSP. Gender disaggregated data only partial for 1994: 386 female clients. To be refined during this year.		1994		3,111
		1995	13,398	***
		1996	18,640	***
	Target	1997	26,576	***
		1998		***
	Target	1999		***

121

Indicator: Percentage of loans repaid on schedule (m/f)				
Unit: %		Year	Planned	Actual
Source: MSP, PVO Support, AD projects' reports	Baseline	1993		
Comments: Reflects improvements in management practices of loan users. Gender disaggregated.		1994		88%
		1995	90%	***
Data for 1994 is for PVO Support activity only, all for women. MSP credit program has started in September 1994. MSP 1995 target for disbursed credit is $3 million.		1996	95%	***
	Target	1997	98%	***
		1998		***
	Target	1999		***

122

PROGRAM OUTCOME No. 4: Increased Incentives for Licit Economic Activity in Targeted Coca Growing Areas				
Indicator: Number of hectares devoted to licit crops in targeted areas.				
Unit: Hectares		Year	Planned	Actual
Source: AD, and MSP Project reports. Ministry of Agriculture Statistics.	Baseline	1993		44,064
Comments: Baseline from AD PP studies. Include all AD target area if project fully implemented.		1994		***
		1995		***
National Agricultural Census results will be published by July 95.		1996		***
Baseline and targets will be refined six months after AD authorization.		1997		***
		1998		***
	Target	1999	63,208	***
Indicator: Number of paid jobs in licit activities in target areas. (male/female)				
Unit: Number a. Male, b. Female		Year	Planned	Actual
Source: AD reports, MSP reports.	Baseline	1993		
Comments: AD project will generate 9,009 full time equivalents jobs by the end of the project.		1994		
		1995		
		1996		
		1997		
		1998		
	Target	1999	+ 9,009	
Indicator: % of households in target areas using basic services made available through USAID assistance.				
Unit: %		Year	Planned	Actual
Source: AD, Local Government Development (LGD) reports.	Baseline	1993		
Comments: Target refers to 12,000 families that will be provided with improved services.		1994		
		1995		
		1996		
		1997		
		1998		
	Target	1999	12,000	

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123

TABLE B-3: DATA FOR STRATEGIC OBJECTIVE 3: BASELINE, TARGETS AND ACTUAL RESULTS

STRATEGIC OBJECTIVE No. 3 - Improved Food Security of Extremely Poor

Indicator: Rates of Chronic Malnutrition in Children (height for age more than 2 S.D. below NCHS standard) in Extremely Poor Departments

Unit: Percent of Children in "Sierra" Region of Peru		Year	Planned	Actual
Source: Encuesta Demográfica y de Salud Familiar	Baseline	1992		51.60
Comments: 1992/1997		1993		
The Encuesta Demográfica y de Salud Familiar uses a different yet similar geographic information base to that used in the National Poverty Map or Map of Unsatisfied Basic Needs. Given the high correlation between poverty and the "Sierra" geographic zone, the Encuesta Measurement of Sierra Malnutrition is used.		1994		
		1995		
		1996		
		1997	40.00	
	Target	2002	32.00	

Indicator: Rates of Global Malnutrition in Children (Weight for Age more than 2 S.D. below NCHS standard) in Extremely Poor Departments

Unit: Percent of Children in "Sierra" Region of Peru		Year	Planned	Actual
Source: Encuesta Demográfica y de Salud Familiar	Baseline	1992		14.6
Comments: 1992/1997		1993		
The Encuesta Demografica y de Salud Familiar uses a different yet similar geographic information base to that used in the National Poverty or Map of Unsatisfied Basic Needs. Given the high correlation between poverty and the "Sierra" geographic zone, the Encuesta Measurement of Sierra Malnutrition is used.		1994		
		1995		
		1997	12.00	
	Target	2002	10.00	

Indicator: Per Capita Food Availability in Peru

Unit: Calories/Day		Year	Planned	Actual
Source: FAO/Ministry of Agriculture 1991/96	Baseline	1991		1829
Comments:		1994		
		1995		
		1996	2000	
		1997		
		1998		
	Target	2001	2300	

124

STRATEGIC OBJECTIVE No. 3 - (cont.)				
Indicator: Primary Education Rates for Men and Women (6 years and older) in Extremely Poor Areas				
Unit: Percent Boys/Percent Girls in "Sierra" Regions of Peru		Year	Planned	Actual
Source: Encuesta Demográfica y de Salud Familiar	Baseline	1992		a. 52.5
Comments: 1992/1997		1992		b. 51.0
Given the correlation between poverty and "Sierra" geographic zones, the "Sierra" indicator in the source encuesta is used. The percentage measures the percentage of the population having primary education as its highest level of attainment. The baseline for the "Sierra" differs considerably from that of "Metropolitan Lima" which measures 23.4/29.0.		1993		
		1994		
		1997	a.51.0 b.50.0	
		1998		
	Target	2002	a. 49.0 b. 48.0	

