SECURITY CLASSIFICATION
UNCLASSIFIED

PD-ACC-218

COUNTRY PROGRAM BOOK

PART II - UNCLASSIFIED

PERU

BUDGET PROPOSAL FY 1961

SECURITY CLASSIFICATION
UNCLASSIFIED

FORM ICA 10-100 (6-59)

BEST AVAILABLE

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PROJECT SUMMARY BY COST

(A) PROJECT NUMBER	(B) PROJECT TITLE FY 1959	(C) TOTAL COST (IN $1000s)	(D) MAJOR COST COMPONENTS (IN $1000s)					
			Direct-Hire Technicians	Non-Contract Participants	Contract Services	Commodities	Other Costs	Coop. Service Contributions
	AGRICULTURAL & NATURAL RESOURCES							
19-900	Servicio - SCIPA	520	-	-	-	-	-	520
19-906	Administration, Accounting & Gen. Services	142	94	3	-	-	45	-
14-907	Agric. Economics and Marketing	15	14		-	-	1	-
11-910	Agric. Extension & Special Crop Dev.	111	53	26	6	-	26	-
19-912	Mantaro Valley Spec. Area Dev.	7	-	-	-	-	7	-
11-913	Agric. Research & Rubber Dev.	61	20	-	39	-	2	-
14-917	Agric. Credit & Cooperatives Dev.	23	16	1	-	-	6	-
13-918	Livestock Development Program	48	37	6	-	-	5	-
12-919	Land Dev. & Soils Conservation	89	50	26	-	-	13	-
17-920	Forestry Resources Dev. Program	19	12	5	-	-	2	-
		1,035	296	67	45	-	107	520
	INDUSTRY & MINING							
21-006	Mineral Resources	71	44	5	-	-	22	-
21-007	Mining & Metallurgy	54	19	17	-	15	3	-
		125	63	22	-	15	25	-
	TRANSPORTATION							
32-040	Traffic Project	7	-	-	7	-	-	-
37-010	Civil Aviation Advisory Services	51	43	7	-	-	-	-
		58	43	7	7	-	-	-
	LABOR							
46-900	National Employment Service	35	-	-	-	-	-	35
46-906	Labor Advisory Services.	79	24	50	-	-	5	-
		114	24	50	-	-	5	35
	HEALTH & SANITATION							
50-900	Servicio - SCISP	200	-	-	-	-	-	200
59-906	General Administration	57	37	-	-	-	20	-
53-907	Local Health Demonstration Progs.	67	44	20	-	-	3	-
53-908	National Health Dev. Progs.	131	99	17	-	-	15	-
53-916	Special Advisory Services	84	57	15	-	-	12	-
		539	237	52	-	-	50	200

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PROJECT SUMMARY BY COST

(A) PROJECT NUMBER	(B) PROJECT TITLE FY 1959	(C) TOTAL COST (IN $1000s)	(D) MAJOR COST COMPONENTS (IN $1000s)					
			Direct-Hire Technicians	Non-Contract Participants	Contract Services	Commodities	Other Costs	Coop. Service Contributions
	EDUCATION							
69-900	Servicio - SECPANE	115	-	-	-	-	-	115
69-906	General Administrative Services	52	35	-	-	-	17	-
69-907	Teacher Normal Education	160	96	60	-	-	4	-
69-909	Rural Elementary Education	32	25	6	-	-	1	-
		359	156	66	-	-	22	115
	PUBLIC ADMINISTRATION							
79-001	Govt. Org. & Management & Taxation	41	31	4	-	-	6	-
	COMMUNITY DEV. SOCIAL WELFARE & HOUSING							
84-028	Housing Commission	3	3	-	-	-	-	-
	GENERAL & MISCELLANEOUS							
99-900	Servicio - SCIF	200	-	-	-	-	-	200
99-955	Administration - Rural Development	37	27	-	-	-	10	-
99-956	Eng., Irrigation, & Land Development	25	14	10	-	-	1	-
99-957	Economic Planning	19	16	-	-	-	3	-
99-958	Industry	13	11	-	-	-	2	-
	TOTAL - SCIF	294	68	10	-	-	16	200
99-901	Servicio - SCIPS	30	-	-	-	-	-	30
99-906	SPRD	59	-	-	-	-	-	-
99-000	Technical Support	96	-	-	-	40	56	-
99-020	Miscellaneous Training	31	-	31	-	-	-	-
		510	127	41	-	40	72	230
	TOTAL	2,784	980	309	52	55	288	1,100

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PROJECT SUMMARY BY COST

(A) PROJECT NUMBER	(B) PROJECT TITLE FY 1960	(C) TOTAL COST (IN $1000s)	(D) MAJOR COST COMPONENTS (IN $1000s)					
			Direct-Hire Technicians	Non-Contract Participants	Contract Services	Commodities	Other Costs	Coop. Service Contributions
	AGRICULTURE & NATURAL RESOURCES							
19-900	Servicio - SCIPA	310	-	-	-	-	-	310
19-906	Administration, Accounting & Gen. Services	141	93	-	-	-	48	-
14-907	Agricultural Economics and Marketing	39	24	6	6	-	3	-
11-910	Agric. Extension & Special Crop Development	102	52	15	11	-	24	-
11-913	Agric. Research & Rubber Development	203	16	14	172	-	1	-
18-917	Agric. Credit & Cooperative Development	37	26	6	-	-	5	-
13-918	Livestock Development Program	77	56	14	-	-	7	
12-919	Land Development & Soils Conservation	66	50	9	-	-	7	-
17-920	Forestry Resources Development Program	31	17	6	6	-	2	
		1,006	334	70	195	-	97	310
	INDUSTRY & MINING							
21-007	Mining and Metallurgy	65	21	18	-	25	1	-
25-008	Textile Engineering	18	-	-	18	-	-	-
		83	21	18	18	25	1	-
	TRANSPORTATION							
37-010	Civil Aviation Advisory Services	65	49	12	-	-	4	-
39-043	Mapping and Cartography	5	-	5	-	-	-	-
		70	49	17	-	-	4	-
	LABOR							
46-900	National Employment Service	35	-	-	-	-	-	35
46-906	Labor Advisory Services	83	24	55	-	-	4	-
		118	24	55	-	-	4	35
	HEALTH & SANITATION							
50-900	Servicio - SCISP	175	-	-	-	-	-	175
59-906	General Administration	48	30	-		-	18	-
53-907	Local Health Demonstration Progs.	68	43	15	-	-	10	-
59-908	National Health Development Programs	162	103	19	25	-	15	-
53-916	Special Advisory Services	87	52	21	-	-	14	-
54-920	Nursing Training Program	11	10	-	-	-	1	-
		551	238	55	25	-	58	175

E-I a	FORM ICA 10-138 (6-59)	DATE PREPARED: October 1, 1959	SECURITY CLASSIFICATION: UNCLASSIFIED	☒ ORIGINAL ☐ REVISION NO.	COOPERATING COUNTRY: PERU	E-I a

PROJECT SUMMARY BY COST

(A) PROJECT NUMBER	(B) PROJECT TITLE FY 1960	(C) TOTAL COST (IN $1000s)	(D) MAJOR COST COMPONENTS (IN $1000s)					
			Direct-Hire Technicians	Non-Contract Participants	Contract Services	Commodities	Other Costs	Coop. Service Contributions
	EDUCATION							
69-900	Servicio - SECPANE	115	-	-	-	-	-	115
69-906	General Administrative Services	54	32	5	-		17	
69-907	Teacher Normal Education	169	122	40	-	-	7	-
69-909	Rural Elementary Education	110	78	25		-	7	
		448	232	70	-	-	31	115
	PUBLIC ADMINISTRATION							
71-041	Public Safety	39	10	8	20	-	1	-
79-001	Govt. Org. & Mgnt, Taxation & Budg. Admin.	82	58	9	-	5	10	
		121	68	17	20	5	11	
	COMMUNITY DEV, SOCIAL WELFARE & HOUSING							
84-028	Housing Commission	5	5	-	-	-	-	-
	GENERAL & MISCELLANEOUS							
99-900	Servicio - SCIF	150	-	-	-	-	-	150
99-955	Administration - Rural Development	37	26	-		-	11	
99-956	Eng., Irrigation & Land Development	4	-	4	-	-	-	-
99-957	Economic Planning	46	28	14		-	4	
99-958	Industry - Rural Development	29	21	7	-	-	1	
98-001	Atomic Energy Training	6	-	6	-	-	-	-
99-000	Technical Support	95	-	-	-	30	65	
99-906	Southern Peru Regional Development	31	31	-	-	-	-	
		398	106	31	-	30	81	150
	TOTAL	2,800	1,077	333	258	60	287	785

E-1a	FORM ICA 10-138 (6-59)	DATE PREPARED: October 1, 1959	SECURITY CLASSIFICATION: UNCLASSIFIED	☒ ORIGINAL ☐ REVISION NO.	COOPERATING COUNTRY: PERU	E-1a

PROJECT SUMMARY BY COST

(A) PROJECT NUMBER	(B) PROJECT TITLE	(C) TOTAL COST (IN $1000s)	(D) MAJOR COST COMPONENTS (IN $1000s)					
	FY 1961		Direct-Hire Technicians	Non-Contract Participants	Contract Services	Commodities	Other Costs	Coop. Service Contributions
	AGRICULTURE & NATURAL RESOURCES							
19-900	Servicio - SCIPA	310	-	-	-	-	-	310
19-906	Admin., Accounting & General Services	119	76	-	-	-	43	-
14-907	Agric. Economics & Marketing	46	37	6	-	-	3	-
11-910	Agric. Extension & Spec. Crop. Dev.	102	51	24	6	-	21	-
11-913	Agric. Research & Rubber Dev.	396	17	18	360	-	1	-
18-917	Agric. Credit & Coop. Dev.	27	16	6	-	-	5	-
13-918	Livestock Development Program	96	66	17	6	-	7	-
12-919	Land Dev. & Soils Conservation	68	52	9	-	-	7	-
17-920	Forestry Resources Dev. Program	20	13	5	-	-	2	-
		1,184	328	85	372	-	89	310
	INDUSTRY & MINING							
21-007	Mining & Metallurgy	53	33	18	-	-	2	-
21-008	Textile Engineering	10	-	10	-	-	-	-
		63	33	28	-	-	2	-
	TRANSPORTATION							
37-010	Civil Aviation Advisory Services	64	45	15	-	-	4	-
39-043	Mapping & Cartography	5	-	5	-	-	-	-
		69	45	20	-	-	-	-
	LABOR							
46-900	National Employment Service	35	-	-	-	-	-	35
46-906	Advisory Services	31	17	10	-	-	4	-
49-026	Labor Leader Training	58	-	58	-	-	-	-
		124	17	68	-	-	4	35
	HEALTH & SANITATION							
50-900	Servicio - SCISP	175	-	-	-	-	-	175
59-906	General Administration	55	34	6	-	-	15	-
59-908	National Health Dev. Programs	41	15	14	6	-	6	-
53-916	Special Advisory Services	233	149	40	-	-	44	-
54-920	Nursing Training Program	14	12	-	-	-	2	-
		518	210	60	6	-	67	175
	EDUCATION							
69-900	Servicio - SECPANE	115	-	-	-	-	-	115

E-1a	FORM ICA 10-138 (6-59)	DATE PREPARED October 1, 1959	SECURITY CLASSIFICATION UNCLASSIFIED	☒ ORIGINAL ☐ REVISION NO.	COOPERATING COUNTRY PERU	E-1a

PROJECT SUMMARY BY COST

(A) PROJECT NUMBER	(B) PROJECT TITLE FY 1961	(C) TOTAL COST (IN $1000s)	(D) MAJOR COST COMPONENTS (IN $1000s)					
			Direct-Hire Technicians	Non-Contract Participants	Contract Services	Commodities	Other Costs	Coop. Service Contributions
	EDUCATION (Continuation							
69-906	General Administrative Services	65	41	5	-	-	19	-
69-907	Teacher Normal Education	182	132	40			10	
69-909	Rural Elementary Education	125	87	30	-	-	8	-
		487	260	75	-	-	37	115
	PUBLIC ADMINISTRATION							
71-041	Public Safety	39	20	17	-	-	2	-
79-001	Govt. Org. & Mgnt. Tax & Budgetary Admin.	84	62	12			10	
		123	82	29	-	-	12	-
	COMMUNITY DEV. SOCIAL WELFARE & HOUSING							
84-028	Housing Commission	6	6	-	-	-	-	-
	GENERAL & MISCELLANEOUS							
99-900	Servicio - SCIF	150	-	-	-	-	-	150
99-955	Administration - Rural Development	51	40	-	-	-	11	-
99-956	Eng., Irrig., & Land Development	8	-	8			-	
99-957	Economic Planning	53	36	14	-	-	3	-
99-958	Industry - Rural Developmqnt	25	15	8			2	-
99-000	Technical Support	95	-	-	-	30	65	-
98-001	Atomic Energy Training	6	-	6			-	
		388	91	36	-	30	81	150
	TOTAL	2,962	1,072	401	378	30	296	785

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	[X] ORIGINAL [ ] REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-19-900	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Peru-U. S. Cooperative Food Production Service		

1 PROJECT BEGINS FY 1943 ENDS FY 1965

	(A) Dollar Obligations ($1,000) Function of Funds	(1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) MSP Counterpart	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized: Non-Contract	Contract	(2) Participants: Non-Contract U.S.	3rd Country	Contract
A. All Prior Years	TC	2,531						2,531					7,232						
B. Net Deab.-Reob.								40											
Current Funds		520						520											
Total Actual Year FY 1959	TC	560						560					918						
C. Operational Year FY 1960	TC	310						310					1,020						
D. Budget Year FY 1961	TC	310						310					1,028						
E. All Subsequent Years	TC	1,225											4,100						
F. Total All Years		4,936											14,298						

2 Dollar Obligation and Expenditure

FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/58	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959.	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
All Prior Years	TC	2,364		177	40	217	177	40	217	177	40		40	40	-
Actual Year FY 1959	TC				520	520	281	239	520	281	239		239	239	-
Operational Year FY 1960	TC											310	310	170	140
TOTAL		2,364		177	560	737	458	279	737	458	279	310	589	449	140

Problems Addressed:
1. Inadequate agricultural expansion.
2. Increased population and internal migration.
3. Inadequate educational systems.
4. Need for improving legislation, government organization, policies or methods to encourage better use of resources (land labor and capital) for economic, political and social development.
5. Inequalities in distribution of property, wealth, income and social opportunity.

1. General Description of the Project

The Cooperative Food Production Service (Servicio Cooperativo Inter-Americano de Producción de Alimentos, or "SCIPA") is the administrative and management entity created for the purpose of carrying out, with U. S. collaboration and technical assistance, a program of agricultural development in Peru. SCIPA was established on May 19, 1943 by a Basic Agreement signed by representatives of Peru and the U. S. This document was revised and extended for five years by a new Basic Agreement signed on September 22, 1950, and subsequent Basic Agreement dated March 10, 1955 further extended the cooperative program to June 30, 1960.

SCIPA is semi-autonomous and a legally recognized dependency of the Peruvian Ministry of Agriculture. It is a party to jointly planned agreements set forth in writing as projects and it administers all such agreements in agriculture. It usually executes them but may obtain a sub-contractor to carry them out.

In accordance with the basic agreement, SCIPA is directed by the Chief of Party who is the Food and Agriculture Officer of the Mission, his appointment to this post being subject to the approval of the Minister of Agriculture. He is responsible, in the capacity of Director of the Servicio, to both the Director of the U. S. Operations Mission and to the Peruvian Minister of Agriculture. SCIPA has a Peruvian Associate Director who is responsible to the Director, who acts in charge during the Director's absence, initiates discussions with the Minister on all new proposals originating in SCIPA, is liaison officer between SCIPA and the host government, administers operational activities assigned by the Director, supervises and evaluates project activities and performs such other duties as are required by the Director.

The activities of SCIPA are being carried out by 1,629 local employees (July 1, 1959) of which 401 are technicians and technical assistants, 277 administrators and office assistants and 951 laborers. The above staff is paid by joint funds or from direct support funds provided by the cooperating country. At the beginning of FY 1960 there were 20 positions for direct-hire of U. S. specialists of which 18 were filled and 2 were expected to be filled by December 31, 1959. In addition, one support technician was assigned to this project and reported in August 1959. The Director of SCIPA is also assisted and advised by three committees provided for by project agreements and others appointed for functional purposes. SCIPA activities are described under the eight projects that follow.

Administrative operations and servicing of SCIPA are handled through Project N° 527-19-906.

The Servicio initiates studies on the agricultural development problems and needs of Peru through its staff and appropriate projects, it determines programs of action jointly with the Ministry of Agriculture and the Division of Agriculture of the Mission and it drafts project agreements that are mutually desired and are signed into accord by the Minister of Agriculture, the Chief of the Agricultural Division of the Mission and the Director of SCIPA. The agreements are prepared in both Spanish and English; they give brief objectives, an outline of the work to be done, general procedures to be followed and the general provisions for termination of the agreement. It receives funds, authorizes their expenditure and supervises their use in the various projects. SCIPA's Director sets the policies for the organization and has general corporate control. As the various projects attain their primary objectives they are terminated, are transferred to permanent agencies of the host government, or such other disposition is made as is appropriate due to changing conditions.

Operating through SCIPA, provides for a relatively flexible organization through which to organize and initiate projects quickly, in response to local situations and needs, and to increase the

effectiveness of local governmental services. SCIPA employees may receive Civil Service appointments. SCIPA is organized under the rules of the Peruvian Civil Service, but is not subject to local political interferences in administering its employees and projects. The local staff is employed on the basis of merit, which assures qualified and competent personnel and relatively high wages are paid for local employees. Funds can be transferred within and between projects, as required, to meet emergencies or to change the emphasis of project activities, which would be very difficult, if not impossible under ordinary Government Ministry regulations. SCIPA is permitted to receive and use generated project income in the project from which it comes instead of returning it to the national treasury. The Ministry is required to operate on a line-item budget whereas SCIPA is permitted to operate on a global budget.

2. Specific Activity Targets and End Results of the Cooperative Service

(a) To work with officials of Government, agricultural schools, farm leaders, business men and others in planning and developing programs that will increase agricultural production and develop agricultural resources to provide for the needs of Peru;

(b) To assist in reorganizing and improving existing Ministry divisions, developing new activities, organizations and institutions for the Ministry of Agriculture that are urgently needed to serve Peruvian agriculture;

(c) To provide an effective means to carry out the program and activities of the cooperative Peru-U. S. agricultural technical assistance program in Peru, which will serve as a model of efficient administrative and operational practices, and which can be adopted by the Ministry of Agriculture;

(d) To assure the most effective use of U. S. specialists provided by the Mission, to increase the contribution they can make in the in-service training of local technicians and officials, and to provide technical "know-how" to Peruvians engaged in the field of their specialty;

(e) To assist in the training of local officials and staff in administration and technical agriculture so they can effectively continue programs and assistance in the field of agriculture.

(f) To introduce better producing stock and to assist in obtaining needed materials, supplies and equipment.

3. Progress Toward Achievement of theCooperative Service's Activity Targets

a. Work Accomplished to Date

The Cooperative Agricultural Service is an operational and planning organization widely recognized by farmers, businessmen and officials as very effective in assisting farmers and improving Peruvian agriculture. SCIPA has become the technical arm of the Ministry of Agriculture; other branches of the Ministry are primarily concerned with regulatory matters. SCIPA has trained many local specialists and leaders until, at present, most of the operational responsibility of SCIPA is in the hands of Peruvians. All of the project leaders are competent nationals. Each project has a corps of local specialists who have completed in-service training, and many have completed training outside of Peru.

U. S. technicians are assigned to the staff principally as advisors; their principal function being to help the Peruvian staff develop the plans and techniques necessary for handling new operations, and effectively to utilize demonstration equipment in carrying out such new techniques or methods.

The Cooperative Service has operated as an umbrella

organization through which activities are sponsored and ultimately phased out, while new projects to serve new needs are entered into to provide services and technical knowledge for further improvement of Peru's food production possibilities.

The progress in developing new activities and organizations for the Ministry in recent years is indicated by the broad new livestock program (Project N° 527-13-918), by the planning and execution of specific work in connection with the Second Phase of the Quiroz Irrigation Project (Project N° 527-12-919), by PCEA assuming full responsibility for all agricultural research stations and programs (Project N° 527-11-913), by the assignment to organize and develop an adequate Supervised Agricultural Credit Program on a national basis (Project N°527-14-917), by the area program to change the cropping pattern in the Department of Tumbes, and now by assuming leadership in making plans for developing vast areas of jungle land at the head-waters of the Amazon River.

The progress made toward achieving activity targets includes a long list of project activities that have been successfully launched and completed to this date. These programs have had material results in increasing production of fruit, potatoes, cereal, grains, wool, meat and fish. The host country was assisted in constructing facilities for warehousing and cold storage, quarantine of livestock, grain mills, irrigation, laboratories, experimental stations, and the fishing industry. Many needed services were rendered such as halting disease epidemics, planning irrigation systems, making land use studies, demonstrating many improved farm practices; studying and reporting on agricultural production and marketing and on technical subjects, preparation of pamphlets, bulletins and other basic informational and training materials.

Some new crops, improved varieties, and better breeding animals have been introduced. Production, generally, has been substantially increased and consistently better crops are being harvested. Crop production has been increased by better land preparation, cultivation, by use of better seed, by disease and pest and weed control, by application of fertilizers, etc. The stage has been set for increased livestock production by operating demonstrational livestock farms in various sections, especially in the jungle. Recent legislation has eliminated price controls on meat and provided other incentives. These achievements definitely indicate to Peruvians and Americans that SCIPA has provided an excellent means through which to extend technical assistance.

Observation of activities and programs conducted by SCIPA provided much of the stimulus and encouragement for a study, on needs for reorganization of the Ministry of Agriculture, conducted by the special Mission of FAO-IBRD.

b. Work Remaining to be Done

Project activities yet to be carried out are covered under the various project descriptions that follow. During the immediate future, the U. S. should assist Peru in improving its economy, in bringing new lands into productive use. This requires sound technical guidance especially in the jungle areas. Technical assistance is needed to broaden the technical capabilities of promising local specialists that are being developed as administrators and leaders of these programs. Eventually, local organizations involved in the cooperative program should be transferred to the Ministry of Agriculture where they can be expected to remain as permanent entities.

c. Progress Toward Achieving Cooperative Service's Targets

Perhaps the strongest evidence of real progress in the evolution of the Cooperative Service to the stage of

complete Peruvian support and responsibility, is the interest recently manifested by some local officials in entirely transferring SCIPA management to the Peruvian Government within a cooperative structure, and having it directed by a Peruvian with the idea that it would become the technical division of the Ministry. Officials are exploring the possibilities of such a move, as well as the legislation and adjustments that would be required to implement such action. These officials desire to retain the unique advantages that SCIPA has provided during the years along with strong technical collaboration and demonstration assistance. Such efforts could be expected to encourage an evolution of the Cooperative Service into a somewhat changed patternduring future years and warrants further careful study.

4. Nature of the U. S. Contribution - Direct Support Other Than to Joint Fund

a. Previous Fiscal Years

From its inception in 1943 through FY 1959, the U. S. contributed $6,050,728, providing for direct hire of U. S. specialists, some local staff members and supporting costs; or an average of about $355,900 per fiscal year. (Direct support costs have been allocated by projects only since the introduction of the PPA system in FY 1955; hence, U. S. obligations were not recorded by project prior to this date.)

In FY 1959, U. S. funds of $513,984 were obligated for 9 projects as follows: $141,767 for Administration, Accounting and Special Services; $15,087 for Agricultural Economics and Marketing; $110,360 for Agricultural Extension and Special Crop Development; $6,968 for Mantaro Valley Special Area Development; $60,742 for Agricultural Research in Rubber Development; $23,333 for Agricultural Credit and Cooperative Development; $47,555 for Livestock Development Program; $89,265 for Land Development and Soils Conservation; and $18,907 for Forestry Development Program.

During the same year the obligations, by cost components, were as follows: $294,561 for U. S. technicians; $67,202 for participants; $46,200 for contract services ($7,200 in Extension and Livestock, $39,000 for North Carolina Contract); and $106,021 for other costs. The latter includes salaries of local employees who have held their present positions for many years. However, in FY 1959, $90,000 was budgeted for 35 local employees, but the number was reduced to 20 by June 30, 1959 and only $61,000 was actually used for this purpose. All employment of local staff since FY 1958 has been charged to joint funds. At the end of FY 1959, the Mantaro Valley Special Area Development Project was terminated and its functions absorbed by the Extension Service.

In FY 1960, a total of $696,000 was expected to be required for projects as follows: $141,000 for Administration; $39,000 for Economics and Marketing; $102,000 for Extension; $203,000 for Research (including $172,000 for a contract with North Carolina State College); $37,000 for Supervised Credit; $77,000 for Livestock; $66,000 for Soils Conservation; and $31,000 for Forestry. By type of expenditures, these same costs were: $334,000 for U. S. specialists; $70,000 for participants; $195,000 for contract services and $97,000 for all other costs. The latter includes $55,000 for salaries of local employees. It was planned to reduce the U. S. direct-hired local staff to 16 by June 30, 1960.

b. Budget Year

In FY 1961, provision is made for 20 U. S. specialists, 30 participants, contract services and other costs at a direct U. S. support cost of $874,000. By projects, these costs are distributed as follows: $119,000 for Administration; $46,000 for Economics and Marketing; $102,000 for Extension; $396,000 for Research; $27,000 for Supervised Credit;

$96,000 for Livestock; $68,000 for Soils Conservation; and $20,000 for Forestry. By cost component, funds were planned as follows: $328,000 for U. S. specialists; $85,000 for participants; $372,000 for contract services; and $89,000 for other costs. Although the latter includes salaries for 16 local employees the plan is to transfer part of the group to local civil service, if such can be provided under terms of the new basic agreement due to be prepared July 1, 1960.

5. Nature of Contribution of Joint Funds by U. S. and Peruvian Governments and Third Parties

a. Previous Calendar Years

From 1943 to the end of FY 1960 a total of $22,523,360 was contributed to joint funds. The U. S. contributed $4,475,957 as compared with contributions from Peru of $9,170,431, at a ratio of 33% to 67%, or one U. S. dollar to $2.05 from Peru. The joint fund also received Third Party Contributions ("over-contributions" of the Peruvian Government) of $4,402,415, and income generated from interest on deposits, gain in exchange, sale of agricultural products and livestock amounted to $4,474,557, making a total of joint funds available for expenditure of $22,523,360. In comparison with the latter figure, the U. S. contribution of $4,460,957 was 20% of the total, or $4.03 from Peru (including income) for each U. S. dollar contributed.

When the U. S. contribution for direct support of $6,807,728 is added to the above joint fund, the total of $11,154,685 provided by the U. S. is equal to 55% of the cash amounts provided by both countries, or $0.81 of Peruvian contribution for every U. S. dollar. When the U. S. direct and joint fund contributions are added to the total joint fund, the magnitude of operations involves $29,202,088. This includes the over-contribution by the Peruvian Government and income earned by the joint fund; the resulting ratio of contributions: U. S. 38% -- Peru 62%.

In CY 1959, the joint fund operated with a total budget of $2,399,370 from the following sources: $600,000 in cash and kind from the U. S. (including supplementary contributions of $290,000) and cash contributions of $918,372 from Peru; $714,000 from over-contributions from the Peruvian Government (including $642,000 for the Tumbes Project); and $167,000 in income. Peru contributed $1.53 to every U. S. dollar, on a direct cash contribution basis, and $3.00 to every U. S. dollar on an overall (joint fund only) basis. In CY 1960 $2,174,00 was expected to be contributed or earned, as follows: Cash grants from US$310,000 and Peru $1,020,000 (or $3.13 to $1.00); Third Party contributions of $689,000; and income of $140,000 (or $5.69 to every U. S. dollar contributed to the joint fund).

b. Budget Year

In CY 1961, contribution to the joint fund is anticipated to total $1,498,000 from the following sources: $310,000 (in cash) from the U. S.; $1,028,000 (in cash) from Peru; $30,000 in third party contributions (interest and gain in exchange); and $130,000 in income. Cash contributions were at a ratio of $3.31 from Peru to each U. S. dollar. When the direct U. S. costs of $874,000 are added along side the expected U. S. joint fund contribution of $310,000, the ratio changes to $0.87 from Peru for each U. S. dollar, i. e. $1,028,000 from the GOP versus $1,184,000 from the U. S.

6. Financial Considerations

As block 2 (c) (4) indicates, one-half or more years obligations were expected to be unexpended at the end of the U. S. Fiscal Year, due to SCIPA operating on a calendar year basis (U. S. FY 1960 contributions are available for expenditure during calendar year 1960, etc.) In FY 1959, the comparatively large pipeline of $239,000 contains, in addition, a portion of the supplemental cash contribution (See Project 527-19-906 for explanation of grant) which was paid in installments in FY 1959 and FY 1960.

Individual project pipeline indicated for U. S. direct costs, consist principally of delayed charges for the training program. These delays in expenditures are considered normal.

A downward trend of U. S. contributions and increasing cash contributions from the Peruvian Government are expected. (See Schedule E-2). (The exchange rates for calendar years 1960 and 1961 are shown at 25 soles per U. S. dollar, but in the event of further devaluation of the dollar, Peru would be expected to make additional cash contributions to offset such devaluation.)

7. Cooperating Country - USOM Coordination

The cooperating country and the Mission agree that, at present, technical assistance should continue to be administered through SCIPA because it is an operating arrangement that is well understood locally and in which Peruvians have complete confidence. To make any changes without careful planning and thorough consideration of all aspects would be expected to jeopardize a good working relation with Government officials and rural people.

E-2	FORM ICA 10-110 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-19-900	E-2

COUNTRY ECONOMIC PROGRAM

STATUS OF COOPERATIVE SERVICE FUNDS

1 PROJECT DETAIL BY CS-FY		Obligations ($1000 Equivalent)				Expenditures ($1000 Equivalent)			
Project Number	Project Title	58	59	60	61	58	59	60	61
19-906	Admin. Accounting & Services	109	110	131	132	109	112	130	132
14-907	Agric. Economics	28	26	30	30	29	27	32	30
11-910	Agric. Extension	304	244	358	360	293	275	360	360
19-912	Mantaro Valley Spec. Area Dev.	72	70		-	57	85	-	-
11-912	Agric. Research & Rubber Dev.	348	438	420	488	298	405	400	488
14-917	Agric. Credit & Coop. Dev.	-	100	116	132	-	95	120	132
13-918	Livestock Development	57	288	250	250	57	290	250	250
12-919	Land Dev. & Soils Conservation	21	24	76	76	21	22	77	76
19-920	Forestry Dev. Prog.	72	72	71	-	75	70	73	-
Various	Termin Projs 1959 - Reimb. Facil., Fisheries, Pampa Ñoco	77	-	-	-	77	-	-	-
	General Reserve	41	33	32	30	42	30	35	30
a)	Reserved: Min. of Agric. projs	65	50	50	50	65	50	50	50
b)	Reserved: Supp. Grant 1959	-	170	120	-	-	170	120	-
c)	Tumbes Project	-	642	640	-	-	635	647	-
All Other Projects (Detail on Continuation Sheet)									
TOTAL (Must correspond with (3B.) and (3E.)		1194	2267	2294	1548	1123	2266	2294	1548

a) Requires no special contribution from U.S. sources.

b) Supplemental cash and in-kind grants, May 1959: US$290,000, Peru 7 million soles. Amount of Ministry contribution distributed directly to projects; with remaining portion joint contributions held in reserve.

c) No contribution from U.S. sources. Included as 3rd Party contributions by Peruvian Government.

d) Prior to 1958, obligations were reflected as net figures. Income and gross obligations for 1958 are adjusted to include unliquidated obligations as of 12/31/57.

e) Includes $40,000 contribution in-kind by transfers of equipment surplus to needs of other U.S. projects.

2 TITLE OF COOPERATIVE SERVICE: Servicio Cooperativo Interamericano de Producción de Alimentos (SCIPA)

CS-FY 1959
BEGINS: January 1, 1959
ENDS: December 31, 1959

3 SUMMARY OF STATUS (All Figures $1,000 Equivalent)			CS-FY	CS-FY	CS-FY	CS-FY
		U.S. $1.00 = Exchange Rate by Year	20	25	25	25
A. AVAILABLE FOR OBLIGATION DURING CS-FY	1. Unobligated Balance End Prior CS-FY		93 d)	338	470	335
	2. Agreed Contributions for CS-FY	Host Government	798	918	1020	1028
		U.S. Corresponding U.S.-FY	310	600 e)	310	310
		U.S. Succeeding U.S.-FY				
		Other	331	881	829	160
		TOTAL	1439	2399	2159	1498
	TOTAL		1532	2737	2629	1833
B. PLANNED OBLIGATIONS DURING CS-FY	1. Supplies and Equipment		227	431	436	294
	2. Personnel and Training		693	1315	1331	898
	3. All Other		274	521	527	356
	TOTAL		1194	2267	2294	1548
C. UNLIQUIDATED OBLIGATIONS BEGINNING OF CS-FY			26	97	98	98
D. TOTAL OBLIGATIONS AVAILABLE FOR LIQUIDATION (Block B. plus C.)			1220	2364	2392	1646
E. EXPENDITURE DURING CS-FY	1. Supplies and Equipment		213	431	436	294
	2. Personnel and Training		651	1315	1331	898
	3. All Other		259	520	527	356
	TOTAL		1123	2266	2294	1548
F. UNLIQUIDATED OBLIGATIONS CLOSE OF CS-FY (Block D. minus E.)			97	98	98	98
G. UNOBLIGATED BALANCE CLOSE OF CS-FY (Block A. minus B.)	1. Reserves		100	100	75	75
	2. Unreserved Balance		238	370	260	210
	TOTAL		338	470	335	285

SECURITY CLASSIFICATION UNCLASSIFIED

SHEET 1 OF 1 SHEETS TO THIS TABLE

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-19-906	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Administration, General Accounting and Special Services (SCIPA Project "F")		

1

PROJECT BEGINS FY ENDS FY	(A) Function of Funds	(A) (1) Total	(A) (2) U.S. Technicians	(A) (3) Non-Contract Participants	(A) (4) Contract Services	(A) (5) Commodities	(A) (6) Other Costs	(A) (7) Contributions to Cooperative Service	(B) (1) U.S. Owned MSP	(B) (2) PL 480 and Other	(B) (3) Joint Counterpart Fund	(B) (4) Total U.S. Owned or Controlled L/C	(B) (5) Cooperating Country	(C) Other External Financing	(D) (1) Technicians Authorized: Non-Contract	(D) (1) Technicians Authorized: Contract	(D) (2) Participants: Non-Contract U.S.	(D) (2) Participants: Non-Contract 3rd Country	(D) (2) Participants: Contract
A. All Prior Years	TC	431	224	2			205				N/A		N/A						
B. Net Deob.-Reob.		(15)	(2)	(1)			(12)												
Current Funds		142	94	3			45												
Total Actual Year FY 1959	TC	127	92	2			33				1,007		20		7		1		
C. Operational Year FY 1960	TC	141	93	-			48				974		20		5		-		
D. Budget Year FY 1961	TC	119	76	-			43				220		20		5		-		
E. All Subsequent Years		480											80						
F. Total All Years		1,298											N/A						

2

Dollar Obligation and Expenditure — FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(A) (2) Un-Sub-Obligated 6/30/58	(A) (3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(B) (2) Total Available for Sub-Oblig.	(B) (3) Sub-Obligated in FY 1959	(B) (4) Un-Sub-Obligated 6/30/59	(B) (5) Total Available for Expenditure	(B) (6) Actual Expenditure in FY 1959	(B) (7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(C) (2) Total Available For Expenditure	(C) (3) Estimated Expenditures in FY 1960	(C) (4) Unliquidated Obligations 6/30/
All Prior Years	TC	412		19	(15)	4	4	-	4	4	-		-	-	-
Actual Year FY 1959	TC				142	142	130	12	142	130	12		12	12	-
Operational Year FY1960	TC											141	141	130	11
TOTAL		412		19	127	146	134	12	146	134	12	141	153	142	11

Problems Addressed:

1. Need for improving legislation, Government organization, policies or methods to encourage better use of resources (land labor and capital) for economic, political and social development.

E-1	FORM ICA 10-120 (6-59) Continuation Sheet	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	Project N° 527-19-906	E-1
				COUNTRY ECONOMIC PROGRAM	Administration, General Accounting and Special Services (SCIPA Project "F")		

1. General Description of the Project

This is a continuing project which provides for general administration and business management of the operational projects of SCIPA.

The aim in the operational procedures is:

(a) To train staff members of SCIPA and the Ministry of Agriculture in basic program planning and development in preparation for the assumption of responsibility and continuation of programmed activities within the Ministry;

(b) To develop modern methods and administrative procedures with sound organization and fiscal practices; and

(c) To document and report program and fiscal activities.

Executive control and direction are vested in the Director of SCIPA (who is also Chief of the Agricultural Division of USOM). He is assisted by an Associate Director of the Servicio who is a national, and other staff members in planning and administration, a U. S. Business Manager, a U. S. Assistant Business Manager and a local staff. The Director is authorized to formulate and execute an agricultural program subject to the terms of the basic agreement between the USOM and the Ministry of Agriculture. Management responsibility includes initiation, execution, supervision and guidance of agricultural program activities and general support and servicing for individual projects. Sub-projects include various functions: accounting and auditing, purchasing, personnel management, property control, filing, library responsibilities, information and publicity, and legal advice. Theproject includes 67 local employees of which 6 are heads of sub-units, 6 are supervisors, 6 are secretaries and 49 are clerks and assistants.

2. Specific Activity Targets or End Results of the Project

(a) To develop a responsible and efficient administrative corps of Peruvians trained in modern administrative and accounting methods.

(b) To demonstrate effective methods in administration and accounting:

(1) Personnel procurement and employment services,
(2) Auditing, budgeting and reporting,
(3) Purchasing, procurement and commercial services,
(4) Fiscal scheduling and reporting,
(5) Material control, and
(6) Management services that include motor pool operation, travel procurement, space planning and office-layout and central library operation.

(c) To develop current and long-range plans for agricultural development.

(d) To acquaint governmental officials and the general public with the overall program activities and results.

3. Progress Toward Achievement of Specific End Product

a. Work Accomplished to Date

Essential services are functioning. Emphasis has been placed on "in-service" training of local personnel with U. S. training for key personnel. Mechanization of payrolls and allotment ledgers has been accomplished for more than three years.

b. Work Remaining to be Done

The organizational structure of SCIPA has been changed to include a Program Operations sub-division under the Director to represent him in technical operations and assure more specific guidance in program matters.

Centralized accounting of the past has tended to make projects dependent on SCIPA and hence is now giving way to decentralized activities within projects with direction and control centered in a corporate staff. Decentralization of several projects still remains to be accomplished. A procedural group to direct auditing activities and standardized systems and procedures should be functioning within SCIPA by the fourth quarter of calendar year 1959. In-training of the staff will continue. A local personnel manager is being sought to direct personnel activities within SCIPA.

c. Progress Toward Achievement of Progress Targets

An effective staff of Peruvian project leaders, accountants, clerks and service personnel have been developed for key positions in SCIPA. The project leaders are trained Peruvians who work under the U. S. Director of SCIPA and receive advisory assistance from U. S. specialists.

The head of the auditing, reporting and procedural group has been selected from within the organization and is preparing to assume his new duties in FY 1960. Standard auditing outlines and a manual of procedures have been blocked out for intensive follow-up. Suitable individuals to head the Personnel Section and the Operations Division have not as yet been selected.

4. Nature of the U. S. Contribution

a. Previous Fiscal Years

In FY 1959 and prior years, the U. S. provided direct funds to (a) pay salaries of a U. S. staff, (b) pay certain key Peruvian personnel and clerical staff, and (c) finance general administrative support services for such staff. Equipment and vehicles to support activities of above staff were largely paid for from U. S. funds.

In FY 1960 all materiel of the Agricultural Division was transferred to SCIPA as part of a special supplementary in-kind contribution. With this transfer all repair and replacement costs of such equipment, formerly paid for by direct U. S. funds, will be borne by the Servicio out of joint funds.

b. Budget Year

In FY 1961, the U. S. will continue to pay for the services of a staff of U. S. specialists and certain key Peruvian personnel. No direct U. S. financing is provided for commodities or equipment.

Technicians

Food and Agriculture Officer, 0450.00, Position 12-T, FSR 2/2; Chief of Agriculture Division and Director of SCIPA; 12 months, $16,700.

Deputy Food and Agriculture Officer, 0450.01, Position 14-T, FSR 3/3; (Assistant Chief of Party) Advisor in Operations and Programming; 12 months, $14,800.

Business Manager, 0341.02, Position 32-T, FSR 4/7; Advisor in administration and business management to Agriculture Division and SCIPA; 12 months, $14,500.

Assistant Business Manager, 0341.03, Position 33-T, FSR 5/7; Assists in the administrative support of 38 people in the Agriculture Division and approximately 400 technical people in SCIPA; 12 months, $14,700.

Agriculture Program and Reports Assistant, 0301.04, Position 15-T, FSR 5/1; Assists in agricultural programming and in preparing historical and technical reports; 12 months, $11,100.

Other Costs

These costs in FY 1961 will include eight local administrative support personnel, $30,000; local travel for U. S. and local specialists $3,600; materials and supplies and other contract services $8,500; and miscellaneous costs $900. Local support personnel was reduced from eleven in FY 1959 to eight in FY 1960. It is expected that the remaining Peruvian staff paid with direct U. S. funds will be decreased as soon as such expenses can be borne by the cooperating country.

c. Future Fiscal Years

Administrative support with U. S. direct and joint funds will be continued in this project through the life of the Cooperative Agriculture Program, the amount depending upon the needs of activities in progress.

5. Nature of Contribution from Joint Funds

a. Previous Calendar Years

(All dollar figures represent equivalent in Peruvian soles at rate of 20 soles per $1.00 in CY 1958 and 25 soles per $1.00 in CY 1959 and 1960, based on rates when contributions were made.)

In FY 1958, $92,000 were allotted for general administration and $16,700 were generated in sales and services providing a total fund of $108,700. The breakdown of expenditures includes $77,800 for salaries and wages of 40 employees, $4,700 for travel and transportation, $18,000 in materials, supplies and equipment for general program operation and $8,200 for all other costs. In addition, $64,700 were obtained, in FY 1958, as interest and gain in exchange and credited to "Reserve A", for distribution to approved projects by the Director of SCIPA. Another $65,000 was credited to the Ministry of Agriculture's "Reserve B" from income of the experimental farms at Chuquibambilla and La Raya. By agreement with SCIPA, this amount was re-invested in the experimental farms.

In CY 1959, $110,000 were received and used for operating expenses. Funds credited to reserves were as follows: $35,200 interest and gain in exchange; $50,000 income and expenditure for the Minister of Agriculture as explained above; $170,000 obligated from Reserve "C" which was created for administrative control of the supplementary cash and in-kind contribution of $290,000 provided by agreement signed on May 29, 1959; and $642,000 as an over-contribution by the Peruvian Government for administration of the Tumbes Project. The supplementary contribution of $290,000 consists of the following: (a) $10,000 for salary and expenses of personnel transferred from USOM to SCIPA; (b) $240,000 for improvement of existing program facilities (renewal and expansion of radio communication, vehicles and office equipment), installing and equipping new offices for Supervised Credit, building and supplying necessary facilities at the Experiment Station at Junin, purchase of breeders and animals for the Livestock Program, and specific studies of new areas to be developed; and (c) $40,000 of equipment to eliminate need for direct dollar investment in

inventories by the Agricultural Division and paying for all replacement, repair and maintenance of equipment. Supplementary cash funds were not used for administrative expenses or personnel that would create new and permanent obligations in SCIPA's regular budgets.

The Tumbes Project is an agreement between the Minister of Agriculture and the Director of SCIPA, dated January 12, 1959, which grants authority and funds to carry out the planning, technical direction and execution of work that will be conducive to changes in crops of the Department of Tumbes. The project provides for S/33,000,000 ($1,320,000) during calendar years 1959 and 1960.

In CY 1960, joint fund spending amounted to $131,000. The increase over 1959 is principally the result of an entire year's salary cost of 13 people in the Information Department shifted from the Extension Project in 1959 (for better organizational structure), and addition of 7 people (3 in planning, including a lawyer, and 4 in auditing and procedures). Total reserves amounted to $203,000 originating as follows: $33,000 from interest and exchange, $50,000 from the Ministry of Agriculture's reserve, and $120,000 balance in Reserve "C". The second year funding of the Tumbes Project accounted for an additional $640,000.

b. Budget Year

In CY 1961 operational expenses will be $132,000 maintained at about the same level of CY 1960. Reserve income and expenditures are estimated at $88,000 of which the Ministry of Agriculture's reserve will account for $50,000.

6. Nature of Cooperating Country Contribution - Direct Support

Each year the Peruvian Government reimburses the Servicio for cost of living allowances granted during that year. Thereafter, the allowances granted the previous year are absorbed by the Servicio in its regular budget. In CY 1958, reimbursement for cost of living allowances amounted to $18,000. A conservative increase to $20,000 has been projected for future years.

7. Contribution from Other Sources and Relationship to Other Projects

In CY 1959 the Southern Peru Regional Development Program provided $450 in payment for special administrative services extended by SCIPA. No funds from other sources are anticipated in the budget year. Particular importance is placed on the maintenance of liaison with Peruvian governmental agencies in integrating program activities with developmental plans to improve the agricultural economy. A close relationship is maintained with other project activities and programs of USOM/Peru and such other international agencies as FAO, OAS and IBRD.

8. Financial Considerations

The nominal pipeline of unexpended U. S. obligations of $11,000, largely for participants and personnel costs, is carried over from FY 1960. No appreciable change from this amount is anticipated for future fiscal years. This assumes that there will be no sweeping changes in Servicio organization during the period to 1965, (the minimum period over which it is anticipated that this project will be extended by renewal of the Basic Agreement). The Servicio pipeline at the close of CY 1959 included a carry-over of $120,000 of unexpended funds remaining from the supplementary cash contributions of both governments in 1959. These funds were sub-obligated and expended in CY 1960.

9. Cooperating Country - USOM Coordination

The present arrangements for administering the SCIPA Program have been developed gradually, through the years. The procedures that are followed are understood by Ministry officials and have been developed with their full knowledge. In most cases they are the

result of compromises to satisfy Mission and cooperating country officials.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-14-907	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Agricultural Economics and Marketing (SCIPA Project "B")		

1 PROJECT BEGINS FY 1943 ENDS FY

	(A) Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) Joint Fund	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized Non-Contract	(1) Technicians Authorized Contract	(2) Participants Non-Contract U.S.	(2) Participants Non-Contract 3rd Country	(2) Participants Contract
A. All Prior Years	TC	56	47				9				N/A		N/A						
B. Net Deob.-Reob.		(1)	(1)																
Current Funds		15	14				1												
Total Actual Year FY 1959	TC	14	13				1				26		2		1				
C. Operational Year FY 1960	TC	39	24	6	6		3				30		2		2	1	1		
D. Budget Year FY 1961	TC	46	37	6			3				30		2		2		1	1	
E. All Subsequent Years		190											8						
F. Total All Years		345											N/A						

2

Dollar Obligation and Expenditure — FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
All Prior Years	TC	54		2	(1)	1	1		1	1					
Actual Year FY 1959	TC				15	15	15		15	15					
Operational Year FY 1960	TC											39	39	32	7
TOTAL		54		2	14	16	16		16	16		39	39	32	7

Problems Addressed:

1. Increased population and internal migration.
2. Inadequate agricultural expansion.
3. Need for improving legislation, government organization, policies or methods to encourage better use of resources (land labor and capital) for economic, political and social development.

1. General Description of the Project

Soon after signing the Basic Agreement, May 19, 1943, which established the Servicio Cooperativo Inter-Americano de Producción de Alimentos (SCIPA), it became apparent that certain studies in the field of agricultural economics would be required for the intelligent planning of activities in other branches of SCIPA. It was also evident that these studies should include the accumulation and analysis of statistical data relative to agricultural production and marketing and the food situation in Peru. The project of Economic Studies was established to provide the needed information. The last formal agreement describing the project covered the period from January 1, 1952 to June 30, 1955. Since thenthe project has been extended on an annual financing basis, without change in objectives.

In recent years the activities of this project have been expanded to lay the foundation for a statistical service. This is essential for the proper functioning of SCIPA activities, those of the Ministry of Agriculture and other governmental agencies. The activities of the project must be regarded as providing a continuing service. They constitute a "development project" only in the sense that they involve the training of personnel and the design of procedures which are continually being adapted to the national requirements with available sources of information. The Ministry of Agriculture maintains its own Agricultural Economics Division. However, this division is primarily concerned with regulatory functions rather than with providing statistical information useful for program planning. There is little duplication in the activities of the two organizations. The desirability of ultimately consolidating the two services is recognized as a possibility and this could become a reality once the program of reorganization of the Ministry of Agriculture becomes effective. (The Ministry's proposed reorganization program is expected to be based on recommendations being made by FAO-World Bank Mission).