PROGRAM OUTCOME No.3.1: Nutritional Rehabilitation of Children Under Five in Program Households				
Indicator: Number of High Risk Children Participating in Title II Nutritional Programs				
Unit: Children Aged 0-5 years		Year	Planned	Actual
Source: PVO Project Records	Baseline	1994		218,000
Comments: High risk is defined by a set of socio-economic physical and biological characteristics which indicate actual or high risk of malnutrition. Baseline refers to current program achievments ending in FY95. Over the next 5-year period, PVO Title II programs are targeting a total of 295,257 high risk infants. Yearly averages are indicated. Actual numbers will be dependent on funding.		1996	60,000	
		1997	60,000	
		1998	60,000	
		1999	60,000	
	Target	2000	60,000	

Indicator: Rate of Graduation of High Risk Children from Program with Positive Growth Tendencies				
Unit: Percent		Year	Planned	Actual
Source: PVO Project Records	Baseline	1994	-	36%
Comments: "Graduation" , as defined by the different PVO Title II Programs, is achieved when positive growth tendencies and complementary child health measures (i.e. standard vaccinations) are demonstrated in high risk children over a minimum participation period of six months and a maximum period of twenty months.		1996	50%	
		1997	60%	
		1998	70%	
		1999	80%	
Baseline reflects current program (ends in FY 95) achievments	Target	2000	80%	

125

PROGRAM OUTCOME No.3.2:	Increased Incomes Available for Food Consumption in Extremely Poor Households			
Indicator: Number of Extremely Poor Households Adopting Improved Technology				
Unit: Cumulative Farmers		Year	Planned	Actual
Source: PVO Project Records	Baseline	1994		59,688
Comments: Under the new FY96-2000 PVO Title II Programs, a cumulative total of 168,660 extremely poor farmers will have adopted new or improved technologies on their farms by the year 2000.		1996	15,000	
		1997	35,000	
		1998	75,000	
Data for 1994 reflects current program accomplishments.		1999	115,000	
	Target	2000	168,660	
Indicator: Hectarage under Intensified Management				
Unit: Hectares		Year	Planned	Actual
Source: PVO Project Records	Baseline	1994		19,917
Comments: Under the new FY96-2000 PVO Title II Programs, a cumulative total of 60,300 hectares of extremely poor farmers will be under improved management.		1996	10,000	
		1997	20,000	
Data for 1994 reflects current program accomplishments.		1998	30,000	
		1999	40,000	
	Target	2000	60,300	
Indicator: Number of Microenterprises Assisted in Extremely Poor Areas				
Unit: Number of Women and Men-Led Enterprises		Year	Planned	Actual
Source: PVO Project Records	Baseline	1994		2,091
Comments: Under the new FY96-2000 PVO Title II Programs, an estimated 20,000 microenterprises in extremely poor areas will be assisted, the majority of which will be women-led.		1996	2,000	
		1997	3,000	
Data for 1994 reflects current program accomplishments.		1998	5,000	
		1999	5,000	
	Target	2000	5,000	
Indicator: Rate of Loan/Revolving Fund Repayment (male/female)				
Unit: Percent		Year	Planned	Actual
Source: PVO Project Records	Baseline	1994		62%
Comments: Baseline data is average men/women for current program.		1996	80	
		1997	85	
PVO Title II Programs will establish over 2000 credit committees and funds mechanisms for microentrepreneurs.		1998	90	
		1999	90	
		2000	90	

126

Indicator: Food-for-Work Temporary Employment				
Unit: Number of Persons		Year	Planned	Actual
Source: PVO Project Records		1995	121,816	
Comments: PVO Title II programs project the provision of food for work rations to approximately 120,000 workers per year for infrastructural projects, subject to the availability of funds. In 1994, temporary emplyment was provided to 209,098 persons.		1996	120,000	
		1997	120,000	
		1998	120,000	
		1999	120,000	
		2000	120,000	

PROGRAM OUTCOME No.3.3: Increased Basic Education for Extremely Poor				
Indicator: Primary School Drop Out Rates of School Aged Children in Program Areas				
Unit: a) Percent Boys; b) Percent Girls		Year	Planned	Actual
Source: WFP Project Records	Baseline	1993		a. 7.67 b. 8.49
Comments: Program areas include the rural areas in the departments of Ayacucho, Apurimac, and Huancavelica. Specific school districts have yet to be identified since the WFP project is not scheduled to begin until mid to late 1995. Baseline drop out rates are department-wide. Rates in rural areas, where there are greater degrees of poverty generally are higher.		1997		
		1998		
		1999		
	Target	2000		

Indicator: Level of GOP Budgetary Commitment to Primary Education in Program Areas				
Unit: Percent of Baseline Budgets		Year	Planned	Actual
Source: WFP	Baseline	1993		TBD
Comments: Program areas include rural areas in the departments of Ayacucho, Apurimac, and Huancavelica. Once the WFP project starts, new baseline expenditures will be established and yearly growth rates will be established.		1996		
		1997		
		1998		—
		1999		—
	Target	2000		—

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127

TABLE B-4: DATA FOR STRATEGIC OBJECTIVE 4: BASELINE, TARGETS AND ACTUAL RESULTS

STRATEGIC OBJECTIVE No. 4 **Improved health of high-risk populations**

Indicator: Infant Mortality Rate (IMR).

Unit: Number of deaths in first year of life per 1,000 live births.		**Year**	**Planned**	**Actual** [2]
Source: Encuesta Demografica y de Salud Familiar en el Peru (ENDES)/Demographic Health Survey (DHS) II 1991-1992.	**Baseline**	1986	—	73
Comments: Source has been changed from previous UNICEF reference (81/1000 in 1990) to ENDES 1986 and 1991/1992. The 1991/1992 survey, financed by USAID, estimated a lower rate, which surprised some analysts. These results, however, parallel a regional trend. A further study commissioned by AID/W estimated even lower rates. It is important to note the urban/rural differentials: 54 (urban) and 101/1000 (rural) in 1986 and 48 and 90 in 1991.		1988		
		1989		55
		1990		
		1991		
		1992		
		1993		
		1995	45	***
		1997		
	Target	2000	40	***

Indicator: Child Mortality Rate

Unit: Number of deaths per 1,000 children under 5 years of age.		**Year**	**Planned**	**Actual**
Source: Encuesta Demografica y de Salud Familiar en el Peru (ENDES)/Demographic Health Survey (DHS) II 1991-1992.	**Baseline**	1986	—	106
Comments: Although national average shows an important reduction, rural CMR is still high: 131 (rural) and 68 (urban).		1988		
		1989		78
		1990		
		1991		
		1992		
		1993		
		1995	68	***
		1997		
	Target	2000	60	***

[2] *** Indicates the year when actual data will be available

128

Indicator: Total Fertility Rate (TFR).				
Unit: Average number of births women would have during the course of their reproductive life if women in the various age groups continue to have births at the rate of the reference year.		**Year**	**Planned**	**Actual**
Source: Encuesta Demografica y de Salud Familiar en el Peru (ENDES)/Demographic Health Survey (DHS) II 1991-1992.	**Baseline**	1986	—	4.1
Comments: The decrease in the TFR was explained mainly by the decrease of TFR in urban areas. Due to lack of family planning services and cultural factors, fertility in rural areas remained constant between 1986 and 1991-92 (TFR of 6.2). It is a generally accepted assumption by DHS analysts, based on studies conducted in-country, that higher incidence of induced, unsafe abortion contributed to the decline of the TFR. Targets imply a higher reduction of the TFR in rural areas.		1989		3.5
		1990		
		1991		
		1992		
		1993		
		1994		
		1995	3.2	***
		1997		
	Target	2000	3.0	***

PROGRAM OUTCOME No. 4.1: Increased use of primary health care

Indicator: Immunization coverage for DPT.				
Unit: Percentage of children under one year of age who received three doses of DPT vaccine in reference year.		**Year**	**Planned**	**Actual**
Source: Demographic & Health Survey (DHS) II (91-92). MOH (EPI) HIS system.	**Baseline**	1986	—	50%
Comments: Increased coverage rate due to better and increased education campaigns, and collaboration of PVOs. Coordination between donors: PAHO, UNICEF, ROTARY and others. 1994: Partial information		1989		58%
		1990		72%
		1991	60%	71%
		1992	80%	83%
		1993	80%	87%
		1994	85%	87%
		1995	88%	***
		1996		***
		1997		***
	Target	2000	90%	***

130

Indicator: Immunization coverage for polio				
Unit: Percentage of children under one year of age who received three doses of polio vaccine in reference year.		**Year**	**Planned**	**Actual**
Source: Demographic & Health Survey (DHS) II (91-92). MoH (EPI) HIS system.	**Baseline**	1987	—	50%
Comments: Increased coverage rate due to better and increased education campaigns, and collaboration of PVOs. Coordination between donors: PAHO, UNICEF, ROTARY and others.		1989		60%
		1990		73%
1994: Partial information		1991	60%	74%
		1992	80%	85%
		1993	80%	88%
		1994	85%	87%
		1995	88%	***
		1996		***
		1997		***
	Target	2000		***