The project with a staff of 15 people, is divided into four sections which carry on activities as follows:

a. Special Economic Studies and Statistics. - Data are collected in the provinces and national meat-packing house on livestock slaughtering, on prices of food items in different parts of the country, on the movement of farm products by rail, air and sea, on stream-flow of selected rivers in the coastal area, on meterological conditions, and on statistics concerning the fishing industry. Special reports are prepared as requested by different governmental agencies.

b. Analysis of Industries and Foreign Trade. - Brief bulletins are prepared from available statistical information and surveys among industries to show how different agricultural products are being used in processing industries. Based on data obtained from Custom House offices, a detailed analysis is prepared giving the statistics in foreign trade of agricultural products. Although routine in character, this is one of the most valuable contributions made.

c Land Use Study. - Studies are made on appropriate land use in connection with developmental programs in different areas, such as new irrigation areas. These activities are closely coordinated with those of Project N°527-12-919.

d. Market Analysis. - This activity lays the foundation for an effective market news service. Prices of agricultural commodities on the Lima market are published in the press three times a week, and announced over a nation-wide broadcasting system. A crop report is published monthly, based on information furnished by extension agents.

2. Specific Activity Targets or End Results of the Project

a. To provide basic economic data and statistics regarding the

agricultural sector of the economy for use by the Ministry of Agriculture, other Peruvian governmental agencies, as well as for local farmers and associations.

b. Establish procedures and train local technicians and economists in up-to-date methods and techniques of collecting and properly evaluating such data on a continuing basis. This is directed primarily toward local in-service training.

c. To develop information that will serve both farmers and governmental officials and thus improve marketing and distribution of farm produce.

d. To assist in basic economic evaluation and planning of agricultural development of special governmental and/or privately financed irrigation projects, new development areas, etc., (such as jungle development, Quiroz Irrigation project, Southern Peru, etc.).

e. To promote and instigate establishment of various informational services for farmers, such as market price information, crop reporting, etc., which shall become permanent functions of the Ministry of Agriculture.

3. Progress Toward Achievement of Activity Targets

a. Work Accomplished to Date

This project has exerted a tremendous influence on improving accuracy and volume of agriculturel statistical information in the country. A vast number of special studies have been made of certain agricultural areas, individual crops and livestock, import-export trade, local industrial processing and potentialities, etc. These studies are of value to the Mission in programing activities and to the Ministry of Agriculture and other Peruvian Governmental agencies.

Statistical reports prepared by the staff are presently regarded as the most reliable in the country.

A detailed report on Agricultural Production ("La Situación Agropecuaria en el Perú, 1946 a 1956") covering a 10 year period was recently published and is serving as a valuable reference book for both private individuals and government officials in developmental planning, and initiation and increase of agricultural activities. A new bulletin on foreign trade in agricultural products for the period from 1946 to 1958 was printed during the last year and is the only official information available on this subject. A bulletin was just released covering the supply of food products arriving in the Lima markets from 1958-1959 crops. A study and report was recently completed on development problems of the Quiroz area.

The project has a staff of 6 professionals that have experience and are trained in gathering and tabulating statistical materials in the fields indicated above.

b. Work Remaining to be Done

Refining procedures of statistical analysis, developing additional statistical information and training of more personnel are the most urgent tasks yet to be done. It is extremely important that the Mission continues to receive the present services of this project and additional economic information essential to intelligent, sound program planning. Continuation of the project will be required for the duration of the Agricultural Mission.

c. Progress Toward Achievement of Progress Targets

The project as a whole has advanced sufficiently to be incorporated into the regular activities of the Ministry of Agriculture. However, this will not be done until it serves the best

interests of Peru and the U. S., and its continuance is assured by the host government. The proposed reorganization of the Ministry provides for the eventual integration of all activities in agricultural economics which are at present scattered throughout 6 agencies. The Mission is supporting this plan and is assisting in every way possible in the realization of that objective.

4. Nature of the U. S. Contribution

a. Previous Fiscal Years

In FY 1957 two economic advisors and a bilingual secretary were provided. In FY 1958, FY 1959 and FY 1960 one agricultural economist was continued, serving as technical advisor in Agricultural Marketing and Economics of New Land Development. In FY 1960 an Economic Geographer was added (December 1959) to the staff and a short term specialist was secured to advise on reorganization of agricultural economics in the Ministry of Agriculture, One Peruvian was sent to U. S. for training in FY 1960.

b. Budget Year

Funds will be provided in FY 1961 for two technical advisors namely, a Marketing Specialist and an Economic Geographer. The U. S. will contribute funds for one participant in agricultural marketing, and for sending one local person to the regional workshop on marketing and cooperatives. No direct support for commodities or equipment is provided.

Technicians

Agricultural Economist, 0117.00 (Marketing Specialist) Position N° 25T, FSR 4/7. Technical Advisory to USOM, Ministry of Agriculture and Project Leader on agricultural marketing, general agricultural economics and evaluation of agricultural potential of new areas, (with funds planned for termination of employee) 2 months, plus terminal leave, $10,300.

Agricultural Economist, 0117.02 (Specialist in Marketing and Land Economics) Position 25T, FSR 4/1. Advisor in land use economics, crop statistics and marketing services, 10 months, $14,700.

Economic Geographer, 0150.01, FSR 5/2. Technical Advisor to USOM, Minister of Agriculture and SCIPA, on the developmental potential of land areas for further exploitation, 12 months, $10,600.

Participants

1 Agricultural Products Marketing	U.S.	12 mo.	$5,450
1 Workshop on Marketing and Cooperatives			875
		TOTAL	$6,325

Other Costs

Funds totalling $2,900 are provided for local travel of two U. S. advisors and necessary supplies and materials for operation.

c. Future Fiscal Years

Funds will be required for this project until 1965 to provide essential support to the administration of the Agricultural Division program. It seems likely that one or both of the specialists may eventually be transferred to a project concerned with jungle development that is being planned for the future.

5. Nature of Joint Fund Contribution

a. Previous Fiscal Years

In CY 1958 there was provided $28,300 from the joint

fund to operate this project. Funds were expended as follows: local salaries, $23,600; travel and transportation, $1,800; materials and supplies, $1,700 and all other expenses including equipment $1,200. In CY 1959, $25,800 was contributed from the joint fund. In CY 1960 the joint fund budget was increased to $29,600 to provide for slightly higher salaries as decreed by the host government, for increases in fringe benefits connected with local salaries and for adjustments extended to limited employees based on merit and increased responsibilities.

b. Budget Year

No major change over that for CY 1960 is anticipated at this time.

6. Nature of Cooperating Country Contribution

a. Previous Fiscal Years

In CY 1958 the Peruvian Government contributed cash for salary adjustments (length of service, cost of living, number in family, etc.) included in Project N° 527-19-906. General support and backstopping services consisting of contributions in kind had an estimated value of $2,000. This support is at about the same level in CY 1959 and CY 1960.

7. Contribution From Other Sources and Relation to Other Projects

The O. A. S. has a specialist in agricultural economics who is carrying out studies both in the Andean area and on the coast. The O. A. S. has recently released publications on the cost of producing milk for Lima and on farm costs in Peru. FAO has an advisor assigned to Peru who is carrying out special economic studies and the IBRD has 2 staff members who are advising the Government on an overall investment program and on specific loan requests.

8. Other Financial Considerations

A small pipeline of $7,000 is shown on the E-1 for FY 1960 which is for participants and not expended until FY 1961. A similar carry-over is anticipated in FY 1961.

9. Cooperating Country - USOM Coordination

The Mission and host country representatives have discussed the project as stated above and are in agreement. Both parties are anxious to see present activities continued and technical assistance extended into phases of agricultural economics dealing with development of new land areas. This type of activity holds great promise in Peru in increasing food production and in relieving land pressure problems.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-11-910	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Agricultural Extension and Special Crop Development (SCIPA Project "E")		

1

PROJECT BEGINS FY 1943 ENDS FY 1965	(A) Function of Funds	(A) (1) Total	(A) (2) U.S. Technicians	(A) (3) Non-Contract Participants	(A) (4) Contract Services	(A) (5) Commodities	(A) (6) Other Costs	(A) (7) Contributions to Cooperative Service	(B) (1) U.S. Owned MSP	(B) (2) PL 480 and Other	(B) (3) Joint ~~MSP Counterpart~~ Fund	(B) (4) Total U.S. Owned or Controlled L/C	(B) (5) Cooperating Country	(C) Other External Financing	(D) (1) Technicians Authorized Non-Contract	(D) (1) Technicians Authorized Contract	(D) (2) Participants Non-Contract U.S.	(D) (2) Participants Non-Contract 3rd Country	(D) (2) Participants Contract
A. All Prior Years	TC	348	188	35			125				N/A		N/A						
B. Net Deob.-Reob.			1				(1)												
Current Funds		111	53	26	6		26												
Total Actual Year FY 1959	TC	111	54	26	6		25				244		51		4	1	2	13	
C. Operational Year FY 1960	TC	102	52	15	11		24				358		57		4	2	9	2	
D. Budget Year FY 1961	TC	102	51	24	6		21				360		57		4	1	5	9	
E. All Subsequent Years		460											228						
F. Total All Years		1,123											N/A						

2

	FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(A) (2) Un-Sub-Obligated 6/30/	(A) (3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(B) (2) Total Available for Sub-Oblig.	(B) (3) Sub-Obligated in FY 1959	(B) (4) Un-Sub-Obligated 6/30/	(B) (5) Total Available for Expenditure	(B) (6) Actual Expenditure in FY 1959	(B) (7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(C) (2) Total Available For Expenditure	(C) (3) Estimated Expenditures in FY 1960	(C) (4) Unliquidated Obligations 6/30/60
Dollar Obligation and Expenditure	All Prior Years	TC	323		25	-	25	17	8	25	17	8		8	3	5
	Actual Year FY 1959	TC				111	111	82	29	111	82	29		29	14	15
	Operational Year FY 1960	TC											102	102	68	34
	TOTAL		323	25	25	111	136	99	37	136	99	37	102	139	85	54

Problems Addressed:
1. Inadequate agricultural expansion.
2. Inadequate educational systems.
3. Increased population and internal migration.

1. General Description of the Project

This project involves the development and operation of a country-wide Agricultural Extension Service, including home economics and farm youth club work. It demonstrates the effectiveness of extension education, trains rural families to use better farm practices and equipment in order to increase livestock and crop production and it helps them to improve their economic status and ways of living. The basic procedure of this project teaches farm families to help themselves.

Peru is a country of about 10 million people. About 57% are living on small mountain farms at subsistence levels. About 62% of the population is illiterate. The people have little political influence or leadership, are exploited by merchants and others, and have had little encouragement to improve their way of life. Most of these farmers use primitive methods and have little knowledge of modern farm practices which can be used to increase production. An agricultural extension program to encourage, train and provide leadership to this group and other small farmers of the country can and already has contributed substantially to total food production. Some 53% of dollar value of all Peruvian exports are agricultural products in which Agricultural Extension can, it is believed, contribute materially to increasing the dollar balance.,

This is a basic long-term project through which U. S. and Peruvian Governments are cooperating very effectively. It reaches the rural people and hence makes possible their training in new and improved farm and home practices. It is the means by which SCIPA introduces new technical ideas and subject matter. This project represents a means through which all other projects can work, and it is through this organization that field agents and U. S. specialists observe farm problems and release practical recommendations for improvements. This unit of SCIPA provides the basis for the successful launching of new technical assistance activities and projects.

Although local technicians are, in many respects, qualified to manage the project in its present size and as it now operates, there is yet a great need for help in adapting the operations of the Extension Service more fully to the needs and conditions of Peru. There is also a need for more extension offices in the rural areas. Rural people strongly support it, and the program may be expected to expand as rapidly as its value is appreciated by country leaders and as additional financial support can be obtained.

Continued support to the project provides strength for a movement that can benefit small farmers as well as large farmers and ranchers, and it gives to a large segment of the rural population greater hope in a more abundant future. This, in turn, gives encouragement to the Peruvian Government to support the present trend of providing additional local funds to support new offices.

Discontinuation of funds for the adequate support of this project would result in the loss of the effectiveness of the entire agricultural program. Funding should continue to the end of the proposed extension of the Basic Agreement in 1965, or until full financial responsibility for the Agricultural Extension Service can be assumed locally. The timing of such transfer should consider appropriate timing for absorption of full responsibilities not only for satisfactory administrative and technical functions operating in the major portion of the country, but it should allow for broad programming aspects eventually to be fully and capably managed by local technicians.

The first agricultural extension project agreement was signed in 1944, and the project has operated continuously to date. The last specific project agreement expired June 30, 1955 and the project has been authorized during the last 4 years by annual continuation agreements. It is operated in an Agricultural Service and has included many activities largely dependent on country needs. U. S. specialists in various fields have been

secured to provide technical assistance as required and their services discontinued after local specialists were trained.

The major aspects of the project are:

a. To establish and operate a limited extension organization with a central office for general administration and direction, and with limited field offices for work with farm people under various prevailing conditions in Peru;

b. To train a Peruvian staff in the administrative management of the organization and in methods of extending information on practical and technical aspects of improved farming;

c. To educate and train farmers in improved farm practices and operations through demonstrations and other informational media;

d. To establish a program to train and educate farm women in home management, arts, sewing, sanitation, health, food preparation and nutrition;

e. To establish an organized farm Youth Club program to make efficient future farmers in conjunction with other activities of extension offices;

f. To provide special technical assistance to producers of general crops, special crops and livestock;

g. To assist farmers in the procurement and use of improved seeds, insecticides, fungicides, fertilizers, etc.; and

h. To develop educational methods, operational procedures and an organization in farm and farm family training and education that are especially adapted to needs in Peru.

2. Specific Activity Targets or End Results of the Project

a. To establish an Agricultural Extension Service as a permanent Peruvian organization in the Ministry of Agriculture;

b. To increase crop and food production in Peru in order to supply country food requirements, to increase agricultural exports and thus increase the needed dollar exchange;

c. To increase income from farming therefore making a higher standard of living possible for farm families;

d. To make the next generation of farmers more progressive by training the farm youth of today; and

e. To obtain rural home improvement corresponding to progress in farming.

3. Progress Toward Achievement of Activity Targets

a. Work Accomplished to Date

The accomplishments of this project are too numerous to list. It has been associated with many activities over the 16 years of its existence. It has demonstrated new ideas and operations in the various developmental phases of the communities where field offices were located. It has aided in introducing and using insecticides, fungicides, fertilizers, equipment and promotion of new crops, improved seeds, better cultural practices, better livestock, modernized farming on the coast, etc. It has helped relieve serious potato, corn and fruit shortages by increasing acreage and yield.

The organization is operating effectively under the direction of local personnel. The local staff consists of

152 people of which 32 are in Lima, 120 are in the field, 73 are technical specialists, 26 technical assistants and 53 are administrative personnel including clerks and secretaries. It has 42 offices distributed in 17 Departments (major political sub-divisions).

During 1958 achievements may be summarized briefly as follows:

Agricultural extension education and guidance was reaching an estimated 40% of the agricultural area of the country, through 130 Agricultural Committees representing 1,500,000 people. This was accomplished by means of 2,890 meetings, with 114,146 farmers in attendance; by means of 2,971 demonstrations, with 39,870 farmers in attendance; and by means of other program activities. Rural agents sold 1,400 lbs. of selected vegetable seeds and 135 tons of selected crop seed such as corn, wheat, potatoes, barley, quinua, oats, alfalfa, etc. Farmers were helped in obtaining 9 tons of insecticides and fungicides in powder form, and 808 gallons in liquid form. Sixteen demonstration fields were planted with the new corn, double hybrid WPM-211, with yields of about 150 bushels per acre. To provide a more constant supply of fruit for the local market, the planting of oranges and other fruit varieties having variable harvest dates was promoted. Demonstrations were carried out in 77 orchards where 674 growers received instructions. Nearly two million tree seeds, 10,750 plants and 11,000 selected buds were distributed in the orchard program.

SCIPA began promoting the growing of castor beans in 1955. Oil seed exports rose from 1,650 tons in 1957 to 3,629 tons during the first half of 1958 (further figures not available). Also in 1958, field specialists distributed 9,000 chicks, where not available in the market, and assisted in the establishment of 3 dairies, 32 poultry installations, 12 rabbit installations and 12 apiaries.

The Home Economics section, with 17 field agents and 3 subject matter specialists, assisted 77 women's clubs with 1,917 members and 155 voluntary leaders in home improvement projects. Field agents worked with 600 families in raising 3,056 barnyard animals for food, with 275 families in growing vegetable gardens, with 5,341 families in making garments having a value of about $4,000, with production of 6,196 articles of handicrafts, construction of 153 smokeless kitchen stoves, in erection of 78 latrines, and in 52 demonstrations on child care.

The farm youth club program has 6 technicians devoted exclusively to this work with 4,090 members of 243 units in 162 localities. During the year, members carried out 6,748 individual projects with a value of approximately $62,000. The youth activity is obtaining great support from the public. Some of its older, former members are already leading young farmers in their communities.

b. Work Remaining to be Done

This project should be continued as the principal means by which agricultural assistance is given to rural areas. It is administratively prepared to operate as a unit in the Ministry of Agriculture, other organization or within the Agricultural Service without joint funds. However, a sizeable expansion of its activity is needed during the next year or two in order to give emphasis to the livestock and credit programs of the country and in order to boost agricultural production facilities. Additional agents must be trained and field offices installed. A satisfactory plan for financial support of the project, when transferred from SCIPA, has not yet been developed. A solution to this problem will continue to be sought. It will take some further time to make necessary organizational

adjustments and to obtain necessary legislation to implement a smooth change to local direction and financial support. Although the possibilities of project transfer have been discussed with local Peruvian and U. S. officials, both consider this to be an inappropriate time for withdrawing Servicio support.

c. Progress Toward Achievement of Progress Targets

Previous progress targets have been rather vague although many activity targets have been set and met. Furthermore, in a general project of this type, such progress targets as have existed have been revised many times due to changes in local economic and political conditions and personnel.

4. Nature of the U. S. Contribution - Direct Support

a. Previous Fiscal Years

Since its inception, the U. S. has provided 18 direct-hire and short-term contract specialists, including 6 general extension specialists to provide general guidance, 2 insecticide specialists to instruct and advise in use of pest control chemicals, 4 home economics specialists to promote rural home improvements, 2 veterinarians to reduce livestock mortality, 2 seed specialists to bring about crop improvement through use of better seed and 2 horticulturists to improve fruit crop production through the introduction of improved cultural practices.

There were 15 trainees during FY 1959; two were sent to the U. S. and 13 to third countries.

The U. S. directly provided funds in FY 1959 and prior years to pay salaries of a U. S. staff (5 in FY 1958 and 3 in FY 1959) and local employees (8 in FY 1958 and 7 in FY 1959), along with support costs for travel, materials and supplies for the U. S. and Peruvian staff.

In FY 1960, the U. S. staff consists of an Extension Advisor, an Agronomy Advisor (Seeds), and Plant Pathology Advisor, and a Home Economics Advisor and a support specialist in the same category. The local staff paid with U. S. funds was reduced to 4 in FY 1960, (an Entomologist, a tropical Agriculturist and 2 secretaries). Other support costs were reduced from $42,000 in FY 1958 to $24,000 in FY 1960.

b. Budget Year

In FY 1961, provision is made for continuation of the U. S. advisors outlined in FY 1960 above and a reduced local staff of two technicians. No direct U. S. financing is provided for commodities or equipment. Participant costs represent the balance of direct support budget.

Technicians

Extension Advisor - 0406.00 (Country Extension Service Advisor), Position N° 21-T, FSR 4/6; Advisor to USOM and the Extension Project Leader on general operations; 10 months, $17,800.

Agronomy Advisor (Seeds) - 0407.04 (Seed Specialist), Position N° 26-T, FSR 4/3; Advisor to USOM and Extension Project Leader in developing a seed improvement program; 12 months, $12,900.

Home Economics Advisor - 0493.00 (Home Economics Specialist), Position N° 23-T, FSR 6/3; Advisor to USOM and Extension Program in home improvement, management, sewing, health, food preparation, nutrition; 12 months, $9,600.

Plant Pathology Advisor - 0434.00 (Plant Pathologist in

Extension), FSR 5/3; Advisor to USOM and Extension Program in control of tree and crop diseases (expected arrival date December 1959); 7 months, $10,900.

Participants

In FY 1961 it is planned to send 12 persons for training in third countries and 3 to the U. S., as follows:

2	Extension Leaders Training, Puerto Rico	3 mo.	$5,450
1	Home Improvement & Sanitation " "	4 mo.	3,050
3	Cacao Training, Costa Rica	3 mo.	3,025
2	Agr. Econ. Seminar		1,500
2	Agriculture Extension & Home Ec. Seminar		1,500
2	Seed Seminar		2,000
1	Home Economics Schooling, U. S.	12 mo.	5,500 *
1	Plant Pathology, U. S.	6 mo.	3,650
1	Rural Youth Extension, U. S.	6 mo.	3,650
			$ 29,325

*If funds become available.

Contract Services

Grain Storage Specialists, 3 months, $6,000.

Other Costs

Two local personnel as indicated above, $12,000; local travel for U. S. and local technicians, $6,000; supplies, materials and miscellaneous cost, $3,000.

c. Future Fiscal Years

Future financing will be reduced by decreasing the number of local U. S. paid employees.

5. Nature of Contribution from Joint Funds

a. Previous Fiscal Years

Joint funds of $304,000 were spent in the Extension Project in CY 1958, and $240,000 in CY 1959.

The decrease indicated above is a loss in value of the local currency, since the sol expenditures were 6 million for each year. Expenditures in CY 1958 of $288,000 consisted of $177,400 for salaries and wages; $63,700 for travel and transportation (includes $18,700 for depreciation and $14,900 for maintenance); $20,700 for materials, supplies and equipment; and $26,200 for other expenses including $14,100 for rent. The same expenditures may be grouped by operational activities as follows: Rural extension offices and administration - $185,000; regional specialists - $34,000; youth clubs - $32,000; information services - $26,000; and home economics - $11,000.

In CY 1959, sales of products resulted in a net gain of $4,000; this amount was expended in project operations. In CY 1960 sales increased to $6,000.

In CY 1960, expenditures increased to $358,000. The increase resulted primarily from expenditures for activities formerly under Project N° 527-19-912 (Mantaro Special Area Development).

b. Budget Year

Expenses in the budget year will amount to approximately $363,000; i. e. $208,900 for salaries and wages, $95,200 for travel and transportation and $58,900 for all other costs.

6. Nature of Cooperating Country Contribution - Direct Support

a. Previous Fiscal Years

Other funds provided in CY 1959 include S/13,500 ($540) from Southern Peru Regional Development Program for special crop studies and assistance in agriculture. Also, in CY 1959, the National Economic Development Fund contributed S/640,000 ($25,600) to open and operate 4 new extension offices. In CY 1960 the same amount of funds were provided for the 4 above projects, and $6,000 was received from the Southern Peru Development Program. Approximately $10,000 is contributed by the Ministry of Agriculture in each year for exhibits, fairs and special demonstrations throughout Peru. Other support is received from local communities, from farmers' associations, cattle growers' groups, development organizations, local fairs, Lima galleries for agricultural exhibits, and use of space for extension offices, estimated at $10,000 annually. The newly founded National CAJP Foundation for farm youths has made available a farm valued at $600,000 providing income, and the Foundation adds cash for various activities estimated at $5,000 annually.

7. Contribution from Other Sources and Relationship to Other Projects

Training was provided to selected national leaders in a conference held in Lima in August 1959 entitled "International Technical Reunion on Agricultural Extension". This was held under the auspices of the Organization of American States. Special training was provided technicians through the Second Pan American Seed Seminar, held in Lima from March 30 to April 11, 1959, with the cooperation of representatives from FAO, OAS and the Rockefeller Foundation. FAO held an Extension and Agricultural Credit Conference in October 1959 to which delegates from Peru were sent. ILO of United Nations has a project on Industrial Education working with Andean Indians in Southern Peru with which there is close cooperation by Peruvian and U. S. extension specialists.

8. Financial Considerations

The pipeline of $54,000 is considered normal, and is largely due to delayed charges for training program.

9. Cooperating Country - USOM Coordination

Both the USOM and the cooperating country favor continuing the project in the budget year and beyond. The scope of the Agricultural Extension Service is being enlarged by various central organizations in the government and by local groups who provide incentives and, often, funds, or equivalent items in-kind, to obtain rural extension offices in their communities. The Peruvian Congress substantially increased their appropriations for livestock development with the idea that funds would be appropriately reallotted to extension offices for more intensive effort in livestock. Both the Associate Director of SCIPA and the Peruvian Director of this project concur in the project plan as proposed.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-19-912	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Mantaro Valley Special Area Development (SCIPA Project "H")		

1 PROJECT BEGINS FY 1954 ENDS FY 1959

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) Joint MSP Counterpart Fund	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized Non-Contract	(1) Technicians Authorized Contract	(2) Participants Non-Contract U.S.	(2) Participants Non-Contract 3rd Country	(2) Participants Contract
A. All Prior Years	TC	158	79	3			76												
B. Net Deob.-Reob.			(1)				1												
Current Funds		7					7												
Total Actual Year FY 1959	TC	7	(1)				8				70								
C. Operational Year FY 1960	TC								(Project terminated 12/31/59)										
D. Budget Year FY																			
E. All Subsequent Years																			
F. Total All Years		165																	

2

Dollar Obligation and Expenditure	FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/58	(3) Unliquidated Obligations 6/30/	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
	All Prior Years	TC	148		10	-	10	9	1	10	9	1		1	1	
	Actual Year FY 1959	TC				7	7	7	-	7	7	-		-	-	
	Operational Year FY 1960	TC												-	-	
	TOTAL		148		10	7	17	16	1	17	16	1		1	1	

Problems Addressed:
1. Inadequate agricultural expansion.
2. Increased population and internal migration.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-11-913	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Agricultural Research and Rubber Development (SCIPA Project "PCEA")		

1 PROJECT BEGINS FY 1954 ENDS FY 1965

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) Joint Fund	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized Non-Contract	(1) Technicians Authorized Contract	(2) Participants Non-Contract U.S.	(2) Participants Non-Contract 3rd Country	(2) Participants Contract
A. All Prior Years	TC	383	49	2	332						2,948		758						
B. Net Deob.-Reob.		(3)	(2)	(1)															
Current Funds		61	20		39		2												
Total Actual Year FY 1959	TC	58	18	(1)	39		2				438		221		1	5			3
C. Operational Year FY 1960	TC	203	16	14	172		1				420		226		1	5	3		-
D. Budget Year FY 1961	TC	396	17	18	360		1				430		226		1	7	4		-
E. All Subsequent Years		686											904						
F. Total All Years		1,726											2,335						

2

Dollar Obligation and Expenditure — FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
All Prior Years	TC	54		329	(3)	326	259	67	326	259	67		67	47	20
Actual Year FY 1959	TC				61	61	17	44	61	17	44		44	10	34
Operational Year FY 1960	TC											203	203	50	153
TOTAL		54		329	58	387	276	111	387	276	111	203	314	107	207

Problems Addressed:

1. Inadequate agricultural expansion.
2. Increased population and internal migration.

1. General Description of the Project

This is a continuing project to expand, coordinate and strengthen agricultural research and rubber development in the Ministry of Agriculture. A single year agreement was signed on June 16, 1954, which designated this program as the "Cooperative Program for Agricultural Experimentation and Research". It provided for the continuation of the research agency called "Programa Cooperativo de Experimentación Agropecuaria" (identified as PCEA). The agreement has been extended on an annual basis each year and is a semi-autonomous project within the Agricultural Service. It superseded the Agreement for a Cooperative Program of Agricultural Experimentation between the Governments of the United States and Peru, signed on April 21, 1952 which, in turn, superseded older agreements between the U. S. Department of Agriculture and the Peruvian Government that established working relationship in agricultural research and rubber production dating back to 1942.

By the presidential decree of July 1957, all government sponsored research in agriculture was placed under the technical supervision of PCEA. As a result, the full administrative responsibility for the Experiment Stations at Lambayeque and Junin, the Division of Experimental Plans, the Potato Research Program, and the research aspects of the Regional Services offices, (including the personnel and budgets) were turned over to PCEA by the Ministry of Agriculture. During 1958 the Peruvian Congress approved the establishment of the National Research Programs under PCEA in the following fields: potatoes, beans, rice, corn, cereals, pastures and livestock.

The Minister of Agriculture in a letter dated March 24, 1959 to the Director of USOM requested that technical assistance be extended to agricultural research for an additional five years. This should indicate the importance that the Minister attaches to continued technical guidance.

The project carries out the agricultural research program of the host government. It is directed and managed by a Peruvian project leader. He has general responsibility for research conducted in 4 regional stations, various farms and test fields, and operates the research programs of the Ministry of Agriculture. The agricultural research project staff includes 79 agricultural graduates serving as directors, research leaders and specialists, 53 technical assistants, 32 persons in administrative support including accountants, clerks and secretaries, and 481 laborers. The rubber development activities are centered in Tingo Maria and include a staff of 2 graduate specialists, 11 assistants and 57 laborers. Seven U. S. specialists are serving, during FY 1960, as full-time technical advisors.

These specialists for technical support of agricultural research are provided by North Carolina State College through a contract between North Carolina and SCIPA financed by ICA. The original contract was for a period of about 3 years ending on November 6, 1957. It was extended to December 31, 1959. (Renewal of this contract for a period of one year has been agreed upon.)

The Chief of the North Carolina Mission provides technical and administrative guidance to the Peruvian Director of PCEA. The Peruvian Director and the North Carolina staff are responsible for (a) surveys of agricultural research to determine needs for improvement, (b) research assistance and supervision, (c) teaching and training graduate students and staff at the National School of Agriculture, and (d) assistance in analysis of data, interpretation and presentation of results, including concise scientific writing.

Peru has a population of approximately 10 million people, is increasing at a rapid rate and has about 1,800,000 hectares of land under cultivation. This is an average of about 0.18 hectares of land per inhabitant under cultivation, one of the lowest in the Western Hemisphere. Hence, land which has been under cultivation for

centuries, land recently put under cultivation and vast areas never before cultivated must produce increasingly larger crops. This can only be accomplished by solving the accumulated problems on long-cultivated lands, answering problems on the developed new land and learning how to utilize the uncultivated lands. To do this will require a sound research program in agriculture which, in turn, requires an adequate staff of well-trained and well-paid local specialists, well coordinated studies, and facilities for investigation. Support must be continued until Peru has a nucleus of trained people and an organization to solve her own agricultural problems and, thus, to serve as the basis for widespread increased production. The essential activities of the project are as follows:

(a) To study and determine means for developing new land for agricultural production;
(b) To carry out investigations in production of crops and livestock which will result in methods for expanding production, improving quality and increasing farm incomes and profits;
(c) To provide technical guidance of rubber development research and to propagate and distribute improved disease resistant, high yielding clonal materials;
(d) To publish and disseminate research information for the use of the Extension Service, farmers and other interested agencies and organizations;
(e) To promote distribution and propagation of proven and adapted plant materials and high quality breeding animals among farmers and local associations;
(f) To cooperate with other agricultural institutions of the Western Hemisphere in experimentation through consultation and exchange of information and personnel;
(g) To train Peruvians in experimental agriculture by selecting qualified persons for study abroad and by working with local specialists, professors and students; and
(h) To provide for the operation and development of the Experiment Stations at Tingo Maria and La Molina, and the administration of PCEA through a central Lima office.

2. Specific Activity Targets or End Results of the Project

(a) To train and develop a devoted and qualified research staff of Peruvians and instill in them high standards of performance;
(b) To assist and guide in formation and establishment of a research program that includes and is limited to the most critical problems and urgent needs of the crops and livestock of Peru;
(c) To create an effective well-balanced research organization with strong project leadership, with necessary divisions of activities;
(d) To develop a unified, coordinated system of stations and sub-stations or regional centers carrying on scientific and practical experimentation based on good understanding of prevailing conditions and within limits of available resources; and
(e) To develop vital information to bring about higher and more dependable production of crops and livestock for food and for export.

3. Progress Toward Achievement of Activity Targets

a. Work Accomplished to Date

The research needs of Peru have been surveyed and the result and recommendations made available in several reports. In general, the recommendations have been accepted and put into effect.

Cacao clones from the Pound collection have been tested for resistance to "witches broom", quality and productivity. They

have been found to be far superior to types presently cultivated in Peru. These, along with certain lines from the United Fruit and Trinidad, are being increased this year under contract with the Banco de Fomento for distribution in the Tingo Maria area. A new technique of making cuttings has been perfected which should allow for a much wider propagation of materials.

The Sugar Drip variety or sorghum has proven to be an excellent forage for cut feed on the coast. This is particularly true during the months when insect problems make corn planting difficult, and also in areas where irrigation water is scarce. Seed supplies have been multiplied and are sufficient for general distribution.

Four new potato hybrids are being released this year in the Sierra. They have shown a good increase in yield, are of excellent quality, and have some resistance to frost and late blight.

This year the corn program of the National School of Agriculture, sponsored by PCEA on the coast, obtained commercial productions of one double cross, three top crosses, and a synthetic variety. Commercial fields on the coast are producing around 150 bushels per acre.

A new variety of wheat for the coast, resistant to stem rust, was released last year. Several varieties for the Sierra are being multiplied this year for release. Several new barleys are also in the first year of multiplication for release for commercial production.

A new variety of rice was released in 1956 yielding 20 percent more than standard varieties. Fertilization studies indicate economic responses to applications of Nitrogen in amounts up to 100-120 kg. N/Ha.

A new variety of chick pea was distributed in 1957 and a new high yielding variety of hemp was distributed in the Lambayeque area the same year.

A new bean variety (California) proved to be high yielding and of acceptable quality on the coast. A virus-free lot of seed is in multiplication for distribution next year.

Three U. S. varieties of onions have shown good ability to produce on the coast during those seasons of the year, when the commonly grown Arequipeña Variety is scarce. Herbicide tests have proven effective in controlling weeds in this intensive crop.

Specific financial and managerial plans for the establishment of large plantations of rubber were formulated and published as a guide to prospective interested groups.

Under the Rubber Development Program, suitable clonal material is now being distributed to small farmers. The first small farm planting came into production in 1957. Private investors have developed interest in establishment of several plantings of 500 to 1,000 hectares in the Tingo Maria-Pucallpa area. Plans have been developed to guide such investors.

The project operates under a capable Peruvian Director with 132 local technicians who are being up-graded by good in-service training. In most cases men with greater potentialities have been elevated to positions of leadership, such as to the positions of Station Directors and Heads of Departments.

The list of PCEA publications to date totals about 200. This is generally considered to be a very substantial flow of information going to and influencing farmers and agricultural technicians in all parts of Peru.

b. Work Remaining to be Done

In administration, technical assistance will concentrate on good management of stations and the National Research Program. Better organization is required so that the broad country-wide program will make more effective use of the limited funds, facilities, and human resources. Advisers must continue to assist in the technical training, planning, implementation and coordination of both laboratory and field activities. Technical assistance will be extended to the National School of Agriculture to improve basic and graduate training in research.

c. Progress Toward Achievement of Project Targets

The project is behind schedule due to the following staff problems: (a) poorly trained employees at the start; (b) those with good training often had little experience or authority; and (c) many promising persons obtained higher paying positions elsewhere. However, substantial progress has been made in reorganization, in placing men with better training in positions of leadership, and in starting programs of research. A competent Peruvian Director is in charge of the program, and good productive work is being done in many sections.

4. Nature of U. S. Contribution - Direct Support

(a) Previous Fiscal Years

Since the signing of the North Carolina College contract in 1954 until the end of FY 1959, the College provided 27 long-term and short-term specialists, 12 of whom were on duty for 2 years or longer. The group included 7 in administration, 4 pasture specialists, 3 soils specialists, 2 agronomists, 2 geneticists, 2 agricultural engineers, 2 livestock specialists, 1 potato specialist, 1 entomologist, 1 nematologist, 1 poultry specialist and 1 cereals specialist. By the end of FY 1958, 5 persons had been sent outside Peru for special training. During FY 1959 3 more received training outside Peru.

The U. S. further contributed, in FY 1959 and FY 1960, the salaries of 1 U. S. (Rubber) specialist (direct-hired), a secretary, and support costs for travel, materials and supplies. These support costs were $1,700 in FY 1959 and $1,325 in FY 1960.

Prior to FY 1960, participant costs were included under the North Carolina University contract. In FY 1960 there was no provision for paying these costs by North Carolina and the U. S. contributed $14,000 for U. S. training of three agricultural research technicians.

Contract Services

The contract with North Carolina required $526,300 for CY 1955, 1956 and 1957. Subsequent amendments increased this sum by $364,000 and extended the contract to December 31, 1959 making a total of $890,300 available for the North Carolina arrangements. The money was spent as follows: Salaries and wages - $453,400, overseas transportation - $139,400; allowances - $48,600; other costs - $160,500; participants - $33,400; and overhead - $55,000.

In the proposed new contract with North Carolina, provision is made for $172,00 for costs in CY 1960.

b. Budget Year

During FY 1961 the U. S. rubber specialist will continue in the same capacity while the secretary will be transferred to PCEA under joint funds.

Technicians

Horticultural Advisor, 0437.0 (Rubber Specialist) Position N° 18-T, FSR 4/7; Technical Advisor in

development and expansion of rubber research and rubber industry, 12 months, $16,500.

Participants

Provision is made for at least five trainees in the U. S. costing $17,850, as follows:

1	Agric. Research Information	6 mo.	$ 3,650	
1	Agric. Experimental Statistics	12 mo.	5,450	
* 1	Bio. Chemistry	12 mo.	5,450	*
1	Soils Chemistry	12 mo.	5,450	
* 1	Improved seed production	12 mo.	5,450	*
1	Genetics	5 mo.	3,300	
	Sub-total		$ 28,750	
			10,900	*
			$ 17,850	

* To be implemented from program savings, or if additional funds are made available.

Other Costs

The sum of $1,000 is provided for local travel and miscellaneous costs of the rubber technician.

Contract Services

The proposed expenditures for FY 1961 (to provide for operations through December 1962) total $360,000 as follows: Salaries - $168,700; allowances - $39,000; travel and transportation - $103,900; other direct costs - $13,000; equipment - $12,200, and overhead - $23,200. The full-time employees include the Chief of Mission, Tingo Maria resident advisor, livestock advisor, geneticist, soils advisor and pasture advisor. Salaries also cover 4 short-term specialists and a North Carolina campus part-time business manager.

5. Nature of Contributions from Joint Funds

a. Prior Calendar Years

The sum of $2,948,000 was spent for agricultural research projects prior to CY 1959. This amount included funds spent prior to CY 1954 under the USDA cooperative program at the Tingo Maria Station. In CY 1958, joint fund expenditures amounted to $324,300 (excluding carry-overs) as follows: $205,000 for salaries and wages; $23,100 for travel and transportation; $71,600 for materials, supplies and equipment which include value of inventory items transferred from OFAR of $28,800; and $24,600 for all other costs.

Under the terms of a prior agreement the USOM in CY 1959 contributed $110,000 and the Peruvian Government contributed $300,816 to the joint fund. In addition, over-agreement contributions from the Ministry of Agriculture amounted to $27,300 (S/682,946) for regional research. In CY 1960 the U. S. included in its contribution to the joint fund, an amount of $110,000 and the cooperating country $310,000, to support the agricultural research program.

b. Budget Year

In CY 1961 the U. S. was expected to include the amount of $110,000 in its contribution to the joint fund, and the cooperating country increased its support to $320,000. The increase was largely to cover cost of living, merit and promotion costs, amounting to about 4% of salary costs in FY 1961.

6. Nature of Cooperating Country Contribution - Direct Support

A. Previous Calendar Years

Direct cash payments from the Peruvian Government in

CY 1959 included (a) $40,000 (S/1,000,000) for personnel and other costs at Junin and Lambayeque Stations, (b) $18,400 (S/460,000) for personnel and other costs at Puno and Arequipa sub-stations, and $20,000 (S/500,000) for the Rubber Program from the Agricultural Development Bank.

In CY 1960 the Peruvian Government was expected to provide a total of $225,000 distributed as follows: $63,000 for personnel and other costs at Junin and Lambayeque, $20,000 for the Rubber Program, $28,800 for rotating fund, $110,000 for use of facilities, equipment and rental value of buildings and land; and $3,700 credit for rental value of facilities and land used in the rubber development program.

b. Budget Year

It is anticipated that the same contributions provided in CY 1960 will be made available.

7. Contribution from Other Sources - Relationship to Other Projects

The Rockefeller Foundation has agreed to provide $40,000 over a period of 5 years beginning January 1, 1959. In April and July 1959 it contributed a total of $10,000 for the project. It also contributed about $35,000 for a wheat program and $5,00 for a bean program.

The National Science Foundation of the U. S. contributed $15,000 from 1955 to 1958 of which $1,600 is yet unexpended.

The freight costs amounting to $4,963 were provided by FAS of USDA for 19 Brown Swiss heifers in connection with a Project Agreement N° 2-43-59, which covered a program for Market Development, U. S. Dairy Herds, and the project works closely with FAO, OAS, and various other outside activities. It is closely associated with certain other SCIPA projects including administration for overall supervision and services, extension for guidance on important problems and release of new findings, soils for soil analyses and fertility problems, livestock through such activities in regional stations and Tumbes for assistance in general agricultural problems.

8. Financial Considerations

The pipeline of $44,000 carried over from FY 1959 consisted of home leave commitments for the U. S. specialist and the balance due on North Carolina contract. The indicated pipeline of $207,000 at the end of FY 1960 is composed of delayed charges for the training program and the North Carolina Contract.

9. Financial Considerations - Direct Hire

The program has been prepared with provisions for continuing the North Carolina Contract because this method of operation is preferred; but arrangements for CY 1960 and beyond are not complete. Necessary technical advisory assistance to the entire project could be provided by direct hire. If the contract extension is rejected by North Carolina, or for other reasons not found to be satisfactory, the Mission would immediately submit an alternate direct-hire plan for advisory technical assistance.

10. Cooperating Country - USOM Coordination

Ministry of Agriculture, other Peruvian agricultural leaders and the Mission have given much thought to the future of this vital activity. They are in agreement that a project in agricultural research should be continued as a SCIPA activity until provision can be made for firmly establishing the research organization as an entity of the Ministry of Agriculture. Local officials strongly prefer continuing U. S. technical assistance through North Carolina State College. The USOM recommends continuation or renewal of the contract as the preferred method of carrying out this project, and, in general, government officials are in agreement with plans for the budget year as presented.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-18-917	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Agricultural Credit and Cooperative Development (SCIPA Project "P")		

1 PROJECT BEGINS FY 1959 ENDS FY 1965

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) Joint Fund	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized Non-Contract	(1) Technicians Authorized Contract	(2) Participants Non-Contract U.S.	(2) Participants Non-Contract 3rd Country	(2) Participants Contract
A. All Prior Years	TC									289			80						
B. Net Deob.-Reob.																			
Current Funds		23	16	1			6												
Total Actual Year FY 1959	TC	23	16	1			6				100		322		1			1	
C. Operational Year FY 1960	TC	37	26	6			5				116				1		1	2	
D. Budget Year FY 1961	TC	27	16	6			5				132		150		1		2		
E. All Subsequent Years		112											450						
F. Total All Years		199											1,002						

2

FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/	(2) Un-Sub-Obligated 6/30/	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
Dollar Obligation and Expenditure															
All Prior Years	TC														
Actual Year FY 1959	TC				23	23	22	1	23	22	1		1	1	
Operational Year FY 1960	TC											37	37	31	6
TOTAL					23	23	22	1	23	22	1	37	38	32	6

Problems Addressed:
1. Inadequate agricultural expansion.
2. Need for improving legislation, government organization, policies or methods to encourage better use of resources (land labor and capital) for economic, political and social development.
3. Increased population and internal migration.
4. Inadequate educational systems.
5. Inequalities in distribution of property, wealth, income and social opportunity.

1. General Description of the Project

A Project Agreement dated May 1, 1958, between the Minister of Agriculture of Peru and the Mission provides to continue and, in FY 1960 and FY 1961, proposes to expand the credit activities which formerly comprised part of Project N° 527-19-909 "Agricultural Development Services".

The project proposes: (a) to organize, develop and administer, in close cooperation with the Agricultural Development Bank of Peru, a nation-wide program of agricultural supervised credit, in order to provide currently unavailable credit needs for small farmers (principally mountain indians) whose activities are directed toward production of food crops and livestock for internal consumption; and (b) to give technical guidance to local farm communities in organization and management of cooperatives, whether for sale of consumer goods, marketing of products or for credit activities.

Field agents of SCIPA Extension Service (Project N°527-11-910) provide the technical guidance and advice to borrowers.

Supervised agricultural credit in Peru was started in Mantaro Valley, in 1953, as a joint activity of the SCIPA Extension Service and the Agricultural Development Bank of Peru. Limited credit, in kind, was extended to a group of small farmers (indians) for the purpose of planting 50 acres of potatoes. The crop was grown under close technical supervision and proved very profitable. Subsequent years of experience have established that agricultural supervised credit is practical for the small farmers of Peru. Demand for this type of assistance has rapidly increased. It supplies a broad need for limited amounts of credit for a large group of farmers who are in a depressed economic status.

The project agreement directs SCIPA to carry out the following activities:

(a) Conduct survey studies of the agricultural credit situation, facilities, and needs of the three geographic regions of the country;

(b) Develop plans in cooperation with the Agricultural Development Bank of Peru and carry out demonstrations of functional credit systems to determine an appropriate supervised agricultural credit system for Peru;

(c) Organize a national "Supervised Agricultural Credit Service", utilizing such services of the Agricultural Extension Service and Regional Services of the Ministry of Agriculture as available for providing technical guidance to borrowers;

(d) Develop agricultural cooperatives and marketing facilities;

(e) Train Peruvian personnel, both in administration and agricultural credit techniques;

(f) Establish field offices in all regions of Peru within limits of available funds and trained personnel; and

(g) Assist in drafting basic legislation necessary to establish the Supervised Agricultural Credit Service as a permanent agency of the Peruvian Government.

The agreement further states that the Ministry of Agriculture will provide operational monies and assume responsibility for obtaining loan capital through local sources. It also provides that the U. S. Agricultural Credit Specialist may serve as Acting Director of the project for a period not to exceed one year, which provision was followed.

SCIPA is exempt from responsibility for loan losses up to 20%. Such loan capital that is not recovered, after appropriate action, is a loss assumed by the Peruvian Government.

2. Specific Activity Targets or End Results of the Project

(a) To train a Peruvian project director and to place him in charge of the project by April 1, 1959.
(b) To establish 3 Regional offices with ten field offices under the jurisdiction of each.
(c) To incorporate all supervised agricultural credit activities of SCIPA under the project by May 1961.
(d) To train a corps of Peruvians for carrying out duties in the central, regional and field offices in readiness for expanding activities.
(e) To test and study credit and cooperative methods and needs in offices in all regions of the country (Special effort is directed toward reducing the costs of small loans).
(f) To establish by 1965, a national credit institution or service, with functional legislation, as an entity of the Peruvian Government.
(g) To provide guidance to low-income rural families in operation of cooperatives and the wise use of credit through which they can better their economic status.

3. Progress Toward Achievement of Project Activity Targets

a. Work Accomplished to Date

A Peruvian was placed in charge of operating the project in March 1959; the U. S. specialist, formerly in charge, was made technical advisor. All credit activities of SCIPA, except those in the Tumbes Project, are incorporated in this project.

The project has 1 regional and 9 local offices. Five offices are providing technical assistance to borrowers of the Agricultural Development Bank.

The project has a staff of 16 credit specialists, 4 fiscal office workers, 4 secretaries, 10 office assistants and 25 field foremen.

A survey of credit facilities in the 8 departments of Southern Peru has been completed, leaving the Central and Northern Zones to be studied.

The supervised credit program officially began May 1, 1958. Since the, 4,000 small farmers in 150 communities have obtained credits from the five offices in the Department of Puno, to finance the purchase of 1,487,130 lbs. of selected seed, 1,350 long tons of guano, and large quantities of disinfectant, insecticides and fungicides distributed from the same offices. These farmers contracted 8,000 hours of tractor work and bought 132 new knapsack sprayers. Even though plagued with frosts or droughts, these farmers have been using modern methods to control pests and diseases on their 2,500 acres of potatoes and 3,948 acres of other crops. Farmers in the credit program are introducing new varieties and are testing the use of inhibitors which prevent sprouting of potatoes in storage. Supervised credit has proved the value of modern methods to these impoverished farmers and has won their confidence, so that better livestock practices, better pastures, and better grains can be introduced in the future.

b. Work Remaining to be Done

Approximately 8,180 families are receiving credit and technical assistance in the areas served by credit offices, but at least 20,000 families in these limited areas are estimated to need help each year. Credit Offices are established in only 5 out of the 23 Departments of the country. Obviously there is a need for additional offices to supply credit to small farmers. Plans were prepared for opening 17 new offices in 6 additional provinces, but sufficient funds were not available to carry out such expansion. The number of offices is being increased in accordance with availability of funds.