Indicator: Immunization coverage for measles				
Unit: Percentage of children under one year of age who received one dose of measles vaccine in reference year.		**Year**	**Planned**	**Actual**
Source: Demographic & Health Survey (DHS) II (91-92). MoH (EPI) HIS system.	**Baseline**	1986	—	41%
Comments: Increased coverage rate due to better and increased education campaigns, and collaboration of PVOs. Coordination between donors: PAHO, UNICEF, ROTARY and others.		1989		52%
		1990		64%
1994: Partial information		1991	60%	60%
		1992	80%	83%
		1993	80%	76%
		1994	85%	74%
		1995	88%	***
		1996		***
		1997		***
	Target	2000	90%	***

131

Indicator: Immunization coverage for tetanus toxoid				
Unit: Percentage of women who receive 2 doses of TT vaccine in high risk areas.		Year	Planned	Actual
Source: DHS, Project 2000 records. MoH (EPI) HIS system.	Baseline	1986		20%
Comments: Sanitary conditions at birth in poor areas make it necessary to provide protection against neonatal tetanus, one of the principal causes of death among newborns. Coordination between donors: PAHO, UNICEF, ROTARY and others.		1989		
		1990		
		1991		
Baseline figure covers the period of 1986-1991.		1992		13%
1994: Partial information.		1993		31%
		1994		16%
		1995	60%	***
		1996		***
		1997		***
	Target	2000	80%	***

Indicator: Couple-years of protection.				
Unit: Number C.Y.P.		Year	Planned	Actual
Source: Demographic & Health Survey (DHS) II (91-92).	Baseline	1989		
Comments: Refers to the effective protection afforded by all the contraceptives distributed.		1990		
		1991		
* 1993: a) MOH: 298,553 b) IPSS: 52,832 c) INPPARES: 224,682		1992		
		1993		*
		1994		***
		1995		***
	Target	2000		***

PROGRAM OUTCOME No. 4.2 Heightened sustainability of primary health care

Indicator: Average percentage of costs recovered in targeted private sector facillities.				
Unit: %		Year	Planned	Actual
Source: SHIP Project, USAID sponsored NGOs.	Baseline	1994		20%
Comments: Average proportion of total revenues from total costs. Data would be obtained annually on total costs and total revenues from targeted facilities. "Planned" targets will be available in December 1995.		1995		
		1996	40%	
		1997		
		1998		
		1999		
	Target	2000	50%	

132

Indicator: Chronic Malnutrition Rate in children (height for age more than 2 s.d. below NCHS standard)				
Unit: Children under 5 years of age (a. rural b. urban).		**Year**	**Planned**	**Actual**
Source: Encuesta Demografica y de Salud Familiar en el Peru (ENDES)/Demographic Health Survey (DHS) II 1991-1992.	**Baseline**	1984	—	a.57% b.23%
Comments: Number of children under 5 years of age with low height for age per 100. According to DHS, urban chronic malnutrition rates might be worsening. One explanation could be the high rural-urban migration rate during 1985-1990.		1988		
		1989		
		1990		37%
		1991		a.53% b.26%
		1992		
		1993		
		1994		
		1995	32%	***
		1997		
	Target	2000	25%	***

Indicator: Maternal Mortality Ratio (MMR)				
Unit: Maternal deaths per 100,000 live births.		**Year**	**Planned**	**Actual**
Source: MoH maternal audits; UNICEF estimates.	**Baseline**	1991		303*
Comments: Death of a woman while pregnant or within 42 days of end of pregnancy, irrespective of the duration and the site of the pregnancy, from any cause related to or aggravated by the pregnancy or its management, but not from accidental or incidental causes. Reflects Agency's policies. According to a 1988 study, main causes for maternal mortality are abortions, infections, and hemorrhages. * Estimate		1992		
		1993		
		1994		
		1995	250	***
		1996		
		1997		
	Target	2000	200	***

124

Indicator: Percentage of costs recovered in selected MoH sub-regions.				
Unit: Subregion's self-generated revenues (own revenues) divided by total costs per 100.		Year	Planned	Actual
Source: MoH subregions financial reports (P-2000)	Baseline	1993		8.5%
Comments: The terms "costs" covers total costs.		1995		
Data would be obtained on 1996 from targeted subregions.		1996	10%	
"Planned" targets will be revised in December, 1995.		1997		
		1998	15%	
		1999		
	Target	2000	20%	

Indicator: Number of participants trained in primary health care interventions				
Unit: Percentage of targeted personnel from selected MoH subregions trained in Primary Health Care interventions.		Year	Planned	Actual
Source: MoH training statistics, P-2000 records.	Baseline	1994		30%
Comments: The base number is expected to change over the years to reflect the total number of people in the targeted personnel categories in the selected geographic areas. As such, this relects sustainability of the system, since it assumes that as new personnel enter the system, they will receive the necessary training.		1995		
		1996	40%	
		1997	50%	
Target personnel are nurses, midwives, physicians and others.		1998		
		1999		
	Target	2000	60%	

Indicator: Percentage of priority health subregions receiving at least 75% of their required supplies				
Unit: % of targeted sub-regions		Year	Planned	Actual
Source: MoH logistics reports.	Baseline	1994		
Comments: "Required" refers to the amount listed in their local PHC plans. "Supplies" refers to four general categories: vaccines, pharmaceuticals, micronutrients, and contracep		1995		
		1996		
		1997		
New Indicat[illegible] Need [illegible] develop a me[illegible]d for [illegible]ing indicator. Data will be [illegible]ained [illegible] 1996 from a [illegible]-determ[illegible] list of subregions.		1998		
		1999		
	Target	2000		

133

Indicator: Percentage of commercial sector contraceptives distributed through the private sector				
Unit: Percentage of commercial contraceptives distributed through the private sector at community level.		Year	Planned	Actual
Source: USAID sponsored NGOs	Baseline	1995		
Comments:		1996		
		1997		
		1998		
		1999		
	Target	2000		

PROGRAM OUTCOME No. 4.3 Increased use of preventive practices and first-line care in home and community				
Indicator: Average duration of exclusive breastfeeding.				
Unit: Months		Year	Planned	Actual
Source: INEI thru Project 2000 funding.	Baseline	1991		2.2
Comments: Exclusive breastfeeding refers to non-use of juices, water or other foods for children under three months. Data will be collected every two years, based on a sample of households in USAID priority subregions.		1996	2.6	
		1997		
		1998		
		1999		
	Target	2000	3.0	***

Indicator: Percentage of children aged 6 - 9 months who received two daily rations of appropriate weaning foods.				
Unit: %		Year	Planned	Actual
Source: INEI thru Project 2000 funding.	Baseline	1992		62%
Comments: Appropriate weaning foods are those with density and nutrient content adequate for this age. Data will be collected every two years, based on a sample of households in USAID priority subregions.		1996	65%	
		1997		
		1998	68%	
		1999		
	Target	2000	75%	

134

Indicator: Percentage of caretakers in targeted areas who know the signs and symptoms of acute respiratory infections.				
Unit: %		**Year**	**Planned**	**Actual**
Source: INEI thru Project 2000 funding.	**Baseline**	1995		
Comments: "Caretakers" refers to mothers, fathers older siblings or other household members who care for children. Data will be collected every two years, based on a sample of households in USAID priority subregions.		1996	40%	
		1997		
		1998		
		1999		
	Target	2000	67%	

Indicator: Percentage of communities in targeted areas with trained TBAs, CHWs, CBDs and mini-pharmacies.				
Unit: % of target communities where the health/FP person or mini-pharmacy is actively providing services.		**Year**	**Planned**	**Actual**
Source: Data will be collected annually.	**Baseline**	1995		
Comments: "Communities" refers to delivery points or geographic areas locally recognized as having a distinct geographic boundary. Method for providing a standardized counting of "communities" will be developed.		1996		
		1997		
		1998		
		1999		
	Target	2000		

Indicator: Change in contraceptive discontinuation rates in targeted areas.				
Unit: % of users in the index/year that stop using a particular method within 12 months of adoption of that method.		**Year**	**Planned**	**Actual**
Source: DHS, sample surveys in target areas.	**Baseline**	1991		42%
Comments: High discontinuation rates are correlated with poor quality services and an under-informed public. High rates reduce the cost-effectiveness of contraceptives.		1996		***
		1997	35%	
		1998		
		1999		
	Target	2000	25%	***

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TABLE B-5: DATA FOR STRATEGIC OBJECTIVE 5: BASELINE, TARGETS AND ACTUAL RESULTS