More emphasis will be placed on providing technical assistance to persons receiving general agricultural loans from the Agricultural Development Bank of Peru.

There is a shortage of personnel trained in supervised agricultural credit. Considerable effort and time will be devoted to in-service training in the field and in conducting courses for general credit training.

c. Progress Toward aAchievement of Targets

Progress has been restricted by delays in obtaining funds for operating expenses and by a shortage of capital for loans. The budget for 1958 anticipated the establishment of two additional regional offices and 14 field offices; this objective was not obtained. Shortage of funds is also delaying the development of an agricultural credit service complete with legislation for operation but progress is satisfactory under the circumstances. Actually, it is too early to evaluate the progress of the project in general because of the short period in operation and the relatively long period of training and general organization in the initiation of the project.

4. Nature of the U. S. Contribution - Direct Support

a. Previous Fiscal Years

The USOM provided a credit specialist for 4 months in FY 1958 and all of FY 1959 and 1960. The salaries of two bilingual secretaries and the national technician counterpart were paid during FY 1959. In FY 1960 the counterpart was transferred to the SCIPA payroll, leaving only two bilingual secretaries on U. S. payrolls for FY 1960.

One Peruvian was sent to Argentina in FY 1959 for special training in Agricultural Cooperatives. In FY 1960 two participants were to be sent to Jamaica, one to attend a workshop on marketing and cooperatives and the other to attend the University of Puerto Rico for 6 months of special training.

b. Budget Year

Services of the credit specialist will be continued and funds are provided for the salaries of two bilingual secretaries.

Technician

Agricultural Credit-Cooperative Advisor 0117.07, Position 31T, FSR 3/2, will advise the project leader, SCIPA, USOM and the Ministry of Agriculture on problems related to Agricultural Supervised Credit and Cooperatives; 12 months, $15,600.

Participants

1	#8A - Agricultural Credit Leaders	U. S.	3 mo.	$2,925
1	#9 - Agricultural Cooperatives	U. S.	4 mo.	3,400
			TOTAL	$6,325

Other Costs

They include $2,700 for 2 bilingual secretaries, $1500 for local and conference travel of the U. S. specialist, and $400 for general support costs.

c. Future Fiscal Years

It is expected that costs of about $28,000 per year will be incurred for the duration of the project.

5. Nature of Joint Fund Contributions

a. Previous Fiscal Year

For the first 7 months of operation in CY 1958, funds were used as noted under the section on "direct host country contributions".

In CY 1959 the Peruvian Congress appropriated the equivalent of about $100,000 of new funds which were used to support activities of the central office, 1 regional office and 9 field offices. This included $40,000 for salaries, $26,300 for travel and transportation, $23,300 for materials, supplies and equipment, and $10,400 for other expenses. The latter item includes $2,800 in rent. Equipment includes $12,000 for five cars, $5,500 for office equipment for 4 new offices and the 8 existing offices and $1,900 for a boat to transport personnel in the Puno Area. In CY 1960 the total funds were increased to the equivalent of $116,000 for expenses of existing offices and an additional 3 new credit offices.

b. Budget Year

The budget will be increased to the equivalent of $132,000 to provide for the addition of 3 new field credit offices.

6. Nature of Cooperating Country Contribution - Direct Support

a. Previous Fiscal Years

In CY 1958 the sum of $80,000 was borrowed by SCIPA from the Agricultural Development Bank for loan funds of which 60% was used to reimburse the Ministry of Agriculture for materials provided as loans to farmers in the previous year under Project N° 527-19-909 and the remaining 40% was loaned as sprayers, fertilizers, spray chemicals and other supplies and equipment.

In CY 1959 the "Regional Plan for the Development of Southern Peru" granted the equivalent of $40,000 from P. L. 480 funds to be used as loans for the development of Southern Peru. In addition, in CY 1959, some $282,000 worth of other credits were processed for other financial institutions of which $227,000 were for the Agricultural Development Bank, $47,000 for the Committee on Rehabilitation and Development of Arequipa, $4,000 for the Committee on Arequipa Earthquake Victim Relief and $4,000 for Loan Referrals to Credit Cooperatives.

It is anticipated that by the end of CY 1960 the $80,000 borrowed by SCIPA from the Agricultural Development Bank will be repaid. Thereafter, funds for loans will be limited to those allotted to the project by the Peruvian Government for that purpose and to those provided by other institutions which the project supervises.

In CY 1960 the Committee of Reconstruction and Development of Arequipa provided the equivalent of $48,000 of loanable funds, cooperating Peruvian organizations provided $20,000 and Credit Unions $12,000, a sum equivalent to the amount previously borrowed from the Bank. At the end of CY 1960 about $596,000 were on hand for lending purposes.

b. Budget Year

It is anticipated that the total loanable capital from all sources will be increased to $750,000.

c. Future Fiscal Years

The increase in loan funds from CY 1961 to CY 1965 will be increased by about the equivalent of $450,000, bringing the total of loan funds in CY 1965 up to $1,200,000.

7. Contribution From Other Sources and Relationship to Other Projects

In CY 1958 and prior years the equivalent of $289,300 of P. L. 480 funds in soles, were provided to the project from the sales of surplus agricultural products. Of this sum $58,700 were used for operating expenses during the first 7 months of the project and $231,300 were used for loan funds.

In FY 1959, the sum of $500 was allotted by Southern Peru Regional Development for a report outlining the possibilities of implementing agricultural development through the facilities of supervised credit.

The Supervised Credit Project works in close relationship with the "Program of Agricultural Development for the Department of Tumbes" in developing an agricultural credit program; with "Mantaro Valley Special Area Development Project" in continuing and extending credit activities, especially among groups of Indians in the Andean mountains; with the "Livestock Development Program" in increasing livestock production by small farmers; with "Agricultural Economics and Marketing Project" by providing reports each month from its Credit Agents on crop and market conditions, as well as other information that assists in making crop forecasts; with SCIPA mechinery section through financing of land preparation for 5,000 small farmers in the Department of Puno; with "Agricultural Extension and Special Crop Development Project" in conducting educational meetings, result demonstrations and training; and with the "Forestry Resources Development Program" in reforestation activities in Southern Peru.

This project cooperates with other USOM units and organizations, such as the Southern Peru Regional Development Project (SCIPS), by providing information on credit and credit facilities and technical assistance; and the Servicio of Education (SECPANE) in technical information, facilities and training; It cooperated with the OAS in training conferences on agricultural economics, in potato storage trials, and in securing crop marketing data; with FAO in a marketing study of potatoes in Southern Peru and in international training on agricultural cooperatives; with International Development Service in the exchange of credit documents and forms; with IFC and IBRD in interchange of information; and with the World Extension Department of the Credit Union National Association for organizing credit cooperatives in Latin America.

Credit agents assist in training local social workers of ILO in the Andes. Loans are made to farmers to help ILO's Centers of Influence to demonstrate improved agricultural practices.

8. Financial Considerations

A small U. S. dollar pipeline of $6,000 will be carried over from the operating year to the budget year in connection with delayed charges normally encountered in the training program. A similar amount may be expected to be carried over from FY 1961 for expenditure in FY 1962. Direct U. S. dollar costs through FY 1965 are anticipated to be approximately $28,000 annually.

9. Cooperating Country - USOM Coordination

The general support extended this project by local authorities was reaffirmed by a Congressional Appropriation of $100,000 for operating expenses during CY 1959 and by the sizeable credits made available by the Agricultural Development Bank and other organizations. The Director of the Agricultural Development Bank and the Director of SCIPA signed an agreement on August 28, 1959 further pledging close cooperation of the two organizations in developing agricultural credit activities in Peru. This, in effect, confirms the mutual agreement among the parties with regard to development of the project.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-13-918	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Livestock Development Program (SCIPA Project "R")		

1 PROJECT BEGINS FY 1959 ENDS FY 1965

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) Joint MSP Counterpart Fund	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized: Non-Contract	Contract	(2) Participants: Non-Contract U.S.	Non-Contract 3rd Country	Contract
A. All Prior Years	TC		(One half year joint funding from 527-19-909 - Reimbursable Facilities and Agricultural Development Services)																
B. Net Deob.-Reob.											(6 mos.)								
Current Funds		48	37	6			5				57								
Total Actual Year FY 1959	TC	48	37	6			5			5	288		1		3		1	1	
C. Operational Year FY 1960	TC	77	56	14			7				250				4		3		
D. Budget Year FY 1961	TC	96	66	17	6		7				250				4	1	4		
E. All Subsequent Years		380																	
F. Total All Years		601																	

2

Dollar Obligation and Expenditure — FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/	(2) Un-Sub-Obligated 6/30/	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
All Prior Years	TC														
Actual Year FY 1959	TC				48	48	31	17	48	31	17		17	14	3
Operational Year FY 1960	TC											77	77	60	17
TOTAL					48	48	31	17	48	31	17	77	94	74	20

Problems Addressed:
1. Inadequate agricultural expansion.
2. Need for improving legislation, government organization, policies or methods to encourage better use of resources (land labor and capital) for economic, political and social development.

1. General Description of the Project

This livestock development project proposes to increase production of meat, milk, wool and other livestock products. It aims to encourage an increase in supplies of meat in order to provide for present national consumer requirements and the basic needs of a growing population and, finally, to provide that the average per capita consumption of livestock products can be increased.

The project was initiated on July 1, 1958. It includes several activities which were formerly a part of the Reimbursable Facilities and Agricultural Development Services Project (N° 527-19-909), terminated on June 30, 1958. It also includes new phases of work. This project unites all activities in the livestock field and proposes to provide a more vigorous technical guidance and emphasis in this phase of agriculture.

In 1958 Peru imported 155 thousand metric tons of meat and livestock products. Yet, many of her citizens get far from enough meat and dairy products in their daily diets. This is evident by the low per capita meat consumption of 17 kilograms for 1957. Peru's livestock industry is important, but there are vast areas where more livestock can be produced efficiently through modern breeding and management methods. It is estimated that in the three new areas, in which intensive livestock development work has been proposed, there could be produced an additional 26,000 metric tons of meat annually by 1970. The project is expected to offer a means of significantly reducing the heavy foreign exchange expenditures for offshore purchases of livestock and livestock products.

SCIPA completed a study in 1958 which shows that the livestock population in Peru has remained at about the same level since 1953. On the other hand, it reveals a continuously expanding human population which makes it apparent that even the present relatively low average per capita consumption of meat cannot be maintained without increasing imports or local production. The study indicates the need for vigorous action to increase local livestock production.

The attitude of the Peruvian Government on the subject was expressed by the Minister of Agriculture in a letter to the Director USOM dated January 9, 1959 which reads, in part, as follows: "In the field of agriculture, among others, our principal objectives are to increase food production per field unit worked by small farmers; to encourage the production of meat in the country; to avoid the increasing loss of foreign exchange; and to take advantage of new potential areas that are not being used at the present time. To this end, my office requested Congress (and Congress approved) in the General Budget of the Republic for 1959, an item of S/4,500,000 (about $180,000) to carry out a program of meat production, ..."

The livestock project has three major aspects, namely, (a) establishing a favorable general situation which will encourage production, (b) developing a program for increasing livestock production in the underdeveloped jungle areas of Huallaga, Pucallpa and Jaen-Bagua, and (c) implementing a program to increase production in traditional producing areas.

Measures to be taken towards accomplishment of project objectives include: providing for a livestock census (to measure present facilities); eliminating punitive taxes on production and transportation of livestock; freeing of duties on imported breeding stock, equipment and supplies essential to development; building regional slaughter houses and cold storage plants; establishing meat grading and classification; eliminating present price controls, and encouraging developments that continue to permit free market forces to determine prices; encouraging action providing for land grants and concessions in the jungle for establishing new livestock production; encouraging effective utilization of credit for packing plants, breeding stock, fences, equipment, installations

and irrigation; organizing veterinary services with quarantine stations and animal sanitation campaigns; carrying out extension demonstrations on livestock management, ensilage, hay making, pasture and range management, fattening, finishing and meat transportation; assisting to import and distribute "Premunized" breeding stock; managing demonstration farms at Porcón, Pucallpa, Tarapoto and in the Jaen-Bagua zone; conducting effective experimental programs on livestock management and disease control; encouraging breeders of purebred stock; promoting livestock in Indian communities to obtain better use of community lands; enlarging the Artificial Insemination Service; establishing acclimatization stations in the mountains; developing a branding system; extending extension service and supervised credit into important potential livestock zones; and preparing and publishing general and special technical information to train and educate farmers and officials in livestock production.

2. Specific Activity Targets or End Results of the Project

a. To develop and implement an effective National Livestock Improvement Plan which will increase the production of meat, milk, wool and other livestock products, will be more efficient in production and distribution methods, and will provide for improved quality and processing;

b. To assure a meat supply, during the next four years, for maintaining a present consumption rate of 17 kilos per capita, through the use of an intensive program in the mountains and northern coast area; and to assure an increasing long term meat supply by a program to promote livestock production in the three proposed jungle areas (one new zone each year);

c. Annually, to move and distribute one thousand "premunized" breeding cattle to the jungle from the mountains and other areas in order to build up the cattle population;

d. To increase milk production 10 to 15% by 1962, by means of mastitis prevention, culling, feeding, and other improved management practices;

e. With the aid of, and through, the Ministry of Agriculture, to establish and revise governmental policies, codes, regulations and facilities required in growing, processing and marketing livestock and livestock products in order to increase production, improve quality and product safety, provide greater economic gain to the producer and protect and service the customer.

f. Train a corps of local technicians including veterinarians and general livestock specialists to assume leadership in government institutions and in the livestock industry, thus providing more effective general and technical guidance to the industry.

g. Provide technical and operational assistance to the Ministry, National Development Bank and other agencies and individuals in importing and distributing improved breeding stock (beef and dairy cattle, sheep, hogs and poultry).

3. Progress Towards Achievement of Activity Targets

a. Work Accomplished to Date

Much preliminary work by SCIPA and other Ministerial agencies has gone into building a basis for rapidly expanding livestock production during the next few years.

In the years prior to the establishment of the present project, SCIPA imported and distributed, at cost, approximately 23,000 head of improved livestock and 155,000 birds for small producers and communities. From 1951 to 1958 SCIPA imported about 300 beef cattle brood-stock and 300 sheep for the SCIPA-operated demonstration farms.

The "San Jorge" farm was started in 1951 as a demonstration of the economic feasibility of beef cattle production in the jungle foothills and lowlands east of the Andes. In 1958 the cattle population of that farm increased to 1,786 head, or 357 animals more than 1957, although 172 animals were sold or slaughtered. The farm now sells purebred Brahman breeding stock to producers in several regions of the country. During 1958, 100 purebred animals were sold in addition to beef animal and carcass sales. Thirty-five private investors entered the beef cattle industry in the vicinity of this farm on the basis of its success.

The highland farm, "Porcón", demonstrates modern sheep management.

Another demonstration farm at Porvenir had, at the end of 1958, 350 head of cattle. Demonstrations have been carried out to show the economic possibilities of fattening cattle and sheep in feed lots on the coast before marketing them for slaughter stock. Several producers are starting this practice, new to Peru, which will improve quality and increase the quantity of meat in the coastal markets.

Large numbers of livestock growers have been given technical assistance in management problems, particularly in disease and parasite control measures.

U. S. meat specialists have made surveys of production and distribution of meat products and recommended steps to improve the industry. These studies are used in the National Livestock Improvement Plan being developed cooperatively by personnel assigned to this project, the Ministry of Agriculture and other governmental and private agencies.

Largely through the efforts of this project a new "Regulation on Meat Marketing" was issued on August 24, 1959, which includes provisions covering meat inspection, nationally registered slaughter plants, transport of meat, classification of meat, sales, etc. Price control was abolished.

The project had in FY 1960 a staff consisting of 26 U. S. and local technicians, 13 administrative employees and 107 laborers.

In 1958 a study of the national livestock situation was completed and a step-by-step program for the years from 1959 to 1970 was developed.

b. Work Remaining to be Done

This project was started on July 1, 1958 and, after one year of operation, can only be said to be well-started.

c. Progress Toward Achievement of Targets

Three U. S. specialists recently reported for duty, namely, a veterinarian, a dairy adviser and a livestock adviser. The first two are stationed in Lima and the last one in Piura, in the northern coastal area of Peru.

A slaughter house specialist assisted during two 60-day periods in the establishment of a training slaughter house and meat laboratory at the National School of Agriculture. He served as a consultant on plans for slaughter houses on drawing boards and under construction, and also served in the preparation of meat marketing regulations.

4. Nature of the U. S. Contribution - Direct Support

a. Previous Fiscal Years

In FY 1959 USOM assigned a Livestock Adviser to the project of Reimbursable Facilities and Agricultural Development Services. Also provided were a Veterinary Advisor for two

months, and a dairy advisor for one month. In FY 1960 these three advisors were continued and a Range Management Advisor was requested for a two-year period (for six months of duty in FY 1960).

A slaughter house specialist was provided for 60 days on a direct hire basis in FY 1960.

The services of a local secretary were provided during FY 1959 and FY 1960.

In FY 1959 one local technician was sent to Costa Rica for four months' training in jungle cattle breeding; one was sent to the U. S. for 6 months' training in Veterinary laboratory techniques. In FY 1960 three participants were sent to the U.S. and three were sent to the Animal Husbandry Conference.

Costs of local travel in FY 1960 were $2,500 over that of FY 1959.

b. Budget Year

The specialists listed for FY 1960 will be continued. Other costs planned on a comparable basis to those for FY 1960.

Technicians

Livestock Advisor (Extension) 0487.07 (Specialist in Livestock Management): Position 29-T, FSR 5/7, Advisor in general livestock management and practices, located in Piura, Peru 12 months, $18,000.

Veterinary Advisor 0703.00, Position 16-T, FSR 4/5. Advisor to Mission and project leader on disease control and prevention in the livestock stations of SCIPA and the general program in order to prevent animal losses; 12 months, $18,300.

Livestock Advisor (Dairy) 0487.01 (Specialist in Dairy Management) Position 87-T, FSR 5/2: Advisor to Mission and project leader, to promote and expand the dairy industry throughout Peru and to increase and improve milk and dairy products, 12 months, $16,100.

Range Manager Advisor 0454.00, FSR 5/12. Adviser to Mission and project leader on range practices, pastures and forages to provide for more and better livestock feed, 12 months, $11,100.

Participants

1 Veterinary and Laboratory Technique	U.S.	9 mo.	$4,500
1 Meat technology	U.S.	6 mo.	3,650
1 Dairy Herd Management	U.S.	6 mo.	3,650
1 Beef Cattle Management	U.S.	12 mo.	5,450
Total			$ 17,250

Contract Services

USOM will provide an advisor in specialty meat and dairy products for 3 months costing $6,000.

Other Costs

Provision is made for a bilingual local secretary costing $1,900, local travel expenses for 4 U. S. specialists amounting to $3,500 and miscellaneous support costs of $1,600. The plans are to pay costs of this local employee with joint funds in FY 1962, or at such time when the Government's payrolls (including Servicio payrolls) can technically provide for such employment.

5. Nature of Joint Fund Contributions

a. Previous Years

The project started July 1, 1958; during the last half of CY 1958 expenditures were $57,300, of which $46,000 was derived from income largely from sale of cattle on the SCIPA farm at Pucallpa and of wool from the SCIPA farm at Cajamarca, Joint funds were spent in CY 1958, as follows: $25,500 for local salaries and wages; $4,800 for local travel and transportation; $18,200 for material, supplies and equipment; and $8,800 for all other costs. Expenditures by various offices and activities were as follows: $10,800 for administration; $6,300 for the farm "Porvenir" at Tarapoto; $11,600 for the farm "Porcon" at Cajamarca; $21,900 for the farm "San Jorge" at Pucallpa, including $3,300 for schools and hospital; $3,200 for feeding and quarantine yards; $2,400 for veterinary services; and $1,100 for general livestock tests and other activities.

In CY 1959, total expenditures amounted to $288,000 of which $70,000 was derived from project income originating largely from sale of cattle and livestock products. The funds were spent as follows: $70,300 for salaries and wages; $21,400 for travel and transportation; $13,000 for supplies, materials and equipment; $11,600 for demonstrations; $6,800 for studies and training; $8,000 for fairs and exhibits; $4,000 for farm cooperative activities; $18,000 for slaughtering facilities mostly at Pucallpa; $29,900 for breeding stock mostly females; $2,000 for immunization; $8,000 for lesser livestock activities (Sheep, goats, swine, poultry and other domestic animals); $18,000 for general services, rentals and utilities; and $7,000 for other costs. About $35,000 of the above sum was expended for livestock activities through rural extension offices. The $70,000 income served as a rotating fund and was expended for feed, other materials and breeding stock of the type which produced this income. By activities, these funds were expended as follows: $4,000 for administration, $5,000 for the farm "El Porvenir", $8,000 for the farm "Porcon", $46,300 for the farm "San Jorge", $1,200 for the feeding yard and $5,500 for veterinary stocks and tests.

In CY 1960, expenditures were expected to be about the same as those of CY 1959.

b. Budget Year

It is anticipated that the budget for CY 1961 will be $250,000 of which $180,000 will be provided from the joint fund and $70,000 will be derived from project income. Budgeted project operations will include expenditures of $193,000, as follows: $61,000 for salaries and wages; $19,800 for travel and transportation; $12,600 for equipment; $12,600 for demonstrations; $4,800 for training; $8,000 for fairs and exhibits; $6,000 for cooperatives, $38,000 for breeding stock; $3,000 for immunizations; $8,000 for lesser livestock, $18,000 for general services, rent and utilities; and $1,200 for other costs. The sum of $57,000 will be used from the rotating fund for various stock items as indicated in CY 1959, above.

6. Nature of Contributions from Cooperating Country - Direct Support

In 1957, SCIPA requested and received authorization for a loan of S/1,000,000 from the Agricultural Development Bank. The funds were to be provided over a four year period from 1957 to 1960, inclusive, and used to establish the 1,000-hectare (about 2,500 acres) cattle farm "Neshuya" within the boundaries of San Jorge at Pucallpa. In 1957, S/210,000 were provided and in 1958, an additional S/145,000 were obtained. The remaining available funds were not requested because it was decided that funds for this purpose were to be included in the project budget.

7. Contributions from Other Sources and Relationship to Other Projects

A special technical study on livestock in Southern Peru was made for the Southern Peru Regional Development Program in CY 1959 at a cost of S/21,090. It outlined the present situation, and the procedure and requirements for improvement.

Under Project N° 527-13-034 (executed June 27, 1958) $14,200 of U.S. funds was provided to improve the experimental meat laboratory and slaughtering facilities at the National School of Agriculture. These improved facilities are of substantial assistance to livestock teaching and demonstrations.

Under Project N° 527-11-033 (signed June 6, 1958) a U. S. contribution of $35,000 was made to purchase special furnishings for the new buildings of the Veterinary College constructed by the University of San Marcos. These will improve the facilities and enable technical improvement of the level of training provided for local students. The Rockefeller Foundation also assisted with funds for laboratory equipment. Buildings and campus were provided by the Government of Peru.

In FY 1959, eighteen Brown Swiss cattle consisting of 16 heifers and 2 bulls, were imported for the demonstration farm at Cajamarca, at a total cost of $12,610. The Market Development Project Agreement N° 527-43-59, signed September 19, 1958, provided that SCIPA joint funds in the amount of $7,650 would be used to cover the cost of the animals (these funds were derived from wool sales from the farm), and the FAS of USDA paid $4,960 for transportation.

The livestock development project works in close cooperation with several projects of SCIPA including "Agricultural Economics and Marketing", in preparing studies on livestock production; "Agricultural Extension and Special Crop Development", in promoting better livestock management among the farmers, improved pastures, and an adequate feed base; "Agricultural Credit and Cooperative Development" in loans to small farmers for cattle and cooperatives development; and "Agricultural Research", for new grasses and forages, for better utilization of breeds and crosses, and for dairy breed and management improvement. Its work is also coordinated with the National School of Agriculture; the Veterinary School of San Marcos University; the various stations of PCEA, including La Molina, Lambayeque and Junin; and the livestock centers of the Bureau of Colonization.

8. Financial Considerations

In FY 1959, there was a $17,000 carry-over of unexpended U. S. dollar obligations, consisting of participant costs and transfer charges for 2 U. S. livestock specialists assigned to the project at the close of the year. In FY 1960, this amount was raised $20,000 largely consisting of participant costs. The amount is considered small under existing conditions and is expected to continue at this relative level, or higher, during the remaining years of the project because this is an expanding program.

The special contributions of $280,000 (in cash and kind) provided by USOM and the 7 million soles from the Peruvian Government through the agreement of May 29, 1959 (See Project N° 527-19-906) includes additional funds for this project and the credit project as previously explained.

9. Cooperating Country - USOM Coordination

The cooperating country and USOM are giving strong support to the livestock project as a critically needed program for long-term development of food products for Peru, and as a sound program of development for vast areas of the eastern jungle. Further evidence of local support is indicated by the special Congressional appropriation of $180,000 made in 1959. The program is based on a study to formulate a "National Plan to Promote Meat Production" which was completed by SCIPA in 1958 and received widespread endorsement by government officials and leaders.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-12-919	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Land Development and Soils Conservation (SCIPA Project "S")		

1 PROJECT BEGINS FY 1959 ENDS FY 1965

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) Joint Fund	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized Non-Contract	(1) Technicians Authorized Contract	(2) Participants Non-Contract U.S.	(2) Participants Non-Contract 3rd Country	(2) Participants Contract
A. All Prior Years	TC	(One half year joint funding from 527-11-911 Agric. Machinery and Engineering Services)								680	21		N/A						
B. Net Disch.-Rech.						("J")													
Current Funds		89	50	26			13												
Total Actual Year FY 1959	TC	89	50	26			13			280	24		1,579		3		6		
C. Operational Year FY 1960	TC	66	50	9			7			60	76		1,404		3		3		
D. Budget Year FY 1961	TC	68	52	9			7			-	76		350		2		2		
E. All Subsequent Years		200											16						
F. Total All Years		423											N/A						

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Dollar Obligation and Expenditure — FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/	(2) Un-Sub-Obligated 6/30/	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/ 59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
All Prior Years	TC														
Actual Year FY 1959	TC				89	89	58	31	89	58	31		31	16	15
Operational Year FY 1960	TC											66	66	50	16
TOTAL					89	89	58	31	89	58	31	66	97	66	31

Problems Addressed:

1. Inadequate agricultural expansion.
2. Increased population and internal migration.
3. Need for improving legislation, government organization, policies or methods to encourage better use of resources (land labor and capital)for economic, political and social development.
4. Inequalities in distribution of property, wealth, income and social opportunity.

E-1	FORM ICA 10-120 (6-59) Continuation Sheet	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	Project N° 527-12-919	E-1
				COUNTRY ECONOMIC PROGRAM	Land Development and Soil Conservation Project (SCIPA Project "S")		

1. General Description of the Project

The purpose of this project is to develop a program of better land use, to meet the needs of Peruvian agriculture. This involves gathering data, making investigations, developing plans, determining priorities and directing the procedures in the fields of soil and water conservation; land reclamation; irrigation; colonization; and ground water evaluation, development and use. Consideration must be given to changing from existing land use patterns to more beneficial uses where changes in management practices will increase production. Better utilization and development of land and water resources is needed to meet the increasing needs for food supplies of a growing population.

This project was started in July 1958. It is being carried out as an Agricultural Service project with a Peruvian administrator under the general supervision of the Director of SCIPA. It saim is to establish a permanent Peruvian Government entity by 1965 to carry out the program of long-range objectives. The program is operating primarily on a contract basis on temporary projects, such as Quiroz, Tumbes, Lambayeque, etc. It is now becoming necessary to provide more adequate SCIPA financing to assure an organization that may effectively consider national objectives as stated.

The entire project employs 3 U. S. specialists, 63 national technicians, 41 administrative and office workers and 323 laborers.

This project includes the Agricultural Machinery section of SCIPA which is operated as a semi-autonomous commercial enterprise, the funds for its operation being obtained through contract services and/or disposition of inventories now on hand.

2. Specific Activity Targets or End Results of the Project

a) Continue with "on-the-job" and other training through FY 1961, for the purpose of developing an integrated corps of 30 specialists and 20 technicians in soils, agricultural engineering, farm planning, and related fields. This corps will be employed in making studies, developing and implementing plans for effective land and water use. An additional 10 specialists and 10 technicians will be included in the group for training during 1961.

b) Develop an organization framework for carrying out land use planning and soil conservation activities, including establishment of policies, methods and procedures within which the services of a skilled group of specialists may effectively and efficiently work.

c) Prepare and recommend basic legislation and regulations which will facilitate more effective development and use of agricultural resources.

d) Assist in the formation of regional and local soil and water conservation associations and/or districts. These will have local jurisdiction for regulation and administration of improved land and water use and conservation measures (including irrigation and/or drainage project, districts, or associations).

e) Within personnel and financial limitations, make surveys and plans, perform operations and various types of development including irrigation, drainage, watershed development and management, colonization and soil conservation projects.

f) Furnish technical services to assist agricultural communities, conservation and irrigation districts, government agencies and individuals in planning and carrying out land and water development and management practices.

g) Continue to provide, for a limited period, agricultural and land development machinery services on a contract basis (as provided formerly under Project N° 527-19-911). The end goal calls for transferring the trained personnel and inventory to the Peruvian Government by December 1960. Thus, services and demonstrations can be continued to farms which, for economic reasons, it is impractical for them to own and operate such equipment individually.

3. Progress Toward Achievement of Project Activity Targets

a. Work Accomplished to Date

The Agricultural Machinery Project was started as a separate SCIPA project. It terminated on January 30, 1958, when it was incorporated as part of Project "S", "Land Development and Soil Conservation". This project has had a tremendous effect on increasing agricultural production in Peru during the past twelve years of its operation. Work has been performed through machinery pools (10 presently operating), on contract, as follows:

1) By contract hour rates:

Total time pooled machinery was worked in past twelve years	1,730,804 hours
Land Clearing and Levelling	900,049 "
Farm Work	830,755 "

As one consequence of this work, 50,000 hectares of land have been placed in productive operation.

2) 380 wells were drilled for irrigation and farm use. Several hundred tractor operators and mechanics have been trained in use and maintenance of tractor equipment. (The turnover in field operating personnel is about 30% of total staff each year.)

A program of systematic preventive maintenance and repair is now in full operation and needs only a follow-up by the U. S. Advisor to complete the training of the program personnel. Awareness of the benefits of such a preventive maintenance program is being reflected in machinery operation by farmers and other private operators.

Under the technical services portion of this project, engineering and farm plans have been completed for 12,000 hectares of the Quiroz Irrigation Project. Topographic surveys, prepared on a scale of 1:2,000, were supervised and checked. Detailed soil classification maps and studies of water-soil relationships have been completed for 30,000 hectares. Planning, layout and construction were completed on 300 hectares of land. Plots were established and operated for detailed studies of physical characteristics of soils, water-soil relationships and consumptive use of water by various crops.

A semi-detailed soil map on a scale of 1:20,000 has been completed on about 60,000 hectares in the Mantaro Valley. Preliminary engineering studies of irrigation and drainage have been made in the same area.

Preliminary engineering evaluation has been made of 20 small projects in the Arequipa area.

Forty engineers and twenty technicians including student assistants have had training and have developed skills in this work.

Detailed soils, engineering, hydrological and salinity studies have been completed on about 3,500 hectares in the Pampa de Ñoco.

In Southern Peru semi-detailed and reconnaissance soil maps have been completed on approximately 25,000 hectares (62,500 acres) of land. A generalized soil map and report have been compiled on about 40,000 hectares (100 million acres). In the jungle areas of South and Central Peru, broad reconnaissance land surveys have been made on over 1,000,000 hectares (2.5 million acres).

b. Work Remaining to be Done

Training, organizational development and specialized operations are being carried on primarily by means of funds provided outside of the ordinary budgets (obtained for contracted services). The magnitude and extent of this work in the future depends on the amount of funds provided and agreed scope of work to be undertaken.

(1) Watershed and irrigation studies have been started for the Chancay river watershed in the coastal zone. These studies will be continued.

(2) Preliminary work has started at Tumbes. This includes design and construction of a 2,200 liter/sec. pumping plant. Detailed soil surveys have been completed on 3,500 hectares. Additional work will be carried out in this sector.

(3) Drainage investigations are being carried out on the Lambayeque research farm. A detailed soil map has also been completed. Further investigations will be carried out.

(4) Little progress has been made in forming regional and local agricultural associations and districts for regulation and administration of the use of natural resources. This will be delayed until a larger number of local technicians have been trained and the Peruvian Government is prepared to concentrate on this phase of the plan.

(5) Plans are in progress to complete a study for a report on the soils of Peru by the end of FY 1960.

c. Progress Toward Achievement of Project Targets

The Machinery Program portion of the project is to be phased out as a SCIPA activity on December 31, 1960 for the following reasons:

(1) It has proven the feasibility of commercially operating machinery pools in Peru.

(2) Mechanized farming has been demonstrated and proven successful to the Peruvian farmers.

(3) In the large farming areas the farmers have purchased their own farm machinery for routine farming operations. This has led to less demand for farm machinery pool services. However, there is an increase in the need for heavy machinery for land development.

(4) The Machinery Program now has sufficient competent personnel to carry out further commercial services for land development as a section of a Peruvian Government entity.

In other aspects of land development and soil conservation the contribution to date has largely been in training people, developing technical skills and developing the preliminary organization. Little has been done toward establishing a permanent entity for continuation of the work. However, the organization is being studied from the standpoint of developing policies consistent with Peruvian aims.

4. Nature of the U. S. Contribution - Direct Support

a. Previous Fiscal Years

In FY 1959 and 1960, the U. S. contributed a Soils Advisor to guide the soils aspects of the project, an Agricultural Engineer to provide technical guidance in matters pertaining to land reclamation, soil conservation and irrigation, and a Farm Machinery and Heavy Equipment Specialist to develop a program of maintenance in machinery operation.

In FY 1959, funds were provided for training 6 Peruvians in the U. S. at a cost of about $26,100. There were two trainees in Soil Survey, two in agricultural engineering and two in farm mechanization. In FY 1960, three participants were sent to the U. S., two in soils and one in irrigation. In FY 1959 and FY 1960 other costs were for one local secretary, local travel costs for 3 U. S. specialists and other support expenses.

In FY 1959, about $6,000 was expended for a demonstration project on preparing basic soils maps for one land area in the mountains and one on the coast. This was a non-recurring cost.

In FY 1959, two local employees were transferred from the USOM payroll to the SCIPA payroll, and in FY 1960, only one secretary was continued on U. S. funds.

b. Budget Year

In FY 1961, the Soil Advisor will be continued. The position of Agricultural Engineer will also be continued, but the technician will be replaced by an Irrigation Specialist, and the third position of Specialist in Heavy Equipment will be terminated.

Technicians

Soils Advisor, 0470.00 (Specialist in Tropical Soils), Position 22-T, FSR 4/2; Advisor to project leader in management of soils and use of fertilizers; 12 months, $12,900.

Agricultural Engineer Advisor, 0890.00 (Specialist in Soil Conservation and Reclamation), FSR 3/3; Advisor to project leader in soil and water conservation, land reclamation, irrigation and general agricultural engineering; 7 months, $13,400.

Agricultural Engineer Advisor, 0890.05 (Irrigation Specialist) Advisor to project leader in water use and irrigation practices; 5 months, $9,500.

Agricultural Engineer (Heavy Equipment), 0890.01 (Specialist in Heavy Equipment) Position 27-T, FSR 5/3; Advisor to mechanization sub-project on preventive maintenance, operation and repair of heavy equipment; 8 months, $14,400.

Participants

1 Soils Conservation	U. S.	5 mos.	$3,350
1 Farm Planning	U. S.	5 mos.	3,350
1 Soil Survey and Land Classification	U.S. & Trinidad	9 mos.	4,800
			$ 11,500

Other Costs

Other costs in FY 1961 include one local secretary for $1,800, local travel $3,500, and miscellaneous staff support costs $1,700.

c. Future Fiscal Years

The plan is to continue the project to December 31, 1965 at

which time it is hoped that arrangements will be completed to include the Soils and Agricultural Engineering activities as an integral part of the Ministry of Agriculture.

5. Nature of Contribution from Joint Funds

a. Previous Years

The project started on July 1, 1958 with only the agricultural engineering and soils services receiving joint funds. During the last half of CY 1958 gross expenditures were $20,800 (this included $7,200 from project income, mostly from engineering and soils services), these expenditures being divided as follows: $7,700 for salaries and wages; $500 for travel and transportation; $1,000 for materials, supplies and equipment; $10,000 for contract services; and $1,600 for all other expenses.

In CY 1959 expenditures were $24,000 (of which $4,000 were from project income), including: $14,500 for salaries and wages; $1,500 for travel and transportation; $1,000 for supplies and equipment of which $650 is equipment; $1,700 for contractual services; and $5,300 for other costs.

The budgets for CY 1960 and CY 1961 are anticipated to be about the same.

b. Budget Year

In CY 1961 expenditures will equal about $76,000 (of which $10,000 is expected to be from project income sources). The expenditures by sub-project activity are planned as follows: $33,400 for administration; $15,700 for the soils section; $16,800 for agricultural engineering; and $10,100 for planning activities. Administrative expenses include $13,700 for salaries and expenses of specialists working in all sections.

6. Nature of Additional Cooperating Country Contribution - Direct Support

a. Previous Years

Mechanization is operating as a semi-autonomous activity and receives no joint funds. It generates income which here is considered as a contribution from the cooperating country. In theperiod from CY 1952 to CY 1958, inclusive, income amounted to S/185,971,000, and was used to pay operating expenses and installments due on the IBRD loan. In CY 1958, income amounted to S/30,759,000, or the equivalent of $1,537,000 (at a rate of 20 soles to $1) of which $320,000 was the installment on the IBRD loan and another $1,217,000 represented costs of operations. The income was not adequate for the total loan installment and the Peruvian Government was required directly to contribute "over their previously agreed contributions" an amount of $296,000. In CY 1959, income approximated S/30,000,000 or the equivalent of $1,200,000 (at a rate of 25 soles to $1), of which $241,000 was used to pay the loan installment and $959,000 represented cost of operations. The Peruvian Government contributed "over agreed contributions" an amount of $375,000. Plan del Sur contributed $4,000 for rural project offices.

In CY 1960, income was maintained at about the same level of $1,200,000 and an "over agreed contribution" of $200,000 was required from the Peruvian Government to cover the installment on the IBRD loan. Plan del Sur made another $4,000 contribution for rural offices.

b. Budget Year

The IBRD loan obligations will be terminated in the budget year, and it is anticipated that the mechanization activities will provide $150,000 for the final loan installment before termination of the sub-project. An additional payment of

$200,000 from the Peruvian Government is expected to be required to cancel the loan obligation.

7. Contribution from Other Sources and Relationship to Other Projects

Mechanization activities in this project were previously a part of Project N° 527-19-911, "Farm Machinery Program and Agricultural Engineering Services" (SCIPA Project "J"), executed on January 4, 1954. This project obtained two loans from the IBRD to acquire machinery -- one for $1,300,000 was granted on July 9, 1952, and another for $1,700,000 was granted on April 12, 1954. The total loans, with interest costs, were $3,516,000. On December 31, 1959, an estimated $2,817,000 will have been repaid, of which $2,146,000 would be expected to be received as income from mechanization pools and $671,000 of additional funds are to be provided by the Peruvian Government as an over agreement contribution in accordance with the IBRD loan agreement. The Peruvian Government's payment in 1959 was $374,500, or more than half of the total amount required of it by the end of CY 1959. Repayment of the first loan was completed on July 15, 1959, leaving a balance of $699,000 on January 1, 1960 to be repaid by July 15, 1961. On June 30, 1959 the equipment in the pools, valued at $784,000 (S/25 per $1), consisted of 145 tractors and motor graders, 127 implements and attachments, 34 cars, trucks and pick-ups, and 71 tanks and trailers.

By virtue of an agreement between USOM and the Ministry of Agriculture entitled "Agricultural Development of the Quiroz Irrigation Project, Piura", dated July 9, 1957, SCIPA assumed responsibility for planning, execution and completion of clearing, mapping, soils studies, cost studies and planning, related to the second development phase of the Quiroz Irrigation Project in Piura. Another contract signed on February 3, 1959 supplemented the Special Project funds allocated to SCIPA under P. L. 480 for the Quiroz Project to S/25,500,000, or $1,010,000 (25 soles per $1). Of this amount, S/17,000,000 was due for contribution by the end of CY 1958, S/7,000,000 was due on June 30, 1959 and S/1,500,000 was due on March 30, 1960. A total of S/23,600,000 was actually provided by July 1, 1959.

In CY 1959, SPRD provided $3,900 to the Soils Section for soil capability studies of the Departments of Southern Peru.

The International Course on Irrigation and Drainage was carried out in Lima from February 16 to April 11, 1959, under the auspices of the O. A. S. (Project 39, Andean Zone). The First Latin American Irrigation Seminar was held in Peru, October 5 to 16, 1959, in cooperation with representatives of FAO and OAS.

Close cooperation with various other projects of SCIPA is provided, particularly with Agricultural Extension, Agricultural Research, Agricultural Supervised Credit, Economics and Marketing, Forestry, Tumbes Area Development and Mantaro Valley Development. Close working relationship exists with SCIF, La Molina Experiment Station, Project 39 - "Zona Andina" of the OAS, FAO, and the Ministries of Agriculture and Public Works.

8. Financial Considerations

After 1961 the U. S. technical staff will be reduced to two with total direct funds of about $50,000 required annually for this purpose. Additional financing will be required by SCIPA to provide agricultural engineering services on a broad scope as indicated in the project agreement.

9. Cooperating Country - USOM Coordination

In the early days of technical assistance in Peru, tools, machinery and equipment were required to modernize agricultural operations. As a result, the Ministry of Agriculture and the Chief of the Food Mission established various projects to promote the use of better tools and equipment and

to provide farm machinery services. This long-term program may be credited with a substantial contribution to the present mechanization of farms on lands in the coastal area of Peru. The need for this program has decreased in recent years as private dealers have been encouraged to establish agencies and training facilities to service most types of common farming equipment used in Peru. By mutual agreement with the Government it was decided, as development requirements change, to aim machinery activities toward work requiring heavy equipment, such as land reclamation, irrigation and access roads. Mutual plans call for these machinery activities to be discontinued by the end of CY 1960 because the progress made in the interim will not require further urgent pioneering. It is agreed, however, by the Minister of Agriculture and the Mission that the project must be continued to promote land development in areas which cannot, at present, be expected to be reached conveniently through other facilities, private or public. In the future this will include more emphasis on development jungle land which is a great undeveloped potential in Peru.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED: October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION: UNCLASSIFIED	COOPERATING COUNTRY: PERU	PROJECT NO.: 527-17-920	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE: Forestry Resources Development Program (SCIPA Project "L")		

1

PROJECT BEGINS FY 1959
ENDS FY 1961

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) Joint MSP Counterpart Fund	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized: Non-Contract	(1) Technicians Authorized: Contract	(2) Participants: Non-Contract U.S.	(2) Participants: Non-Contract 3rd Country	(2) Participants: Contract
A. All Prior Years	TC																		
B. Net Deob.-Reob.																			
Current Funds		19	12	5			2												
Total Actual Year FY 1959	TC	19	12	5			2				72				1			1	
C. Operational Year FY 1960	TC	31	17	6	6		2				71				1	1	1	1	-
D. Budget Year FY 1961	TC	20	13	5			2								1		1		
E. All Subsequent Years																			
F. Total All Years		70																	

2

Dollar Obligation and Expenditure	FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/	(3) Unliquidated Obligations 6/30/	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
	All Prior Years															
	Actual Year FY 1959	TC				19	19	13	6	19	13	6		6	6	
	Operational Year FY 1960	TC											31	31	20	11
	TOTAL					19	19	13	6	19	13	6	31	37	26	11

Problems Addressed:

1. Need for improving legislation, government organization, policies or methods to encourage better use of resources (land labor and capital) for economic, political and social development.
2. Inadequate agricultural expansion.

1. General Description of the Project

This project was initiated to promote the development and rational utilization of forestry resources in Peru and to improve the forestry service and conservation organization in the Ministry of Agriculture. It is planned to establish a Forestry Service as a permanent semi-autonomous agency with highly qualified technical personnel and dependable financial resources.

The project began on January 1, 1956; the original agreement remains in force until December 31, 1959. Under the agreement, the forestry staff of the Ministry of Agriculture was transferred to the project where it operates as part of the Agriculture Service. It was thought that the old organization could be more effectively remodeled in SCIPA than in the Ministry.

Development of forestry resources is of vital importance to the economy of Peru. About 56% of the total land area of the country is forested and accounts for an annual gross production in excess of $2,500,000. Some 90% of the population who live in the coastal desert and non-forested mountains depend, for their wood requirements, upon planted trees and imported lumber.

The main activities of this project are as follows:

(a) To conduct explorations and survey studies to determine Peruvian forestry resources in the jungle, including their scientific and commercial value;

(b) To increase competence of administrative and technical employees by training and setting up higher qualification standards;

(c) To assist in drafting legislation to establish a National Forest Service;

(d) To maintain nurseries for the purpose of providing planting stock, to insure perpetuation of valuable indigenous flora and to introduce new species;

(e) To carry on research and studies in classification, in uses of wood and forestry products, lumbering methods and on adaptability of new species;

(f) To provide technical guidance to the government, private individuals and organizations on the development and use of forestry resources, on improved forests and on wood-lot management;

(g) To demonstrate, in different areas of the country, forestry management, development, planting, new species, soil conservation and water control; and

(h) To establish tree planting and reforestation as a profitable activity of land holders and farmers.

2. Specific End Results of the Project

(a) To determine the extent and kind of usable timber and forest resources in the jungle in order that these resources can contribute to the national economy;

(b) To conserve forests so that these resources are not wasted or destroyed and that forest products will continue to be available for future generations;

(c) To increase existing national forest resources to provide for the needs of an expanding economy;

(d) To aid in better utilization and development of forest resources through more adequate knowledge of techniques, better methods and tools, so that full value of these resources can be realized; and

(e) To conserve and control soil and water by stressing reforestation and forestry management.

3. Progress Toward Achievement of Activity Targets

(a) Work Accomplished to Date

Forest reconnaissance surveys started on January 1, 1956, and have been carried out in five selected areas, three of which were under consideration for development as "National Forests". Progress in detailed analysis of the national forest resources has been slow due to lack of trained personnel and funds.

Three National Forest areas have been established by the Government of Peru. Detailed management plans were developed and placed in operation in the Pucallpa National Forest, an area of 255,000 hectares.

A course in forest measurement and reconnaissance surveying techniques was given to a group of students of the La Molina School of Agriculture in 1957. In 1958 all the forestry staff of the Ministry of Agriculture was transferred to the project, under a Peruvian Director. This allowed for coordinated effort and anticipated the establishment of a Forestry Service in 1960. The Peruvian Government provided supplemental funds: (1) to expand nursery production of planting stock and (2) to distribute this stock to Indian farmers in areas affected by drought in Southern Peru during 1957 and 1958. Approximately 3 1/2 million seedlings will be produced during the coming year. Production in the former Ministerial nurseries has also been greatly expanded.

Special emphasis was given, in FY 1959, to assisting the Peruvian Government to prepare legislation to create a National Forest Service. A draft was submitted to the Ministry of Agriculture and reviewed. A second draft has been completed and submitted.

Exploration trips into the Peruvian jungle were made to find native forests for development. What may be a promising area with good soil and a concentration of Cedro was discovered along the Manu, Madre de Dios and Inambari rivers, an area possibly including some 500,000 hectares of harvestable timber. The area was closed to colonization for a period of two years, pending further studies. *a considerable

The project has an able Peruvian leader, a staff of 12 specialists, 35 employees, and 40 laborers.

b. Work Remaining to be Done

In FY 1960, the legislation for a National Forest Service awaiting presentation to Congress. After enactment, the project should be continued under SCIPA for a period of time sufficient to provide for organization and establishment of the Forest Service under the new law, and to finish technical guidance, as needed, for a reasonable period of time.

c. Progress Toward Achievement of Activity Targets

The project aims will be realized with the establishment of the organization. This should require approximately one year.

4. Nature of the U. S. Contribution - Direct Support

(a) Previous Fiscal Years

From FY 1956 through FY 1960 the U. S. provided a Forestry Adviser for general technical supervision and advice to the project. Direct U. S. funds were provided to pay costs of the U. S. technician.

Other costs in FY 1959 amounted to $2,129 for local travel of the U. S. specialist, supplies, materials, contractual services and minor equipment. In FY 1960

other costs covered the same general items but were reduced to $1,775. A short-term palm specialist was being secured in FY 1960 at a cost of $6,000; his purpose was to study palms in the jungle and their potentials for commercialization. In FY 1959 one person was sent to Costa Rica for training in wood utilization.

In FY 1960 one person was sent to the U. S. for training in forest establishment and management, at a total cost of $5,450. In prior years, three staff technicians were given special training outside of Peru.

b. Budget Year

In FY 1961 the USOM will provide the continued services of a Forestry Advisor and train one participant in forestry. Other costs will amount to $2,575, of which $1,800 is for local travel of the U. S. specialist, the remainder being for supplies, materials and contractual services.

Technician

Forestry Advisor, 0460.00, Position 20-T, FSR 5/7; General Advisor to USOM, Ministry of Agriculture, SCIPA and Project Leader in program planning, forestry legislation, operations, commercialization of forest products; 12 months, $12,700.

Participants

1	General Forestry, in the U. S.	12 mo.	$5,450

Other Costs

The sum of $2,225 will be needed for local and conference travel expenses and other minor costs. The project has no local personnel paid with direct U. S. funds.

c. Future Fiscal Years

It is not anticipated that the project will be continued beyond the budget year.

5. Nature of Contribution from Cooperative Service Joint Fund

"Joint funds" include special monies appropriated or assigned specifically to this project by the Peruvian Government, plus funds generated from commercial operations in National Forests, and other operational income.

a. Previous Years

The GOP appropriated and contributed to the Cooperative Service S/.844,504 (about $33,800 U. S.) for operations in CY 1959. In addition, annual operating receipts amounted to S/.650,000 (about $26,000 U. S.). These funds were available for operating expenses. The Ministry of Agriculture also contributed for reforestation: $2,000 for Cuzco, $2,000 for Puno, and $1,920 for Ayacucho. The Regional Plan for the Development of Southern Peru provided $6,708 for forestry activities in Southern Departments.

GOP contributions were increased in CY 1960 to $37,000, to meet additional costs resulting from greater jungle survey and development activities. Receipts from sales of timber and nursery stock amounted to $24,000. Contributions from the Ministry of Agriculture for reforestation in Southern Peru were $6,000 and Regional Plan for Development of Southern Peru added $4,000 for special forestry development activities.

Gross expenditures in CY 1959 amounted to $72,400 which were received from sources as indicated above. The funds were expended as follows: $50,800 for salaries and wages; $5,800 for travel and transportation; $10,400 for materials, supplies and equipment; and $5,400 for all other costs.

In CY 1960 $70,700 from the "Joint Fund" and income will be expended as follows: salaries and wages $53,200; travel and transportation $5,900; and all other expenses including supplies and equipment $11,600. By activities these same expenditures were: administration - $17,100; forest service - $34,200; reforestation program - $17,000; and research activities - $2,400.

b. Future Years

It is anticipated that the project will be transferred to the Ministry at the end of CY 1960; therefore, no future funding through joint funds will be required.

6. Nature of Cooperating Country Contribution

See 5 above. Cooperating country's contributions were made to the joint fund and are reflected on the E-2 table.

7. Contributions from Other Sources and Relationship to Other Projects

In CY 1959 FAO sent one trainee to Russia at a cost of about $6,000 to study Commercial Woods. The OAS sent one Peruvian to Costa Rica to study Tropical Forestry at a cost of $4,000. FAO brought a specialist on forestry laws from Rome to assist in the preparation of National Forest Service legislation.

In cooperation with Project 39 of OAS, trials in plantations of eucalyptus and various pines were established in various regions (seed was imported from Australia).

Studies in lumbering and sawmill operations were carried out in two zones under the leadership of an FAO forester assigned to Peru.

8. Financial Considerations

The pipeline of $11,000 is considered normal. The carry-over consists largely of participant costs. A similar amount is expected to be carried forward from FY 1961, and would be for the same purposes. No further funding for this project will be required.

9. Cooperating Country - USOM Coordination

The cooperating country is in accordance with the plans to terminate this project at the end of CY 1960.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-12-002	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Construction and Development - Quiroz Irrigation Project (A loan project under authority of Section 104(g), P. L. 480, Title I)		

1 PROJECT BEGINS FY / ENDS FY

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) MSP Counterpart	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized: Non-Contract	(1) Technicians Authorized: Contract	(2) Participants: Non-Contract U.S.	(2) Participants: Non-Contract 3rd Country	(2) Participants: Contract
A. All Prior Years		6,476								6,476									
B. Net Deob.-Reob.																			
Current Funds		3,425								3,425									
Total Actual Year FY 1959		3,425								3,425									
C. Operational Year FY																			
D. Budget Year FY																			
E. All Subsequent Years																			
F. Total All Years																			

2

Dollar Obligation and Expenditure — FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/58	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
All Prior Years		6,476													
Actual Year FY 1959					3,425	3,425		3,425		3,425					
Operational Year FY 1960															
TOTAL		6,476			3,425	3,425		3,425		3,425					

Problems Addressed:

E-1	FORM ICA 10-120 (6-59) Continuation Sheet	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	Project N°527-12-002
				COUNTRY ECONOMIC PROGRAM	Construction & Development - Quiroz Irrigation Project (A loan project under authority of Sec. 104(g), P. L. 480 Title I)	

1. General Description of the Project

The increase of food production to provide for a rapidly expanding population is dependent, in part, on the cultivation of irrigable lands developed in the coastal region.

One irrigation project of primary potential importance deals with the use of the waters of the Quiroz River, and it is located in the Department of Piura.

The Government of Peru embarked upon the "Second Phase of Quiroz" in June 1955, to more fully utilize the waters of the Quiroz River. This effort consisted of the construction of a dam, known as San Lorenzo, to store water from the Quiroz River. It will provide water, by means of an appropriate distribution system, for approximately 40,000 additional hectares of cultivable lands. (For a more complete description of the total Quiroz undertaking see Project N°527-19-002).

The total cost of these facilities will be approximately $28,000,000, of which $18,000,000 is being made available to the Government of Peru through a loan from the International Bank for Reconstruction and Development. Foreign currency requirements will be fulfilled by the IBRD loan. In order to provide the local currency required by this project, the Government of Peru requested authorization to utilize for this purpose funds generated through the sale of U. S. surplus agricultural products.

2. Specific Activity Targets

a. To increase agricultural production through harnessing unused water from the Quiroz River and use it for irrigation.

b. To place new land under cultivation through irrigation.

3. Progress Toward Achievement of Activity Targets

The San Lorenzo Dam has been completed. Water will soon be available for irrigation of the new land to be cultivated.

The distribution system is still being more adequately developed under the phase known as "Agricultural Development of Quiroz Irrigation Project" -(Project N°527-19-002-L/C). The government has yet to put the project lands up for sale to farmers.

4. Nature of U. S. Contribution

a. Previous Fiscal Years

Loans were made, under authority of Sec. 104 (g) of P. L. 480, Title I, to provide local currency to cover costs of completing work being carried out by the contractor, Morrison and Knudsen. The loan withdrawals totalled $6,476,000 as of June 30, 1958, and an additional $3,425,000 was obligated for the above purpose during FY 1959.

b. Operational Year and Budget Year

No additional loans are anticipated as the principal construction has been completed by the contractor.

5. Nature of Cooperating Country Contributions

The cooperating country financed this project by means of a foreign currency loan from the International Bank of Reconstruction and Development in the amount of $18,000,000 and P. L. 480, Title I loans in the amount of $9,901,000 to cover local currency requirements of this construction. The Government provides a Project Supervisor to supervise project development and implementation activities.

6. Contributions From Other Sources and Relationship to Other Projects

The International Bank of Reconstruction and Development has loaned the Government of Peru $18,000,000 to assist in covering the foreign currency requirements of this project. This project is directly related to Project N°527-19-002, "Agricultural Development of the Quiroz Irrigation Project, Piura" which is being carried on by SCIPA.

7. Financial Considerations

All P. L. 480, Title I, currency obligated by USOM in support of this project has been withdrawn and subobligated by the contractor. No future obligations are contemplated.

8. Cooperating Country - USOM Coordination

This project was jointly agreed to by the Director USOM/ Peru and the Managers of the Agricultural Bank, a semi-autonomous agency of the Government of Peru.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY Peru	PROJECT NO. 527-19-002	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Agricultural Development of the Quiroz Irrigation Project, Piura		

1 PROJECT BEGINS FY / ENDS FY

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) MSP Counterpart	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized: Non-Contract	(1) Technicians Authorized: Contract	(2) Participants: Non-Contract U.S.	(2) Participants: Non-Contract 3rd Country	(2) Participants: Contract
A. All Prior Years		532								532									
B. Net Oblig.-Recd.																			
Current Funds		534								534									
Total Actual Year FY 1959		534								534									
C. Operational Year FY																			
D. Budget Year FY																			
E. All Subsequent Years																			
F. Total All Years																			

2

	FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/	(3) Unliquidated Obligations 6/30/	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY (1) Estimated Obligations in FY	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY	(4) Unliquidated Obligations 6/30/
Dollar Obligation and Expenditure	All Prior Years		532		-							--				
	Actual Year FY 1959					534	534	534	--	534	534	--				
	Operational Year FY															
	TOTAL		532		-	534	534	534	--	534	534	--				

Problems Addressed:

1. General Description of the Project

Perú is one of the world's most densely populated countries as measured in terms of population per square kilometer of cultivated land. This density of population is 586 inhabitants per cultivated square kilometer. Peru has only 1.5 percent of its area in cultivation. An increase in food production involves the development of newly arable land and better use of presently cultivated land.

In the Department of Piura there are large areas of land suitable for agricultural and livestock production. For over 100 years, the Government of Peru has been interested in using water from the Quiroz, Chira and other rivers to develop new lands. Between 1937 and 1942, the Water Bureau of the Ministry of Public Works made several important studies on the proposed diversion of the Quiroz River.

By 1948, installations for the diversion of the Quiroz River were started for the purpose of providing water for irrigation of 30,000 hectares of cultivated land between Tambo Grande and Sechura.

These installations were completed in December 1953, making it possible for the Piura Valley to irrigate this section and permitting a considerably increased agricultural production.

The installations started in 1948 and were completed in December, 1953. They provided water for irrigation in the Piura Valley and are known as the "First Phase of the Quiroz".

A "Second Phase" of the Quiroz Project consists of the construction of a dam (San Lorenzo) at an appropriate site where waters of the Quiroz River are diverted to the Chipillico River Basin where they will be stored during the season of heavy flow and surplus. The dam and an appropriate distribution system are expected to provide water for irrigation of an estimated 40,000 hectares. The dam, having a capacity to store 260 million cubic meters of water, is located 5 Kms. from the village called Las Lomas. Supplementary works consist of an intake and delivery tunnel. The main canal, "Yuscay", is 16 Kms. long, completely lined with stone masonry and cement and capable of deliverying 50 cubic meters per second. At the end of this canal a diversion structure distributes the water through three main canals bearing the names of the areas to be irrigated, i.e., Tejedores, Tablazo and Tambo Grande.

The second phase of the irrigation construction was started in June 1955 by the Morrison Knudsen Construction Company. The estimated cost is 470 million soles, of which approximately S/342,000,000 (Three Hundred Fourty-two million soles) is to be made available in U. S. Dollars ($18,000,000) through a loan from the International Bank for Reconstruction and Development to the Government of Peru, and the balance made available by the Peruvian Government from local currencies derived from the sale of agricultural surpluses provided by the Government of the United States to Peru under P. L. 480 Agreements (as described in Project 27-12-002).

During the month of May 1957, officials from the International Bank for Reconstruction and Development met with the Ministers of Finance and Commerce, Public Works and Agriculture to establish an Executive Committee to consider and recommend measures necessary to proceed with sale of lots included in the "Second Phase of the Quiroz".

As a result of the recommendations made by the committee representing the Ministries of Finance and Commerce, Public Works and Agriculture, under date of June 28, 1957, Supreme Resolution N° 123 was issued assigning the specific functions of the Ministries and their agencies, and the Agricultural Bank in carrying out the Quiroz Irrigation and settlement Project. Included among these functions, SCIPA and other agencies of the Ministry of Agriculture were assigned responsibilities for the agricultural development phases.

Under a special agreement signed between SCIPA and the Minister of Agriculture on July 9, 1957, it was agreed:

a. To utilize the facilities of SCIPA in cooperation with other agencies of the Ministry of Agriculture, in conducting studies and carrying land improvement activities necessary to sound agricultural development and utilization of the lands to be operated by future settlers of the Quiroz Irrigation Project.

b. To provide, through SCIPA, technical information to the Agricultural Development Bank of Peru, as necessary, from which the Bank would determine the most equitable valuation and sale price of the lots to be sold. Such information would include data on soils, topography, agricultural production capacity, possibilities of economic land levelling, limiting factors to maximum production, and recommend agricultural plan for representative lots in each area.

c. To establish the basis for continuing technical guidance and assistance by SCIPA to future settlers on the project, including: (1) The establishment of, and plan of operation for, two demonstration farms within the project area; and, (2) the establishment of an agricultural-irrigation district within the project area.

2. Specific Activity Targets Assigned to SCIPA

a. Utilizing facilities of its "Farm Machinery Sub-Project", SCIPA shall immediately proceed with land clearing operations on the lots included in the Yuscay-Tejedores area, involving approximately 5000 hectares, and shall extend such operations as expeditiously as possible to other areas of the Project, according to the priority of potential readiness for irrigation.

b. SCIPA shall make a detailed soils study of each lot by priority areas and prepare a soil classification map indicating major land classes according to physical characteristics and agricultural productivity.

c. SCIPA, using its own technicians and/or such others as may be appropriate, shall prepare topographical maps of each area by individual lots, on the scale of 1:2000.

d. SCIPA, utilizing information set forth in item 2 and 3 above, shall prepare a recommended plan for individual lots, together with cost estimates regarding land levelling, terracing, installation of farm unit laterals, etc., necessary to adequately and economically use available irrigation water.

e. SCIPA shall, utilizing its own technicians and/or such others as may be appropriate, conduct an agricultural-economic survey of the project area, which will include information regarding agricultural productivity and economic returns for the major soil classes established under item 2 above, and the most efficient agricultural (crops and livestock) plans for representative lots in each area.

f. SCIPA shall, with the cooperation of other agencies of the Ministry of Agriculture, select the sites and develop the plan of operation for two demonstrational farms, one of which is to be located in the Tejedores area. They will include development of plans for land levelling, an irrigation system, drainage, construction of basic facilities, etc. and shall proceed with land preparation and construction of facilities as may be agreed upon, subject to availability of funds hereunder.

g. SCIPA shall carry out such other field studies as may be deemed necessary to determine soil and water requirements, permeability, water retentiveness, etc., as related to agricultural productivity.

The Extended agreement signed on February 3, 1950 enlarged the above specific activity targets as follows:

h. SCIPA will perform the same type of work as in the Yuscay-Tejedores area, and shall proceed with tree and land clearing as may be necessary for the preparation of a topographic map(on a scale of 1:2000); to study the soils in each individual lot making a soil map and the necessary soils investigations to provide for the best use of the soil and water resources; to design systems of irrigation, drainage and conservation, for each lot; to prepare an agricultural-economic study of each of the above areas; to select a representative lot in the Tablazo area, establishing therein a demonstration farm where work shall be undertaken in land levelling, construction, irrigation and drainage systems, and basic facilities, such as fencing, housing, etc.

i. The work to be performed by SCIPA shall be completed by March 31, 1960, provided that the Ministry of Public Works submit in due time all required information.

All of the above activities are to be carried out by SCIPA at cost, and on a reimbursable basis, except that the Institute of Inter-American Affairs (ICA) will pay the salaries and other expenses of such technicians as the Institute may assign to the project.

3. Progress Toward Achievement of Targets

a. Work Accomplished to Date:

All aspects of the work in the Yuscay-Tejedores area of 5,594 hectares have been completed, and this work is described in reports as follows:

(1) Studies in Agricultural Engineering for Agricultural Development of the Quiroz Irrigation Project, Piura Yuscay-Tejedores Section. This report evaluates the soil, water situation and climate. It reports on physical properties of soil, including its water absorbing capacity, topography, estimates on consumption of water for crops, irrigation designs, cost estimates of proposed systems, systems of drainage and proposed erosion control. It presents the results of soils investigations, conclusions and recommendations; and it also includes topographic maps and extensive data on related subjects.

(2) Studies of Soils in the Agricultural Development of the Quiroz Irrigation Project, Piura - Yuscay-Tejedores Section. This report supplies information on the geological and other aspects of the valley, origin and classification of soils, specific tables on important characteristics of the soils, estimates of quantities of various classes of soils, and it attaches soils classification maps.

(3) Agricultural Economic Studies for the Agricultural Development of the Quiroz Irrigation Project, Piura, Yuscay-Tejedores Section. The report considers the economic aspects of the future development of the Quiroz area. It covers natural characteristics potential markets for agricultural products, land utilization, prospects for cultivation of various individual crops and for cattle production, estimates of income from the land, financial requirements for development of land. It discusses methods of selling lots, evaluation of land, financing of purchases and technical assistance to be provided to buyers.

b. Present Status and Work Remaining to be Done

The clearing and preliminary land leveling required by the agreement for the entire 45,000 hectares has been

completed. Topographic maps have been completed for the Tambo Grande Section and for 15,400 hectares of the Tablazo Section. The soils studies and investigations for the Tambo Grande Section are also completed. Mapping of the Tambo Grande and Tablazo areas is in progress but incomplete. Plans and cost estimates for levelling, irrigation and drainage in the latter two areas are in progress but incomplete. Demonstration plots have been established in the Tejedores and Tablazo areas, and some crop trials have already commenced.

Studies of soils in the Tablazo area remain to be done; topographic maps for about 10,740 hectares have not been completed. Farms layout drawings have been completed for 12,582 hectares, and it is estimated that about 50% of this work will be completed by the first of February 1960. Much of the remaining work has been delayed awaiting decision by the host government in determining the size of land parcels to be sold. Cost estimates have not been made on the Tambo Grande and Tablazo areas because the economics section has not completed their report on the economic aspects of these areas. It is estimated that the entire project can be completed by July 1, 1960 provided the cooperating country agencies furnish the necessary information that certain administrative decisions are taken, and that sufficient funds can be made available.

4. U. S. Contribution to the Project

a. All Prior Years

Funds have been made available to this project from local currency generated from the sale of agricultural commodities under P. L. 480, Title I. Through June 30, 1958 loans have been made under Section 104 (g) of the Act in the amount of $532,000. An additional $534,000 was made available during FY 1959.

b. Operational and Budget Years

Funds provided in FY 1959 will be sufficient for SCIPA to complete the activities set forth in Section (2) above and no additional funds will be required. The studies will be completed in April 1960. The demonstration farms will be turned over to the Ministry in January 1960. The economic study has been prepared.

Future technical assistance to the settlers in the area will be provided through the regular SCIPA Projects.

5. Contribution From Host Government.

The Ministry of Public Works has provided a resident project engineer, determined farm lots and provided maps showing boundaries of farms. The Planning Office of the Ministry of Agriculture has provided up to three agricultural specialists to assure clear understanding and coordination between the Ministry and SCIPA in project operations. Specialists are also provided by the Ministry of Agriculture and the Agricultural Development Bank to assist the U. S. advisor in making farm management and other economic studies.

6. Contribution From Other Sources

The farm machinery, engineering division and soils sections of the "Soil Conservation and Land Development" Project and the "Economic Studies" Project of SCIPA are collaborating in carrying out the work.

7. Financial Considerations

Funds provided to date will enable SCIPA to complete its obligations as set forth in the project agreement.

SCIPA's activities have laid the ground work for the development of the lands under the Quiroz Irrigation Project, but it should be noted that substantial additional investment on the part of the Government of Peru and private individualswill be needed to fully develop the area. It is estimated that up to 500 million soles (approximately 18 million dollars) will be needed for land leveling, fences, land preparation, public facilities, housing, roads, etc. Since the small farmers will, in general, lack adequate financial resources, there will be pressure on the Government to provide credit so they can develop their holdings.

Sixty percent of the receipts from land sales are to be assigned to the Agricultural Development Bank of Peru; a portion of these funds will be available for farm loans. Receipts from land sales will not be adequate to meet initial credit needs since, under the terms of sale, the purchaser can buy the land with an initial down payment of from two to eight percent (depending on the size of the lot which he buys) on terms of twenty to twenty-five years and he will not be required to make payments against capital and interest costs during the first three years. The terms of sale specified in the applicable Peruvian Legislation (Law 13240) are as follows:

Size of Lots H.	Initial Down Payment	Maximum Years for Repayment	Rateof Interest (in percent)
0-8	2 %	25	2
13 -20	4 %	20	4
21 -60	6 %	20	5
61 -80	8 %	20	6

The last two categories will include a commission charge of 0.5% against administrative and other costs.

In light of the additional needs for financing further development, the Peruvian Congress has authorized the Government to seek loans from internal or external sources.

A large portion of total P. L. 480 loan funds have been made available for use on the Quiroz project to get it to the point of distribution and development into farming units. USOM feels that farm units can be adequately financed without calling upon further loans from P. L. 480 L/C resources, although capital for supervised farm credits involving short term and medium term loans may be considered on the basis of its merits in comparison to other proposed uses. Every effort should be made to explore other local financing possibilities, including private sources for long-term farm credits for capital investment purposes.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-12-031	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Santa Rosa Irrigation Project (A loan project under authority of Section 104 (g) of P. L. 480, Title I)		

1

PROJECT BEGINS FY / ENDS FY	(A) Dollar Obligations ($1,000) Function of Funds	(1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) MSP Counterpart	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized Non-Contract	(1) Technicians Authorized Contract	(2) Participants Non-Contract U.S.	(2) Participants Non-Contract 3rd Country	(2) Participants Contract
A. All Prior Years		423								423									
B. Net Req.-Req.																			
Current Funds		173								173									
Total Actual Year FY 1959		173								173									
C. Operational Year FY																			
D. Budget Year FY																			
E. All Subsequent Years																			
F. Total All Years																			

2

Dollar Obligation and Expenditure — FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/58	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
All Prior Years		423													
Actual Year FY 1959					173	173	173		173	173					
Operational Year FY															
TOTAL		423			173	173	173		173	173					

Problems Addressed:

SECURITY CLASSIFICATION UNCLASSIFIED

A. An increase of food production to provide for a rapidly expanding population is dependent, in part, on the cultivation of new lands developed in irrigation projects of the coastal region.

1. General Description of the Project

The purpose of this project is to finance, through use of local currency provided by P. L. 480, Title I, Section 104 (g), the construction of a dam and other structures required to provide a reservoir which will make available additional water for irrigation of desert land in the area known as the "Santa Rosa Irrigation Project". The land concerned will be parcelled and distributed in farm units, dedicated generally to production of alfalfa, dairy cattle, livestock and other food crops. A farm-to-market road is to be constructed.

2. Specific Activity Targets

a. Construction of a dam and other structure to provide water necessary for further utilization of the land.
b. To bring 5,500 additional acres of currently desert land into productivity.
c. To divide the land into economic farming units for production of fruit, alfalfa, dairy cattle, livestock and other food crop for internal consumption.
d. To construct a farm-to-market road to facilitate movement of farm products.

3. U. S. Contributions

a. All prior years

Three loans of loan currency totalling S/9,473,071 ($423,000) were made under authority of Section 104 (g) of P. L. 480, Title II in support of this project up through June 30, 1958.

A Supreme Resolution of March 14, 1959 requested S/12,000,000 additional to complete the project. S/4,000,000 of this amount was obligated on June 5, 1959, leaving S/8,000,000 to be obligated as funds become available.

The total dollar equivalent of the sales obligated to this project up through June 30, 1959 totalled $596,000.

b. Operational Year and Budget Year

It is planned to make available if needed, the remaining S/8,000,000 (approx. $286,000). Requested from local currency funds generated from the P. L. 480 program in FY 1960. No further obligations in support of this project are anticipated.

4. Host Country Contribution - Government or Other Sources

This is a privately-sponsored land development project carried on by private individuals. The loan was made through the Agricultural Development Bank of Peru. No additional financial assistance has been contributed by the Government of Peru, other than approval of the required loan on the part of the Agricultural Bank of Peru.

5. Financial Requirements

All currency made available for this project has been withdrawn from the Special Account. The Agricultural Development Bank of Peru has approved a loan in the amount of S/12,000,000 for supporting this project, and the bank may be expected to request additional P. L. 480 funds for this purpose in the future as such local currency becomes available.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	[X] ORIGINAL [ ] REVISION NO.	SECURITY CLASSIFICATION	COOPERATING COUNTRY PERU	PROJECT NO. 527-12-036	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE El Frayle Dam - Arequipa (A loan project under Section 104(g) of P. L. 480, Title I)		

1

PROJECT BEGINS FY ENDS FY	(A) Dollar Obligations ($1,000) Function of Funds	(1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) MSP Counterpart	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized Non-Contract	Contract	(2) Participants Non-Contract U.S.	3rd Country	Contract
A. All Prior Years																			
B. Net Deob.-Reob.																			
Current Funds		123								123									
Total Actual Year FY 1959		123								123									
C. Operational Year FY																			
D. Budget Year FY																			
E. All Subsequent Years																			
F. Total All Years																			

2

Dollar Obligation and Expenditure: FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/58	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
All Prior Years															
Actual Year FY 1959					123	123	123		123	123					
Operational Year FY															
TOTAL					123	123	123		123	123					

Problems Addressed:

PAGE 141 OF 316 PAGES	SECURITY CLASSIFICATION UNCLASSIFIED	SHEET 1 OF 3 SHEETS TO THIS PROJECT

E-1	FORM ICA 10-120 (6-59) Continuation Sheet	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	Project N° 527-12-036	E-1
				COUNTRY ECONOMIC PROGRAM	El Frayle Dam - Arequipa (A loan project under Section 104 (g) of P. L. 480, Title I)		

1. General Description of the Project

The increase of food production for a rapidly expanding population is dependent in part, on the development and cultivation of new irrigable lands in the coastal region.

An undertaking of primary importance in expanding the irrigable acreage near the coast of Southern Peru is the "La Joya" Irrigation Project. This involves construction of an arch dam on the Rio Blanco about 100 Km. east of Arequipa and 8 Km. from the Arequipa-Puno Highway.

The dam will provide for storage and diversion of an increased flow into the Chili River during the dry season. This will make additional potable water available for the city of Arequipa and will increase the available supply of water for the "La Joya" irrigation project. Sufficient water can be stored to provide for the development and irrigation of about 36,750 acres of desert land. The dam is to be located 4,000 meters (12,500 feet) above sea level, and its height will be 76 meters including foundation.

The purpose of this project is to provide funds for the completion of El Frayle Dam, through a loan of local currency from P. L. 480, Title I, Sec. 104 (g), to provide for the city of Arequipa and to reclaim new lands in the "La Joya" Irrigation Project.

2. Specific Activity Targets or End Results of the Project

Construction of a dam to impound an estimated 60 to 80 million cubic meters of water from a 1,068 square kilometers drainage basin.

The dam will increase the minimum dry season flow by 2.6 cubic meters per second, and the average dry season flow by 2.37 cubic meters per second.

Construction of canals and other water conveying structures:
(1) to make available an additional 200 liters per second to the city of Arequipa, and
(2) to add 250 liters per second to the amount of water available to lands presently being developed within the "La Joya" Project,
(3) to reclaim lands below the "La Joya" Project.

3. Progress Toward Achievement of Activity Targets

Construction of the dam has been completed.

Work Remaining to be Done

Water from the Rio Blanco must be impounded in the reservoir area of the dam. This will require several seasons to accomplish, after which, distribution of the water will get underway. The distribution system is being extended and constructed.

4. Nature of U. S. Contribution

Local currency, in the amount of $123,000 (or the equivalent of 3,000,000 soles at the exchange rate of S/23.65 to the U.S dollar) have been made available to this project on a loan basis under authority of P. L. 480, Title I, Section 104(g).

5. Nature of Cooperating Country Contribution

The total cost of the construction stage is estimated at S/51,200,041.79, of which S/35,805,435.32 will be utilized in construction of the dam, and S/15,394,606.47 for the water conveying and distribution system.

6. Contributions From Other Sources and Relationship to Other Projects

None. This project is directed toward increasing farm production within the coastal region.

7. Financial Considerations

Major construction at the dam site has been completed and no additional U. S. assistance is expected to be required for construction.

8. Cooperating Country - USOM Coordination

This project has been carried on by means of a project agreement between the Minister of Public Works and the Director of USOM/Peru.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED: October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION: UNCLASSIFIED	COOPERATING COUNTRY: PERU	PROJECT NO.: 527-13-038	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE: Frigorifico de Productores S. A. (FRIPSA) - (A loan project, P. L. 480, Title I)		

1 PROJECT BEGINS FY ENDS FY

	(A) Dollar Obligations ($1,000)								(B) L/C Commitments or Obligations					(C)	(D) Numbers of People				
	Function of Funds	(1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(1) U.S. Owned MSP	(2) PL 480 and Other	(3) MSP Counterpart	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	Other External Financing	(1) Technicians Authorized		(2) Participants		
															Non-Contract	Contract	Non-Contract U.S.	Non-Contract 3rd Country	Contract
A. All Prior Years																			
B. Net Deob.-Reob.																			
Current Funds		92								92									
Total Actual Year FY 1959		92								92									
C. Operational Year FY																			
D. Budget Year FY																			
E. All Subsequent Years																			
F. Total All Years																			

2

Dollar Obligation and Expenditure	FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/58	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
	All Prior Years															
	Actual Year FY 1959					92	92	92		92	92					
	Operational Year FY															
	TOTAL					92	92	92		92	92					

Problems Addressed:

1. General Description of the Project

The purpose of this loan project is to finance the purchase of equipment needed in establishment of a livestock slaughter plant in the high mountain-plains producing area. The loan was made through the Agriculture Development Bank to the Frigorifico de Productores, S.A., a private concern.

Meat production falls far short of Peruvian requirements and the deficit is made up primarily by imports of livestock and dairy products. National production amounted to only 152,000 tons of meat in 1957; an additional 16,000 tons were imported. Improvement of the methods of slaughter can be expected to improve market facilities for producers and to reduce waste; and, thus, to increase the quantity of meat available for the market.

The slaughter house constructed by FRIPSA is located at Cabanillas, Puno. This is centrally located in one of the richest livestock regions of Peru, in an area of some 500,000 head of cattle, 8,000,000 sheep and 3,000,000 llamas, alpacas, etc.

One of FRIPSA's aims is to make available to the poor people of Lima and the rural areas meat of the alpacas and llamas. This meat is presently consumed in the dried form, jerky but could be distributed in Lima as frozen meat at a saving. The slaughter-house will assist in the development of an improved cattle industry in the surrounding area. It may also be expected to benefit Peru by encouraging increased production of meat as a substitute for imports, thus saving foreign exchange for other purposes.

2. Specific Activity Targets or End Results of the Project

a. The slaughter house and freezing plant, when operating as planned, will encourage Peruvian meat production by helping to facilitate meat marketing.

b. It will stimulate the development of livestock in the Cabanillas area of Southern Peru, and will help to reduce losses previously incurred from shipping cattle long distances to urban markets.

3. Progress Toward Achievement of Activity Targets

The loan financed installation of the first modern commercial slaughtering and freezing plant in the highlands of Southern Peru. It demonstrates that losses previously incurred from transporting live cattle to urban markets can be reduced. Frozen meats from the Department of Puno are for the first time, available on the large urban markets. New employment opportunities have been created in the area as a result of the installation of the plant.

The plant may be expected to encourage meat and livestock production by assisting in processing and marketing of the products. Continued operation of the plant will further demonstrate improved methods of slaughter of livestock, and will encourage the Indians of Southern Peru to increase livestock production.

4. Nature of the U. S. Contribution

a. Previous Fiscal Years

The U. S. contribution to this project, in FY 1959, was in the form of a loan of local currency, in the amount of $92,592 (at the rate of S/27.00 to one US dollar), under authority of Sec. 104 (g), P. L. 480, Title I.

b. Budget Year

It is anticipated that there will be no future contributions to the project.

5. Nature of Cooperating Country Contribution

This loan was made to a private organization through the Agricultural Development Bank, a semi-autonomous agency of the Government of Peru.

It is estimated that FRIPSA will contribute a total of $167,500 (at the rate of S/27.00 to one US dollar).

6. Contribution from Other Sources and Relationship to Other Projects

This project is related to the activities and objectives of Project N°527-13-918, National Livestock Development Program, being carried on by SCIPA.

7. Financial Considerations

No further contributions are contemplated for the project.

8. Cooperating Country - USOM Coordination

The project was jointly agreed to by USOM/Peru and the Manager of the Agricultural Development Bank representing the Government of Peru.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-18-039	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Fishery Production Cooperative "Ayllu" (A loan project under Section 104(g), P. L. 480, Title I)		

1 PROJECT BEGINS FY / ENDS FY

	(A) Dollar Obligations ($1,000)								(B) L/C Commitments or Obligations					(C)	(D) Numbers of People				
	Function of Funds	(1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(1) U.S. Owned MSP	(2) PL 480 and Other	(3) MSP Counterpart	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	Other External Financing	(1) Technicians Authorized: Non-Contract	(1) Technicians Authorized: Contract	(2) Participants: Non-Contract U.S.	(2) Participants: Non-Contract 3rd Country	(2) Participants: Contract
A. All Prior Years																			
B. Net Oblig.-Recov.																			
Current Funds		64								64									
Total Actual Year FY 1959		64								64									
C. Operational Year FY																			
D. Budget Year FY																			
E. All Subsequent Years																			
F. Total All Years																			

2

Dollar Obligation and Expenditure: FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/58	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
All Prior Years															
Actual Year FY 1959					64	64	64		64	64					
Operational Year FY															
TOTAL					64	64	64		64	64					

Problems Addressed:

E-1	FORM ICA 10-120 (6-59) Continuation Sheet	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	Project N° 527-18-039	E-1
				COUNTRY ECONOMIC PROGRAM	Fishery Production Cooperative, "Ayllu" (A loan project under Sec. 104 (g), P. L. 480, Title I)		

1. General Description of the Project

Although fishery production increased from 32 metric tons in 1945 to 453 in 1957, the increase was, in great part, exported. There was marketed during this period, only a small catch of fish for local consumption. During certain periods of the year fresh fish was scarce and very expensive.

This project was established for the purpose of financing purchase of equipment to be used for increasing the supply of fresh fish for local consumption. A loan was made to a private Peruvian concern, the Cooperative de Producción Pesquera 'Ayllu", Ltd., a cooperative composed of thirty fisherman from Chimbote, Peru, who had been operating one boat. The loan provided for financing the purchase of two 60-foot boats of 60-ton capacities, each, equipped with 250-h. p. diesel motors.

2. Specific Activity Targets or End Results of the Project

a. The cooperative was to concentrate on supplying the consumer market with fresh fish especially from December through March when meat is usually scarce on the domestic market.

b. The fish was to be sold in Lima, direct to the public or through municipally-regulated stores, at 30 to 40 percent below normal prices (to benefit the consumer).

c. The vessels purchased from proceeds of the loan, were to be equipped to handle small fish for use in the industrial segment of the economy (such as the production of fishmeal).

3. Progress Toward Achievement of Activity Targets

The Cooperative purchased two vessels. The Cooperative has been able to increase its catch of fish and to supply a large quantity and variety of fish for internal consumption.

The Cooperative has contributed to increased exports of processed fish products especially during the season of heavy catch of sardines and anchovies.

The catch of small fish for processing into meal should be increased. Although larger quantitites of fish are now available on the local market, production can be further increased.

4. Nature of the U. S. Contribution

a. Previous Fiscal Years

The U. S. contribution to this project was the local currency, equivalent to $64,000, loaned to the Cooperative through the Agricultural Development Bank under authority of P. L. 480, Title I, Section 104 (g). No further contributions are anticipated.

5. Nature of Cooperating Country Contribution

The loan was made to a private organization by the Agricultural Bank, a semi-autonomous agency of the Government of Peru.

The Cooperative put up appropriate collateral to the Bank and matching contributions in working capital and labor.

6. Contribution From Other Sources and Relationship to Other Projects

None.

7. Financial Considerations

No further contributions are contemplated for this project.

8. Cooperating Country -- USOM Coordination

This project was jointly agreed to by USOM/Peru and the

Manager of the Agricultural Development Bank, a semi-autonomous agency of the Government of Peru.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-21-006	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE U. S. Geological Survey		

1 PROJECT BEGINS FY ENDS FY 1959

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) MSP Counterpart	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized Non-Contract	(1) Technicians Authorized Contract	(2) Participants Non-Contract U.S.	(2) Participants Non-Contract 3rd Country	(2) Participants Contract
A. All Prior Years	TC	209	145	5			59							81					
B. Net Deob.-Reob.	TC	(11)	(9)				(2)												
Current Funds	TC	71	44	5			22												
Total Actual Year FY 1959	TC	60	35	5			20							9	2		1		
C. Operational Year FY																			
D. Budget Year FY																			
E. All Subsequent Years																			
F. Total All Years		269												90					

2

Dollar Obligation and Expenditure — FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/58	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
All Prior Years	TC	180		29	(11)	18	16	2	18	16	2		2	2	-
Actual Year FY 1959	TC				71	71	41	30	71	41	30		30	15	15
Operational Year FY 1960	TC											-	-	-	-
TOTAL	TC	180		29	60	89	57	32	89	57	32	-	32	17	15

Problems Addressed:

1. Need for improving legislation, Government organization, policies or methods to encourage better use of resources (land, labor and capital) for economic, political and social development.
2. Inadequate transportation facilities.
3. Inadequate agricultural expansion.

E-1	FORM ICA 10-120 (6-59) Continuation Sheet	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	Project N° 527-21-006	E-1
				COUNTRY ECONOMIC PROGRAM	Advisory Services - Mineral Resources		

1. General Description of the Project

This project was established in July 1945 for the following purposes: a. to train national geologists through practical experience in geological field investigations and scholarships for advanced training in the U. S.; b. to provide assistance in the reorganization of a national geological survey organization. c. To disseminate information pertinent to the nation's mineral resources.

2. Specifc Goals of this Project

a. To build an official Peruvian geological organization with an adequate staff of well-trained, competent geologists to better serve government agencies and private industry.

b. To improve the national technological level in the field of geology.

c. To provide and publish information on mineral resources.

3. Progress Toward Achievement of Activity Targets

a. Work Accomplished to Date

1) Thirteen geologists assigned from the "Instituto Nacional de Investigaciones y Fomento Mineros" (INIFM) worked with USGS technicians. They received practical experience in conducting field investigations and preparing geological reports for publication.

2) Nine Peruvian geologists were granted scholarships for advanced training in the United States.

3) Recommendations were made on the improvement of the national geological survey organization.

4) Twenty-one geological reports have resulted from field investigations of USGS and Peruvian personnel.

5) An assessment of existing and future possibilities for developing mineral and ground water possibilities in Southern Peru was completed for the SPRD during FY 1959. This information will be made available by SPRD to potential investors.

6) This project was terminated June 30, 1959 by mutual accord between USOM/Peru and the Government of Peru.

4. U.S. Contribution to the Project

a. Previous Fiscal Years

Total U. S. direct support to the project through FY 1958 totalled $209,000 of which $145,000 was for technical costs, $5,000 for training and $59,000 for other costs.

During FY 1959 an additional $71,000 was expended, including technician costs $44,000, training $5,000, and other costs $22,000.

b. Operational Year FY 1960 and Budget Year FY 1961

No funds necessary because of termination of project.

5. Host Country Contribution

The host government contributed approximately $9,000 per year, over a ten-year period, in the form of salaries for local geological survey personnel, local training, transportation, etc.

6. Contributions From Other Sources

None

7. U.S.-Host Country Coordination

This project was carried on by informal agreement between

USOM/Peru and those agencies within the Government of Peru interested in technical assistance in the field of geology.

The project was terminated at the close of FY 1959.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-21-007	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Advisory Services, Mining and Metallurgy		

1

PROJECT BEGINS FY ENDS FY	(A) Function of Funds	(A) (1) Total	(A) (2) U.S. Technicians	(A) (3) Non-Contract Participants	(A) (4) Contract Services	(A) (5) Commodities	(A) (6) Other Costs	(A) (7) Contributions to Cooperative Service	(B) (1) U.S. Owned MSP	(B) (2) PL 480 and Other	(B) (3) MSP Counterpart	(B) (4) Total U.S. Owned or Controlled L/C	(B) (5) Cooperating Country	(C) Other External Financing	(D) (1) Technicians Authorized Non-Contract	(D) (1) Technicians Authorized Contract	(D) (2) Participants Non-Contract U.S.	(D) (2) Participants Non-Contract 3rd Country	(D) (2) Participants Contract
A. All Prior Years	TC	128	45	40		10	33							181					
B. Net Deob.-Reob.		(6)	2	(5)			(3)												
Current Funds		54	19	17		15	3							74					
Total Actual Year FY 1959	TC	48	21	12		15	-								1		4		
C. Operational Year FY 1960	TC	65	21	18		25	1							45	1		3		
D. Budget Year FY 1961	TC	53	33	18		-	2							40	2		3		
E. All Subsequent Years	TC	120												20					
F. Total All Years		414																	

2

Dollar Obligation and Expenditure — FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(A) (2) Un-Sub-Obligated 6/30/58	(A) (3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(B) (2) Total Available for Sub-Oblig.	(B) (3) Sub-Obligated in FY 1959	(B) (4) Un-Sub-Obligated 6/30/59	(B) (5) Total Available for Expenditure	(B) (6) Actual Expenditure in FY 1959	(B) (7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(C) (2) Total Available For Expenditure	(C) (3) Estimated Expenditures in FY 1960	(C) (4) Unliquidated Obligations 6/30/60
All Prior Years	TC	65		63	(6)	57	22	35	57	22	35		35	30	5
Actual Year FY 1959	TC				54	54	13	41	54	13	41		41	5	36
Operational Year FY 1960	TC											65	65	25	40
TOTAL	TC	65		63	48	111	35	76	111	35	76	65	141	60	81

Problems Addressed:
1. Low level of industrial production.
2. Increased population and internal migration
8. Need for improving legislation, Government organization, policies or methods to encourage better use of resources (land, labor and capital) for economic, political and social development.

General Introduction

The USOM provides technical assistance under separate project agreements with each of the three principle Mining and Metallurgical interest of Peru: (1) the Mining Bank of Peru, (2) the National University of Engineering and (3) the Ministry of Fomento. These three agencies have recently expressed their interest in formation of a cooperative office for coordinating efforts in utilizing technical assistance.

A. Assistance to the Mineral Bank of Peru

1. General Description of the Project

The project agreement with the Mining Bank, of April 30, 1954, and supplemental informal arrangements provide for general consultation with respect to:

a) Metallurgical problems of custom milling plants operated by the Bank;
b) Metallurgical problems of plants belonging to clients of the Bank;
c) Metallurgical design and construction;
d) Mining practices;
e) Technology of mine evaluation for loan analysis purposes.

The U. S. Bureau of Mines, through F. O. A., made in 1954, an evaluation study of technical possibilities in response to a request from Banco Minero del Peru. A program of cooperation was implemented by providing three technicians in the fields of mining and metallurgy in January, 1955. Cooperative technical studies have been carried out in the fields of anthracite coal mining and preparation metal mining, and metallurgy. During fiscal year 1958 and 1959 the project has been limited to metallurgical and metal mining activities except in two instances in which Banco Minero specifically requested advice concerning its coal industry problems. During these last two fiscal years, increasing emphasis has been placed on the educational phase of the project dealing with the newly established Metallurgical Department of the "Universidad Nacional de Ingeniería".

Mineral activities account for 9.5% of the Gross National Product and 35.5% of the total value of exports. The Government of of Peru has requested an extension of this agreement, to provide advisory services to the Mining Bank for another two years after June 30, 1959. Continued technical assistance in this field would appear justified.

2. Specific Activity Targets or End Results of the Project

a. To aid the Mining Bank in rendering higher quality metallurgical and mining engineering services to the mining industry and to assist in improving the Bank's financial and management services in mining thereby increasing overall efficiency and productivity in the industry.

b. To help develop a reliable group of Peruvian engineers with technical competence needed by the mining industry.

c. To advise the Bank on technical and economic production problems, particularly on questions affecting the stability of the mining industry, and in specifically promoting the growth and development of the industry through metallurgical improvements and economies.

3. Progress Toward Achievement of Activity Targets

a. Work Accomplished to Date

The following summary of program activities indicates some of the accomplishments of this cooperative project in minerals.

(1) Work has been carried on in all five concentration plants of the Mining Bank, its coal washing plant and the three concentrators of private companies. Examination studies have also been made of eight mines.

(2) Numerous technical studies providing information on improved mining operations have been completed. The research staff included thirty-four engineers working in metallurgical capacities and four coal washing plant engineers from the Mining Bank of Peru, nine private metallurgists and eight mining engineers.

(3) Twenty-six technical reports, concerning mining operations, were prepared for use of the Mining Bank and its clients.

(4) Six engineers have received training in the U. S., in the fields of Metallurgy, Mineral Dressing and Coal Preparation and Utilization. These engineers now occupy important positions within the Mining Bank in their special technical fields.

(5) Economic studies have been made of several mines and mine dumps. As a result of these studies and recommendations thereon, a substantial improvement in the treatment of certain ores has been made and profits have increased.

(6) The Central Laboratory of the Mining Bank is three-fourths completed. Its chemical and petrographic sections are already in operations (conducting research and laboratory analysis for the mining industry).

(7) Grinding studies were made in the Huachocolpa plant and, as a result, a classifier was installed. Improvements in metallurgical processing, including economies in grinding costs, were made. Ball mill speeds were reduced in two plants in order to reduce grinding costs further.

(8) The U. S. technicial collaborated with the Chief Mining Engineer of the Bank and two engineers of the Bunker Hill Company on a three-month study of a proposed Peruvian lead smelter. The study concluded that the project was not economically feasible.

(9) Studies are being made of mineral dressing, mine and plant requirements, smelter tests, and plant operations costs.

b. Work Remaining to be Done

(1) To continue to render technical assistance to the Mining Bank in the conduct of laboratory analysis.

(2) To conduct evaluation studies of mines which are having operational problems and determine if continued operation is economically feasible.

(3) To continue to assist the Mining Bank and its clients in adapting and selecting mining equipment.

3. Progress Toward Achievement of Activity Targets

There is no doubt that the quality of services rendered by the Mining Bank to the mining industry of Peru has been substantially improved.

B. Assistance of the National University of Engineering

1. General Description of the Project

On February 14, 1958, an Agreement was signed by representatives of ICA and the "Universidad Nacional de Ingenieria" with the objective of establishing a Department of Metallurgy. The objective of this phase of the Mineral Project was to create this Department, and to establish curriculum and course standards in order to provide adequate academic training in metallurgy to insure metallurgical progress parallel to the country's mining development. A Directive and Coordinating Committee was named with two University members and the U. S. Bureau of Mines technician, who established the Curriculum, determined course coverage and teaching standards and who are to supervise the Department's administration.

2. Specifc Activity Targets or End Results of the Project

To aid in development, formation, and establishment of the Department of Metallurgy:

a. To train 3 professors in the U. S. for 2 years each; who will serve as the nucleus of a full-time faculty and help to establish improved standards in curriculum.

b. To provide a U. S. technician to the University to serve on the Directive and Coordinating Committee (whose function is to create and guide the Department).

c. To help obtain industry support for, and collaboration with the Department by:

a. Securing professors from industry, particularly during the formative early years of its existence.
b. Obtaining financial support to provide Spanish language texts and reference books (translations & originals).
c. Giving students and graduates training in this field of study.

d. To provide University assistance to the mining industry (by supplying well trained university specialists and by assisting in research projects).

e. To teach Mineral Dressing in Metallurgy, to give lectures, and show educational films.

3. Progress Toward Achievement of Activity ATargets

a. Work Accomplished to Date

a. A building to house the Department of Metallurgy is now under construction and should be completed during FY 1960.

b. Curriculum, course material and class schedules have been worked out.

c. A staff member from the department is being trained in the U. S.

d. Courses that do not require laboratory facilities are now being carried on.

b. Work Remaining to be Done

a. To complete the purchase of equipment and install equipment upon completion of the Faculty building.

b. To implement objectives outlined in the specific activity targets above.