STRATEGIC OBJECTIVE NO. 5 Improved Environmental and Natural Resource Management				
Indicator: Remaining natural forest under sustainable management systems				
Unit: %		Year	Planned	Actual
Source: Conservation Data Center, UNALM, special studies	Baseline	1993		
Comments: Currently there are 7.5 million hectares of Amazonian tropical forests under some form of legal although not effective protection (2 million correspond to Pacaya-Samiria Reserve). Moreover, studies recommend that around 10 million additional hectares should be under a protection regime.		1994		
		1995		***
		1996		
		1997		***
		1998		
	Target	1999	TBD	***
Indicator: Number of watersheds with appropriate management practices				
Unit: Number of watersheds		Year	Planned	Actual
Source: Ministry of Agriculture, INEI, IDB/World Bank	Baseline	1994		TBD
Comments: Currently there are 16 environment zones, which include main watersheds, that are considered critical due to mismanagement of natural resources (deforestation, contamination, overgrazing, soil erosion, flora and fauna destruction, etc.). IDB and World Bank studies will determine baseline information in 1994.		1995		
		1996		
		1997	TBD	***
*** Indicates the years when actual data will be available.		1998		
	Target	1999	TBD	***
Indicator: People living in a cleaner environmnet				
Unit: Number of people		Year	Planned	Actual
Source: Special studies, CONAM	Baseline	1994		TBD
Comments: Population residing in areas impacted by pilot urban and industrial activities, such as fishing, mining and peri-urban solid waste processing.		1995		
		1996	TBD	***
		1997		
	Target	1998	TBD	***

136

Indicator: Increased public awareness of environmental problems				
Unit: %		Year	Planned	Actual
Comments: Percentage of people who believe that environmental protection and natural resources management is important. Baseline data will be gathered for 1995 under the SENREM Project. Current targets are indicative. Data disaggregated by gender.	Baseline	1995		TBD
		1996		
		1997	+ 15%	***
		1998		
	Target	1999	+ 60%	***

PROGRAM OUTCOME No.5.1 Improved Regulatory Framework for the Environment and Natural Resource Base				
Indicator: CONAM operational				
Unit: Qualitative		Year	Planned	Actual
Source: CONAM, IDB, SENREM Project	Baseline	1994	CONAM established	
Comments: Plan to be developed by CONAM with IDB funding and supported by Mission under SENREM Project.		1995	Procedures established	***
		1996	Staff in place	***
		1997		***
	Target	1998		***

Indicator: Timely implementation of policy agenda				
Unit: Policy Matrix		Year	Planned	Actual
Source: SENREM Project, CONAM	Baseline	1994		Inadequate
Comments: Current legislation needs to be changed or regulated. Legislation also needs to be improved with respect to safeguards for native communities (i.e. Ashaninkas) rights. Key legislation considered: a. National Environmental and Natural Resources Code b. Water Management Law c. Forestry Law d. Management of Protected Areas Law e. Contamination Law f. Pesticide use in agriculture Regulation g. Other Targets will be revised in 1997		1995	b/c	***
		1996	a/d/e	***
		1997	f	***
	Target	1998	g	***

137

Indicator: Existence of national environmental plan				
Unit: Qualitative		Year	Planned	Actual
Source: CONAM, IDB, SENREM Project	Baseline	1994	Asses ment	
Comments: Plan to be developed by CONAM with IDB funding and supported by Mission under SENREM Project.		1995	Studies comple ted	***
		1996	Drafted	***
		1997	Issued	***
	Target	1998	Implem	***

Indicator: Civil society participation in ENRM policy process				
Unit: Number of groups		Year	Planned	Actual
Source: SENREM, PVO Support, PARDEM, LGD, AD Projects, CONAM	Baseline	1994		TBD
Comments: Number of groups that carry out one or more activities that A)encourage open public hearings on environmental issues; b)monitor governmnet environmental norms, policies and regulations; c)develop and represent environmental constituencies; and d) educate citizens on how to affect local implementation of ENRM policies.		1995		
		1996	TBD	***
		1997		
		1998		
	Target	1999	TBD	***

PROGRAM OUTCOME NO. 5.2 Improved Urban and Industrial Environmental Quality

Indicator: Pilot Efforts implemented to reduce pollution.				
Unit: Number		Year	Planned	Actual
Source: SENREM Project	Baseline	1995		TBD
Comments: Pilot projects costing no more than $250,000 each will be financed under the SENREM Project. Such efforts might include: solid waste management, comparative risk assessments, plant audits. Baseline data will be developed in SENREM Project Paper. Data disaggregated by gender.		1996	TBD	***
		1997		***
		1998		***
	Target	1999	TBD	***