C. Formation of a Minerals Office

1. General Description of the Project

During FY 1960 and FY 1961 it is tentatively planned to establish a Cooperative Minerals Office. Those taking part in it are expected to be the "Ministerio de Fomento", Banco Minero del Peru", the "Universidad Nacional de Ingenieria", and the technicians assigned from U. S. Bureau of Mines through the USOM. The organization, planning, joint control, and work priority is to be administrated by a directive committee composed of a representative from each Peruvian institution, one from U. S. Bureau of Mines, and one from USOM. The committee will select projects, determine their priorities and furnish the needed personnel and funds to carry them out. Detailed project plans supervision of the total program as well as the individual projects or studies, and coordination of the combined efforts of cooperating technicians is to be the task of the U. S. Bureau of Mines team.

2. Specific Activity Targets

The functions and objectives of the office are to form a United States-Peruvian cooperating, consulting, study, and advisory service to the government institutions and private enterprises engaged in mineral industry activities.

Problems of advisory assistance to be considered by such an office are:

1. Studies and recommendations to improve mining methods to effect economies of operation, and insure better conditions of safety.
2. Establishment of rules of standards of mine valuation and economic reporting.
3. Mineral Dressing Investigations to aid new or improve existing mine operations.
4. Advice to operating companies regarding operation economies.
5. Cooperation to help in the field adoption of laboratory proved procedures to plant practices.
6. Association and cooperation with U. S. Bureau of Mines laboratories in the U. S. in solution of metallurgical problems.
7. Studies and recommendations regarding transportation problems affecting mines.
8. Establishment and use of a common "Laboratorio Central" to make Mineral Dressing and Metallurgical studies and to train technicians.
9. Study of mining prospects and make exploration recommendations.
10. Giving special emphasis to extractive metallurgical problems.
11. Mineral market studies of deposits of metallics or nonmetallics, designed to help diversify and stabilize the mining industry.
12. Mine safety, first aid program, mine safety enforcement procedures, and training in Mine Safety.
13. U. S. training in needed fields of the mining industry for candidates of the cooperating institutions.

3. Progress to Date

A concentrated effort is being made by the above mentioned institutions to decide on, and to present a well prepared project proposal along with their request for continued and expanded U. S. cooperation related to the Peruvian Mining Industry.

There is ample evidence that the Minerals Program in Peru has been effective, and that it has been appreciated by both the Peruvian Government agencies and the operating mining companies. The opportunities for cooperative service and effect on the industry could be much greater in the newly proposed Minerals Office with continual counterpart associations, greater project scope, careful project planning, and greater functioning independence.

4. Nature of U. S. Contribution Financial Data - Total Project (Mining Banks, University and Mineral Assistance Office)

a. Previous Fiscal Years

The U. S. has furnished the services of one mineral advisor for the period the project has been in operations. In FY 1958-1959 the U. S obligated $50,000 to equip a Metallurgical Laboratory at the National University of Engineering.

b. Operational Year FY 1960

The budget for FY 1960 amounted to $65,000 distributed as follows:

$21,000	U. S. Technicians
$18,000	Training
$25,000	Commodities
$ 1,000	Other Costs

c. Budget Year FY 1961

It is planned to increase the number of U. S. technicians

from one to two during budget year 1961:

	Occup. Code		Chief	
Metallurgical Advisor	2132100	ICA-4-6	Project	$17,800
Mining Engineer, Exploration Methods	0880.00	ICA-5		$15,000
Training (3 trainees in Metallurgy)				$18,000
Other Costs (02-08)				$ 2,000
			TOTAL	$52,800

5. Nature of Cooperating Country Contribution

The Mining Bank furnished office space and transportation to the technician. The Mining Bank has contributed S/1,829,000 to assist in the development of the project including construction of a laboratory. The National School of Engineering is constructing a building to house the Department of Metallurgical Engineering.

Under terms of the agreement the University will:

a. Provide for installation of teaching and demonstration equipment furnished (in prior years) by the U. S.

b. Pay other costs of the program, including: professor's salary and expenses, office space, equipment, and personnel, and international travel of the three professor trainees.

6. Contribution from Other Sources, and Relationship to Other Projects

There is a relationship between this project and the project including advisory work to the Institute of Occupational Health. The minerals advisor has given advise and instruction in mine and plant safety practices to engineers and mine operators.

7. Financial Consideration

Unliquidated obligations of June 30, 1959 were $76,000, made up of $25,000 in commodities and the balance for trainees backstopping costs, and home leave costs.

In FY 1958 and FY 1959, an obligation of $25,000 was made under the terms and spirit of the project agreement, for the purpose of furnishing some demonstration and teaching equipment to be installed in the School of Metallurgy of the National University of Engineering. Delays in completing the building, however, have not made it possible to install the equipment.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED: October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION: UNCLASSIFIED	COOPERATING COUNTRY: PERU	PROJECT NO.: 527-25-008	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE: Textile Engineering		

1 PROJECT BEGINS FY / ENDS FY

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) MSP Counterpart	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized: Non-Contract	(1) Technicians Authorized: Contract	(2) Participants: Non-Contract U.S.	(2) Participants: Non-Contract 3rd Country	(2) Participants: Contract
A. All Prior Years	TC	364			364									40					
B. Net Deob.-Reob.		1			1														
Current Funds		-			-														
Total Actual Year FY 1959	TC	1			1									24		1			
C. Operational Year FY 1960	TC	18			18									22		1			
D. Budget Year FY 1961	TC	10	10		-									22		2	2		
E. All Subsequent Years																			
F. Total All Years	TC	393																	

2

Dollar Obligation and Expenditure — FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/58	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
All Prior Years	TC	151		101	1	102	53	49	102	53	49		49	49	-
Actual Year FY 1959	TC				-	-	-	-	-	-	-			-	-
Operational Year FY 1960	TC											18	18	3	15
TOTAL		151		101	1	102	53	49	102	53	49	18	67	52	15

Problems Addressed:
1. Low level of industrial production.
2. Inadequate educational systems.

1. General Description of the Project

Textiles comprise an important segment of Peruvian light industry, but costs of textile production is generally high and quality of much of the weaving is only fair. Peruvian long-staple cotton ranks with the best in the world; it is the second most important export commodity of the country.

The southern departments of Peru comprise an area excellent for production of wool from sheep, llama and alpaca; wool is the country's third largest agricultural export by value. The improvement of the quality of cotton and woolen manufactured goods and the lowering of costs of production are in the interests of the Peruvian economy and the Peruvian people.

No textile engineers are graduated from Peruvian institutions and only a few of the 260 textile manufacturing establishments are supervised by personnel trained in the field of textile engineering. The 260 textile manufacturing plants employ about 24,000 people. Eighty-five percent of the plants and 76% of the workers are in the Lima/Callao area; 41 plants employ 74% of all textile workers. The industry needs professionally trained management and production personnel to encourage the adoption of modern techniques.

The National University of Engineering requested technical assistance and USOM/Peru, in 1954, contracted with the North Carolina State College of Agriculture and Engineering for the following services:

a. Supervision of the purchase and installation of demonstration and training equipment for the National University of Engineering;

b. Development of a textile engineering curriculum and program of instruction in the National University;

c. Training of a staff of Peruvian professors for a Textile Engineering Institute created within the National Engineering University.

This contract was signed on December 4, 1954; and, in FY 1957, was extended until December 31, 1959.

During the period of the contract, the project assisted the National University of Engineering in:

a. Equipping the Textile Engineering Institute;

b. Developing a curriculum and program of instruction for use in the Institute;

c. Training two Peruvian staff members at North Carolina State College in the U. S.; and,

d. Training five Peruvian staff members locally.

Major objectives of the original contract have been adhered to by the contracting University and the working arrangement with the National University of Engineering has been successful. Nevertheless, the Institute needs to be strengthened and its scope of work expanded. More emphasis needs to be placed on technology of working with wool and other fibers.

The USOM and the Embassy concur in planning to project this contractual arrangement for a minimum period of two years beyond December 31, 1959 (or until December 31, 1961), under which terms one full-time consultant and at least two short-term consultants (one or two months) would be provided each year from the North Carolina State College's School of Textiles. USOM expects to review progress in all fields of activity to determine whether contractual arrangements should be continued after the two years have been completed.

2. Specific Activity Targets or End Results of the Project as Amended

a. Supply various staff members to the Textile Engineering Institute as technical assistants (16 supplied).

b. Develop trainee projects in Textile Engineering.

c. Advise and aid in Training of the staff of the Institute in organization, administration and methods of Textile Engineering and in developing basic training aids.

d. Select faculty and other staff members for training in the U.S.

e. Aid in developing professional association and technical publication.

f. Work with the textile industry of Peru in order to assist in solution of the industry's technical problems.

g. Assist in developing a major long-run research program.

h. Assist in elevating the Textile Engineering Institute so that it can in approximately five years graduate students with a degree in Textile Engineering.

i. Develop a program of instruction and applied research in the field of woolens.

j. Provide U. S. non-contract training for three additional staff members from the Textile Institute (at the North Carolina State College of Agriculture and Engineering); this is recommended through direct U. S. financing of participants.

3. Progress Toward Achievement of Activity Targets

a. Work Completed

Emphasis was placed on up-dating curriculum, the introduction of new methods and installation of training equipment in the Institute of Textile Engineering. Three students were sent to North Carolina State College for training; the first returned to Lima in September 1956, the second in July 1957, and the third in June, 1959. All three are now working full time at the Institute; one has been named Director of the Institute of Textile Engineering.

At the present time, twenty-seven students are enrolled in thirteen courses presented by the three full-time and five part-time staff members of the Institute.

There has been an increasing interest in the project's research and testing facilities by the privately owned textile mills. The owners and management personnel of the largest textile manufacturing plants have formed an Association of Textile Manufacturers. This group may be expected to be influential in future developments in the Peruvian textile Industry. During the past two years, the Association has shown an interest in the testing program recently begun by the National Textile Institute, and it plans to donate S/100,000 in 1959 to support the project. Members of the Association are employing undergraduate students in the cotton mills during the University's vacation season.

b. Work Remaining to be Done

1. The North Carolina State College technical staff will work with management personnel of the textile industry to help define those areas in which the Institute of Textile Engineering can assist industry in the solution of technical problems

2. A research program is being developed (in cooperation with the cotton textile industry) and placed in operation in the Institute of Textile Engineering to fulfill the primary research needs of the textile industry. The research program may ultimately be expected to be self-sufficient as a result of income derived from its operations.

3. The contract extension will provide assistance and advice in the revisions needed within the National University of Engineering to make it possible for a student to graduate in the vocation of Textile Engineer. Under the present curriculum at the Institute of Textile Engineering persons registering for a course of studies must choose subjects within the elective classes. Students can only be graduated with the title of Chemical Engineer and they have usually sought employment in the field of chemical engineering rather than in textile engineering because their training was considerably more extensive in the former field. Upgrading the curriculum to a full school will encourage, upon graduation, a large number of students to seek employment in the textile industry.

4. The extension of the contract will provide for expanding and refining instruction in the important field of woolen manufacturing where relatively little has been done in an attempt to improve the prospects for future development.

5. When the project was planned, in 1954, the representatives of North Carolina State College of Agriculture and Engineering indicated that staff development would require the greatest amount of time for adequate completion of the project, and advised that unless an adequate staff was developed prior to the termination of the contract, other investments would be largely offset. The staff has been partially developed and has performed well, but there is still a shortage in the number of staff members needed to be trained. The extended contract should provide for preliminary training of at least three more staff members for one academic year each on the campus of the North Carolina State College of Agriculture and Engineering for return to duties at the Institute of Textiles. Funds necessary for the training will not be included in the contract, but be provided in non-contract training grants.

4. Nature of the U. S. Contribution

a. Previous Fiscal Years

U. S. contributions in previous years were:

	Contract Items	
FY 1954	$225,000	
FY 1955	75,000	
FY 1957	63,500	
TOTAL		$363,500

b. Operational Year (1960)

One full-time and two short-term consultants from North Carolina State College of Agriculture and Engineering are proposed to continue working on the project during the latter part of CY 1960, and to remain during FY 1961.

U. S. cost is expected to be $18,000 for a two-year contract funded in FY 1960, considering that a balance of about $12,000 of unallocated funds were expected to remain unobligated on December 31, 1959.

c. Budget Year

Additional financing for two participants at an estimated

cost of $10,000 will be necessary.

5. Nature of Cooperating Country Contribution

a. Previous Fiscal Years

Although the University provided a bare minimum of space for classroom instruction, during the first two years of the project, no funds were actually budgeted for support of the Institute of Textile Engineering prior to CY 1957, due to difficulties of the University in obtaining Governmental appropriations. A large portion of the Chemical Engineering building and other items were obtained for use in CY 1957 and thereafter.

The total budgeted by the University to support this project during CY 1957 was $9,500; in CY 1958 this sum was increased to $17.000 and in 1959 to $20,000.

b. Operational Year

It is expected that the University will contribute a minimum of $22,000 in support of the Institute of Textile Engineering during CY 1960, a portion of which is in the form of salaries for two full-time and seven part-time professors.

c. Budget Year

The National University of Engineering is currently constructing a new building to house the Institute of Textile Engineering. In addition, a sum of not less than $22,000 is expected to be budgeted to support the project in CY 1961.

6. Contributions from Other Sources

Industry's support of the project has manifested itself in the following manner:

a. Financed training in the U. S. of one professor.

b. Paid the full salary of one laboratory technician for the Institute.

c. Donation of equipment in the form of one draper sheeting loom, one cam loom, two model section of knitting machines, miscellaneous parts, fabrics and yarns. Services have been donated to help set up equipment, place it in operation and assist in maintenance. Industry has been especially eager to supply technical services.

d. Donated $4,000 in CY 1959 through the Association of Textile Manufacturers.

7. Financial Considerations

Approximately $12,000 are presently available from the sum of $63,500 provided in FY 1957. The additional $18,000 will fulfill all anticipated financial requirements connected with this project.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-37-010	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Civil Aviation Advisory Services		

1 PROJECT BEGINS FY / ENDS FY

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) MSP Counterpart	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized: Non-Contract	(1) Technicians Authorized: Contract	(2) Participants: Non-Contract U.S.	(2) Participants: Non-Contract 3rd Country	(2) Participants: Contract
A. All Prior Years	TC	33	12	5			16						28						
B. Net Deob.-Reob.		6	6																
Current Funds		51	43	7			1												
Total Actual Year FY 1959	TC	57	49	7			8						14		3		2		
C. Operational Year FY 1960	TC	65	49	12			4						14		3		6		
D. Budget Year FY 1961	TC	64	45	15			4						3,514		3		6		
E. All Subsequent Years		150											42						
F. Total All Years		369											3,612						

2 Dollar Obligation and Expenditure

FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/58	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
All Prior Years	TC	10		23	6	29	26	3	29	26	3		3	3	
Actual Year FY 1959	TC				51	51	35	16	51	35	16		16	9	7
Operational Year FY 1960	TC											65	65	35	30
TOTAL		10		23	57	80	61	19	80	61	19	65	84	47	37

Problems Addressed:

1. Inadequate transportation facilities.
2. Need for improving legislation, Government organization, policies or methods to encourage better use of resources (land, labor and capital) for economic, political and social development.

1. General Description of the Project

The purpose of this project is to assist the Government of Peru in developing an integrated basic airway system. The project includes assistance in establishment of air traffic control, aeronautical communications, air navigation aids, and a national system of airports.

The Peruvian Government will be furnished with technical advice and assistance in the training of technical and administrative personnel employed in civil aviation.

2. Specific Activity Targets or End Results of the Project

a. To help provide on-the-job and classroom training for Lima ATC personnel and qualify them for FAA control tower certificates. Estimated completion date of this project is July 1960. At present, six controllers hold these certificates.

b. To assist in providing on-the-job and classroom training for Lima Air Route Traffic Control personnel and qualify them for locally-issued certificates. Estimated date of completion for this project is July 1960. Progress is ahead of schedule and this deadline should be met.

c. To assist in extending the control area of the Lima ARTC Center to Trujillo, in the North, and to San Juan in the South. Estimated date of completion for this project is July 1960. This date has been extended due to the non-activation of a special point-to-point radio circuit between Lima and Trujillo and Lima and San Juan.

d. To extend the control area of the Lima ARTC Center to Talara in the North and Tacna in the South. Projected date of completion is July 1961.

e. To assist the Peruvian Government in extending the control area of the Lima ARTC Center to the Ecuadorian and Chilean boundaries and integrate the control services with Chile, Bolivia, Colombia and Ecuador. Estimated date of completion is January 1962. Only the preliminary planning has been completed on this project at this time.

f. To help establish complete basic and advanced training covering all phases of air traffic control for CORPAC personnel. Target date for completion is July 1961. Only the preliminary work has been done on this project.

g. To assist in the planning and development of air traffic control procedures at the following terminal areas:

Lima	Trujillo	Moyobamba	Tingo Maria	Arequipa
Chiclayo	Iquitos	Yurimaguas	Pisco	Cajamarca
Talara	Tarapoto	Tacna	Piura	Pucallpa
Cuzco	Chachapoyas	Juanjuí		

Estimated date of completion of this project is July 1963. Procedures have been developed for all of the airports along the International Route.

h. To plan and develop navigational and air traffic services for international routes based on VOR facilities. Target date for completion is July 1963.

i. To provide basic electronic training for CORPAC radio personnel. The first course should be completed in April 1960

j. To advise in the installation of Single Side Band radiotelephone circuit between the Lima ARTC Center and the Trujillo Tower and from the Lima ARTC Center to the San Juan Communications Station. Target date for the completion of this project has been set back until July 1960 due to the delay in securing funds.

k. To install SSB radiotelephone circuits between the Lima ARTC Center, Guayaquil and Arica. Estimated date of completion is January 1962.

l. To advise in the modernizing of communication facilities. The Peruvian Government plans to replace that equipment which is obsolete and has deteriorated. Target date for completion is January 1962. A list of the equipment that is to be replaced has been furnished to CORPAC. Funds have not as yet been supplied for this project.

m. To advise on the selection of sites for installation of planned VOR's. Target date for completion of this project is January 1961.

n. To furnish the Peruvian Government with technical advice and assistance on matters of airport design, construction, and improvements at the following places:

International airports at Lima and Cuzco.
Intercontinental airports at Pucallpa, Chimbote, Puerto Maldonado and Tumbes.
Express airports at Tarapoto and Cajamarca.
Trunkline airport at Moyobamba.
Feeder airport at Lamas.
Airport improvement at Iquitos, Sauce, Picota, Pacacaca, Quince Mil and Pisco.

3. Progress Toward Achievement of Activity Targets

a. Work Accomplished to Date

(1) Plans have been completed for the construction of portions of the Lima International Airport.

(2) Bids on the Lima International Airport for paving of the runway and taxiway and a portion of the parking ramp have been let.

(3) A non-directional radiobeacon has been installed and placed in operation at Salinas on August 31, 1959.

(4) Training of Air Traffic Control personnel of CORPAC has progressed rapidly. Seven of the eight control tower operators at Lima now hold FAA Control Tower Operator's certificates. In the Lima Air Traffic Control Center all controllers have passed the basic examinations for the issuance of Air Route Traffic Controllers certificates. In the electronics class a total of 21 CORPAC personnel are expected to complete the basic course in April, 1960.

(5) The following five airports have developed air traffic control procedures: Trujillo, Lima, Chiclayo, Talara and Cuzco.

(6) Grading at the new Lima airport is 45% completed while the drainage system is 60% completed. Plans have been prepared for Tarapoto and Pucallpa, and construction at Moyobamba is 70% completed. Designs and specifications are being processed for the other airports. Target date for completion of this airport project is July 1964.

b. Work Remaining to be Done

(1) Complete grading, paving and drainage system of the new Lima airport.

(2) Complete the installation of air traffic control procedures at the places listed in 2g.

(3) Complete the modernization of communication facilities.

(4) Continue the extension of the Lima ARTC Center until integrated with those of the neighboring countries.

4. Nature of the U. S. Contribution

Staffing Requirements:

N°	Position Title	Occupation Codes	Grade	N° Mos.	Costs
1	Airport Engineer	3215003	ICA-4	12	$16,600
1	Electronic Engineer	3215301	ICA-5	12	14,800
1	Airways Opns. Spec.	3215200	ICA-5	12	13,900
					$45,300

Participants:

N°	Type of Training	U.S. or Third Country	Duration	Cost
5	Air Traffic Control	U.S.	3 mos.	$10,000
1	Electronics	U.S.	8 mos.	5,000
				$15,000

Other Costs:

Type	Purpose	Estimated Costs
02	Local Travel	$ 2,000
079	Contractual Services	650
08	Office Supplies and materials	1,500
09	Equipment	200
		$ 4,350

Total U. S. Contribution $64,650

5. Nature of Cooperating Country Contribution

CORPAC has assigned a Peruvian counterpart to assist each of the three U. S. technicians. CORPAC also supplies office space, office equipment, lights, telephone, heat, janitor service, office supplies, a station wagon with chauffeur, a draftsman and a bilingual secretary. CORPAC furnishes all transportation for this group within Peru. The above services entail expenses of approximately $14,000 per year. Funds for these expenses are obtained from the national revenue.

CORPAC's main expenditure for the FY 1961 will be the new Lima International Airport. The completion of the airports at Tarapoto and Pucallpa, plus the installation of new communication equipment in Peru, will bring the expenditures for FY 1961 to approximately $3,500,000.

6. Contribution from Other Sources and Relationship to Other Projects

None

7. Financial Considerations

Proposed ICA funding noted above is for advisory technical services; there are no ICA development funds involved. The main ICA expenditure is the salaries of the three U. S. technicians. The plan for phasing out U. S. assistance calls for the termination of assistance in the field of air traffic control by July 1963; and the electronics and airport engineering assistance by July 1964.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED: October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION: UNCLASSIFIED	COOPERATING COUNTRY: PERU	PROJECT NO.: 527-39-043	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE: Mapping and Cartography		

1 PROJECT BEGINS FY 1960 ENDS FY 1962

	(A) Dollar Obligations ($1,000)								(B) L/C Commitments or Obligations					(C)	(D) Numbers of People				
	Function of Funds	(1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(1) U.S. Owned MSP	(2) PL 480 and Other	(3) MSP Counterpart	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	Other External Financing	(1) Technicians Authorized: Non-Contract	(1) Technicians Authorized: Contract	(2) Participants: Non-Contract U.S.	(2) Participants: Non-Contract 3rd Country	(2) Participants: Contract
A. All Prior Years																			
B. Net Deob.-Reob.																			
Current Funds																			
Total Actual Year FY 1959	TC			(9)	(Under Miscellaneous Training in FY 1959)								(3)				(5)		
C. Operational Year FY 1960	TC	5		5									3				6		
D. Budget Year FY 1961	TC	5		5									4				6		
E. All Subsequent Years	TC	4											4						
F. Total All Years	TC	14											11						

2

Dollar Obligation and Expenditure: FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/	(2) Un-Sub-Obligated 6/30/	(3) Unliquidated Obligations 6/30/	(B) Actual Year FY (1) Actual Obligations During FY	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY	(4) Un-Sub-Obligated 6/30/	(5) Total Available for Expenditure	(6) Actual Expenditure in FY	(7) Unliquidated Obligations 6/30/	(C) Operational Year FY (1) Estimated Obligations in FY	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY	(4) Unliquidated Obligations 6/30/
All Prior Years															
Actual Year FY 1959															
Operational Year FY 1960	TC											5	5		5
TOTAL												5	5		5

Problems Addressed:
1. Need for improving legislation, Government organization, policies or methods to encourage better use of resources (land, labor and capital) for economic, political and social development.
2. Inadequate transportation facilities.
3. Inadequate agricultural expansion.

E-1	FORM ICA 10-120 (6-59) Continuation Sheet	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	Project N° 527-39-043	E-1
				COUNTRY ECONOMIC PROGRAM	Mapping and Cartography		

1. General Description of the Project

This project provides for the advanced training needed to improve operations within those agencies of the Peruvian Government that have responsibility for the preparation of maps and data required for the establishment of airfields, land use and irrigation projects, road construction projects, etc.

2. Specific Activity Targets or End Results of the Project

The training of 37 persons by the Inter-American Geodetic Survey.

3. Progress Toward Achievement of Activity Targets

a. Work Accomplished to Date

Twenty-four people have been trained by the Inter-American Geodetic Survey.

b. Work Remaining to be Done

Thirteen more persons will be trained in the Inter-American Geodetic Survey, six during 1960, five during 1961 and two during 1962.

4. Nature of the U. S. Contribution

a. Previous Fiscal Years — IAGS

Training during FY 1959 and prior fiscal years was carried under Miscellaneous Training; and Geodesy, Mapping and Cartography.

FY 1959 $9,000

b. Operational Year

FY 1960 $5,000

c. Budget Year

FY 1961 $5,000

d. Future Fiscal Years

$4,000

Includes maintenance allowance, school and/or other training fees, international and local travel, etc.

5. Nature of Cooperating Country Contribution

Payment of salaries during the period of training and assurance of re-employment of participant upon return.

	IAGS
a. Fiscal Year 1959	$2,636
b. Budget Year	$3,000
c. Future Fiscal Years	$3,800

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-46-900	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE National Employment Service (Servicio Cooperativo del Empleo del Peru)		

1 PROJECT BEGINS FY 1955 ENDS FY 1962

	(A) Function of Funds	(A) (1) Total	(A) (2) U.S. Technicians	(A) (3) Non-Contract Participants	(A) (4) Contract Services	(A) (5) Commodities	(A) (6) Other Costs	(A) (7) Contributions to Cooperative Service	(B) (1) U.S. Owned MSP	(B) (2) PL 480 and Other	(B) (3) MSP Counterpart	(B) (4) Total U.S. Owned or Controlled L/C	(B) (5) Cooperating Country	(C) Other External Financing	(D) (1) Technicians Authorized: Non-Contract	(D) (1) Technicians Authorized: Contract	(D) (2) Participants: Non-Contract U.S.	(D) (2) Participants: Non-Contract 3rd Country	(D) (2) Participants: Contract
A. All Prior Years	TC	96						96					83						
B. Net Deob.-Reob.																			
Current Funds		35						35											
Total Actual Year FY 1959	TC	35						35					58						
C. Operational Year FY 1960	TC	35						35					45						
D. Budget Year FY 1961	TC	35						35					58						
E. All Subsequent Years	TC	35											62						
F. Total All Years	TC	236											309						

2

FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(A) (2) Un-Sub-Obligated 6/30/58	(A) (3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(B) (2) Total Available for Sub-Oblig.	(B) (3) Sub-Obligated in FY 1959	(B) (4) Un-Sub-Obligated 6/30/	(B) (5) Total Available for Expenditure	(B) (6) Actual Expenditure in FY 1959	(B) (7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(C) (2) Total Available For Expenditure	(C) (3) Estimated Expenditures in FY 1960	(C) (4) Unliquidated Obligations 6/30/60
Dollar Obligation and Expenditure: All Prior Years	TC	70		26		26	26		26	26					
Actual Year FY 1959	TC				35	35	35		35	9	26		26	26	
Operational Year FY 1960	TC											35	35	9	26
TOTAL		70		26	35	61	61		61	35	26	35	61	35	26

Problems Addressed:
1. Lack of understanding by labor of its responsibilities in economic and social development of the country.
2. Low level of industrial production.
3. Increased population and internal migration.

E-1	FORM ICA 10-120 (6-59) Continuation Sheet	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	Project N° 527-46-900	E-1
				COUNTRY ECONOMIC PROGRAM	National Employment Service (Servicio Cooperativo del Empleo del Peru)		

1. General Description of the Project

The Cooperative Employment Service (Servicio Cooperativo del Empleo del Peru) was established within the Peruvian Ministry of Labor by a basic agreement with that Ministry on December 31, 1954. This agreement, as extended to June 30, 1960, provides for U. S. support in the form of technical services and cash contribution, and is expected to be further extended.

Objectives of this Service are broad:

a. To facilitate the devebpment of a free public national employment service in Peru as a measure for promoting economic development in Peru;

b. To stimulate and increase the interchange between the two countries of knowledge, skills and techniques in the field of public employment service activities;

c. To promote and strengthen understanding and good will between the peoples of the Republic of Peru and the United States of America, and to foster the growth of democratic ways of life.

The administration and development of the service is under the direction of two co-directors; one designated by the Minister of Labor and the other by the head of the U. S. Mission. The Servicio organization consists of a headquarters' office, three local employment service offices in the greater Lima-Callao Metropolitan area, and a labor market field representative at Arequipa. (See Cooperative Service Project N° 527-46-906 for more specific details.)

2. Specific Activity Targets or End Results

These are explained under project N° 527-46-906.

3. Progress Toward Achievement of Activity Targets

(See Project N° 527-46-906)

4. Nature of U. S. Contributions

The U. S. contributed $35,000 each fiscal year, such amount being matched in an equal amount by the host government, and the total used for operating and developing the Cooperative Employment Service.

5. Nature of Cooperating Country Contribution

The Peruvian Government matches the funds ($35,000) contributed by the U. S., and it has been the policy of that government to provide additional sums to compensate for salary increases granted by official decrees. The government also provides premises, utilities, and other overhead for the headquarters' office.

6. Contribution from Other Sources and Relationship to Other Projects

The agreement provides for acceptance of contributions from other sources; however, to date there has been no direct financial support. Other government agencies (SPRD) have contracted the services of the Servicio. The relationship to other projects is advisory and consultative only.

7. Financial Considerations

The U. S. plans to continue to provide the services of at least one consultant as long as the Employment Service remains a bi-national undertaking. It is intended, in the future, that the Cooperative Employment Service will provide all accessory services, and extensions of the agreement will include provision for the host government to assume a great share of financial support.

E-2	FORM ICA 10-110 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-46-900	E-2
				COUNTRY ECONOMIC PROGRAM	STATUS OF COOPERATIVE SERVICE FUNDS		

1 PROJECT DETAIL BY CS-FY		Obligations ($1000 Equivalent)				Expenditures ($1000 Equivalent)			
Project Number	Project Title	58	59	60	61	58	59	60	61
46-906	Lima Office (1)	21	27	27	27	21	21	26	26
	Callao Office (2)	8	8	8	8	8	7	8	8
	Administration Office (3)	21	24	24	24	22	21	23	23
	Statistical Office (4)	23	25	25	25	23	23	24	24
	Domestic Service Office (5)	8	9	9	9	8	8	8	8
	Manpower Survey (6)	-	5	2	-	-	3	4	-
	Future local offices (7)	-	-	8	8	-	-	-	8
All Other Projects (Detail on Continuation Sheet)									
TOTAL (Must correspond with (3B.) and (3E.)		81	98	103	101	82	83	93	97

2 TITLE OF COOPERATIVE SERVICE: Servicio Cooperativo del Empleo del Perú (SCEP)
CS-FY 1959 BEGINS: January 1, 1959 ENDS: December 31, 1959

3 SUMMARY OF STATUS				CS-FY 58	CS-FY 59	CS-FY 60	CS-FY 61
(All Figures $1,000 Equivalent) U.S. $1.00 = Exchange Rate by Year				19.00	27.40	25.00	25.00
A. AVAILABLE FOR OBLIGATION DURING CS-FY	1. Unobligated Balance End Prior CS-FY			22	34	16	6
	2. Agreed Contributions for CS-FY	Host Government		58	45	55	55
		U.S.	Corresponding U.S.-FY	35	35	35	35
			Succeeding U.S.-FY				
		Other		-	-	3	7
		TOTAL		93	80	93	97
	TOTAL			115	114	109	103
B. PLANNED OBLIGATIONS DURING CS-FY	1. Supplies and Equipment			7	5	7	5
	2. Personnel and Training			55	57	60	60
	3. All Other			19	36	36	36
	TOTAL			81	98	103	101
C. UNLIQUIDATED OBLIGATIONS BEGINNING OF CS-FY				1	-	15	25
D. TOTAL OBLIGATIONS AVAILABLE FOR LIQUIDATION (Block B. plus C.)				82	98	118	126
E. EXPENDITURE DURING CS-FY	1. Supplies and Equipment			7	5	7	5
	2. Personnel and Training			55	57	60	60
	3. All Other			20	21	26	32
	TOTAL			82	83	93	97
F. UNLIQUIDATED OBLIGATIONS CLOSE OF CS-FY (Block D. minus E.)				-	15	25	29
G. UNOBLIGATED BALANCE CLOSE OF CS-FY (Block A. minus B.)	1. Reserves			8	-	-	-
	2. Unreserved Balance			26	-	6	2
	TOTAL			34	16	6	2

SECURITY CLASSIFICATION UNCLASSIFIED
SHEET 1 OF 1 SHEETS TO THIS TABLE Project

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-46-906	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Labor Advisory Service (Employment Service)		

1 PROJECT BEGINS FY 1954 ENDS FY 1962

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) Joint Fund	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized: Non-Contract	(1) Technicians Authorized: Contract	(2) Participants: Non-Contract U.S.	(2) Participants: Non-Contract 3rd Country	(2) Participants: Contract
A. All Prior Years	TC	106	50	35			21												
B. Net Deob.-Reob.		(2)	(1)				(1)												
Current Funds		79	24	50			5												
Total Actual Year FY 1959	TC	77	23	50			4				98				2		18		
C. Operational Year FY 1960	TC	40	24	12			4				103				2		4		
D. Budget Year FY 1961	TC	31	17	10			4				101				1		3		
E. All Subsequent Years		63																	
F. Total All Years		317																	

2

Dollar Obligation and Expenditure — FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/58	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
All Prior Years	TC	83		23	(2)	21	17	4	21	17	4		4	4	
Actual Year FY 1959	TC				79	79	35	44	79	35	44		44	20	24
Operational Year FY 1960	TC											40	40	30	10
TOTAL		83		23	77	100	52	48	100	52	48	40	88	54	34

Problems Addressed:
1. Lack of understanding by labor of its responsibilities in economic and social development of the country.
2. Low level of industrial production.
3. Increased population and internal migration.

1. General Description of the Project

The overall objective of this project is to assist the Ministry of Labor in the establishment and operation of a free public employment service system, providing for the optimum utilization of the work force in the national economy.

The project provides assistance in the initiation and administration of functions in employment service research, including occupational analysis and classification, worker and applicant analysis and classification, interviewing and selection techniques, labor market analysis, testing techniques and test development and validation, publicity techniques and dissemination of information to the public, and related training activities.

The most important jobs of this Servicio are to develop an adequate headquarters staff and organization to assure continuity and administration of the program, to establish local employment offices throughout the country, and to designate labor market areas for study and analysis. Because of limited size, all of the activities of the Employment Servicio are grouped into this single project.

2. Specific Activity Targets or End Results of the Project

The employment service consists of a number of activities developed more or less individually and, subsequently, integrated into a full functioning unit. At the rate of progress observed, it appears that a complete integration of services can be accomplished by about June 30th, 1963. In the intervening years these activities are planned:

a. Development of job information tools needed in the placement of workers, such as a dictionary of job titles and occupational codes, interviewing aids for application taking, occupational guides, and others.

b. Further development and extension of labor market information on a nation wide basis, showing employment and wage trends and providing data for industry and for occupational labor market analysis.

c. Test-development research, to provide appropriate norms for effective selection and guidance of workers in the national labor market.

d. Improvement of techniques of visiting employers, including use of a "group approach" method with major market firms.

e. More effective cooperation with SECPANE to facilitate the development of vocational training and relationship of training to the needs of workers and employers.

f. Installation and development of a counseling program to assist youth in their entrance into the labor market.

g. Establishment of local offices outside of the Lima area; the establishment of a multi-office system in the greater Lima Metropolitan area, to provide: an industrial office in the factory district, a specialized commercial and professional placement office to include hotel and restaurant workers, and the opening of a full-functioning office in the Surquillo area.

h. Development of a uniform method of local office budgeting, for use by local office managers.

i. Installation of an operations review program to evaluate periodically the effectiveness of specific programs.

j. Creation of a standards and methods system to provide guidance and control in administrative processes and policies of the service. This is to be implemented by the preparation of an administrative manual.

k. Continued development of training and operating manuals to keep pace with the growth of the Service.

l. Establishment of advisory councils to give labor, management, and the public opportunity to share in the growth and development of their National Employment Service.

m. Completion of a program of Field Supervision.

It is noted that most of the above activities are for the purpose of bringing the National Employment Service to full maturity. In some instances this will be a time consuming process requiring training outside the country.

3. Progress Toward Achievement of Activity Targets

a. Work Accomplished to Date

Since the Project was established it has assisted in developing an Administrative Office within the Servicio. This office consists of two Co-Directors, a Sub-Director, two clerks, a part-time accountant, a messenger, and a chauffeur. A Labor Market and Occupational Analysis Section includes twenty-one employees; a Domestic Office has four employees; and a labor market representative is stationed at Arequipa. Full placement service has been established with an employer relations program. A testing program has shown a substantial growth in the development and use of labor market information, in the Lima and Arequipa labor market areas. Participant training has been given to seven members of the Servicio staff. All basic program training for participants has been completed with the exception of counseling.

The result of this training is particularly noticeable in occupational analysis where strength is needed in the development of the occupational dictionary.

b. Work Remaining to be Done

All of the items noted in Item 2 above constitute work to be done. However, it is expected that items d, f, h, and l, noted in Section 2 above, will be completed in Calendar 1960 and items i, j, and m, will be effected by the end of FY 1961. Additional participant training is needed in labor statistics if the country is to develop a national bureau of labor statistics. The Peruvian Government requests that this program be extended and given priority attention. More specialized training is being programmed for the Co-Director and the field supervisor. This is to be followed by improvements consistent with current requirements in headquarters and local office organization, management, and budgeting; the inauguration of a migratory agricultural labor program and a more complete program of industrial services, if warranted.

c. Progress Toward Achievement of Activity Targets

The development of an employment service has been and will continue to be the means of achieving better use of manpower in Peru.

4. Nature of U. S. Contribution

a. Previous Fiscal Years

The U. S. furnishes a consultant to assist the Employment Service. This technician acts as Co-Director of the Servicio and as consultant to the Labor Advisory Services noted in Project N° 527-49-026.

The U. S. has furnished three consultants since the Servicio was organized. These were preceded by a consultant from the International Labor Organization. These consultants served consecutively in assisting the Peruvian Government develop

the project and to arrange for participant training in the U. S. They were furnished with the services of a bi-lingual secretary.

b. Budget Year

In FY 1961, the USOM will provide the services of an Employment Services Advisor and a local bi-lingual secretary and translator to assist the U. S. technician. It will also continue its activity in selecting participants for training where indicated.

5. Nature of Cooperating Country Contribution

The Peruvian Government matches the Servicio contribution with funds in the amount of $58,000 and further provides office space and utilities for the headquarter office. (See Project N° 527-46-900).

6. Contribution from Other Sources and Relationship to other Projects

The agreement provides for acceptance of contributions from other sources. However, to date, these have consisted of no direct financial support other than contractual arrangements for specific employment studies.

7. Financial Considerations

The U. S. will continue to provide the services of a consultant throughout the project. It is intended that, in the future, the Cooperative Employment Service will provide all accessory services; and an extension of the agreement will include provision for the host government to assume a greater share of the financial support of project activities.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED: October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION: UNCLASSIFIED	COOPERATING COUNTRY: PERU	PROJECT NO.: 527-49-026	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE: Labor Leader Training and Advisory Services to Minister of Labor		

1 PROJECT BEGINS FY 1961 ENDS FY 1964

	(A) Function of Funds	(A)(1) Total	(A)(2) U.S. Technicians	(A)(3) Non-Contract Participants	(A)(4) Contract Services	(A)(5) Commodities	(A)(6) Other Costs	(A)(7) Contributions to Cooperative Service	(B)(1) U.S. Owned MSP	(B)(2) PL 480 and Other	(B)(3) MSP Counterpart	(B)(4) Total U.S. Owned or Controlled L/C	(B)(5) Cooperating Country	(C) Other External Financing	(D)(1) Technicians Authorized: Non-Contract	(D)(1) Technicians Authorized: Contract	(D)(2) Participants: Non-Contract U.S.	(D)(2) Participants: Non-Contract 3rd Country	(D)(2) Participants: Contract
A. All Prior Years																			
B. Net Deob.-Reob.																			
Current Funds																			
Total Actual Year FY 1959	TC			(44)*													(16)		
C. Operational Year FY 1960	TC	43		43										15			15		
D. Budget Year FY 1961	TC	58		58										15			20		
E. All Subsequent Years		120												30					
F. Total All Years		221												60					

2 Dollar Obligation and Expenditure

FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(A)(2) Un-Sub-Obligated 6/30/58	(A)(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(B)(2) Total Available for Sub-Oblig.	(B)(3) Sub-Obligated in FY 1959	(B)(4) Un-Sub-Obligated 6/30/59	(B)(5) Total Available for Expenditure	(B)(6) Actual Expenditure in FY 1959	(B)(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(C)(2) Total Available For Expenditure	(C)(3) Estimated Expenditures in FY 1960	(C)(4) Unliquidated Obligations 6/30/60
All Prior Years															
Actual Year FY															
Operational Year FY												43	43	13	30
TOTAL												43	43	13	30

Problems Addressed: 1. Lack of understanding by labor of its responsibilities in economic and social development of the country.
2. Low level of industrial production.

* Sent under Project N° 527-46-906 in FY 1959.

1. General Description of the Project

This project is a non-servicio activity carried on for the following purposes:

a. To select young labor leaders with leadership potentials in the free labor movements for U. S., Puerto Rico, third countries and local training, and collaborate with them in encouraging their active participation in the development of orderly labor relationships in an emerging industrial and commercial economy.

b. To consult with the Minister of Labor and Indian Affairs and other Ministerial and Government agency representatives with regard to technical services in the general field of labor.

The first objective provides training to encourage the development of free, democratic trade unions essential to economic growth, and is expected to aid in counteracting and correcting the dissident and disabling influences being spread by communist sympathizers and leaders.

The second objective aims to provide the Minister of Labor with advisory services of consultants on a request basis in the areas of apprenticeship training, labor legislation, industrial safety, labor standards, manpower utilization, migration of workers, labor statistics, labor market research and other related fields. Many of these activities are closely related to support phases of the Employment Servicio; however, since the advisory and technical services rendered are not directly consistent with limited Servicio objectives, these phases are considered by USOM to warrant a separate project.

2. Specific Activity Targets or End Results of the Project

This program is designed, through union leadership training, to:

a. Secure the active support of free trade union groups for the Mutual Security Program objectives;

b. Encourage and help free trade unions in their struggle with communist led groups for the allegiance of workers;

c. Help to stimulate an economic climate which will foster good labor-management relations;

d. Raise the country's production levels and bring about a steady improvement in living standards, work status, and welfare; and

e. Assist the Minister of Labor and other agencies in developing and/or improving programs affecting the economic and social status of workers.

It is intended to train twenty (20) labor leaders in Puerto Rico and the United States during FY 1961. There were fifteen (15) planned in FY 1960.

3. Progress Toward Achievement of Activity Targets

a. Work Accomplished to Date

Considerable progress has been made in the selection process, allowing for proposals of candidates and selections for leader training to be made on the basis of individual technical qualifications and demonstration of leadership found in combination of views represented by local union officials, Ministry of Labor representatives, and Embassy/USOM technicians and staff. Since 1952 a total of 33 labor leaders have received or are receiving training in the United States.

The labor leaders trained thus far have organized themselves into an association in order to maintain their identity and to continue studies and activities which had their beginnings in this program. Their action is expected to provide an opportunity for follow-up training and for future evaluation of the program.

In addition to the labor leader training, a trainee from the Ministry of Labor was given training in the United States to improve his effectiveness in labor-management relations within the Ministry where his primary duties are in the area of trade dispute settlements.

b. Work Remaining to be Done

(1) Continue training of substantial numbers of labor leaders who have leadership potential and will be able to participate in the free labor movements.

(2) Continue to evaluate training received in Puerto Rico and the United States through follow-up with labor unions and the Labor Leader Association. (This association was established by Labor Leaders trainees receiving training in Puerto Rico and the United States.)

(3) Make available additional training and informational materials for trainees returning from the United States and Puerto Rico.

(4) Continue to make advisory services available to the Ministry of Labor.

4. Nature of the U. S. Contribution

The largest burden of costs of the leader training program has been carried by the United States; however, the local union, employer or government continues salary payments to the trainees during the training period, and a portion of the training costs and costs of putting the training into effect upon return of the trainees are borne locally. Where the trainee has been on a private payroll no difficulty has usually been encountered in getting the employer to continue salary or wages during the absence for training.

No technician costs are shown in this project since the costs of technical services are included in project N° 527-41-906.

5. Nature of Cooperating Country Contributions

Continuation of salary payments noted above.

6. Contributions from Other Sources and Relationships to Other Projects

None.

7. Financial Considerations

The United States has contributed a larger amount of financing for this project than the host country, but USOM considers that the labor unions, industrial employers and others have made contributions appropriate to their ability and agreed plan of sharing costs.

8. Cooperating Country - USOM Coordination

The USOM and host government are in agreement on the methods and plan of action being followed to accomplish the objectives of this program. Both see the program as an opportunity to maintain a working relationship between management and labor involving a minimum of friction and free practices of working out differences. This is particularly important in a country where organized labor groups are often looked upon as political organisms. This approach should assist materially in the development of better government relations with labor and management.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-50-900	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE INTER-AMERICAN PUBLIC HEALTH COOPERATIVE SERVICE (SCISP)		

1

PROJECT BEGINS FY ENDS FY	(A) Function of Funds	(A) (1) Total	(A) (2) U.S. Technicians	(A) (3) Non-Contract Participants	(A) (4) Contract Services	(A) (5) Commodities	(A) (6) Other Costs	(A) (7) Contributions to Cooperative Service	(B) (1) U.S. Owned MSP	(B) (2) PL 480 and Other	(B) (3) MSP Counterpart	(B) (4) Total U.S. Owned or Controlled L/C	(B) (5) Cooperating Country	(C) Other External Financing	(D) (1) Technicians Authorized: Non-Contract	(D) (1) Technicians Authorized: Contract	(D) (2) Participants: Non-Contract U.S.	(D) (2) Participants: Non-Contract 3rd Country	(D) (2) Participants: Contract
A. All Prior Years	TC	1,060*						1,060					12,154**						
B. Net Deob.-Reob.																			
Current Funds	TC	200						200											
Total Actual Year FY 1959	TC	200						200					954						
C. Operational Year FY 1960	TC	175						175					706						
D. Budget Year FY 1961	TC	175						175					560						
E. All Subsequent Years	TC	875											2,800						
F. Total All Years	TC	2,485											17,174						

2

Dollar Obligation and Expenditure — FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(A) (2) Un-Sub-Obligated 6/30/58	(A) (3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
All Prior Years	TC	933		127		127	127		127	127					
Actual Year FY 1959	TC				200	200	100	100	200	100	100		100	100	
Operational Year FY 1960	TC											175	175	75	100
TOTAL	TC	933		127	200	327	227	100	327	227	100	175	275	175	100

Problems Addressed: 1. Need for improving legislation, Government organization, policies or methods to encourage better use of resources (land, labor and capital) for economic, political and social development.
2. Inadequate educational systems. 4. Low level of industrial production.
3. Increased population and internal migration.

* FY 1952 through FY 1958 only; contributions for all prior years 1942 through 1958 - $3,450.
** FY 1942 through FY 1958.

1. General Description of the Project

The "Servicio Cooperativo Interamericano de Salud Publica" - SCISP was initiated by a basic Agreement of July 1942, and has been extended by various amendments and revised basic agreements through June 30, 1960.

The Cooperative Service is an operating entity which functions as an executive branch in the Ministry of Public Health and Social Assistance and which provides that jointly sponsored programs of development may be entered into between Peru and the U. S. in the field of health and sanitation, and that they may be carried out through this organization (SCISP).

The basic agreement provides for the establishment of a joint fund which is used for sponsoring and supporting agreed projects. This Servicio is the principal overall vehicle through which technical cooperation activities in this field are applied. The SCISP organization established within the Ministry, permits considerable flexibility and freedom from political interference in executing the cooperative project activities which are subsequently agreed upon between the Minister and the Director of the Servicio.

2. Specific Activity Targets or End Results of the Cooperative Service

The cooperative service program provided for establishment of individual projects within the following goals:

(a) To study, evaluate and assist in the solution of problems in public health and related fields.
(b) To carry out modern demonstration programs in public health and related fields which will serve as a guide for the Ministry of Public Health in establishing modern health and medical programs.
(c) To train national personnel in the various specialties of public health.
(d) To assist the Ministry in making preparations to assume responsibilities for projects terminated by the Cooperative Service.

The high incidences of diseases and poor sanitary and living conditions undermine economic and social progress. The objective of the cooperative service is to assist the Government of Peru to reduce the ravages of preventable disease and promote the health and welfare of the people of the country.

3. Progress Toward the Achievement of Specific Goals

National health programs have been and are still being developed and strengthened. Among these are included several separately established and incorporated semi-independent organizations of the Ministry such as the Institute of Nutrition, the Institute of Occupational Health, and the National Institute of Health, as well as Ministerial Departments such as those for Biostatistics, Health Education, and Sanitary Engineering.

Advisory services in additional special fields and administrative sub-divisions relating to public health have been made available to the Peruvian Government, architecture and planning, hospital administration, social services and nursing education.

Over 500 national technicians have been given specialized training, both in Peru and abroad, in the various specialties of public health, such as medicine, public health nursing, dentistry, public health veterinary, engineering, chemistry, nutrition, health education, sanitary engineering, visiting nurse's aid, hospital nursing, laboratory administration, statistics, social services and hospital administration.

Management and administrative practices and procedures have been demonstrated as they relate to public health programs in the country. Some of these practices have been adopted by the Ministry of Public Health.

The general organization and operation of health and medical programs are gradually being strengthened through the various activities of the cooperative service.

The cooperative service, in view of its flexibility and administrative organization, has been able to accomplish the goals established.

4. Nature of U. S. Contribution

The amount of U. S. funds granted to this project from FY 1943 through FY 1957 was $3,250,000. Contributions were $200,000 in FY 1958 and $200,000 in FY 1959. In FY 1960 a contribution of $175,000 is to be made, and in FY 1961 the same amount is planned. These funds are deposited in the joint fund of the Cooperative Service.

5. Nature of Cooperating Country Contribution

The amounts contributed by the Peruvian Government amounted to $9,545,655 through CY 1957. In CY 1958 Peru contributed $720,000, and the contribution for CY 1959 amounted to $883,000. In CY 1960, $656,000 was expected to be contributed. Included in the amounts above is the sum of $5,716, which was contributed by the Peruvian Government over and above agreements, contributed in addition to that above was the sum of $986,691 derived from special funds of the host government.

It is contemplated that the Peruvian Government, in CY 1961, will contribute $500,000 to the joint funds.

6. Other External Financing

Approximately $60,000 was contributed by third parties and from other sources.

7. Financial Considerations

The pipeline constitutes a carryover of about six months representing the difference timing of expenditures in monthly payments during the calendar year, as covered by the contributions agreement.

E-2	FORM ICA 10-110 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-50-900	E-2
				COUNTRY ECONOMIC PROGRAM	STATUS OF COOPERATIVE SERVICE FUNDS		

1 PROJECT DETAIL BY CS-FY

Project Number	Project Title	Obligations ($1000 Equivalent) 58	59	60	61	Expenditures ($1000 Equivalent) 58	59	60	61
59-906	General Administration	285	243	156	104	212	206	120	120
53-907	Local Health Demons. Progs	422	366	265	-	456	447	331	12
59-908	Nat'l Health Dev. Progs.	531	527	394	357	578	559	367	378
53-916	Special Advisory Services	289	247	154	305	275	269	182	308
54-920	Nurses' Training Educ Prog	-	-	23	15	-	-	18	20
All Other Projects (Detail on Continuation Sheet)									
TOTAL (Must correspond with (3B.) and (3E.)		1527	1383	992	781	1521	1481	1018	838

2 TITLE OF COOPERATIVE SERVICE: Servicio Cooperativo Interamericano de Salud Pública (SCISP) CS-FY 1959 BEGINS: January 1, 1959 ENDS: December 31, 1959

3 SUMMARY OF STATUS

				CS-FY 58	CS-FY 59	CS-FY 60	CS-FY 61
(All Figures $1,000 Equivalent)			U.S. $1.00 = Exchange Rate by Year	25	25	25	25
A. AVAILABLE FOR OBLIGATION DURING CS-FY	1. Unobligated Balance End Prior CS-FY			1213	798	569	458
	2. Agreed Contributions for CS-FY	Host Government		720	883	656	500
		U.S.	Corresponding U.S.-FY	200	200	175	175
			Succeeding U.S.-FY	-	-	-	-
		Other		192	71	50	60
		TOTAL		1112	1154	881	735
	TOTAL			2325	1952	1450	1193
B. PLANNED OBLIGATIONS DURING CS-FY	1. Supplies and Equipment			302	232	228	171
	2. Personnel and Training			1074	812	655	566
	3. All Other			151	339	109	44
	TOTAL			1527	1383	992	781
C. UNLIQUIDATED OBLIGATIONS BEGINNING OF CS-FY				132	138	40	14
D. TOTAL OBLIGATIONS AVAILABLE FOR LIQUIDATION (Block B. plus C.)				1659	1521	1032	795
E. EXPENDITURE DURING CS-FY	1. Supplies and Equipment			380	325	186	135
	2. Personnel and Training			958	781	674	549
	3. All Other			183	375	158	74
	TOTAL			1521	1481	1018	758
F. UNLIQUIDATED OBLIGATIONS CLOSE OF CS-FY (Block D. minus E.)				138	40	14	37
G. UNOBLIGATED BALANCE CLOSE OF CS-FY (Block A. minus B.)	1. Reserves			536	189	163	143
	2. Unreserved Balance			262	380	295	269
	TOTAL			798	569	458	412

SECURITY CLASSIFICATION UNCLASSIFIED

SHEET 1 OF 1 SHEETS TO THIS TABLE Project

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-59-906	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE General Administration - SCISP		

1 PROJECT BEGINS FY / ENDS FY

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) Joint Fund	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized	(2) Participants Non-Contract	(2) Participants Contract	(2) Participants Non-Contract U.S.	(2) Participants Non-Contract 3rd Country	(2) Participants Contract
A. All Prior Years	TC	209	95	10			104				1,248									
B. Net Deob.-Reob.																				
Current Funds	TC	57	37				20													
Total Actual Year FY 1959	TC	57	37				20				243				2					
C. Operational Year FY 1960	TC	48	30				18				156				2					
D. Budget Year FY 1961	TC	55	34	6			15				104				2			1		
E. All Subsequent Years	TC	275																		
F. Total All Years		644																		

2

FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/58	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
Dollar Obligation and Expenditure															
All Prior Years	TC	203		6		6	4	2	6	4	2		2	2	
Actual Year FY 1959	TC				57	57	47	10	57	47	10		10	7	3
Operational Year FY 1960	TC											48	48	35	13
TOTAL		203		6	57	63	51	12	63	51	12	48	60	44	16

Problems Addressed: 1. Need for improving legislation, Government organization, policies or methods to encourage better use of resources (land, labor and capital) for economic, political and social development.

E-1	FORM ICA 10-120 (6-59) Continuation Sheet	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	Project N° 527-59-906	E-1
				COUNTRY ECONOMIC PROGRAM	General Administration - SCISP		

1. General Description of the Project

This project centralizes administrative and auxiliary services of the Cooperative Service in Public Health. It provides for effective control of fiscal, budgetary, and accounting activities, personnel management, general housekeeping facilities, and procurement and property control.

The General Administration project is financed by (1) direct U. S. contributions for costs of health technicians assigned to the project, a portion of the costs of participant training in the U. S. and third countries, and for salaries of certain direct-hired local employees and other support costs in objective class 02 to 08 required for direct servicing of U. S. technicians or accounting; and (2) by an allotment of funds from the joint fund of the Cooperative Service for employment of local technicians and staff, purchase of administrative and demonstrational equipment where necessary, and paying for other costs of executing the administrative and business management functions.

2. Specific Goals of the Project

The goals of this project are as follows:

(a) To provide an organization which will carry out, within the Cooperative Service, these needs: administrative and business management activities; miscellaneous backstopping functions including maintenance and repair of properties and equipment. publication and printing facilities, public information, training of local personnel.

(b) To provide demonstrations and training in modern administrative and business management methods and techniques for the Ministry of Public Health, and in the field of public health.

3. Progress Toward Achievement of Specific Goals or End Products

a. Work Accomplished to Date

(1) An organization has been established to service and carry out administrative activities for all projects of the Cooperative Service. It provides professional consultation, supervision, and miscellaneous backstopping to the projects.

(2) Several management, administrative and technical procedures which have been demonstrated by the cooperative service have been adopted by the Ministry of Public Health; they involve the integration of trained personnel, transfer of operating health units and facilities, engineering and construction procedures, financing and purchasing procedures, personnel selection and control, etc.

(3) Personnel previously trained by the cooperative service in post-graduate and in-service courses now occupy key positions in the Ministry of Public Health, or serve on advisory and executive committees of the Ministry. They are instrumental in effecting the favorable transfer, to date, of many health facilities to Peruvian administration.

b. Work Remaining to be Done

This is a continuing activity which will provide the necessary administrative and business management activities to the other SCISP projects during the entire period of its existence.

E-1	FORM ICA 10-120 (6-59) Continuation Sheet	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	Project N° 527-59-906	E-1
				COUNTRY ECONOMIC PROGRAM	General Administration - SCISP		

4. Nature of U. S. Contribution

a. Previous Fiscal Years

U. S. direct support of this project totalled $209,000 during the period of FY 1952 through FY 1959. $95,000 of this sum was used for technician costs, $10,000 for participant training and $104,000 for other costs. During FY 1959 the project expended $57,000 of which $37,000 was used for technician costs and $20,000 for other costs.

b. Operational Year

In FY 1960, $48,000 is expected to be used on this project as direct U. S. support. This amount is distributed as follows: technicians - $30,000, and other costs - $18,000.

c. Budget Year

U. S. Technicians

(1) Chief, Division	FSR-1	20,000	
(1) Business Manager	FSR-4	14,000	34,000

Participants

(1) Business Administration	6,000

Other Costs, including local personnel

(1) Assistant Business Manager	5,000	
(1) Administrative Assistant	3,000	
(1) Sr. Clerk, Sec. Bilingual	1,650	
(1) Sr. Steno. Bilingual	1,650	
(1) Sr. Accounting Clerk	1,800	13,100
Other Support Costs		1,900
Total		$ 55,000

5. Nature of Contribution from Joint Fund

a. Previous Fiscal Years

From the period CY 1942 through CY 1957, approximately $963,000 from joint funds have been utilized in administering this project.

During CY 1958, project obligations were $285,000 of which $199,475 was for salaries and bonifications to 85 employees, $28,500 for the purchase of equipment and the balance of $57,525 for other costs.

Anticipated obligations during CY 1959 are estimated at $243,000.

b. Operational Year

Expenditures from joint funds are estimated at $156,000.

c. Budget Year

Joint fund obligations are planned at approximately $104,000 of which $86,000 will represent salary payments to 79 employees and $18,000 in other costs.

6. Contributions from Other Sources

None

7. Financial Considerations

The small pipeline is largely due to the time lag in expending money in other costs and payments of bills associated therewith.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED: October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION: UNCLASSIFIED	COOPERATING COUNTRY: PERU	PROJECT NO.: 527-53-907	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE: Local Health Demonstration Programs		

1 PROJECT BEGINS FY ____ ENDS FY 1960

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) Joint [illegible] Fund	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized: Non-Contract	(1) Technicians Authorized: Contract	(2) Participants: Non-Contract U.S.	(2) Participants: Non-Contract 3rd Country	(2) Participants: Contract
A. All Prior Years	TC	141	63	54			24				7,900								
B. Net Deob.-Reob.		(2)	1	(3)															
Current Funds		67	44	20			3												
Total Actual Year FY 1959	TC	65	45	17			3				366				3		4	2	
C. Operational Year FY 1960	TC	68	43	15			10				265				3		2	1	
D. Budget Year FY 1961	TC																		
E. All Subsequent Years																			
F. Total All Years	TC	274																	

2

Dollar Obligation and Expenditure — FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
All Prior Years	TC	88		53	(2)	51	34	17	51	34	17		17	15	2
Actual Year FY 1959	TC				67	67	46	21	67	46	21		21	8	13
Operational Year FY 1960	TC											68	68	40	28
TOTAL	TC	88		53	65	118	80	38	118	80	38	68	106	63	43

Problems Addressed:
1. Need for improving legislation, Government organization, policies or methods to encourage better use of resources (land, labor and capital) for economic, political and social development.
2. Inadequate educational systems.
3. Increased population and internal migration.
4. Inadequate agricultural expansion.

E-1	FORM ICA 10-120 (6-59) Continuation Sheet	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	Project N527-53-907	E-1
				COUNTRY ECONOMIC PROGRAM	Local Health Demonstration Programs (SCISP)		

1. General Description of the Project

SCISP organized and developed, as a part of the health program which began in 1942, local health demonstration projects in various areas of the country. The units were staffed and administered by SCISP's professional personnel. They were established in areas where few or no medical and health services existed before, although preference was given to the jungle regions in the eastern part of the country.

These health service units were organized to conduct public health and medical programs such as maternal and child health, communicable disease control, dental and school health, health education, environmental sanitation, social service, small hospitals providing for medical care and hospitalization, etc.

2. Specific Activity Targets or End Results of the Project

a. The local health service units have served as demonstration units from 1942 until FY 1960, and are now expected to be transferred into the new organization of the Ministry of Public Health as part of a country-wide system of local health services, which is patterned after that demonstrated by this SCISP Project.

b. The local health units have been serving as training facilities for professional and sub-professional public health personnel and are expected to continue to serve this purpose.

The local health units of Loreto, San Martin, La Libertad Tingo Maria, Lucanas and Jaen-Bagua are to be returned to Ministerial control on December 31, 1959; as well as the Medical posts of Satipo and Oxapampa. The project is expected to be terminated in FY 1960.

3. Progress Toward Achievement of Activity Targets

a. Work Accomplished to Date

SCISP began operations in the field of Local Health Demonstration Programs in 1942 under an agreement to establish a series of health posts along major tributaries of the Amazon river within the Department of Loreto. These posts provided both in-patient and out-patient attention in the field of curative medicine, as well as preventative medical activities which included maternal health, pre-school and school health, control of TB and venereal diseases, sanitary education and dental hygiene. Later, expansion provided similar health services in the Departments of San Martin and La Libertad. In addition, to the three departmental undertakings listed above, demonstration and training health units were operated by SCISP at Tingo Maria and Rimac, the latter being the only training center in Peru for public health nurses.

By the year 1957, SCISP had established or operated: one maternity hospital, one child care center, one tuberculosis preventorium, 7 hospitals, 5 health centers, 20 medical posts and was using 9 dispensary launches in mobile operations along the Amazon River.

During the period from 1957 to the present, the Local Health Demonstration Program has been operating three additional health units: one in Jaen-Bagua, one in Lucanas and a third in the valley of Oxapampa.

During the past two years, 37 health posts have been constructed for the Ministry of Health using funds in the amount of $550,000 provided for this program by the Ministry as an "over contribution" to the Cooperative Service's joint fund.

Accomplishments for the eighteen month period from July 1, 1957 through December 31, 1958(including the latest full calendar year of operations) follow:

(a) Coordinated health and medical programs continued to be developed with modern organization, training of personnel, proper administrative procedures and improvement of facilities.

(b) Six new district clinics are now under construction, financed entirely by Peruvian Government funds. (These amounts were contributed through the joint fund and earmarked for these purposes.)

(c) A total of 436 persons completed training in public health in these health units during the period July 1, 1957 to December 31, 1958, and another 42 persons were expected to complete their training in late CY 1959. This training includes formal courses (11 months) for graduate nurses to become public health nurses, sanitary inspectors (6 months), auxiliary nurses, laboratory technicians etc.

(d) Intensive in-service training was initiated for 21 visiting nurses aids and 24 auxiliary nurses.

(e) The position of Educational Director in Rimac Health unit was established.

(f) Three additional public health nursing positions were established in three health units.

(g) The first annual meeting of chief nurses of SCISP was held September 1958.

(h) The following is a list of accomplishments by SCISP regional health units:

Total persons hospitalized	8,030
Total hospital days	82,057
Total major surgical operations	265
New cases of communicable diseases found and treated	117,068
Number of out-patient medical consultations, hospitals, district clinics, and health posts	125,546
Number of immunizations given against communicable diseases	89,801
Number of laboratory examinations	123,403
Number of nurses' home visits	13,132
Number of people visited	27,975
Number of pre-school children attended	30,381
Number of school children attended	28,921

(i) The Ministry of Public Health was assisted in the development of regional health units at other locations and construction and administrative methods were demonstrated. SCISP supervised the construction, equipping and placing in operation of ten district health clinics (medical posts), ten health posts, and one small hospital in rural areas of the country.

(j) In addition to these measurable accomplishments, there are numerous other, such as the provision of health and medical services, which never before existed in these areas and which provide security for the people who live there: the impact of the health programs in the prevention of diseases, the improvement of health through daily education programs, the use of health facilities for training centers for professional and sub-professional Peruvian personnel, and good relations developed between people of the United States and Peru are difficult to put into measurable units.

3. Progress Toward Achievement of Activity Targets (Continued)

a. Work Accomplished to Date

In 1957, the President of Peru appointed a special Commission for the reorganization of the Ministry of Public Health and Social Assistance. The USOM's Chief of the Division of Health and Sanitation, who also serves as the Director of the Inter-American Cooperative Public Health Service, was appointed to the special commission. The new organizational structure developed by this Commission was enacted into law in November 1957. The Ministry's new organization has established a modern and coordinated system of providing local health services in place of the antiquated and uncoordinated system of central administration of health programs at local levels by individual divisions and departments in the Ministry of Public Health. It has established a system of regionalized health services, where local health programs are under the direct supervision of one chief, but receive general technical and administrative supervision from the central offices of the Ministry. This system of regional health programs was patterned after the demonstration regional health units which the cooperative health program established in various areas of the country. Progress was made last year in the installing of these regional health programs throughout the country.

b. Work Remaining to be Done

As a result of the discussion held in 1959 between the Minister of Public Health and the Acting Director of the Servicio, the Minister requested that, effective December 31, 1959, the local health units under the administrative control of the Servicio be transferred to the Ministry for administration. In view of this request, and beginning on January 1, 1960, the SCISP will transfer and no longer administer local health demonstration projects. A pool of public health technicians will be made available to the Ministry as technical advisors under Project N° 27-53-916, Special Advisory Services. This group will include the North American and Peruvian technicians currently assigned to the various phases of this project. The pool will provide technicians currently assigned to the various projects and, therefore, technical assistance to the Ministry under individual project agreements, and will work in cooperation with the public health personnel of the Ministry of Public Health. The functions of the pool will be to organize and strengthen the services in national, local and regional health departments. It is planned to gradually incorporate the Peruvian members of the Servicio technical staff into the Peruvian Ministry of Health.

The Local Health Demonstration Project is to be terminated, therefore, on December 31, 1959, and the U. S. technicians and certain other remaining advisory and support activities will be transferred to the Special Advisory Services Project.

4. Nature of the U. S. Contribution

a. Previous Fiscal Years

Total prior year obligations on this project were $141,000 (figures rounded) distributed as follows: technicians $63,000; participants $54,000 and other costs $24,000. FY 1959 costs of $67,000 were distributed as follows: technicians $44,000; participants $20,000 and other costs $3,000.

b. Operational Year

Total funds required by this project are estimated at $68,000 distributed as follows: technicians $43,000, participants $15,000, and other costs $10,000.

c. Budget Year

No U. S. direct contributions are planned for this project because the administrative and operational functions of the various sub-projects will all be transferred to the Ministry of Health. Any further requirements for technicians, participants and other support costs that will be needed to effect the transfer will be incorporated into project proposal 527-53-916, Special Advisory Services.

5. Nature of Cooperating Country Contribution

a. Prior Fiscal Years

Contributions from joint funds on behalf of the project totalled $7,900,000 over the period beginning in CY 1942 and ending December 31, 1958. Of this amount, $1,500,000 was expended during CY 1958.

Joint fund contributions are estimated at $366,000 during CY 1959. The decrease from 1958 is due to the tapering off in the program of constructing local health posts. There remain fifteen health posts to be completed during CY 1959.

b. Operational Year

Local health demonstration programs are being returned to Ministry control on December 31, 1959 and, therefore, will not require joint funding for CY 1960.

c. Budget Year

None. (See Project N° 527-53-916, Special Advisory Services for estimated requirements for any continuing advisory services.)

6. Contribution from Other Sources and Relationship to Other Projects

None.

7. Financial Considerations

No further financing required as project terminates at end of CY 1959.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-59-908	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE National Health Development Programs		

1 PROJECT BEGINS FY / ENDS FY

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) Joint Fund	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized Non-Contract	(1) Technicians Authorized Contract	(2) Participants Non-Contract U.S.	(2) Participants Non-Contract 3rd Country	(2) Participants Contract
A. All Prior Years	TC	127	85	17			25				3,800								
B. Net Deob.-Reob.																			
Current Funds	TC	131	99	17			15												
Total Actual Year FY 1959	TC	131	99	17			15				527				6		3		
C. Operational Year FY 1960	TC	162	103	19	25		15				394				6	2	4		
D. Budget Year FY 1961	TC	41	15	14	6		6				357				1	2	3		
E. All Subsequent Years		205																	
F. Total All Years		666																	

2

Dollar Obligation and Expenditure — FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/58	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
All Prior Years	TC	118		9		9		9	9		9		9	9	
Actual Year FY 1959	TC				131	131	109	22	131	109	22		22	4	18
Operational Year FY 1960	Tc											162	162	100	62
TOTAL		118		9	131	140	109	31	140	109	31	162	193	113	80

Problems Addressed:

1. Need for improving legislation, Government organization, policies or methods to encourage better use of resources (land, labor and capital) for economic, political and social development.
2. Inadequate educational systems.
3. Increased population and internal migration.
4. Low industrial production.

This project involves in accordance with a number of agreements between the Ministry and the Servicio, the organization and development of several broad national health programs by the Cooperative Health Service. During 1961 the project will be made up of three major sub-projects including the National Institute of Health, the National Institute of Nutrition and the National Institute of Occupational Health, each of which are described separately below, under Sections A, B, and C. Each one of these programs, when organized and staffed with qualified technicians, is to be transferred in its entirety to the Ministry of Public Health for continuance.

Parts D through G of this project description indicate total contributions by contributing parties to all phases of the project.

A. National Institute of Health

1. General Description of the Project

This activity is carried out under the authority of a project agreement (N°527-59-939) signed on December 9, 1954 between the Peruvian Ministry of Public Health and Social Assistance and the "Servicio Cooperativo Interamericano de Salud Publica" (SCISP). The original unamended agreement expires on December 9, 1959. It is planned to extend Servicio cooperation through December 31, 1960.

2. Specific Activity Targets or End Results of the Project

The SCISP contracted, under terms of the project agreement to assume administrative and supervisory control of the National Institute of Health and to supply a U. S. technician to serve as Director of the Institute.

Overall project objectives were to (1) reorganize the internal administrative and supervisory structure, and (2) to strengthen the technical program in accordance with established practices of modern laboratory operation.

It is planned to return the Institute to the Ministry control as an improved technical organization by December 31, 1960.

3. Progress Toward Achievement of Activity Targets

a. Work Accomplished to Date

During nearly five years in which the SCISP has participated in this project:

(1) Two U. S. technicians have served as Directors of the Institute for 2 to 2 1/2 years each. A Peruvian technician - administrator has been trained and apprenticed for the Directorship of the organization and by January 1, 1960 will assume full direction of the Institute and the U. S. technician will retreat to the position of an advisor.

(2) The internal administrative structure has been reorganized and strengthened. It now employs modern concepts of organization which have increased the efficiency of the Institute, e. g. accounting control of expenditures, personnel records system, cost analysis studies of biological products, production management controls have been established.

(3) The technical program of the Institute has been modified and strengthened within the limitations of the technical competence of personnel and facilities, and in consonance with the budget limitations of the Ministry, e. g. modern techniques for the production of vaccines, standardized laboratory diagnostic procedures, development of new biological products, initiation of studies on new diseases of public health importance, national control of narcotics importation and storage, and modern concepts of laboratory operation and support facilities have completely

revised standards and practices of the Institute's operations.

(4) The Institute gives advice and consultative services, and assists in establishing standards, to all the other medical laboratories of the country.

It may be noted that, before initiation of this SCISP project, Peruvian physicians had been purchasing most of the vaccines and bacteriological supplies from foreign companies, largely because of the poor quality of locally manufactured supplies and because they had obtained poor reactions from the locally produced materials. The Institute has since developed a very high quality smallpox vaccine that is being produced and sold widely, as well as other vaccine materials against whooping cough, tetanus and rabies. Now, physicians all over the country use the Institute's vaccines with complete confidence, and the Institute is producing vaccine and other preparations for many other countries as well. The sale of vaccines and preparations in Peru and in many other countries of the world has helped materially in financing the Institute's operations; and it is understood that the sales of such supplies is now earning more foreign exchange than that which is spent by Peruvian officials on purchase of vaccines, etc.

4. b. Degree of Completion of Project Activities; Work Remaining to Done

On the basis of the existing technical competence and facilities within the Institute, and of ancillary technical support within the country, the SCISP has essentially met the basic objectives of the project. In comparing the present Institute to similar technical programs of the U. S. or other more developed countries, it is considered that the Institute is not yet able to meet the generally accepted higher standards of those countries with respect to background and experience of personnel, their technical ability and professional training, and their accessibility to most modern facilities and equipment.

However, if it where to be assumed that the basic objectives of the project obligated SCISP to physically develop for the Ministry a stable Institute of superior technical capabilities and on a par with current biological knowledge and standard of the most well-developed countries, then the present organization could not hope to compete short of a long-range program (ten years or more) involving:

(a) Advanced academic and practical training in foreign countries of eight to twelve persons each year, for one, two or three years of individual scholarship support.

(b) Investment by Peru of at least S/500,000 to S/1,000,000 in construction of a new Institute building and equip the structure with laboratory furniture, instruments, materials and ancillary support facilities.

(c) A major expansion in the technical program and research of Peruvian and U. S. agencies which could to place public health knowledge and practices in Peru on a part with the highest international standards and objectives. Such standards are considered to be higher than this country may be expected to maintain, and unsupportable by the economy and by the medical educational background institutions.

5. Nature of U. S. Contribution

U. S. direct dollar contributions since the initiation of this project (1954) total approximately $120,000. This represents salary paid to American technician working as Director of the Institute and other additional costs.

Operational Year

The U. S. in FY 1960, will furnish the services of one U. S. technician, Laboratory Advisor, ICA - 4/6, $20,170.

Budget Year

No U. S. consultant to be permanently assigned during FY 1961 but it is estimated that one (1) U. S. technician for short-term consultation will be required, cost of this visit is estimated at $3,000.

Joint Funds

Since 1954 to accrued allotments amounting to approximately $835,000 have been destined for this sub-project. An additional $49,000 were made available by subsequent amendments.

The FY 1961, annual budget will consist of $200,000 of which $147,000 will be used for the payment of 157 national employees.

6. Nature of Cooperating Country Contribution

In addition, the Peruvian Government has made additional contributions totalling $25,000 in the preceeding years.

Funds equal to the amount expended by the Institute were transferred from the Ministry budget to the SCISP budget when the project began and upon project termination the Ministry will once again absorb the amount necessary to support this activity.

This project is to be terminated during FY 1961 and no further financing is planned.

B. National Institute of Nutrition

1. General Description of the Project

This activity was taken over by the SCISP in 1949 under authority of Project Agreement N° 54 between the Peruvian Ministry of Public Health and Social Welfare and the Servicio Cooperativo Interamericano de Salud Pública (SCISP). The agreement, amended in 1952 and 1956, will expire during 1960 unless extended. SCISP expects to renew this project agreement for a period of 2 to 3 years.

Under terms of the Cooperative Service Project Agreement, SCISP has undertaken administration and technical supervision of the Institute and is carrying on specific technical operations in fields listed under (2) below. Funds for the operation of the Institute of Nutrition were first transferred from the Ministry budget to the SCISP budget; later the contributions to the Cooperative Service were adjusted to provide for expenses of the Institute of Nutrition being directly supported by SCISP.

2. Specific Activity Targets or End Results of the Project

a) Analysis of nutritional deficiencies through biochemical, clinical and dietary surveys.
b) To find practical methods of correcting these deficiencies using local foods.
c) To disseminate the practical information found through training of professionals (in medicine, nursing, social work, normal schools) training of non professionals (in health centers, mother's clubs, agricultural extension, school programs), and education by way of mass media (radio, newspapers, and television).
d) To train Peruvian personnel to carry out the necessary research and education activities.

3. Progress Toward Achievement of Activity Targets

a. Work Accomplished to Date

1) Established a fully equipped chemical microbiological and animal testing laboratories.
2) In-service training was given to the staff of 6 chemists, 2 physicians, and 8 dieticians. U. S. training was extended for one

physician, 3 chemists and 2 dieticians, and training was given in Puerto Rico for 2 dieticians.

3) A study of biochemical composition of national foods was completed. Each food was studied for 16 different nutrient components. The publication is considered the most extensive of this type to date in Latin America.
4) Completed a long-term (8 years) study of nutritional status of Peruvian population. This study was carried out by means of a combined program of dietary surveys, physical examinations, and biochemical blood examinations among families living in rural and urban zones of three geographical zones of the country. This study is the first one of its type in Latin America; it was done in collaboration with FAO/UN.
5) Basic research on the role of nutrition in the parasitic anemia condition was undertaken in the jungle area.
6) Preliminary work was begun on development of a low cost high-nutritive-value food supplement for weakling children, designed to protect them from the nutrient deficiencies encountered in the survey work.

b. Work Remaining to be Done

1) To develop a nutrition education section to disseminate practical information.
2) To train additional Peruvian personnel to provide a well-trained core of professional personnel capable of independent work.
3) To continue basic research projects of food supplement development and parasitic anemia work.
4) To complete a basic laboratory manual for nutrition work in Peru, and a basic dietetic manual for hospital use throughout the country.

4. Nature of U.S. Contribution

From the beginning of the sub-project through FY 1959 the U.S. has spent approximately $134,000 for the services of one U.S. technician and local employees(~~and one year contract with the Harvard University~~

A new contract is contemplated with Cornell University for FY 1960 at an estimated cost of $24,000 for purposes of evaluating and advising on the direction of this developing program.

In the budget year, the U.S. will contribute the services of 2 employees :

One U.S. Nutritionist	FSR 5/6	$15,000
One Local Secretary	FSL 7/1	$ 1,100

5. Nature of the Contribution from Cooperative Service Joint Fund

Salaries and support costs of twenty six (26) local employees are paid from the joint funds which through CY 1960 are expected to amount to approximately $220,000. During CY 1961 it is planned that $40,000 will be allocated from the joint fund for payment of salaries and supplies.

C. National Institute of Occupational Health

1. General Description

The Institute of Occupational Health was placed under SCISP management in 1948, with SCISP being given the responsibility for organizing and developing a National Program of Occupational Health. Since that time it has been financed by the Peruvian Government through a special tax on the payrolls of dusty or hazardous industries and mines, these revenues being contributed through the joint fund of SCISP to cover operating expenses of the Institute. This activity functions under the authority of Project Agreement N°41 which expires December 31, 1960.

2. Specific Activity Targets

a. To establish a functional public organization or Institute, for the purpose of carrying out and maintaining a technically sound national program for improving general conditions and solving specific problems in the area of Occupational Health and industrial hygiene.

b. To train staff in technological administrative functions who would be qualified for continuation of the Institute programs in occupational health problems.

c. To assume direction and demonstrate, in the early phases of this project, that an efficient administration for the National Institute of Occupational Health could be developed with available resources.

3. Progress Toward Achievement of Activity Targets

a. Work Accomplished to Date

Under the administrative direction of SCISP a National Institute of Occupational Health has been moved to a modern building constructed for that purpose, and with adequate medical, engineering and laboratory facilities. A nucleus of physicians, engineers, chemists and a nurse were given post-graduate training in the U. S. Three regional offices have been established, in the northern, the mountainous, and the southern parts of the country, with adequate facilities and trained staffs.

A well-organized national program has been developed which provides professional and technical services to the industries and mines for the solution of occupational disease problems, and for the promotion of the workers' health. Occupational health studies have been carried out in mines and industrial plants including complete medical examinations of workers and detailed engineering and chemical studies. The Institute performs medical examinations on workers in compensation cases. A National Association of Occupational Health is being formed.

The Institute serves as a training center for occupational health personnel for many other Latin American countries. Administrative jurisdiction is provided by SCISP; technical assistance is limited to an industrial hygiene advisor (in chemistry).

In the technical and laboratory training aspects, the following summary indicated some of the work accomplishments:

(1) During fiscal years 1957 through 1959 approximately 250 pages of of technical material and eight procedures were prepared in Spanish and distributed to 25 former trainees, 58 other technicians in the hemisphere and 20 cooperating laboratories in the U. S.

(2) The Peruvian laboratory was established and its operation put in charge of a Peruvian counterpart technician in 1951. The U. S. technician continues to serve in an advisory and training capacity to the Institute of Occupational Health; he also advises on occupational health problems and technical laboratory procedure standardization on a regional basis.

(3) Of approximately 4,500 analyses carried out in Latin American laboratories, during calendar years 1957 and 1958, more than 50% of the data (on 2,600 analyses) was obtained by the utilization of methods prepared and kept under constant statistical control by the U. S. consultant through use of evaluation sampling.

(4) To date, 27 chemists have been trained: Peruvians (12), Bolivians (2), Brazilians (4), Chileans (2), Colombians (2 plus 1 who has recently arrived), Mexicans (2), Uruguayans (1), and Venezuelans (1). Since 1949, twenty-four international consultation-evaluation visits were made: Bolivia (7), Brazil (5), Chile (4), Colombia (6), Mexico (1), and Venezuela (1).

b. Work to Be Done

(1) Technical backstopping will be required:

(a) To provide a U. S. technical advisor to train chemists for all existing or projected activities and to eventually prepare the Institute for return to Ministry control. (on January 1, 1961).

(b) To carry out the evaluation and control of analytical procedures in these countries to assure accuracy of results reported.

(c) To prepare technical literature in Spanish, including the development, adaptation and/or translation of analytical methods as well as supporting theoretical material for use throughout Latin America.

(d) To provide technical backstopping to former trainees. (U. S. technicians also gives some advisory assistance to other technicians in the region).

(e) Practically all data to reach conclusions concerning atmospheric contamination and which is used by the engineers and doctors to confirm their diagnostic observations are based on chemical analyses. These depend on accuracy and standardization of laboratory results. Consultation should be provided until an experienced Latin American regional laboratory is established. Such a regional facility could possibly be established in Peru if desired and if cooperation in sponsorship is obtained, since the major equipment required is presently available. Lima is the most centralized location, and the Peruvian chemists have had some experience in standardization and training activities. Some consultation in new techniques in analytical chemistry such as gas vapor chromatography, derivative polarography, etc. are continually being developed and some consultation and advisory assistance may, in the future, be needed to provide chemists in Latin American programs with newer procedures that will assure continued progress in Occupational Health.

(3) One of the major problems currently encountered by the National Institute of Occupational Health is that of enforcing certain recommendations concerning the elimination of health hazards within industrial establishments. Additional legislation is needed to enable the Government to take appropriate action, where necessary, to provide for development of a reasonable enforcement system whereby industrial establishments can be induced to comply with minimum safety standards that would result in reduction and prevention of certain occupational health problems.

4. Nature of U. S. Contribution

Prior Fiscal Years

Total costs for this sub-project through 1959 has been in the form of salaries for two U. S. technicians and one (1) local secretary totalling $162,5000 in the forms of salaries of technicians and services.

Operation Year 1960

For FY 1960 the U. S. will supply the services of one U. S. technician, Industrial Hygiene, Chem. FSR 3/1, $21,500.
One (1) Secretary FSL 7/2, $1,000. Total $22,500.

Budget Year

No technicians will be assigned to this project during FY 1961, but technical consultation will be made available by the regional consultant in Occupational Health.

5. Nature of Cooperating Country Contribution

Contributions in the amount of $1,500,000, host government funds derived from special taxes have been made available and contributed through the Cooperative Service joint fund for the expenditure in payment of salaries (83 employees), construction of facilities, equipment and other costs.

The CY 1961 budget will be approximately $166,000 of which $122,000 will be for salaries of 83 local employees and $44,000 for other costs. In CY 1961, the budget will be expected to be turned back to the Ministry for direct operation.

6. Financial Consideration

It is contemplated that future U. S. contributions after FY 1961 will cost approximately $3,000, for contracting one U. S. technician for short-time consultation visit.

Nature of U. S. Contribution to the Entire Project of National Health Development Programs

Prior Years

A total of $127,000 in direct U. S. support was contributed to the project through FY 1958. Technician costs comprised $85,000 of the total, participants $17,000, and other costs $25,000.

During FY 1959 project obligations of $131,000 consisted of $199,000 to support U. S. technicians, $17,000 for participants, $25,000 for contract services and $15,000 for other costs.

Operational Year 1960

The $162,000 budgeted will be expected to support 2 contract and 6 non contract technicians at a cost of $103,000, pay costs of training for 4 participants at a cost of $19,000 and providing for other costs in the amount of $15,000.

Budget Year 1961

Costs will decrease to $41,000 because of the transfer of 3 technicians positions (Sanitary Engineer, Health Educationist, and Biostatistician) to Project N° 527-59-916, Special Advisory Services, and because of termination of the positions of Laboratory Specialist and Chemistry Advisor. U. S. technician costs will amount to $15,000, participants to $14,000, contract services to $6,000 and other costs to $6,000.

Contribution From Joint Funds to the Entire Project

Prior Years

Contribution from joint funds through CY 1958 totalled $3,800. In CY 1959 $527,000 will be alloted to the project.

Operational Year

The purpose of planned joint funds allocations of $394,000 for CY 1960, are explain in detail under the 3 sub-project headings.

Budget Year

Estimated requirements from joint funds for CY 1961 are $357,000. It is expected that remaining administrative and operational costs for the Institutes can be absorbed within the host Ministry budgets.

Contributions From Other Sources to the Entire Project

None.

Financial Considerations to the Entire Project

With the turnover of the Institute of Occupational Health and the Institute of Public Health in December of 1960, the jointly sponsored project demands will be reduced, being principally the support of the Institute of Nutrition.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-53-916	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Special Advisory Services		

1 PROJECT BEGINS FY / ENDS FY

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) Joint MSP-Fund	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized: Non-Contract	(1) Technicians Authorized: Contract	(2) Participants: Non-Contract U.S.	(2) Participants: Non-Contract 3rd Country	(2) Participants: Contract
A. All Prior Years	TC	305	124	115			66				2,497								
B. Net Deob.-Reob.	TC	(27)	(1)	(27)			1												
Current Funds	TC	84	57	15			12												
Total Actual Year FY 1959	TC	57	56	(12)			13				247				4		2	4	
C. Operational Year FY 1960	TC	87	52	21			14				154				4		3	1	
D. Budget Year FY 1961	TC	233	149	40			44				305				8		5	2	
E. All Subsequent Years	TC	1,360																	
F. Total All Years		2,042																	

2

Dollar Obligation and Expenditure — FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/58	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
All Prior Years	TC	264		41	(27)	14	9	5	14	9	5		5	5	
Actual Year FY 1959	TC				84	84	68	16	84	68	16		16	10	6
Operational Year FY 1960	TC											87	87	60	27
TOTAL		264		41	57	98	77	21	98	77	21	87	108	75	33

Problems Addressed:
1. Need for improving legislation, Government organization, policies or methods to encourage better use of resources (land, labor and capital) for economic, political and social development.
2. Inadequate educational systems.
3. Increased population and internal migration.

1. General Description of the Project

This project involves technical consultation and advisory services in the fields of public health physician activities, public health nursing, sanitary engineering, biostatistics, hospital consultation, health education, health administration and maintenance. Each service is discussed below in Section A through I of Part 1. Contributions from various sources and country coordination are described in Part II.

A. Public Health Physician Advisory Services (Medical Officers)

1. General Description of the Sub-Project

The medical officer served, subsequent to 1942, in a consultative and advisory capacity to his Peruvian counterpart; to the director of the local health services of the SCISP; and as public health physician advisor to the Ministry of Public Health.

The transfer of the local health departments to the Ministry on December 31, 1959, will provide that the Medical Officer will work with the Director General of Public Health and the Chiefs of the Divisions of Technical Norms and Areas of Health in an advisory capacity.

2. Specific Activity Targets or End Results of the Project

a. To advise and assist the host country to improve standards and practices in national, regional and local public health departments and organizations.

b. To assist in the establishment or programs of in-service training for public health personnel at all levels.

c. To assist in the selection of public health personnel to receiving advanced training outside of Peru.

3. Progress Toward Achievement of Activity Targets

a. Work Accomplished to Date

Local health departments with the assistance of the medical officer have improved their standards and practices under SCISP administration. Liaison relationships have been established between the SCISP and the Ministry in the areas of health department administration.

b. Work Remaining to be Done

The implementing of (a), (b), and (c) above.

B. Public Health Nursing

1. General Description of the Project

The SCISP Nursing Consultant serves in the capacities of a Consultant in Nursing to the Ministry of Public Health and Social Assistance and as Director of the Public Health Nursing Activities of SCISP.

The Nursing Consultant of SCISP has advised on a reorganization of the Department of Nursing in the Ministry of Public Health. The Consultant assisted in conducting a competitive examination for key nursing technician positions held for the purpose of placing these positions within the scope of non-political civil service appointments. The Department consists of a chief nurse in the Department of Nursing who supervises a section of Registered Nurses, a section of Hospital Nursing and a section of Public Health Nursing.

A survey of major needs based upon this organizational set up follows:

Registered Nurses

Between 1911 and 1957, 2748 nurses graduated from the nursing schools of Peru. A total of 1,519 now work as nurses in the country. Of these, 1245 are in hospital service with 960 of them in Lima and Callao, and 285 are distributed over the remainder of the country in the hospital services of the Ministry of Public Health. A total of 274 are in miscellaneous nursing activities distributed throughout the country. The above figures are supplemented by 60 foreign nurses and there are 2000 nursing aids.

Hospital Nursing

It is estimated that the country needs 400 additional hospital nurses and 2000 auxiliary nurses in 1960 and 1961. These figures are derived by estimating a requirement of five nurses and 25 nursing aids per 100 beds, and modifying these figures to meet Peru's own situation. The figures represent, therefore, considerably less than would be required in the U. S. There are nine schools of Nursing in Peru; all are located in Lima. These schools graduate approximately 200 nurses each year. A new school is tentatively planned for Arequipa.

Public Health Nursing

Because of the shortage of trained nurses, it is proposed to train one public health nurse for every 25,000 inhabitants. (as compared to 1/5000 in the United States). It is estimated that the country needs 400 public health nurses to properly administer the present public health program.

A total of 150 public health nurses have been trained by SCISP in the past ten years. At the present time 99 public health nurses (or about two-thirds of those trained) remain with the program. Even if the present training rate can be successfully stepped up, it will take many years to train enough public health nurses to meet the program needs of today.

2. Specific Activity Targets or End Results of the Project

The goals established by the nursing program in 1955 included the following:

a. To increase the number of public health nurses to meet the country's needs.

b. To provide in-service education, on a local health unit basis, through public health nurses.

c. To provide nursing training in the U. S. and third countries for standardizing modern practices and for up-grading Peruvian standards of nursing to those recognized by more advanced countries.

3. Progress Toward Achievement of Activity Targets

The basic objective of the nursing program is to give leadership in nursing. This objective has been carried out through demonstration services in SCISP operated facilities and consultation at the national level.

Since 1955, the following project goals have been obtained:

a. Establishment of the first nursing consultant in Occupational Health.

b. Establishment of the first chief nurse in the Department of San Martin (responsible for public health supervision of all nursing services).

c. Establishment of the first position of nursing education director in the Rimac Unit.

d. Reorganization of the Rimac Unit nursing service is in progress.

e. Initiation of a part-time public health nursing service in Oxapampa.

f. Initiation of a visiting nurses aids training course in the Rimac Unit.

g. Revision of the visiting nurses aids training manual.

h. Revision of the nursing auxiliaries training manual.

i. Initiation of a nursing records manual.

j. Initiation of an administrative manual for the central nursing office.

C. Hospital Consultation

1. General Description of the Project

A consultant is conducting a national survey and is reporting his findings and recommendations on existing hospital facilities, organization, administration and equipment. Recommendations for future action on a country-wide basis are also being made. A national planning and construction program is being developed along with a national training program in hospital administration and organization.

2. Specific Activity Targets

a. Improvement in existing hospital facilities, organization, equipment through development of a national planning and construction program.

b. Development of a national training program in hospital administration and organization.

3. Progress Toward Achievement of Activity Target

a. Work Accomplished to Date

(1) Completed a study and made recommendations for reorganization of the 13 hospitals of the National Social Security System. Completed detailed studies and recommendations made on 15 general hospitals of the Ministry of Health and various Beneficencias. There are increasing number of requests for studies of specific large public hospitals. A nationwide demand for new and better hospitals, equipment and personnel is evident. Consultation has been given on the planning, construction and on the rehabilitation of several hospitals and health centers.

(2) There is an increasing awareness of the need for training directors and hospital administrators throughout the country. Conferences, discussions and interviews have been held with hospital directors, administrators and other professional personnel in various parts of the Country. Since the technical consultations involved, for the most part, long range programs, specific achievements are not always immediately apparent.

(b) Work Remaining to be Done

(1) A National hospital survey is being completed and a report will be made. Specific studies are to be made of the following facilities:

(a) Children's Hospital of Lima

(b) Bravo Chico Tuberculosis Hospital

(c) National Institute of Neoplastic Diseases

(d) Cuzco General Hospital

(e) University Hospital of Trujillo

(f) Equipping and organization of Tingo Maria Hospital

(h) Other hospitals and health centers.

(2) Assistance is planned in the development and strengthening of the Division of Hospitals within the Ministry of Public Health, as well as continued consultation with national hospital and health organizations on hospital organization, administration, hospital planning, equipment and personnel. The division of technical services within the Ministry of Health will be assisted in setting up standards, norms and procedures to use on a countrywide basis.

D. Sanitary Engineering

1. General Description of the Project

This Sanitary Engineering Program was begun by a project agreement signed in 1946 under which a program in sanitary engineering would be developed within the SCISP. The program as developed covered three fields of activity:

a. General Sanitary Engineering;

b. Market Construction; and

c. Construction of Community Water Supply Systems.

2. Specific Activity Targets or End Results of the Project

a. To demonstrate the need for a national sanitary engineering program.

b. To provide advisory assistance for completion of construction of the Tingo Maria public market.

c. To provide advisory assistance to complete construction of community water supply systems currently being constructed and to encourage sound engineering and financial planning on additional systems.

3. Progress Toward Accomplishment of Activity Targets

a. Work Accomplished to Date

Sanitation Programs have been established in the Departments of Loreto, San Martin and La Libertad. They have also been organized in the provinces of Tingo Maria, Lucanas, Jaen Bagua, Satipo and Oxapampa and in the district of Rimac.

Funds and personnel have been used in making a preliminary survey of the water supplies in all of Peru. A report has been published: "Plan the Obras Sanitarias Agua Potable y Desagüe, Informe Preliminar" SCISP, Lima, Perú, 1959. Assistance in training of personnel is given through this program.

Technical information in the form of pamphlets, brochures, etc., has been published. Advice and direction in construction of sanitary works in four cities of the country is also a part of the program.

Water supply systems have been completed at Sicaya, a city of 17,000 inhabitants, and at Chulucanas, which has a population of 15,000. SCISP contributed technical advisory assistance and direction on these projects as well as some imported materials and equipment, while most of the local labor and supplies were furnished by the municipalities. The reservoir and disposition system for potable water have been completed for Requena, a town of 2,500 people. A water supply distribution system has been completed at Pucallpa, a city of 5,000 people. A water supply source and the major part of the water distribution system for Tingo Maria have been completed.

b. Work Remaining to be Done

(1) Advise and encourage the Ministry to strengthen its Division of Sanitary Engineering. It should be provided with an adequate budget to carry out a well planned nation-wide sanitation program (food, water supply, rodent and insect control and water-borne disease control)and advise on a national plan of development of community water and sewage disposal works.

The United States has contributed approximately $23,000 to this phase of work since 1953, in addition to the expenses for maintaining a U. S. technician and paying the salary of one locally employed engineer. The U. S. technician spends a large part of his time in the development of this Program. The salaries for one U. S. and one local technician, including support costs, local travel, etc., amount to about $20,000 per year. The host country has contributed the equivalent in soles of approximately $77,000 to this phase of work since the beginning of this project.

(2) Adviseandcomplete construction of the Tingo Maria Public Market. Its supervision is presently under the U.S. Consultant. Funds contributed by the Government of Peru in the amount of approximately $50,000 are being used.

(3) Advise and supervise construction of a water supply reservoir and sewerage system in Tingo Maria utilizing a special contribution of the sol equivalent of $220,000 made by the Government of Peru.

(4) Advise and supervise construction of a complete water treatment plant in Requena, utilizing $8,500 contributed and earmarked for this purpose by the Government of Peru.