Indicator: Proportion of households in peri-urban areas regularly receiving waste management services				
Unit: %		Year	Planned	Actual
Source: SENREM Project	Baseline	1993		6.6% (*)
Comments: Coverage is measured by the percentage of households in targeted areas which have waste management services. The SENREM Project will develop the baseline data and indicators. (*) Metropolitan Lima peri-urban districts. In Metropolitan Lima, only 40% of solid waste (3,000 MT/day) is disposed properly.		1995		***
		1996		***
		1997		
		1998		***
	Target	1999	TBD	***

138

PROGRAM OUTCOME NO. 5.3 Increased Conservation of Natural Habitats				
Indicator: Management plans developed and implemented				
Unit: Number of plans		Year	Planned	Actual
Source: SENREM Project, ENRS Project, PROFONANPE	Baseline	1994		TBD
Comments: 44 protected areas exist in Peru, of which 13 are reserves where plans need to be developed/improved. SENREM Project will establish baseline data and planned levels during project design.		1995	TBD	***
		1996		***
		1997		***
		1998		***
	Target	1999	TBD	***

Indicator: Increased Populations of Endangered Species				
Unit: Numbers of birds/mammals/reptiles		Year	Planned	Actual
Data Source: SENREM Project, ENRS Project, PROFONANPE	Baseline	1994		a. 0.20
Comments: a. Black cayman individuals per km in Samiria River Within selected reserves and in accordance with management plans, populations of endangered species appropriate to each reserve will be counted. SENREM project will establish baseline data and planned levels during project design.		1995	TBD	***
		1996		***
		1997		***
		1998		***
	Target	1999	TBD	***

139

PROGRAM OUTCOME NO. 5.4 Improved Natural Resource Management				
Indicator: Selected areas under improved soil management				
Unit: Cumulative number of Hectares		Year	Planned	Actual
Source: Title II, Alternative Development, PVO Support	Baseline	1993		8,830
Comments: The Alternataive Development project will initiate soil conservation activities in 1995. Data disaggregated by gender.		1994	13,000	13,788
		1995	TBD	***
		1996		***
		1997		***
		1998		***
	Target	1999		***
Indicator: Selected areas of Sierra and Selva reforested				
Unit: Cumulative number of Hectares (a) Sierra (b) Selva.		Year	Planned	Actual
Source: Title II, Alternative Development, PVO Support	Baseline	1993		a. 2,012 b. 500
Comments: 1993 b. Data for Upper Huallaga Area Development project. The Alternative Development Project will initiate reforestation activities in 1995.		1994		a. 3,770
		1995		***
		1996		***
		1997		***
		1998		***
	Target	1999	b. 1,500	***
Indicator: Farmers using environmentally sound pest control techniques				
Unit: Cumulative number of farmers (m/f)		Year	Planned	Actual
Source: IPM, MSP Project records.	Baseline	1993		None
Comments: Data disaggregated by gender.		1994	500	1,640
		1995	2,000	***
		1996	3,000	***
		1997	4,000	***
		1998	5,000	***
	Target	1999	5,000	***

19

ANNEX C

FY 1996 Budget Planning Document
Strategic Objective Summary Report

SO No	Title Project	Obligations X Percentages FY94	FY95	FY96	FY97	FY94 Pct	FY95 Pct	FY96 Pct	FY97 Pct
01	STRENGTHENED DEMOCRATIC INSTITUTIONS								
	527-0000	32	22	44	43	2	2	2	2
	527-0061	146	146	146	146	73	73	73	73
	527-0340	158	0	0	0	60	60	60	60
	527-0347	112	910	840	0	70	70	70	70
	527-0352	1,600	0	2,800	1,200				
	527-0356	4,400	2,200	3,400	0				
	527-0363	1,000	0	0	0				
	527-0371	5,000	0	2,450	2,550				
	527-0376	2,000	0	0	0				
	527-0377	0	0	417	1,000				
	527-0379	0	0	0	1,400	70	70	70	70
	527-0380	0	0	0	1,000				
	598-0669	0	90	150	100				
	598-0772	690	278	0	0	60	60	60	60
	936-0071	0	45	200	100				
	936-5470	0	60	100	0				
	Total:	15,138	3,751	10,547	7,539				
	S.O. PCT:	24.5	11.3	20.3	14.5				
	USDH FTE	FY94	FY95	FY96					
		2.3	2.9	3.9					
	Central Regional Costs for FY96			0					
02	BROADER BASED, SUSTAINABLE ECONOMIC GROWTH								
	527-0000	1,091	745	1,510	1,462	68	68	68	68
	527-0061	54	54	54	54	27	27	27	27
	527-0340	79	0	0	0	30	30	30	30
	527-0343	0	504	0	0				
	527-0347	40	325	300	0	25	25	25	25
	527-0348	0	0	0	8,796				
	527-0349	2,534	3,106	7,150	3,630				
	527-0353	914	1,017	2,747	3,073	90	90	90	90
	527-0379	0	0	0	600	30	30	30	30
	527-0382	0	0	0	500				
	598-0772	460	185	0	0	40	40	40	40
	598-0807	0	140	0	0				
	936-4201	0	20	0	0				