(5) Advise and supervise, to completion, the construction of an integrated water treatment plant, reservoir and intake at Pucallpa. This project can be terminated in 1960, utilizing the sol equivalent of $220,000 in special funds contributed by the Government of Peru.

E. Maintenance Engineering

There is need for improving maintenance engineering in the Ministry. The role of the maintenance engineer assigned to the SCISP will be expanded upon the transfer of the SCISP operated health units on December 31, 1959. At that time, he will assume and advisory role to all units of the Ministry.

A detailed advisory work program will be developed by the maintenance engineer with the Ministry upon his return to Peru in October 1959.

F. Health Education

1. General Description of the Project

In 1950 the Health Education Program was established in the Division of Hygiene and School Health of the Ministry of Public Health. In 1953, SCISP began providing technical and financial support to the Health Education Program to serve as a national program of the Ministry. In 1957, it became a Division in the Ministry but continued to receive technical and financial support from SCISP. In January of 1959 all SCISP financial support was withdrawn and administration of the project was turned over to the Ministry. It continued to receive technical support from SCISP local and U. S. technicians.

2. Specific Activity Targets and End Results of the Project

a. To develop the Division of Health Education as a technical organ in the Ministry of Public Health.

b. To prepare the staff of health educators required to serve the needs of the Ministry of Public Health.

c. To assist the Ministry at the national and local levels in planning and conducting the educational phase of the health programs; and, to organize a system of information for the public.

d. To coordinate the health program of the Ministry with other agencies interested in health.

e. To plan, prepare, test, distribute and evaluate appropriate visual aids.

3. Progress Toward Accomplishment of Activity Targets

The Division of Health Education has been organized within the Ministry of Public Health with adequate offices. SCISP has provided technical assistance in health education since April 1953. This included technical advisory services, training grants and, through special contributions to joint funds of the Cooperative Service, additional budgetary support to employ Peruvian Health Education personnel at national and local levels.

At present there are two Peruvian health educators directing the Division. They are well qualified, competent, enthusiastic full time workers and desirous of developing a first rate service There are three trained health educators and six auxilliary workers, all working at the local level as health educators in health units.

The Division in 1957 originated a plan for training additional personnel but it has not yet been possible to put this plan completely into operation because of the lack of country funds to fully support it. It is being gradually implemented as additional funds become available for this purpose to the Ministry.

Present needs, and requests for health education personnel for establishing additional local offices, total approximately 35. However, it is not considered financially possible or practical to implement this number of units within a period of less than 5 to 10 years, or until such time as country resources can permanently provide for these services on a continuing basis.*

G. Health Administration

1. General Description of the Project

This sub-project was begun in August of 1959 with the arrival of the first U. S. consultant assigned to Peru in Health Administration. The consultant will work in FY 1960 toward the development of health programs in the field.

* SCISP will provide training and advisory support to the Ministry as local resources can be made available.

2. Specific Activity Targets and End Results of the Project

To provide consultation on administrative methods and practices for the Ministry of Public Health and to train personnel in administrative details and methods. To advise on administrative, technical and operational aspects of Government Public Health Programs and peripheral health services.

3. Progress Toward Accomplishment of Activity Targets

This activity started with the arrival of a Health Administration Advisor on August 22, 1959. Arrangements have been made for him to begin working in the Ministry by September of 1959.

H. Program and Division of Biostatistics

1. General Description of the Project

This Project was established by Project Agreement No. 70 signed on March 21, 1956. The expiration date for the current agreement is March 21, 1959. The agreement transferred the Department of Biostatistics (now Division of Biostatistics) to the Servicio Cooperativo Interamericano de Salud Pública for demonstration in improvement of administrative and technical controls. The program is national in character and consists of collecting, editing, coding, verifying, tabulating and publishing analysis and data on urban demography, hospitals, health services, communicable disease and other special studies. The basic objectives of the program have been to demonstrate how to improve and strengthen biostatistical services and facilities. This has been done by increasing the amount of available statistical data related to natality, mortality, morbidity, hospital and other national health programs in order to assist in health planning and problem solution and thereby contribute to economic development. A U.S. technical advisor has been developing a program in vital, demographic and public health statistics for the past three years. The Division consists of 29 employees in the following four departments: Department of Demography and Communicable Diseases, Department of Statistical Norms, Department of Statistical Services (hospitals, local health services, V. D. statistics, etc.) Department of Machine Tabulation.

2. Specific Activity Targets and End Results of the Project

Specific objectives are the adoption of modern statistical techniques such as sampling, increased mechanization, population estimates, data verification, quality control, birth, death and fetal death certificates, manuals of instruction, estimates and surveys for determining data reliability. It is planned to improve the quality and increase the amount of statistical data necessary for planning, to increase operational efficiency in statistical administration, to improve the various sources of statistical data, to centralize statistical activities in the Ministry of Public Health, to coordinate statistical activities among various agencies, to train technicians and clerks in modern statistical methods, to perform advisory services for ministry offices who conduct research project in epidemiology and other disciplines.

3. Progress Toward Accomplishment of Activity Targets

Progress has been made; the scope of statistical activity has been greatly increased to include statistical series on additional phenomena such as hospital out-patient and local health services. Data previously tabulated has been expanded in respect to the numbers of tables, content of analysis and graphic material. Annual publications and monthly communicable disease bullentins have been published. Sampling methods and quality control are used for tabulation and general measurement. Data is checked and queried when necessary; statistical forms have been redesigned. The use of the death certificate has been expanded; birth and fetal death certificate have been introduced. Manuals of instructions have been printed for each major statistical form.

Administrative efficiency has been improved by reorganization and employment of modern methods. An administrative assistant was employed for personnel and administrative services. A Department of Statistical Norms and a Department of Statistical Services were created. In order to improve the quality of the program, professional technicians were employed to head the newly created departments. Machine tabulation capacity was increased through rental of IBM 101 and reproducing punch machines. Mark sensing is being employed, thus reducing punching operations. Incentives have been introduced to increase unit production. An addressograph was acquired to facilitate mailing.

Statistical data have improved by constant querying visits and checking. A vital registration project for Southern Peru, based on a sample, was carried out in 1958 for the purpose of improving vital statistics at their source; but this project was discontinued in 1959 for lack of funds. Registration and reporting areas have been increased.

Centralization of statistical activity in the Biostatistics Program of the Ministry of Public Health will be accomplished by the end of CY 1959. An important result is the increased operational efficiency, increased technical quality of statistics, the improved technical and administrative supervision.

Coordination of statistical activity between various governmental agencies and the Biostatistics program was progressing rapidly until 1958 when some administrative difficulties developed between the coordinating agencies. Although a coordinating council composed of the chiefs of the statistical offices has been recommended, nothing has been done. Coordination in tabulation is being maintained with the Municipalidad de Lima and the Dirección Nacional de Estadísticas. However, it has not as yet reached the desired level.

Technical training in statistics has been accomplished through in-service training and in foreign training facilities. Two department chiefs have been trained or are receiving training in the U. S. Eight persons have received in-service training of three months each; one employee is finishing training in Santiago, Chile; two employees have received training in Causes of Illness coding in Caracas and one department chief is scheduled to receive training in the U. S. in 1960 if funds become available from other program savings. A very capable person who could become chief of the Program is receiving training at Harvard University.

An important development is the increased number of requests for technical assistance on research programs and special studies. This has included such fields as nutrition, health census, an experimental census tabulation, health facilities study in Southern Peru, design of key sort cards and many others. The medical school has requested assistance in the statistical aspects of thesis writing.

The U. S. contribution to this sub-project consisted of a technical advisor (who also supervises the project), a local secretary, a local statistician hired on contract (until January 1959) and some limited equipment including typewriter, calculator, file cabinet and desk. Cooperative Service funds have been made available along with special contributions from the host government through SCISP. These contributions provided for employment of about 25 technicians and clerks, purchase of all equipment, and the rental of machine tabulation equipment.

Administration and technical responsibilities of the program will be transferred to the Peruvian Chief of the Division in January 1960. The present U. S. Program Supervisor will become a technical advisor. The program will continue to be administered by SCISP during 1960 and then will be turned over to the Ministry of Public Health for operation.

E-1	FORM ICA 10-120 (6-59) Continuation Sheet	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY Perú	Project N° 527-53-916	E-1
				COUNTRY ECONOMIC PROGRAM	Special Advisory Services (SCISP)		

I. Nature of U. S. Contribution (to all sub-projects or phases)

1. Prior Fiscal Years

Through FY 1958, $305,000 was contributed to the support of the project. This amount was distributed as follows: U.S. technician $124,000. participant $115,000 and other costs $66,000. For FY 1959 the U. S. contributed $84,000 of which $57,000 was technician costs, $12,000 other support costs and $15,000 participant costs.

2. Operational Year

Medical Officer Preventive Medicine	5,370.00
Hospital Administrator	19, 785.00
Health Administrator Advisor	14,600.00
Medical Social Worker	10,020.00
Social Security	2,300.00
	52,075 .00
Participant training will require an estimated; and	21,000.00
Other costs	14,000.00
TOTAL	$87,075.00

3. Budget Year

The U. S. contribution for FY 1961 represents the amount required for maintaining the group of consultants who are doing the above described work, including:

Medical Officer	FSR 2/4	$24,000.00
Hospital Administrator	FSR 2/1	19,500.00
	c'forward...	$43,500.00

	b'forward		$43,500
Health Administrator Adv.	FSR 3/3	$19,500.	
Public Health Statistician	FSR 4/7	20,000.	
Sanitary Engineering	ICA 4/5	21,000.	
Maintenance Engineer	FSR 5/2	12,000.	
Public Health Nurse	FSR 4	13,000.	
Medical Social Worker	FSR 6/6	13,200.	
			$142,200.
6 1/2% Employers Contrib.	CSR		6,800.
			$149,000.

Participants:

(1) Hospital Administration	$ 5,000.
(1) Social Welfare	4,500
(1) Vital Statistics	6,000
(1) Nutritionist	6,000
(1) Public Health Nursing	5,500
(1) Maintenance (Hospital Equip.)	6,000
(1) Public Health Medicine	7,000
	$ 40,000.

Other Costs: Local employees

(1) Sr. Stenographer Bilingual	1,444.
(1) Information Asst.	2,444.
(1) Engineer Consultant	3,294.
(1) Typist Bilingual	1,169.
(1) Typist Bilingual	1,100.
	$ 9,451.
Other Expenses:	34,549.
	$ 44,000.

Total: $233,000.

J. Contribution from Cooperative Services Joint Fund

1. Prior Years

Approximately $2,497,000 has been contributed to the support of this project through CY 1958.

CY 1958 obligations were $289,000, distributed as follows: $183,000 for personnel cost, $20,000 for equipment.

For CY 1959, it is expected that $247,000 will be obligated in support of the project; $156,200 of this for personnel costs and $12,000 for other costs.

2. Operational Year

Project costs during CY 1960 are estimated at $154,000 of which $136,200 will be personnel costs and $7,200 other costs.

3. Budget Year

Joint funds contribution to this project will be increased to $305,000, as of 1961 due to additional emphasis being directed towards Special Advisory Services projects rather than through operational facilities connected with local and national health demonstration projects as in the past.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-54-920	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Nurses' Training Education Program		

1 PROJECT BEGINS FY / ENDS FY

	(A) Function of Funds	(A) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) (1) U.S. Owned MSP	(2) PL 480 and Other	(3) Joint MSPX Fund	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) (1) Technicians Authorized	(D) (2) Participants Non-Contract	(D) (2) Participants Contract
A. All Prior Years																	
B. Net Deob.-Reob.																	
Current Funds																	
Total Actual Year FY 1959															1		
C. Operational Year FY 1960	TC	11	10				1				23				1		
D. Budget Year FY 1961	TC	14	12				2				15				1		
E. All Subsequent Years		17															
F. Total All Years		42															

	(D) Numbers of People (2) Participants Non-Contract U.S.	(D) (2) Participants Non-Contract 3rd Country	(D) (2) Participants Contract
A. All Prior Years			
B. Net Deob.-Reob.			
Current Funds			
Total Actual Year FY 1959			
C. Operational Year FY 1960			
D. Budget Year FY 1961			
E. All Subsequent Years			
F. Total All Years			

2 Dollar Obligation and Expenditure

FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/58	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
All Prior Years															
Actual Year FY 1959															
Operational Year FY 1960	TC											11	11	10	1
TOTAL	TC											11	11	10	1

Problems Addressed: 1. Inadequate educational systems.
2. Increased population and internal migration.

E-1	FORM ICA 10-120 (6-59) Continuation Sheet	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY Peru	Project N°527-54-920	E-1
				COUNTRY ECONOMIC PROGRAM	Nursing Training Program (SCISP)		

1. General Description of the Project:

Special Consultative services to the Ministry of Public Health in the field of basic education for professional nurses are provided in this project. The two major phases of the project are:

a. Strengthening existing schools of nursing in strategic provincial areas by improving educational standards. Real interest has been demonstrated by individual schools, and by the permanent Committee for Control of School of Nursing. The Committee is a national body composed of representatives from the schools of nursing, professional nursing organizations, the Faculty of Medicine of the University of San Marcos and government officials.

b. Construction of a series of new hospitals has caused an awareness of the acute shortage of nurses and the lack of a high caliber professional nursing service.

2. Specific Activity Targets or End Results of the Project

a. The establishment of an advisor in basic nursing education within the organizational framework of the Department of Nursing in the Ministry of Public Health.

b. The advancement of the professional standards of nursing through the training of faculty members, and the improvement of curriculum content and teaching facilities. The aim is to raise the standards in the existing institutions in order that Peru may have more technically competent nurses.

c. The establishment of standards in selected schools of nursing which will lead to a university degree program.

3. Progress Toward Achievement of Activity Targets

a. Work Accomplished to Date

This is a new project. Although it was included in the FY 1960 MPB presentation, the program was not put into operation because a technician could not be recruited to implement it.

b. Work Remaining to be Done

1. The establishment of a basic nursing education program within the organizational frame work of the Department of Nursing of the Ministry of Public Health.

2. The advancement of the professional standards of nursing through the training of faculty members in schools of nursing and the improvement of curriculum content and teaching facilities. It is aimed to raise the standards in the existing institutions in order that Peru may have more technically competent nurses and greater number of them.

3. The initiation of standards in selected schools of nursing which will lead to establishment of a university degree program in nursing education.

It is contemplated that this phase will require a four - year period to raise the standards of the Hospital Schools of Nursing and to establish university level programs of study in selected schools.

4. Nature of U. S. Contribution

a. Previous Fiscal Years

None.

b. Operational Year FY 1960

The U. S. will contribute the services of a Nurse Education Advisor FSR-5, for about six months, cost: $10,000; and $1,000 for local travel and other support costs.

c. Budget Year FY 1961

The U. S. will contribute the services of a Nurse Education Advisor, FSR-5, cost during FY 1961: $12,000; and $2,000 in other costs.

5. Nature of Joint Fund Contribution

a. Prior Years

None.

b. Operational Year FY 1960

Joint fund allocation will be $23,000

c. Budget Year 1961

Joint fund allocation will be reduced to $15,000 as the initial higher expenditure incident to placing the project in operation.

6. Contribution from Other Sources

None.

7. Financial Considerations

Funding for the entire four year period will continue at approximately the same level.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-52-013	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Sanitary Engineering Instruction		

1 PROJECT BEGINS FY / ENDS FY

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) MSP Counterpart	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized Non-Contract	(1) Technicians Authorized Contract	(2) Participants Non-Contract U.S.	(2) Participants Non-Contract 3rd Country	(2) Participants Contract
A. All Prior Years	TC	201			201														
B. Net Deob.-Reob.																			
Current Funds																			
Total Actual Year FY 1959																			
C. Operational Year FY 1960																			
D. Budget Year FY 1961																			
E. All Subsequent Years																			
F. Total All Years	TC	201																	

2

Dollar Obligation and Expenditure — FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/58	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
All Prior Years	TC	146		55		55			55	50	5				
Actual Year FY 1959															
Operational Year FY 1960															
TOTAL	TC	146		55		55			55	50	5				

Problems Addressed:
1. Inadequate educational systems.
2. Increased population and internal migration.

1. General Description of the Project

The aim of this project is to help the country improve its training of professional engineering personnel, particularly as it relates to the University level of instruction.

The health of people of the Latin American countries is closely related to environmental sanitation. The education of Latin American engineers in the principles and practices involved in control of the environment for promotion of health was stimulated by the Rockefeller Foundation and the Institute of Inter-American Affairs some twenty years ago. These organizations initiated fellow programs for graduate study in sanitary engineering in the United States. The Pan American Sanitary Bureau, as regional office of the World Health Organization, has since added to the fellowship program.

Many leading sanitary engineers have studied in the United States under the fellowship program. Nevertheless, such a program, alone, cannot furnish engineers in the numbers required to design, construct, and operate water supply, sewerage, and sewage disposal systems, or to initiate milk and food inspection, insect and rodent control, housing, and to carry out other sanitation campaigns. Sanitary engineering education had to begin at home. Among the first institutions in Latin America to institute coursework in this field was the National School of Engineers in Lima, where an undergraduate Department of Sanitary Engineering was created in 1940. Since 1943, eighty-nine sanitary engineers have been graduated and have filled leading positions in health and public works agencies, in private industry, and in other areas of national life in every part of Peru as well as many parts of the world.

The program has had difficulties stemming principally from inadequate laboratory facilities and the absence of full-time teaching personnel. The National School of Engineers asked the International Cooperation Administration - Institute of Inter-American Affairs for technical assistance and in 1954, an agreement was reached between ICA-IIAA and the National School of Engineers (now the National University of Engineering) whereby the University of North Carolina, through its School of Public Health would contract to give technical assistance over a three-year period to the Peruvian school. The semi-annual reports prepared by the University of North Carolina describe in some detail activities carried on under the project.

2. Specific Activity Targets

Since a sufficient number of well trained graduate Sanitary Engineering Professors were already available, this program was designed primarily to assist the Faculty in the following ways:

a. Design and equip laboratories for Sanitary Engineering teaching and research.
b. Train personnel in laboratory teaching.
c. Plan curriculum and course content.
d. Organize field training.
e. Develop short courses and other types of special educational services.
f. Develop research and other service functions of the laboratory.

3. Progress Towards Achievement of Activity Targets

Specific activity targets "a" through "e", above, have been satisfactorily accomplished under this contract and do not necessitate further refinement through the university contract method.

The development of research and other service functions, listed as "f" under Specific Activity Targets, has not yet been entirely accomplished.

Amendment N°4 to the contract between the University of North Carolina and the National University of Engineering, approved on January 31, 1958, was entered into in order to allow additional time for the accomplishment of this objective. However, the depressed

financial situation of the University's Faculty of Sanitary Engineering made the implementation of the proposed program impractical. Furthermore, neither private industry nor other governmental agencies have shown a significant interest in utilizing the proposed research and service functions. USOM therefore, recommends termination of the contract with the University of North Carolina prior to the implementation of the last mentioned activity target. It is proposed to fullfill the activity target as well as to provide further direct advisory assistance to the University of Engineering by utilizing the services of the Sanitary Engineering Consultant assigned to SCISP. (See Special Advisory Services in Health, Project N° 527-53-916)

4. U. S. Contribution to Date

a. All Prior Years

Contract obligations totalled $201,000 through June 30, 1958 and provide for financing through December 31, 1959, when the contract arrangement expires.

b. Operational Year FY 1960 and Budget Year, FY 1961

No further financing is required.

5. Host Country Contribution

The host country university has constructed buildings necessary to house the project and it pays all costs of staffing and operating the Faculty of Sanitary Engineering.

6. Relation to Other Projects

This project is directly related to the program of Sanitary Engineering carried out under Project N° 527-53-916, Special Advisory Services in Health - SCISP

7. Financial Considerations

All expenditures in conjunction with this project will cease during FY 1960.

The $5,000 shown in pipeline from all prior years will be expended in conjunction with the extended contract.

E-2	FORM ICA 10-110 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-69-900	E-2
				COUNTRY ECONOMIC PROGRAM	STATUS OF COOPERATIVE SERVICE FUNDS		

1 PROJECT DETAIL BY CS-FY

Project Number	Project Title	Obligations ($1000 Equivalent) 58	59	60	61	Expenditures ($1000 Equivalent) 58	59	60	61
69-906	Gen. Administrative Services	114	109	100	100	120	125	106	101
69-907	Teacher (Normal) Education	250	294	200	170	303	338	211	172
69-909	Rural Elementary Education	116	280	121	105	132	322	127	104
All Other Projects (Detail on Continuation Sheet)									
TOTAL (Must correspond with (3B.) and (3E.)		480	683	421	375	555	785	444	377

2 TITLE OF COOPERATIVE SERVICE Servicio Cooperativo Peruano Norteamericano de Educación (SECPANE)

CS-FY 19 59
BEGINS: January 1, 1959
ENDS: December 31, 1959

3 SUMMARY OF STATUS

			CS-FY	CS-FY	CS-FY	CS-FY
(All Figures $1,000 Equivalent)	U.S. $1.00 = Exchange Rate by Year		19	25	25	25
A. AVAILABLE FOR OBLIGATION DURING CS-FY	1. Unobligated Balance End Prior CS-FY		403	378	118	47
	2. Agreed Contributions for CS-FY	Host Government	313	215	215	215
		U.S. Corresponding U.S.-FY	115	115	115	115
		U.S. Succeeding U.S.-FY	-	-	-	-
		Other	27	93	20	10
		TOTAL	455	423	350	340
	TOTAL		858	801	468	387
B. PLANNED OBLIGATIONS DURING CS-FY	1. Supplies and Equipment		182	258	160	142
	2. Personnel and Training		221	310	192	171
	3. All Other		77	115	69	62
	TOTAL		480	683	421	375
C. UNLIQUIDATED OBLIGATIONS BEGINNING OF CS-FY			217	142	40	17
D. TOTAL OBLIGATIONS AVAILABLE FOR LIQUIDATION (Block B. plus C.)			697	825	461	392
E. EXPENDITURE DURING CS-FY	1. Supplies and Equipment		206	293	162	135
	2. Personnel and Training		221	280	192	171
	3. All Other		128	212	90	71
	TOTAL		555	785	444	377
F. UNLIQUIDATED OBLIGATIONS CLOSE OF CS-FY (Block D. minus E.)			142	40	17	15
G. UNOBLIGATED BALANCE CLOSE OF CS-FY (Block A. minus B.)	1. ~~Reserve~~ Unoblig. Bal of Projs		327	103	40	10
	2. Unreserved Balance		51	15	7	2
	TOTAL		378	118	47	12

SECURITY CLASSIFICATION UNCLASSIFIED

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED: October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION: UNCLASSIFIED	COOPERATING COUNTRY: PERU	PROJECT NO.: 527-69-900	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE: North American-Peruvian Cooperative Service in Education (SECPANE)		

1 PROJECT BEGINS FY 1944 ENDS FY 1965

	(A) Function of Funds	(A) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) (1) U.S. Owned MSP	(2) PL 480 and Other	(3) MSP Counterpart	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) (1) Technicians Authorized: Non-Contract	(D) (1) Technicians Authorized: Contract	(D) (2) Participants: Non-Contract U.S.	(D) (2) Participants: Non-Contract 3rd Country	(D) (2) Participants: Contract
A. All Prior Years	TC	1,004						1,004					963						
B. Net Deob.-Reob.																			
Current Funds		115						115											
Total Actual Year FY 1959	TC	115						115					215						
C. Operational Year FY 1960	TC	115						115					215						
D. Budget Year FY 1961	TC	115						115					215						
E. All Subsequent Years	TC	460											860						
F. Total All Years	TC	1,809											2,468						

2

Dollar Obligation and Expenditure — FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
All Prior Years	TC	927		77		77	65	12	77	65	12		12	12	-
Actual Year FY 1959	TC				115	115	42	73	115	42	73		73	73	-
Operational Year FY 1960	TC											115	115	48	67
TOTAL	TC	927		77	115	192	107	85	192	107	85	115	200	133	67

Problems Addressed:
1. Inadequate educational systems
2. Increased population and internal migration
3. Inadequate agricultural expansion.
4. Low level of industrial production.
5. Need for improving legislation, Government organization, policies or methods to encourage better use of resources (land, labor and capital) for economic, political and social development.

1. General Description of the Project

The Cooperative Education Service was established by Basic Agreement dated October 18, 1950 and was extended on April 28, 1955, with the current extension agreement expiring on June 30, 1960. This Cooperative Servicio is an administrative device designed to allow the most effective cooperation between the Government of Peru and the United States. As such, it is not a demonstration project itself, but rather only the vehicle for housing and servicing the three demonstrational projects shown below.

The Cooperative Education Service includes within its overall aims the improvement of education in Peru. It has developed major project activities in the fields of teacher education for service in elementary, secondary, and vocational schools in the urban and rural areas. It provides for in-service training for administrators and supervisors, school-community cooperation and a continuing relationship with the Ministry of Education at all levels. The basic aims are to establish models and demonstrations of techniques and organizational methods .

Inadequate educational services are among many factors related to this country's under-developed status. Peru needs, of course, better means of communication in an expanding and varied economy, and a more effective integration of the Indian population into the total national picture. The work of the Cooperative Education Service may be hampered by these deficiencies, but its actual reason for being is the result of their existence.

Specific activities within the Servicio program consist of:

a) A training program for teachers of more than 250 elementary pre-vocational schools.

b) Training and follow-up courses for school inspectors.

c) A program for training Arts and Crafts instructors and for integration of home industries into community and school programs.

d) Establishment and support of teaching training programs in the Superior Normal School for elementary, secondary and industrial education.

e) Organization of summer courses in the Superior Normal School, in rural departments, in more distant provinces, and in Lima.

f) Establishment of an assistance program for provincial supervisory teams in Cuzco, Puno and Apurimac departments, and in Oxapampa and Tingo Maria.

g) Construction, organization and operation of the Urubamba Normal School in the Altiplano. This school is planned for the training of new teachers and for in-service and specialized training of personnel who are now in the teaching service. This school is co-educational with an experimental curriculum.

h) Establishment of cooperative programs in vocational agriculture, home life, and industrial education.

i) Participation with officials of the Ministry of Education in national committees for study, curriculum reform, and general consultation.

j) Selection, program planning and follow-up of participants who train in Puerto Rico, United States and third countries.

k) Translation, preparation, and production of teaching guides, manuals, and other aids.

The above projects are reported as N° 527-69-907 and 527-69-909.

2. Specific Activity Targets or End Results of the Project

This Cooperative Service is so designed as to allow the Chief of Party, Education Division, USOM -- who works with a joint Peruvian-North American Staff and employing a joint funding type operation -- to cooperate with the Minister of Education and his assistants in planning and developing clearly defined programs in the field of education, to carry on demonstration projects in accordance with the above programs, and to supervise the incorporation of the demonstration program into normal ministry operations within a reasonable period of time.

Present projects being carried on by this Cooperative entity are planned to:

a) Improve the quality of teaching and to increase the numbers of teachers employed in the schools.

b) Improve supervision and administration of public education.

c) Provide the Ministry of Education with continuing professional counsel.

d) Study and evaluate current conditions of education in Peru with a view to program planning.

3. Progress Toward Achievement of Activity Targets

a. Work Accomplished to Date

Close contact has been established by U. S. personnel with officials of the Ministry of Education and with school personnel throughout the country.

The Superior Normal School and the Urubamba Normal School are functioning and incorporating desirable programs of teacher education.

Courses and workshops have been attended by school officials of all provinces of Peru and by teachers in the Altiplano area.

Capable participants have been sent for training and assigned to effective positions upon their return.

Collaboration has been established and maintained with the Faculty of Education of the University of San Marcos, in the training of secondary teachers.

Production of teaching guides, pamphlets and other aids has met with success; the Service has received many orders for such materials from all parts of the country.

b. Work Remaining to be Done

Continuing supervision and consultation with the Superior Normal School and the Urubamba Normal School are important.

Work needs to be done to improve teaching methods in higher education.

Continuing follow-up is needed with school supervisors and administrators in rural areas, to strengthen their techniques and general procedures.

Participants selected and sent for training should be evaluated carefully at the start of their training and given appropriate placement upon their return.

c. Progress Toward Achievement of Progress Targets

Teaching training has been improved through the establishment of the Superior Normal School at Chosica and the Urubamba Normal School.

c. Progress Toward Achievement of Progress Targets (Cont'd)

In-service training courses have been given to the inspectors in all provinces of the country; follow-up courses have been prepared.

The functioning of supervisory provincial teams has resulted in a measure of decentralization allowing for more community cooperation and responsibility.

Teachers for specific areas of industrial and agricultural education have been trained and assigned to service.

Material preparation has been specific and appropriate, and has met with positive reception by teachers throughout the country.

The early stages of participation and joint activity with the Faculty of Education of San Marcos University have been satisfactory and provide the ground work for further effective collaboration.

Service of U. S. technicians on national commissions and study groups has resulted in positive relationships and widespread acceptance of the program activities of the Cooperative Education Service.

4. Nature of the U. S. Contribution

a. Previous Fiscal Years

The U. S. Government has made a cash contribution to the Servicio operation each year. In some years additional funds have been contributed upon signing special agreements. Funds contributed in previous years are as follows:

Fiscal Year	Regular Contribution	Special Contribution
1944-1950	$ 131,700	
1950-1951	100,000	40,000
1951-1952	150,000	75,000
1952-1953	210,000	
1953-1954	150,000	
1954-1955	200,000	
1955-1956	150,000	
1956-1957	115,000	
1957-1958	115,000	
1958-1959	115,000	
1959-1960	115,000	

b. Budget Year

In FY 1961 USOM plans to contribute to the Servicio the sum of $115,000. This is the only U. S. expense connected with this Servicio's project, except for technicians, training and other costs budgeted for individual projects.

c. Future Fiscal Years

This Servicio is tentatively scheduled to end in Calendar Year 1965. It is expected that parts of this project will have to be extended and that the present rate of U. S. contributions to the Program will remain about the same until 1965.

5. Nature of Cooperating Country Contribution

The Peruvian Government has paid a cash contribution to the Servicio operation each year. In some cases additional funds were contributed upon signing special agreements. Funds contributed in previous years are shown as follows:

5. Nature of Cooperating Country Contribution (Cont'd)

1944 -	1950	S/7,348,634.70
	1951	6,313,101.97
	1952	10,524,302.70
	1953	5,870,509.05
	1954	5,870,509.05
	1955	7,827,345.40
	1956	6,636,783.58
	1957	5,952,598.71
	1958	5,963,509.05
	1959	5,870,509.05
	1960	5,870,509.05

It is expected that in FY 1961 the Peruvian cash contribution to the Servicio program will be S/5,870,509.05. It is further expected that this amount will remain the same until the end of the presently scheduled program, which is 1965. Since FY 1952, the basic contribution has been S/5,870,509.05, but in many of the years shown above the total amounts contributed are greater. This is because the Peruvian Government made cash contributions to the Servicio over and above the amount indicated in the basic agreement. These additional cash contributions have all been accounted for through completion of amended agreements with the Ministry of Education.

6. Contribution from Other Sources and Relationship to Other Projects

During the period FY 1944 to FY 1950 there were contributions from a third party in the amount of S/389.50. Since that time, until FY 1959, there have not been contributions from other sources. In FY 1959 an agreement was made to establish a teacher education program with San Marcos University, the Servicio and the University each contributing S/50,000 towards a sub-project in teacher education. Depending upon the results of the San Marcos project during the operational year, some additional contributions may be made.

7. Financial Considerations

Contributions to the Servicio are expended by both Governments on a month-to-month basis, and are generally a month or so behind; therefore, at the beginning of the U. S. fiscal year somewhat more than one half of the obligation is unexpended.

U. S. Government contributions in cash have been reduced from a peak of $210,000 to $115,000 while the basic contributions in cash from the Peruvian Government have remained constant, at S/5,870,509.05, for the same period of years. Thus, the ratio of contributions to the Servicio are now higher for the Peruvian Government and lower for the U. S. Government than when the Servicio was established. In addition, during this same period of years, additional funds contributed by the Peruvian Government have resulted in making the ratio even higher for Peru. It is felt that the U. S. contribution is now at a minimum in order to meet the needs of the Servicio operation. Contributions are planned to remain at $115,000 until the expected end of this project in FY 1965.

8. Cooperating Country-USOM Coordination

The general plans embodied in this Servicio proposal have been prepared in cooperation with the Ministry of Education.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-69-906	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE General Administrative Service - SECPANE		

1 PROJECT BEGINS FY 1956 ENDS FY 1965

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) Joint MSP Fund	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized Non-Contract	(1) Technicians Authorized Contract	(2) Participants Non-Contract U.S.	(2) Participants Non-Contract 3rd Country	(2) Participants Contract
A. All Prior Years	TC	138	84				54				282		40						
B. Net Deob.-Reob.	TC		(1)				1												
Current Funds	TC	52	35				17												
Total Actual Year FY 1959	TC	52	35				17				74		33		2				
C. Operational Year FY 1960	TC	54	32	5			17				74		27		2		1		
D. Budget Year FY 1961	TC	65	41	5			19				74		27		2		1		
E. All Subsequent Years	TC	288											108						
F. Total All Years	TC	597											235						

2

	FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/58	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
Dollar Obligation and Expenditure	All Prior Years	TC	135		3		3	3		3	3					
	Actual Year FY 1959	TC				52	52	50	2	52	50	2		2	2	
	Operational Year FY 1960	TC											54	54	48	6
	TOTAL		135		3	52	55	53	2	55	53	2	54	56	50	6

Problems Addressed: 1. Need for improving legislation, Government organization, policies or methods to encourage better use of resources (land, labor and capital) for economic, political and social development.

E-1	FORM ICA 10-120 (6-59) Continuation Sheet	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	Project N° 527-69-906	E-1
				COUNTRY ECONOMIC PROGRAM	General Administrative Service - SECPANE		

1. General Description of the Project

This project centralizes administrative and auxiliary services of the Cooperative Education Service. It provides effective control of fiscal, budgetary and accounting activities, personnel management, general housekeeping facilities, and procurement and property control. Administration of the project is divided into four parts: general services, production (publications, printing and binding), property control and warehouse, and research and planning.

This project is financed by: (1) direct U. S. support to the Cooperative Service Program in providing general education technicians, in financing a portion of the costs of participant training in the U. S. and third countries, and in supporting the salaries of certain direct hired local personnel and other costs in Object Classifications 02 to 08; and (2) by an allotment of funds from the joint fund of the Cooperative Servicio. New funds alloted to the Servicio operation for 1961 from the general fund of the Cooperative Servicio Program are planned at $74,000.

2. Specific Activity Targets or End Results of the Project

a. To develop and control all fiscal and budgetary and accounting activities of the program.

b. To demonstrate personnel management.

c. To provide art, photographic and printing services necessary for the production of teaching and professional materials.

d. To assist the Ministry in the solution of administrative problems.

e. To set an example of sound and efficient methods of administration for the Ministry of Education, for the rural and normal school systems and for vocational schools in the country.

3. Progress Toward Achievement of Activity Targets

a. Work Accomplished to Date

This continuing project has supplied the administrative personnel and supervision required by the Cooperative Education Service.

b. Work Remaining to be Done

The project will continue to provide, through a well-trained staff, administrative and auxiliary services required for all projects, furnish administrative guidelines, closely supervise expenditures, participate in planning new activities, prepare and review budget requests submitted by the Cooperative Servicio technical personnel, and supervise the work of local employees. The project endeavors to promote employee efficiency through provision of increased knowledge of duties and work methods which tend to contribute to efficient management practices and a deeper sense of responsibility. Salaries of Servicio personnel and costs of equipment for the production of teaching materials and texts will be continued under this project.

c. Progress Toward Achievement of Targets

This project has fulfilled quite satisfactorily the purpose for which it was established, and continues to provide necessary services to the other projects in operation.

4. Nature of the U. S. Contribution

a. Previous Fiscal Years

The U. S. has paid the cost of technicians, participants in the U. S. and third countries, and certain local personnel assigned directly to the project. Project operational costs have been borne by the joint fund of the Servicio. U. S. costs

have been $190,000 through FY 1959 and are an estimated $54,000 for FY 1960.

b. Budget Year

In FY 1961, the U. S. will supply the services of two U. S. technicians, i. e. the Chief Education Advisor and the Business Manager. Four local employees will continue to be employed. One participant is planned. U. S. direct dollar costs are expected to be about 64,700 dollars in FY 1961.

U. S. Technicians

Chief Education Advisor - Position N° 40, FSR 2/4; to act as Chief of Education Field Party and Director of the Education Service; $23,000, 12 months)home leave due).

Business Manager - Position N° 51, FSR 4/2; to act as Business Manager for the Education Field Party and as Business Manager of the Education Service; $18,000, 12 months (home leave due).

Participants

1 School Planning	12 mo.	$ 5,000

Other Costs

Local Personnel:

Assoc. Business Mgr.	12 mo.	$6,000
Head Secretary	12 mo.	3,200
Bilingual Secretary	12 mo.	2,600
Project Supervisor	12 mo.	3,500
Miscellaneous Expenses, Obj. Class 02-08		3,400
		$18,700

c. Future Fiscal Years

The project is expected to continue as long as the Servicio and other Servicio projects exist.

5. Nature of Joint Fund Contribution

The joint fund consists of funds contributed to the Servicio from the Peruvian Government and the U. S. Government. Because the Servicio operates on a calendar year and the U. S. Government operates on a Fiscal Year of July 1 to June 30, the operational and budget years do not coincide. The expected expenditures for CY 1959 from the Servicio joint funds in support of this project are $99,816, to be expended on the following four sub-project activities:

51 A General Service	$49,450.00
51 B Production	36,630.00
51 C Property and Warehouse	10,989.00
51 D Research and Planning	2,747.00

Expenditures for CY 1960 and CY 1961 are expected to be approximately at the same level as for CY 1959.

6. Nature of Cooperating Country Contribution

This project is financed by allotments from the Servicio joint fund. Thus, the Peruvian Government is not expected directly to contribute additional cash to this project, but it does make certain direct contributions-in-kind. The value of contributions-in-kind are:

Office space, garage and warehouse	S/. 363,090.00
Support to Participants	96,000.00

It is expected that this contribution in kind will be continued until termination of the project. About 64 Peruvian employees

in this project are paid from joint funds.

7. Contribution from Other Sources and Relationship to Other Projects

There are no contributions from other sources.

This project is directly related to the other projects of the Education Program in that it handles all administrative matters for the entire activity.

8. Financial Considerations

The reorganization of the Rural Nuclear School Program on a provincial basis and its expansion to the jungle area, together with the plans for a comprehensive program in Southern Peru and the Mantaro Valley, will require that this project be continued until about June 30, 1965. The funds indicated should be sufficient for the budget year. The responsibilities and expenses of this and various projects serviced by this administration project will gradually be transferred to the Ministry of Education.

9. Cooperating Country USOM Coordination

The plans embodied in this E-1 and extended into the project work plans pertaining to the Servicio Projects, have been prepared in cooperation with the Ministry of Education.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-69-907	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Teacher (Normal) Education		

1 PROJECT BEGINS FY 1956 ENDS FY 1965

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) Joint MSP Fund	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized Non-Contract	(1) Technicians Authorized Contract	(2) Participants Non-Contract U.S.	(2) Participants Non-Contract 3rd Country	(2) Participants Contract
A. All Prior Years	TC	364	159	171			34				443		1,375						
B. Net Deob.-Reob.		(35)	(2)	(15)			(18)												
Current Funds		160	96	60			4												
Total Actual Year FY 1959	TC	125	94	45			(24)				294		497		8		11	1	
C. Operational Year FY 1960	TC	169	122	40			7				200		409		8		8		
D. Budget Year FY 1961	TC	182	132	40			10				170		409		8		8		
E. All Subsequent Years	TC	768											1,636						
F. Total All Years	TC	1,608											4,326						

2

Dollar Obligation and Expenditure	FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/58	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
	All Prior Years	TC	277		87	(35)	52	38	14	52	38	14		14	14	
	Actual Year FY 1959	TC				160	160	87	73	160	87	73		73	30	43
	Operational Year FY 1960	TC											169	169	80	89
	TOTAL	TC	277		87	125	212	125	87	212	125	87	169	256	124	132

Problems Addressed:
1. Inadequate educational systems.
2. Increased population and internal migration.
3. Low level of industrial production.
4. Inadequate agricultural expansion
5. Need for improving legislation, Government organization, policies or methods to encourage better use of resources (land, labor and capital) for economic, political and social development.

1. General Description

The purpose of this project is to improve the training of teachers, supervisors, and administrators of Peruvian schools. This project has two major aspects:

a. Teacher preparation prior to service, and
b. Training of personnel already in service

It is planned to use staff and facilities of the following institutions to meet the goals of the project: the Superior Normal School, the Urubamba Normal School, the Ministry's Normal Schools, and agricultural and vocational schools. Courses and workshops are planned along with assistance to Ministry personnel in preparing, translating, printing and distributing teaching materials and instructional aids.

The educational problems of Peru are complicated by an underdeveloped economy, growing population, inadequate means of transportation and communication, high rate of illiteracy, and insufficient educational program for the needs of the country.

In 1957, the Education Service and the Ministry of Education made a study of the Peruvian educational situation with a view to development of a program based upon the demonstrated needs. The survey report was published in four volumes, and plans were made to meet the indicated major problems of education in Peru.

The major goals for education in Peru may be listed as follows:

a. To improve the number and quality of teachers in normal schools, vocational and agricultural institutes, and the San Marcos University.

b. To provide technical assistance on the Ministry level and below in school organization and administration, curriculum development, and improvement of teaching.

c. To improve and augment teaching materials and the school facilities of selected institutions where teachers are prepared.

d. To upgrade personnel now on-the-job through specific courses, workshops, and participant training.

2. Specific Activity Targets

a. Give courses for professional and general improvement of teachers in the pre-vocational and vocational schools.

b. Develop a similar program for the improvement of teacher preparation and professional service in the fields of elementary, general secondary, industrial, and agricultural education. Aid in planning construction and selecting equipment.

c. Support the demonstrational Superior Normal School in terms of providing technical assistance, partial payment of faculty salaries, and equipment, books and supplies.

d. Provide a program of in-service training courses for supervisors and school administrators.

e. Aid in the development and use of school libraries in normal schools of the country.

f. Demonstrate the preparation, translation, and printing of teaching materials and instructional aids in the normal schools of the country, and establish in the SECPANE central office a professional library for use of technicians and Ministry personnel.

g. Implement a cooperative project with the Faculty of Education of the University of San Marcos for assistance in the preparation of secondary teachers in the fields of the general and social sciences.

3. Progress Toward Achievement of Activity Targets

a. Work Accomplished to Date

Specific activities and program accomplishments during CY 1959:

(1) Summer workshops were conducted for supervisors, administrators and teachers in the following type courses:

Pre-vocational	221
Vocational	231
Building Trades	6
Radio-Electricity	11
Industrial Management	34
Curriculum Revision Study Groups	34
	537

(2) Cooperative service personnel participated in an advisory capacity to the various National Educational Commissions (Primary, Secondary, Normal Education). Continued aid was given in planning and supervising of plant construction and fabricating equipment for the experimental Agricultural Institutes at Cañete and Huancayo. Also, continued aid in these same phases for the Home Life Education Institutes at Callao and Lima.

(3) Summer courses were given early in the year for the following types and numbers of teachers:

Primary	Materials Preparation	67
	Teachers In-Service Training	150
	Kindergarten - Transition	75
Secondary	Guidance	275
	Methods	348
Industrial & Agricultural Edc.	Peruvian Army	75
	Directors & Sub Directors of schools	58
	Arts and Crafts	94

(4) Studies and Surveys were made in the fields of:

Arts and Crafts - Southern Peru
Vocational Student Placement
Agriculture Institute Curriculum
Completion of National Inventory of Education
Primary Supervision

(5) Training Programs were conducted as follows:

Television Series - Homelife Education
Bolivian Trainees - Homelife Education
Secondary Guidance Pilot Project
Children Librarians
Student Industrial Placement Procedures
Preparation of Primary readers

(6) At the Chosica Normal School, SECPANE continued support. During the past four years, the Peruvian Government has assumed 80% of the costs of operating this program. Professional books and materials were furnished for the school library. The Chief of Field Party and the Assistant Business Manager continue as Trustees on the Board of Directors.

(7) Workshops were conducted during 1959 in:

Elementary Supervision and Evaluation	157
Secondary School Administration	52
Ag. Institute Administrators	58
Vocational School Administrators	152

b. Work Remaining to be Done

Salary support of Staff of the Chosica Normal School will be terminated in 1961. Advisory assistance and furnishing improved types of demonstrational and experimental equipment and/or materials will be continued when deemed necessary. Continued technical support will be given to all other sub-project included under this project.

There has been an increased number of teachers prepared, particularly in primary education and the vocational fields. Materials prepared by the Cooperative Education Service are used throughout the country, books and other publications are continually being requested by individual teachers as well as by other Latin American countries.

The Superior Normal School functions in terms of curriculum, organization, and teaching procedures on a professional basis comparable to many U. S. colleges.

4. Nature of the U. S. Contribution

a. Previous Fiscal Years

The US contributes the full cost of the US technicians assigned to this project, and participants. Operational costs of this Servicio project are borne by the Servicio joint fund to which both governments contribute.

The US costs were expected to be increased in FY 1960 over FY 1959 because the number of US technicians actually on board have increased as the staffing pattern has been filled.

b. Budget Year

In FY 1961 USOM plans to supply the services of eight US technicians. No local employees will be charged to this Project. It is planned that eight participants be sent to the U. S., Puerto Rico, and third countries for training.

U. S. Technicians

Vocational Agricultural Advisor, Position #41, FSR 4/2, 12 months, $14,543. Act as Project Director of Technical Assistance to be tendered to 36 Agricultural Institutes and basic agricultural programs under Rural Education Program.

Elementary Education Advisor, Position #42, FSR 3/2, 12 months, $15,411. Continue as coordinator of technical phase of the educational program of the Cooperative Service, and to work with the Director of Normal School educator of the Ministry on all matters concerning teacher education.

Elementary Education Advisor, Urban - Position #43, FSR 4/2, 6 months, $10,557.
Elementary Education Advisor, Urban - Position #43, FSR 4/3, 6 months, $13,428. Continue task of demonstration primary teacher in the laboratory school at Chosica and work with personnel of the primary education division of the Ministry.

Elementary Education Advisor Materials, Position #44, FSR 5/3, 12 months, $14,775. Training teacher to assist in preparation of primary instruction materials.

Home Economics Advisor, Position #45, FSR 3/5, 12 months, $11,701. Train and supervise teachers and directors and assist in supervision at Home Life Institutions; conduct demonstrations in rural areas of the Sierra.

Arts and Crafts Advisor, Position #98, FSR 3/2, 12 months, $15,071. (Vacant) Supplement and support activities of the Trade Industrial Arts and Craft Program.

Trade Industry Advisor, Position #49, FSR 5/6, 12 months, $16,401. Continue advice and technical support in industry and commercial education for boys.

Trade Industry Advisor & Consultant, Position #50, FSR 4/4, 12 months, $18,903. Aid in training personnel, planning of program and preparation of basic techniques and procedures in arts and crafts.

Participants

Vocational and Technical Education	12 months	USA	$5,000
Home Life Education	12 months	USA	$5,000
Audio Visual Education	12 months	USA	$5,000
Teaching Materials Specialist	12 months	USA	$5,000
Industrial Arts Education	12 months	USA	$5,000
Super. & Adm. of Secondary Ed.	12 months	USA	$5,000
Agric. Education	12 months	USA	$5,000
Elem. Science Specialist	12 months	USA	$5,000

Other Costs

There are no local personnel on U. S. payroll. Miscellaneous expenses, Object Class 02 to 08, $10,600. (Local travel and per diem, and technicians support expenditures).

c. Future Fiscal Years

This project is scheduled to end in Calendar Year 1965. It is anticipated that this project should be extended. Expenses will remain about the same until 1965.

5. Nature of Contribution From Joint Fund

The joint fund contribution in CY 1958 was $220,182. Amounts contributed* by the Cooperative Service for the CY 1959 are expected to total to the equivalent of $268,942* and are planned by sub-projects as follows:

		US$ or equivalent
52-B	Pre Vocational and Vocational Courses	$9,721
52-C-D & F	Teachers, Elem, Secondary, Industrial, and Agricultural Education	192,742
52-G	Escuela Normal Superior	39,010
52-J	Prep. and Print. Instructional and Prof. materials	16,483
52-K	Teacher Ed. (San Marcos)	1,830
52-H	Adm. and Superior Workshops	1,830
52-I	Others	7,326

6. Nature of Cooperating Country Contribution

SECPANE employed and assigned 29 Peruvian nationals to this project; in addition, 208 employees of the Ministry of Education are working with the U. S. and Peruvian staff in implementing project goals.