SO No	Title Project	Obligations X Percentages FY94	FY95	FY96	FY97	FY94 Pct	FY95 Pct	FY96 Pct	FY97 Pct
	Total:	5,171	6,096	11,760	18,115				
	S.O. PCT:	8.4	18.4	22.6	34.8				
	USDH FTE	FY94	FY95	FY96					
		2.6	3.3	3.8					
	Central Regional Costs for FY96			3,100					
03	IMPROVED FOOD SECURITY OF THE EXTREMELY POOR								
	527-P362	23,000	0	0	0				
	Total:	23,000	0	0	0				
	S.O. PCT:	37.2	0.0	0.0	0.0				
	USDH FTE	FY94	FY95	FY96					
		0.0	0.0	1.4					
	Central Regional Costs for FY96			0					
04	IMPROVED HEALTH OF HIGH-RISK POPULATIONS								
	527-0000	481	329	666	645	30	30	30	30
	527-0285	127	0	0	0				
	527-0319	6,479	362	261	2,679				
	527-0335	4,950	0	0	0				
	527-0340	26	0	0	0	10	10	10	10
	527-0347	8	65	60	0	5	5	5	5
	527-0353	102	113	305	341	10	10	10	10
	527-0355	0	11,460	3,600	2,025				
	527-0366	6,280	1,168	5,800	5,086				
	527-0375	0	0	7,000	2,500				
	527-0378	0	0	200	800				
	527-0381	0	0	0	1,300				
	936-0000	0	0	298	0				
	936-3023	0	400	850	150				
	936-3030	0	425	402	550				
	936-3038	0	350	300	300				
	936-3045	0	425	300	300				
	936-3046	0	50	50	50				
	936-3050	0	75	50	0				
	936-3051	0	400	300	150				
	936-3052	0	450	400	300				
	936-3055	0	400	400	300				
	936-3057	0	0	0	2,500				
	936-3058	0	900	800	700				
	936-3060	0	150	400	500				

142

SO No	Title Project	Obligations X Percentages FY94	FY95	FY96	FY97	FY94 Pct	FY95 Pct	FY96 Pct	FY97 Pct
	936-3061	0	150	100	300				
	936-3062	0	600	500	350				
	936-3065	0	800	500	400				
	936-3068	0	500	400	350				
	936-3070	0	250	150	150				
	936-3072	0	300	400	590				
	936-3073	0	0	0	230				
	936-3078	0	100	100	100				
	936-596607	0	100	200	400				
	936-5970	0	215	100	200				
	936-597226	0	0	100	200				
	936-597228	0	0	0	100				
	936-5991	0	0	200	0				
	Total:	18,453	20,537	25,192	24,546				
	S.O. PCT:	29.9	61.9	48.4	47.2				
	USDH FTE	FY94	FY95	FY96					
		0.0	0.0	2.9					
	Central Regional Costs for FY96			0					
05	IMPROVED ENVIRONMENTAL & NATURAL RESOURCE MANAGEME								
	527-0368	0	2,788	4,500	1,800				
	Total:	0	2,788	4,500	1,800				
	S.O. PCT:	0.0	8.4	8.7	3.5				
	USDH FTE	FY94	FY95	FY96					
		0.0	0.0	1.0					
	Central Regional Costs for FY96			0					
99	OTHER ACTIVITIES IN SUPPORT OF AGENCY GOALS								
	Total:	0	0	0	0				
	S.O. PCT:	0.0	0.0	0.0	0.0				
	USDH FTE	FY94	FY95	FY96					
		0.0	0.0	0.0					
	Central Regional Costs for FY96			0					

SO No	Title Project	Obligations X Percentages FY94	FY95	FY96	FY97	FY94 Pct	FY95 Pct	FY96 Pct	FY97 Pct
	Report Totals	61,762	33,171	52,000	52,000				
	S.O. PCT:	100.0	100.0	100.0	100.0				
	USDH FTE	4.9	6.2	13.0					
	Central Regional Costs for FY		96	3,100					

144

USAID / PERU : ACTION PLAN, FY 1996 - 1997

PERU

ACTION PLAN

PD-ABL-055

1 OF 2 (24X)

1995

USAID / PERU : ACTION PLAN, FY 1996 - 1997

PERU

ACTION PLAN

PD-ABL-055

2 OF 2 (24X)

1995