The Peruvian Government does not directly contribute additional funds to this project over and above the contribution, in soles, to the Cooperative Services General Fund. Other contributions in kind to this project are expected to be, in CY 1959:

Financial Support to Participants	$16,800
Operating Expenses of the Chosica Normal School	480,000

It is expected that this contribution in kind will be continued on an annual basis until the termination or transfer of responsibilities of this project.

7. Contribution From Other Sources and Relationship to Other Projects

No contributions were received from other sources during

* Allocations of current year contributions, only.

FY 1961.

8. Financial Considerations

The unliquidated obligations shown in Block 2 (b) (7) consists primarily of participant training funds. An increase in unexpended obligations is expected due to four US technicians are scheduled for home leave in 1961 while we have none in 1960.

9. Cooperating Country USOM Coordination

The plans embodied in the project work plans have been prepared in cooperation with the Ministry of Education.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED: October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION: UNCLASSIFIED	COOPERATING COUNTRY: PERU	PROJECT NO.: 527-69-909	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE: Rural Elementary and Normal Schod Education		

1 PROJECT BEGINS FY 1956 ENDS FY 1965

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) Joint [illegible] Fund	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized: Non-Contract	(1) Technicians Authorized: Contract	(2) Participants: Non-Contract U.S.	(2) Participants: Non-Contract 3rd Country	(2) Participants: Contract
A. All Prior Years	TC	100	63	28			9				664		1,675						
B. Net Deob.-Reob.		(2)	(2)																
Current Funds		32	25	6			1												
Total Actual Year FY 1959	TC	30	23	6			1				280		453		5		3		
C. Operational Year FY 1960	TC	110	78	25			7				121		474		5		5		
D. Budget Year FY 1961	TC	125	87	30			8				105		450		5		6		
E. All Subsequent Years	TC	500											1,800						
F. Total All Years	TC	865											4,852						

2

Dollar Obligation and Expenditures — FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/58	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
All Prior Years	TC	68		32	(2)	30	23	7	30	23	7		7	7	-
Actual Year FY 1959	TC				32	32	24	8	32	24	8		8	6	2
Operational Year FY 1960	TC											110	110	75	35
TOTAL	TC	68		32	30	62	47	15	62	47	15	110	125	88	37

Problems Addressed:
1. Inadequate educational systems.
2. Inadequate agricultural expansion.
3. Increased population and internal migration.
4. Low level of industrial production.
5. Need for improving legislation, Government organization, policies or methods to encourage better use of resources (land, labor and capital) for economic, political and social development.

E-1	FORM ICA 10-120 (6-59) Continuation Sheet	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	Project N°527-69-909	E-1
				COUNTRY ECONOMIC PROGRAM	Rural Elementary Education		

1. General Description

This project involves development and improvement of education for the rural areas of Peru. It is concerned primarily with educational problems among the Indians of the Andean and jungle areas, who constitute the greater part of the population of the country.

The Indian population, speaking languages other than Spanish and inhabiting the great undeveloped portion of the country, has not been sufficiently integrated into national political, economic, and social life. This is due in part to the lack of available facilities for education community development; and self-improvement.

Based upon the recent National Survey and other studies, the Cooperative Education Service has undertaken the projects and activities listed below which deal with Peruvian problems of education. The goals of these sub-projects are listed under 2, below. They involve technical training for individuals and groups as well as demonstrations of organization, techniques, and procedures. Personnel who carry out the project activities include one U. S. regional technical director based in Cuzco, and the complementary consulting services of 7 or 8 U. S. technicians assigned on a country-wide basis, one U. S. technician assigned at Tingo Maria, one U. S. technician assigned at Urubamba (not yet arrived), and one U. S. technician in Adult Education (not yet arrived). The direct U. S. cost in FY 1959 was $82,463 for this overall program. It is anticipated that most aspects of this project will be accomplished within about 5 years (refer to 4 c.).

The major goals for rural education in Peru are:

1. To improve teaching, supervision, and school administration in the rural areas.
2. To improve school attendance and community support for education in the rural areas.
3. To increase the number and quality of teachers serving in the rural areas.
4. To improve and foster the integration of the Indian population into the economic and political life of the country.

2. Specific End Results of the Project

a. The improvement of administration and supervision of nuclear school programs in Cuzco, Puno and Apurimac Dept. (Sierra): The preparation of materials, providing consultation, equipping, and making available construction, supervision, and planning for the improvement of the Nuclear School Program in Cuzco, Puno, and Apurimac.

b. Complete the construction of the Urubamba Normal School; operate and supervise the Urubamba Normal School. Orientation and training of personnel (teaching, direction, service), curriculum organization, experimental-model program, school of application as demonstration. To be pilot project for teacher education in this region; to be model for in-service education of teachers.

c. Workshops will continue in rural areas for inspectors, supervisors of education.

d. The development of nuclear school programs in jungle areas will continue to be modified based on new findings: (Oxapampa, Tingo Maria, Pucallpa).

e. Preparation and printing of texts and materials will continue - guides, manuals, visual aids, etc.

f. The Adult Education and Community Development Program will be planned and implement during the coming year. Through the initial stages this will be in the form of advisory services to the Ministry Director of Fundamental Education.

3. Progress Toward Achievement of Activity Targets

a. Work Accomplished to Date

Specific activities and program accomplishments during CY 1959:

(1) Servicio personnel tender consultation and supervision services to nuclear supervisors, administrators and teachers in Cuzco, Puno, and Apurimac Departments. Over 50,000 pupils and nearly 1,200 nuclear supervisory terms and teachers are involved in this region.

Construction aid has been given to communities wishing to build schools, in the form of doors, roofs, windows.

This project cooperated with the Health Cooperative Service in preparation of materials, construction of wells, sanitary facilities.

U. S. powdered milk was distributed to school children in all nucleos.

Visitations from U. S. and Peruvian technicians of the central office in Lima were sent to Cuzco, etc. to have periodic meetings, community planning activities, and educational consultations with the central and nuclear supervisory teams of the area.

(2) Completion of construction and inauguration of the Urubamba Normal School:

Classes began June 18, 1959, staff was selected and given orientation. An experimental curriculum was organized including an elementary laboratory school. Supervision of teacher training, student activities, faculty development, and elementary training school was continued. Personnel and standards are being developed in selected nuclear schools for practice teacher training, in-service port-graduate teacher education, specialized studies in community development, school administration and supervision.

(3) Workshops were conducted during CY 1959:

	Attending
(a) For supervisors of Home Life, Health, Agriculture	47
For supervisors of Literacy	51
For supervisors of Agriculture	55
For supervisors of Health	25

(b) For provincial Supervisory Teams 136 supervisors
(c) For planning of extension of nucleos to provincial basis 187 supervisors

(4) The nuclear school system was established at Oxapampa. Contributions were made in forms of technical supervision and consultation, transport, aid to school construction, school furniture, office equipment, tools, living quarters for Peruvian supervisory personnel.

A survey and study of school needs was made in the Tingo Maria area for the establishment of a rural school program. Assignment and orientation of 1 U. S. technician for preliminary operations in this area was completed in 1959.

(5) Materials were prepared in Lima and Cuzco for use in rural areas: teachers guides, readers, manuals, visual aids.

(6) Recruitment was made for a U. S. technician in adult education and community development. At present, 1 Peruvian has the responsibility of collaborating with the Director of Fundamental Education in the Ministry in this field of work.

b. Work Remaining to be Done

(1) Evaluation and possible revision of provincial team organization

will be completed in the rural areas. Further support needed for this activity 5 years, minimum.

(2) Continued support is needed from SECPANE technicians for administrative and teaching staff of the Urubamba Normal School. Program supervision, student selection and orientation will be continued.

Additional construction required includes faculty housing, classrooms of normal and primary schools.

Stress must be given to the importance of safeguarding the investment in time, money, and personnel already made in this project by construction of suitable housing for faculty if and when funds are made available. Capable, well-trained professors, former participant trainees and others, are not willing to go to this community where housing for families does not exist. Faculty houses, and additional classrooms for the elementary school and the normal school should be built from joint funds as a project of highest priority. Post-graduate teacher training programs will begin in CY 1960, and about 5 years minimum time will be needed for development as a pilot project.

(3) Consultation and supervisory assistance in workshops, in the development of the nuclear school program in the jungle areas, preparational of instructional materials for primary as well as adult education will be continued until definite competence has been shown by Peruvians to do the tasks involved. The Cooperative Service will do its best to complete this project within 5 years.

The program in Oxapampa in the beginning stage of development. The arrival of the U.S. technician will make it feasible to begin the Tingo Maria - Pucallpa developments. This project is indefinite at the present time, but it contemplated that a minimum of 5 years would be needed.

3. Progress Toward Achievement of Project Targets

The earliest stages of provincial team supervision have demonstrated its advantages and possible weaknesses. These personnel have been given some appropriate training and will be given more.

Training of participants has produced supervisors who are raising the standards of teaching in some areas and are improving school conditions, obtaining a greater community support and cutting the drop-out rate.

The initiation of the Normal School Program at Urubamba makes it possible for experimental work to be carried on in curriculum, school organization and administration; and the preparation of instructional materials to be used in surrounding nuclear schools.

4. Nature of the U.S. Contribution

a. Previous Fiscal Years

The U.S. bears the costs of U.S. technicians and participants. On June 30, 1959, only 2 of 5 authorized positions were filled, but it is anticipated that by the end of FY 1960 all authorized positions will be filled. No local personnel were employed on U.S. payroll during FY 1959. Actual costs were $32,000 in FY 1959 and expected to be about $110,000 in FY 1960.

b. Budget Year

In FY 1961 USOM will supply the services of five U.S. technicians. It is planned that six participants will be sent to the U.S. for training in various phases (see below). Total U.S. direct costs are planned at $125,000.

U. S. Technicians

Elementary Education Advisor; Cuzco Area, Position #47, FSR 5/4, 12 months, $20,414. Tendering supervisory and administrative services to rural nuclear teams located in the various departments.

Elementary Education Advisor; Cuzco Area, Position #48, FSR 4/3, 12 months, $13,452. Tendering supervisory and administrative services to rural nuclear teams located in the various departments.

Normal Education Advisor; Urubamba, Position #104, FSR 4/6, 12 months, $17,723. Co-Director of the School, in an advisory capacity to his Peruvian counterpart.

Adult Education Advisor, Position #105, FSR 4/2, 12 months, $18,243. Advises the Director of Fundamental Education in planning and development of a functional program.

Elementary Education Advisor Rural; Tingo Maria, Position #106, FSR 4/6, 12 months, $17,723. (Same as above) Also organizing and tendering supervision.

Participants

Adult Education Fundamental	12 mo.	USA	$5,000
Adult Education Rural and Comm.	12 mo.	USA	$5,000
Rural Education Spec. Supervisor	12 mo.	USA	$5,000
Community Development Spec.	12 mo.	USA	$5,000
Teaching Materials Dev. Spec.	12 mo.	USA	$5,000
School Organization	12 mo.	USA	$5,000

Other Costs

Miscellaneous expenses, Obj. Class 02 to 08 $7,600.
(Local travel and per diem and technicians support expenditures).

c. Future Fiscal Years

This project is expected to end in 1965. It is expected that some phases of this project will have to be extended. Until that time the present annual expenditures will probably continue at about the same rate.

5. Nature of Contributions From Joint Funds

Funds for the operation of this project are obtained by an allotment from the Cooperative Services General Fund.

Joint Funds contribution for CY 1958 amounts to $293,400* Expenditures from the Cooperative Services Fund for CY 1959 are expected to be $256,320. Expenditures by sub-projects are:

54 A - B - H	Sierra Area - Including Nuclear Demonstration Schools and for practice teaching purposes	$97,070
54 C	Urubamba Normal School	$89,288
54 D	Workshops	6,410
54 E-F	Jungle Area - Nuclear Demonstration Schools and the initiation of community participation in preparing school sites where not in existence to date, to provide facilities for school age population not now being serviced.	43,590
54 G	Preparation and Printing of Texts and Materials	12,820
54 I	Adult Education and Curriculum Development	7,142

*Allocations of current year contributions, only.

6. Nature of Cooperating Country Contribution

In addition to 56 Peruvian nationals employed by SECPANE and assigned to this project, 568 ministry employees were working with the U.S. and Peruvian staff of SECPANE.

The Peruvian Government does not directly contribute any additional funds to this project above the contribution, in soles, to the Servicio General Fund. The Government of Peru makes contributions in kind to the Servicio each year. It is expected that the CY 1961 contributions in-kind will be as follows at the exchange rate of 25 soles to $1.00.

Financial Support to Participants	S/ 262,000	($ 10,480)
Salaries Teachers Nuclear Schools	S/10,000,000	($400,000)
Operating Expenses Nuclear Schools	3,000,000	($120,000)
Operating Expenses Urubamba	100,000	($ 4,000)

It is expected that these contributions in-kind will be continued until termination of the project.

7. Contribution From Other Sources and Relationship to Other Projects

No contributions were made from other sources.

8. Financial Considerations

The unexpended obligations shown in Block 2B (7) consists of participant training and travel funds carried forward.

9. Cooperating Country USOM Coordination

The plans embodied in the project work plans have been prepared in cooperation with the Ministry of Education.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-66-027	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Chemistry and Instrumentation Program		

1 PROJECT BEGINS FY ENDS FY

	(A) Function of Funds	(A) (1) Total	(A) (2) U.S. Technicians	(A) (3) Non-Contract Participants	(A) (4) Contract Services	(A) (5) Commodities	(A) (6) Other Costs	(A) (7) Contributions to Cooperative Service	(B) (1) U.S. Owned MSP	(B) (2) PL 480 and Other	(B) (3) MSP Counterpart	(B) (4) Total U.S. Owned or Controlled L/C	(B) (5) Cooperating Country	(C) Other External Financing	(D) (1) Technicians Authorized: Non-Contract	(D) (1) Technicians Authorized: Contract	(D) (2) Participants: Non-Contract U.S.	(D) (2) Participants: Non-Contract 3rd Country	(D) (2) Participants: Contract
A. All Prior Years		116			116														
B. Net Deob.-Reob.		82			82														
Current Funds																			
Total Actual Year FY 1959		82			82														
C. Operational Year FY																			
D. Budget Year FY																			
E. All Subsequent Years																			
F. Total All Years																			

2

FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(A) (2) Un-Sub-Obligated 6/30/58	(A) (3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
Dollar Obligation and Expenditure: All Prior Years		75		41	82	123	26	97	123	26	97				
Actual Year FY															
Operational Year FY															
TOTAL		75		41	82	123	26	97	123	26	97				

Problems Addressed: 1. Inadequate educational systems.
2. Low levelof industrial production.

1. General Description of the Project

This project was agreed upon December 20, 1955, and provides for technical advice and assistance to the University of San Marcos in strengthening and modernizing instruction in its Department of Chemistry through a contractual arrangement between the ICA and the University of New Hampshire contract.

2. Specific Activities or End Results of this Project

The goals of the project are:

(a) To improve basic education in science, especially in chemistry;
(b) To strengthen the training of professors and students in analytical chemistry by instrumentation and laboratory microtechniques;
(c) To provide for the formation of a nucleus of professors sufficiently trained to give modern instruction in chemistry and analytical chemistry procedures;
(d) To provide in Peru graduate chemists sufficiently qualified for responsible positions in the field of analytical chemistry in Peruvian industries, mines and pharmaceutical laboratories;
(e) To provide selected laboratory equipment necessary for this specialized demonstration and continuing instruction.

3. Progress Towards Achievement of the Specific End Product

a. Work Accomplished to Date

The contract with the University of New Hampshire has been in effect since December 20, 1955 and, in late 1958, was extended through December 20, 1959 with proviso that the participant training program continue until June 30, 1960. To date, the laboratory has been completed and all of the equipment has been installed. One full-time advisor has worked in Peru for each of three years, and two short-term professors have been in Peru for three months each. Three members of the Faculty have received training in the United States, and have returned to Peru to teach in the School.

In addition, one full-time and two half-time professors from the Faculty have worked with the University of New Hampshir advisor since his arrival in early FY 1960.

The last extension of the agreement for one year provided for additional equipment, three short-term advisors (of three months each) and training in the United States for two Faculty members. In summary, three Peruvian professors have received on-the-job training, three have been trained in the United States, and were named full-time professors at the start of the past school year; and the basic laboratory has been completed. The 125 students in the Faculty are already benefiting from the improvements; and the School is expected to soon be in a much better position to provide qualified graduates to fill Peru's needs in this field. An early appraisal of the work nearly terminated by the University of New Hampshire indicates that the contractor has performed this work for ICA with a high degree of success; and that collaboration by San Marcos officials and staff, including donated time in installation of equipment has been quite effective.

b. Work Remaining to be Done

Two faculty members are now in residence at the University of New Hampshire; they will return to the University of San Marcos in June of 1960, at which time the Project Advisor from New Hampshire will make his final visit of consultation to that Institution. The present Dean of the Faculty of Chemistry, Dr. Santiago Antunez de Mayolo, who has served as Dean at San Marcos since the inception of the program, intends to resign in March 1960; thus, a new Dean will be assuming the direction of the Faculty. A short period of advisory assistance will be required of the University of New Hampshire to permit continued supervision of the contract program through the period during which the faculty

participants now in residence at the University of New Hampshire will be returning to San Marcos for reintegration into the work of the Faculty and, further, to provide for some collaboration in carrying forward with the new Dean the successful establishment of this work. In order to allow the project advisor to provide this additional service, the USOM with Embassy concurrence, recommends that the contract agreement be modified so that all activities under the contract will continue until the final termination date of June 30,1960. No additional funding will be required.

4. U.S. Contribution to the Project

a. Previous Fiscal Years

The U.S. has contributed $198,000 to the support of this project, all through a contract arrangement with the University of New Hampshire.

b. Operational Year, FY 1960, and Budget Year, FY 1961

None.

5. Host Country Contributions

a. All Prior Years

The University of San Marcos has furnished the buildings to house this project. supplied the basic furnishings necessary and paid the salaries of all staff members working in this activity.

b. Operational Year, FY 1960; and Budget Year, FY 1961

The University of San Marcos will continue to supply all of those Services and facilities listed above and, upon termination of the project, June 30,1960, will be expected to assume continuing responsibilities for full integration into University support of this work.

6. Nature of U.S. Host Country Coordination

This project was jointly agreed to by USOM/Peru and the University of San Marcos. An exceptionally good spirit of cooperation has been displayed by the Dean of the Faculty of Chemistry of that Institution, including donation of extra services and collaboration in planning responsibilities.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED: October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION: UNCLASSIFIED	COOPERATING COUNTRY: PERU	PROJECT NO.: 527-79-001	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE: Advisory Services in Government Organization and Management, Taxation and Budgetary Administration		

1 PROJECT BEGINS FY 1956 ENDS FY 1963

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) MSP Counterpart	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized: Non-Contract	(1) Technicians Authorized: Contract	(2) Participants: Non-Contract U.S.	(2) Participants: Non-Contract 3rd Country	(2) Participants: Contract
A. All Prior Years	TC	81	51	24			6												
B. Net Deob.-Reob.	TC	(2)	(1)				(1)												
Current Funds	TC	41	31	4			6												
Total Actual Year FY 1959	TC	39	30	4			5								2		1	2	
C. Operational Year FY 1960	TC	82	58	9			10								5		3		
D. Budget Year FY 1961	TC	84	62	12			10								5		3		
E. All Subsequent Years	TC	140																	
F. Total All Years	TC	426																	

2 Dollar Obligation and Expenditure

FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/58	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
All Prior Years	TC	69		12	(2)	10	6	4	10	6	4		4	4	
Actual Year FY 1959	TC				41	41	37	4	41	37	4		4	4	
Operational Year FY 1960	TC											82	82	50	32
TOTAL	TC	69		12	39	51	43	8	51	43	8	82	90	58	32

Problems Addressed:
1. Lack of understanding by labor of its responsibilities in economic and social development of the country.
2. Low level of industrial production.
3. Increased population and internal migration.

This project makes technical consultation available to the Government of Peru in the three phases of work listed above. Each subproject is described separately as to general description, specific activities and work to be done. In items 4, 5, 6, and 7 the three subprojects are discussed jointly.

A. Government Organization and Management

1. General Description

This subproject contemplates training of Peruvian officials and operating personnel to establish modern techniques of Office Administration. Advisory services to the Peruvian Government officials are provided on Organization and Management in various phases of its operations. Special emphasis is placed on the practical application of the principles of Records Management, Work Simplification, Space Utilization, Filing Systems, Procedures and Records Disposal. Training is conducted by lecture, class-room instruction, seminars and on-the-job.

The specific goals of the project are:(a) to improve work flow procedures in the offices of the Peruvian Government, and (b) to prepare a nucleus of trained Peruvian technicians to continue the practices learned in the project as an integral operation of the Peruvian Government after the U. S. phase of the project is concluded.

2. Specific Activity Targets or End Results of the Project

(a) Reorganization of the administrative procedures of the Government's General Accounting Office by:

1) Bringing audit accounts up to date, and
2) Providing a record disposal system.

(b) Training, locally and outside, of selected Peruvian Government personnel in office management techniques.

3. Progress Toward Achievement of Activity Targets

a. Work Accomplished to Date

The Records Management Program was initiated at the beginning of FY 1956. There was no foundation whatever to work on. Peruvian Government officials and workers appeared to have little knowledge of what was involved in improving their procedures they simply knew that their administrative procedures were hopelessly inadequate. The first two and a half years of the project were devoted to familiarizing top officials with the rudimentary principles of modern office management practices. This was necessary because of their highly centralized form of government and because their approval and support in effecting improvements was indispensable. A considerable proportion of the technician's time was given to preparing training materials of many kinds which were suitable and effective in the Spanish language.

Early in the project it was decided to select and train competent Peruvians, in order to assist the U. S. technician in the conduct of the program. Three such Peruvians were given a thorough practical training in Peru by the end of Calendar Year 1957; two of these are now working with the project staff and the third will start his work during FY 1960.

Training in office procedures in the Tribunal Mayor de Cuentas(General Accounting Office) was a pre-requisite to a more extensive program of reorganizing and rehabilitating the entire office, especially in handling its Records Depository. This program will involve about $5,000 for demonstration equipment. The Tribunal will add proceeds of the sale of obsolete records as the Depository is rehabilitated. This part of the program should

be completed by the end of FY 1960. Through FY 1959, 813 individuals will have completed basic training.

b. Work Remaining to be Done

Personnel, other than laborers and non-office workers, number about 30,000. The training phase, alone, is a long-term job. In addition, the improvements installed in the Lima offices must be expanded and coordinated with the provinces (which are even further behind than the Capital).

A proposal to establish a Government-wide Organization and Management Commission has been presented to the Peruvian Government. All Ministries will be represented and the Commission should operate as an independent entity. The proposal has been accepted, but its activation must await the training and selection of competent local technicians.

B. Tax Advisory Services

1. General Description of Project

Advisory services are made available to the Minister of Finance and Commerce and the tax dependencies of his Ministry with a view to the improvement of the system of direct taxation and its administration.

2. Specific Activity Targets or End Results of the Project

a. Tax Legislation

Law N° 13051, making substantive and procedural changes in the income tax laws, became effective January 1, 1959. A legislative proposal was drafted for the introduction of a real property tax law in aid of the 1959 budget revenues, but was never submitted to the Executive.

b. Tax Administration

(a) "Patente" Tax. - A census of business and professional establishments was taken by the Ministry of Finance in 1958, in Lima and Callao, at a cost of $14,126. It has been estimated that it will add 3,000 new taxpayers to the tax rolls and some S/2 million annually to the tax revenues. The extension of this census to the unpolled Lima and Callao areas is contemplated.

(b) Urban Property Rental Income Tax. - For Lima and Callao, a partial reassessment of improved real estate, at a cost of less than S/1.5 million to the Government will yield taxes of more than S/23 million above the amount collected from this same source last year. The setting aside of another S/1.5 million to complete the reassessment is being recommended, since this should produce an almost equal amount of revenue.

(c) Rural Property Rental Income Tax. - The small amount received by the Government from this source (less than S/17 million) has led to the recommendation that the reassessment possibilities of the large landholdings be studied.

(d) Audit Review. - The budgeted 1959 revenues from business audits, S/190 million, will be obtained. This is due to a reassignment of the existing audit staff and making audits of large businesses nearly current. Requirements in 1960 will involve an increase in the number of auditors, the establishment of single rather than multiple audits of returns; training in already prepared simplified audit procedures; and the creation of an internal and office audit staff.

(e) Professional Income Tax Returns. - Supreme Decree N° 38, of June 30, 1959, establishes income tax regulations for professionals which will, for the first time, give the Tax Superintendency the right of audit of their accounts. Selection of returns for both field and office audit are contemplated for 1960.

(f) Income Tax Withholding. - Supreme Decree N° 37, of June 30, 1959, provides for automatic employer - withholding of tax on salaries. This decree is due to become effective on January 1, 1960, after further study this system is to be extended to Government employees.

(g) Complementary Income Tax - Progressive Rate. - To facilitate control of this tax, it has been recommended that all individual schedular income tax declarations be filed at the same time with the Complementary Income Tax - Progressive Rate return.

(h) Income Tax Arrears. - The suspension of payment of additional tax pending an appeal to the Tax Board has been abolished by Supreme Decree 49, of August 4, 1959. This will encourage the settling of cases before issuance of additional tax bills. A new procedure has been adopted to insure more speedy payment of transfer taxes. The Tax Superintendency has solicited submission of data from office machinery firms, with a view to replacing its worn out tax bills equipment and establishing mechanized controls over tax collection accounts.

(i) Succession and Inheritance Taxes. - The backlog of succession and inheritance tax cases in being reduced.

(j) Improvement in Internal Administration. - The headquarters staff and procedures of the Tax Superintendency are to be examined with a view to strengthening them. A like study is contemplated for the organization outside Lima.

C. Budgetary Administration

1. General Description of the Project

When Señor Pedro Beltran assumed his dual responsibility as Prime Minister of the Republic and Minister of Finance and Commerce, in July, 1959, he assured the Nation of his intent to embark upon a program of austerity, tax and budgetary reform which, in the short run, would allow the Government of Peru to bring its national budget into balance, stabilize its currency and check inflation.

At the request of the Minister of Finance, soon thereafter, two short-term consultants from ICA reviewed the essential aspects of the Peruvian budgetary administration. It is anticipated that the findings will be used for the purpose of proposing a plan for the improvement of the actual budgetary situation.

In the preparation of this preliminary report, frank evaluations and precise information was given by the Minister of Finance and his key subordinates. The Peruvian officials demonstrated an awareness of the deficiencies in the present budgetary system and seemed anxious to remedy them.

A preliminary report submitted by Mr. Marvin Weissman and Mr. M.A. Velez, dated September 18, 1959, dealt with the subject of Budget Reform under two different headings. The first part discussed the organization of the budget bureau and its relation to other agencies, the legal basis for the budget, its preparation and execution. The second portion proposed a preliminary program for improvement of the Peruvian budgetary administration. It suggested a reorganization of the budget directorate, reform of the present budgetary system, stimulation of budgetary efforts within other Ministries, and the selection and preparation of a staff to carry on operations under the new operation technique. The report concluded by suggesting the establishment of a budgetary and administrative reform program. It is anticipated that technical consultants will be needed to work with the Ministry of Finance on a consultant basis during CY 1960, and in CY 1961 two technicians, with some short-term consultant assistance, are planned.

2. Specific Activity Targets or End Results of the Project

1) Short run survey to plan specific reform projects.
2) Formal initiation of reorganization of the Budget Directorate.
3) Development of an intensive training program for Budget Analysts.
4) Analysis of 1961 budgetary request.
5) Review of Agency Programs in preparation of 1962 Budgets.
6) Detailed analysis of 1962 budgetary requests.
7) Full scale review of the revised system.

3. Progress Toward Achievement of Activity Targets

a. Work Accomplished to Date

A report entitled "Proposed Reform of Peruvian Budgetary Administration" was presented to the Minister of Finance on September 18, 1959. USOM/Peru received the Prime Minister's assurance of his interest in continuing with implementing a program of fiscal and administrative reform, and requested additional technical assistance.

b. Work Remaining to be Done

Activity targets 1 through 3 above are expected to be completed during FY 1960. The remaining are scheduled during FY 1961.

4. Nature of the Total U. S. Contribution to the Three Phases of Public Administration

During FY 1960 the U. S. contribution was as follows:

U. S. Personnel	Tax Advisor	$21,000
	Records Management Adv.	18,000
	2 Consultants	1,000
	2 Budget Consultants	18,000
		$58,000
	Training	$ 9,000
	Other Costs	10,000
	Commodities	5,000
	TOTAL	$82,000

The U. S. will furnish the services of five specialists in FY 1961, as follows:

			Occupational Code
Government Administration Advisor	FSR/5	$14,000	7030301
Taxation Advisor	FSR/3	16,000	7030306
Chief Specialist, Budget Analyst	FSR/3	15,000	7030308
Specialist, Budgetary Administration	FSR/3	13,000	7030308
Consultant Specialist, Budgetary Analyst and Budgetary Accountant	FSR/3	4,000	7030308

Two local bilingual secretaries are planned, to assist the five technicians with the preparation of special materials associated with the project activities and other costs $10,000

Three trainees are programmed for study in the U. S. during FY 1961, are in the field of tax administration and two in government administration $12,000

$84,000

5. Nature of Cooperating Country Contribution

The cooperating country will provide office space, necessary transportation, assignment of technical & professional personnel, clerical personnel and the bulk of the stenographic assistance needed for successful implementation of the project.

6. Contribution From Other Sources

No direct financial contributions will be made from other

sources; the IBRD Mission personnel are expected to consult and collaborate with the project technicians.

7. Financial Considerations

(See above)

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED: October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION: UNCLASSIFIED	COOPERATING COUNTRY: PERU	PROJECT NO.: 527-71-041	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE: Public Safety		

1 PROJECT BEGINS FY 1959 ENDS FY 1962

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) MSP Counterpart	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized: Non-Contract	(1) Technicians Authorized: Contract	(2) Participants: Non-Contract U.S.	(2) Participants: Non-Contract 3rd Country	(2) Participants: Contract
A. All Prior Years																			
B. Net Deob.-Reob.																			
Current Funds		7		(14)*	7														
Total Actual Year FY 1959	TC	7		(14)*	7								1			(3)*			
C. Operational Year FY 1960	TC	39	10	8	20		1								2	2	2		
D. Budget Year FY 1961	TC	39	20	17			2								2		3		
E. All Subsequent Years		20																	
F. Total All Years		105																	

2

Dollar Obligation and Expenditure — FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/	(2) Un-Sub-Obligated 6/30/	(3) Unliquidated Obligations 6/30/	(B) Actual Year FY 1959 (1) Actual Obligations During FY	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY	(4) Un-Sub-Obligated 6/30/	(5) Total Available for Expenditure	(6) Actual Expenditure in FY	(7) Unliquidated Obligations 6/30/	(C) Operational Year FY 1960 (1) Estimated Obligations in FY	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY	(4) Unliquidated Obligations 6/30/
All Prior Years	TC														
Actual Year FY 1959	TC				7	7	-	7	7	-	7		7	2	5
Operational Year FY 1960	TC											39	39	12	27
TOTAL					7	7	-	7	7	-	7	39	46	14	32

Problems Addressed:
1. Need for improving legislation, government organization, policies or methods to encourage better use of resources (land labor and capital) for economic, political and social development.
2. Inadequate agricultural expansion.
3. Increased population and internal migration.

* Under Miscellaneous Training in FY 1959.

E-1	FORM ICA 10-120 (6-59) Continuation Sheet	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	Project N° 527-71-041	E-1
				COUNTRY ECONOMIC PROGRAM	Public Safety		

1. General Description of the Project

A Project Agreement for a "Public Safety - Traffic Project" was signed on June 16, 1959, to provide technical advice and assistance in developing a plan of operation for improved systems of traffic signs and signals, traffic statistics, accident prevention and related training of Peruvian personnel. At the request of the Minister of Government the FY 1960 project includes a survey of requirements in police training and provisions for the possible implementation of the survey team's recommendations in FY 1960 and FY 1961.

2. Specific Activity Targets or End Results of the Project

Targets for improvement of the engineering and enforcement phases of traffic control, as well as police training, will be determined on the basis of the recommendations made by the preliminary survey groups provided for from FY 1959 and FY 1960 funds. Contract employees spending about two weeks in Lima during October or November of 1959 were expected to make recommendations on the traffic project shortly thereafter.

3. Progress Toward Achievement of Activity Targets

Not applicable.

4. Nature of U. S. Contribution

a. Prior Fiscal Years

Funds for Contract Services in the amount of $6,500 were obligated in FY 1959.

Tentative plans for FY 1960 call for the obligation of $20,000 for contract services* to assist in implementing the team's recommendations and 10,000 for two police training technicians for part of the year. Training funds in the amount of $8,450 were expected to be used as follows:

1	Traffic Control	6 months	$3,000
1	Police Official	12 months	5,450
			$8,450

* Dependent on findings of the Traffic Survey Team, recommendations may be implemented through direct hire technicians rather than contract.

b. Budget Year

In FY 1961, the U. S. will pay for the services of U. S. specialists, the cost of training three participants, and other costs items in support of the U. S. technicians.

Technicians

Pol. Adv. Tng. (0083.20)	12 months		$15,000
Pol. Adv. Ident-Rec. (0083.07)	3 months		5,000
			$20,000

Participants

2	Police Officials	USA	12 months	$11,000
1	Traffic Control	USA	12 months	5,500
				$16,500

5. Nature of Cooperating Country Contribution

The GOP agreed to provide office space, bilingual clerical assistance, transportation with an estimated value of $1,000, for the survey of traffic needs.

Future contributions will be indicated in subsequent agreements based on the requirements for the project and relative ability in matching agreed project costs.

6. Contribution From Other Sources and Relationship to Other Projects

Not applicable.

7. Financial Considerations

Future funding will be expected to depend on results of the surveys.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	[X] ORIGINAL [ ] REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-84-028	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Advisory Assistance in Private Enterprise Housing Housing Commission		

1

PROJECT BEGINS FY 1957 ENDS FY 1962	(A) Dollar Obligations ($1,000) Function of Funds	(1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) MSP Counterpart	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized Non-Contract	(1) Technicians Authorized Contract	(2) Participants Non-Contract U.S.	(2) Participants Non-Contract 3rd Country	(2) Participants Contract
A. All Prior Years	TC	21	7				14												
B. ~~Net Desb.-Resb.~~	TC	(3)					(3)												
Current Funds	TC	3	3																
Total Actual Year FY 1959	TC	-	3				(3)								1				
C. Operational Year FY 1960	TC	5	5												2				
D. Budget Year FY 1961	TC	6	6												2				
E. All Subsequent Years	TC	10																	
F. Total All Years	TC	42																	

2

Dollar Obligation and Expenditure	FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/58	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
	All Prior Years	TC	18		3	(3)										
	Actual Year FY 1959	TC					3	-	3	3	-	3		3	3	-
	Operational Year FY 1960	TC											5	5	4	1
	TOTAL		18		3	(3)	3	-	3	3	-	3	5	8	7	1

Problems Addressed:

1. Increased population and internal migration.
2. Inequalities in distribution of property, wealth, income and social opportunity.
3. Need for improving legislation, government organization, policies or methods to encourage better use of resources (land labor and capital) for economic, political and social development.

1. General Description of the Project

During the period 1940 to 1958 the proportions of urban and rural population shifted significantly by about 9%. It is estimated that 45% of the population is now urban. Many people have been moving from the highland interior provinces, seeking opportunities of employment in the growing industries, and urban services of Lima and other coastal cities.

The movement of population has stimulated the building industry, but the supply and development of additional housing facilities has not kept pace with the growth of urban population. The scarcity of housing, particularly of low cost housing, has resulted in an accumulation of large numbers of migrants in squatters' settlements in and around the urban areas, frequently consisting of appalling shack districts lacking even the minimum of family health and public service facilities. Around Lima alone there are estimated to be 300,000 to 400,000 persons living in slum conditions. For a city of Lima's economic growth potential and influence in Inter-American regional development, this situation warrants special attention before its potential social dangers and noticeable unrest are allowed to develop into open political and social forment.

There have been attempts by previous Peruvian administrations to attack the problem by constructing government-financed housing. However, inadequate Government resources have limited such projects to serve only a fraction of the growing needs. The magnitude of this problem requires the heaviest reliance on use of private capital resources. Development of low-cost housing is an area in which there are broad opportunities to instill sound principles of "private enterprise as being the best way to encourage Peruvian economic development opportunities".

In an attempt to find a solution to the problem of growing slums, with its related social and financial questions, the Commission for Agrarian Reform and Housing was established in August of 1956. It was assigned the task of presenting the Government with a general plan to improve conditions in the fields of agrarian reform and low-cost housing. Shortly thereafter the Commission requested the services of several U. S. short-term consultants to study the housing situation in Lima and to recommend appropriate action.

In late 1956, the U. S. provided the services of two housing advisors and, later, a team of three specialists in housing legislation to advise and assist the Government in drafting suitable legislation. The aim of these advisors was to assist the Commission in developing a National Housing Program which would provide adequate low-cost housing for urban and rural areas with emphasis to be placed on maximum private investment participation.

A report entitled "Housing in Peru" was published by the Commission in January of 1958. This report, published in Spanish and later translated and published in English (through assistance of the Regional Technical Aids Center - ICA), recommended to the Government a flexible basic line of action with alternatives to permit adaptation of the national program to local conditions. The report made public, has received wide local support.

By February 1959, a group of Peruvian leaders, including engineers and bankers had established, under terms of the new housing legislation, the "Asociación Mutual de Crédito para Vivienda", a mutual type savings and home loan association. During May and June of 1959, a U. S. short-term consultant visited Peru to advise and assist the Home Savings and Loan Association in its general development and functioning. It is planned that two additional short-term housing advisors will visit Peru during late FY 1960; and two are programmed during FY 1961 to assist and advise the Peruvians further.

The Home Savings and Loan Association was organized to operate as a non-profit organization in which both individuals and corporate persons can invest savings for the purpose of promoting

the formation of capital devoted to home loans.

Enrollment of members is accomplished through opening an individual investment account in the minimum amount of S/50.00.

The Association is limited by law to loan no more than 85% of the sum of total subscriptions from associated members plus the amount of their reserves. The remaining 15% is retained for meeting occasional savings withdrawals.

Home loans are of two types: long-term loans with mortgage guarantee; and short-term loans without such guarantee.

The mortgage loans are granted for the purchase, construction repair and improvement of a piece of real property, at terms of five to twenty years. Individual mortgage credits are limited to a maximum of one hundred thousand soles; and within this limitation, a loan may not exceed 80% of the value of the assessment of the real property or properties which guarantee the loan under a first mortgage.

Non-mortgage loans may have some other type of guarantee, such as collateral in the form of assigned real property income, or the backing of actual savings accumulated in the investment account of the Association; and certain limited credits may be granted on the basis of character references and personal guarantees. The ordinary terms of these credits are from one to three years; and they may be used for the sole purpose of covering improvement costs up to the amount of 25,000 soles.

In both cases, loan service is monthly, in fixed and equal quotas which include amortization, interest, and insurance. Interest rates are low by Peruvian standards; they vary between 10 to 12 percent depending on the size of the loan. There are no handling charges. Mortgage loans may not absorb more than 85% of the credit capacity of the Association with the balance being available for non-mortgage loans. Tax exemptions granted the Association provide complete coverage of their operations and documents. Such exemptions are extended in limited fashion to the rights of income and inheritance of each member (up to the amount of one hundred thousand soles of investment) and to contracts that may be entered into with third parties by Association debtors in connection with the use or application of Association funds.

Since the advent of a Home Savings and Loan Association, many migrants who have moved to Lima, and some other large cities, who occupy even medium and low income posts in the economy, are being encouraged to save money with the expectation of borrowing and building their own homes. If the movement continues to grow on a sound basis, development of low cost housing through use of private capital could become one of the solid planks in Peru's growing free enterprise economy.

Although the Association was only established in February of 1959, some 37 million soles of domestic capital have already been subscribed by private investors (through September 1959). Additional subscriptions continue to pour in from workers as well as private businessmen and local capitalists who are interested in encouraging the development of improved housing for the low-income and medium income families of Lima, and who look upon this project as a possibility for maintaining greater political stability through encouraging gradual social reform and stimulating economic development.

However, the combined efforts of the Peruvian Government, private organizations, national leaders and workers could be expected to fall short of the total requirements for construction and renovation of housing. Due regard, too, needs to be paid as the program develops to the effects on the country's economy of the use of large sums of domestic capital for construction particularly in respect to possible quickening of the pace of development, the effects on local incomes and prices, of the use of sizeable amounts of credit, and the effects of foreign capital inflows on housing and on other investments in Peruvian enterprises.

2. Specific Activity Targets or End Results of the Project

a. To assist the Peruvian Government's Commission for Agrarian Reform and Housing in furthering the development of low cost housing through private enterprise, making use, wherever possible, of the credit standards and management criteria established by the U.S. Home Loan Bank Board.

b. To assist and advise the Home Savings and Loan Association in the general development and functioning of its operations.

3. Progress Towards Achievement of Activity Targets

a. Work Accomplished to Date

(1) Two short-term advisory missions have visited Peru to consult with Peruvian leaders and study local housing problems.

(2) A study entitled "Housing in Peru" has been published in Spanish and English and has received much local publicity and support.

(3) A local Saving and Loan Association has been developed by Peruvians to provide capital for the financing of low cost housing.

(4) The newly created Home Savings and Loan Association was inspected by a U.S. short-term consultant to assist the Government to assure that it is being developed in strict accordance with sound Home Loan Bank Board standards.

b. Work Remaining to be Done

Provide special advisory services in the field of housing, as requested by the agencies of the Government of Peru, to assure the sound financial management and development of the program.

4. Nature of the U.S. Contribution

a. Previous Fiscal Years

U.S. contributions to date amounted to $21,000, of which $10,000 was obligated for technician costs and $11,000 for miscellaneous expenses. FY 1959 obligations were $3,500.

b. Operational Year FY 1960

The U.S. will supply the services of two short-term consultants in the following fields:

Housing Advisor, Self Help	0020.03	$2,500
Housing Advisor, Finance	0020.04	2,500
Total Cost		$5,000

c. Budget Year FY 1961

The U.S. will supply the services of two short-term consultants in the following fields:

Housing Advisor, Self Help	0020.03	$3,000
Housing Advisor, Finance	0020.04	$3,000
Total Cost		$6,000

5. Nature of Cooperating Country Contribution and Contribution From Other Sources; Relationship to Other Projects

The host country contributes the offices, secretarial help, essential transportation, and other services necessary to assure the successful completion of the Advisory Mission.

The principal source of domestic funds will be members' subscriptions to the Home Savings and Loan Association, or from such private or public sources that can provide additional capital.

6. Financial Considerations

The Association may be expected to look towards international banking resources to supplement its own capital, as the needs for financing housing construction through borrower loans increases. Representatives of the Home Savings and Loan Association have already indicated their plan to propose to foreign banks or the DLF a project envisioning financial collaboration.

USOM/Peru will continue to encourage the use of private resources for this purpose; consideration will be given to recommending appropriate assistance through public channels if it is needed to back up private enterprise in carrying out a well-managed program, and if sufficient private resources cannot be obtained to attack the problem adequately.

7. Cooperating Country USOM Coordination

Advisory service activities are jointly agreed to by the Director USOM and the GOP which establishes standards and criteria of operation for Home Savings and Loan Associations under appropriate legislation and the national program.

Plans for obtaining and using the assistance of U. S. advisors have been discussed with the Prime Minister of Peru and the Association leaders. It was also made clear to the cooperating Government that assistance of the U. S. Government is dependent on continued Peruvian collaboration and contingent upon fund availabilities.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-98-001	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Atomic Energy Training		

1 PROJECT BEGINS FY 1960 ENDS FY 1964

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) MSP Counterpart	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized: Non-Contract	(1) Technicians Authorized: Contract	(2) Participants: Non-Contract U.S.	(2) Participants: Non-Contract 3rd Country	(2) Participants: Contract
A. All Prior Years																			
B. Net Deob.-Reob.																			
Current Funds																			
Total Actual Year FY 1959	TC			(4)	Under	Miscellaneous Training Project, FY 1959.											(1)		
C. Operational Year FY 1960	SA TC	25 6		6		25											1		
D. Budget Year FY 1961	TC	6		6									4						
E. All Subsequent Years	TC	30											20						
F. Total All Years	SA TC	25 42											24						

2

Dollar Obligation and Expenditure	FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/58	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
	All Prior Years															
	Actual Year FY 1959															
	Operational Year FY 1960	SA TC											25 6	25 6	25 2	- 4
	TOTAL	SA TC											25 6	25 6	25 2	- 4

Problems Addressed:

1. Inadequate educational systems.

1. General Description of the Project

The Peruvian Government's Atomic Energy Board of Control was created in 1955. Through this project, technicians of the Board receive training in nuclear science, engineering and related fields. Peaceful uses of atomic energy can be important in the development of Peru. but the application of these uses is dependent upon a trained nucleus of technicians.

2. Specific Activity Targets or End Results of the Project

The training of 15 participants by 1964 in peaceful uses of atomic energy and the application of this training to the development of Peru.

3. Progress Toward Achievement of Activity Targets

a. Work Accomplished to Date

During FY 1957, ICA sent four prominent Peruvians to the Symposium on Peaceful Uses of Atomic Energy held in the United States. During FY's 1957 and 1958, three technicians were sent to the Aragonne Laboratory for a course in Nuclear Engineering. A geologist from the Board was sent to the U. S. during FY 1959 for training in Uranium Geology and Exploration.

b. Work Remaining to be Done

Seven technicians will be trained in the next four years.

c. Progress Toward Achievement of Project Targets

Advanced training is hampered by a lack of qualified applicants. As participants return from the U. S., they are utilized in training others at the Board and at the National Engineering University. Courses include basic sciences as well as specialized courses in the application of atomic science to medicine and agriculture.

4. Nature of U. S. Contribution

a. Previous Fiscal Years

Funds in the amount of $22,050 have been obligated for the training of four Peruvian technicians. Obligations were as follows:

FY 1957 (Project 527-69-001)	$6,100
FY 1958-59 (Project 527-99-020)	15,950
FY 1960 (Project 527-98-001)	6,100 (Est.)

Under the terms of a bilateral agreement signed between the United States and the Government of Peru, the United States has agreed to meet half, up to $350,000, of the expense of installing an educational-type reactor in Peru. (This is to be funded from Special Assistance funds). USOM recommends the installation of a sub-critical reactor, as soon as local conditions warrant, and has included $25,000 for this purpose under special assistance for FY 1960.

b. Budget Year

One participant will be trained at a cost of $6,000.

c. Future Fiscal Years

Six technicians will be trained at a cost of $30,000.

5. Nature of Cooperating Country Contribution

Payment of salary, if required, during period of training and assurance of re-employment, on development activity, of participant upon return.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED: October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION: UNCLASSIFIED	COOPERATING COUNTRY: PERU	PROJECT NO.: 527-99-000	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE: Technical Support		

1 PROJECT BEGINS FY / ENDS FY

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) MSP Counterpart	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Number of People (1) Technicians Authorized: Non-Contract	(1) Technicians Authorized: Contract	(2) Participants: Non-Contract U.S.	(2) Participants: Non-Contract 3rd Country	(2) Participants: Contract
A. All Prior Years	TC	159					159												
B. Net Deob.-Reob.		30					30												
Current Funds		96				40	56												
Total Actual Year FY 1959	TC	126				40	86												
C. Operational Year FY 1960	TC	95				30	65												
D. Budget Year FY 1961	TC	95				30	65												
E. All Subsequent Years																			
F. Total All Years																			

2

Dollar Obligation and Expenditure: FY Source of Funds	Function of Funds	(A) Total All Prior: (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/58	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959: (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960: (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
All Prior Years	TC	149		10	30	40	40		40	40					
Actual Year FY 1959	TC				96	96	84	12	96	84	12		12	12	
Operational Year FY 1960	TC											95	95	80	15
TOTAL		149		10	126	136	124	12	136	124	12	95	107	92	15

Problems Addressed:

1. General Description of the Project

This service project is divided into three subprojects, i. e.; (1) the Division of Technical Information and Audio Visual Services; (2) the USOM Training Section; and (3) the General Services Section.

2. Specific Activity Targets or End Results of the Project

a. Technical Information and Audio-visual Services (1) Provides mass communication advisory services; (2) coordinates, assists, directs, and guides technical information and audio-visual aid activities of all USOM programs; (3) plans, produces and utilizes audio-visual teaching materials which will support the efforts of the U. S. and Peruvian technicians to reach and teach the technical and non-technical people in Perú.

b. Training Section Provides for the planning, implementing and coordination of all training activities carried out in Peru with ICA funds; insures the effective utilization of these funds in increasing the technical competence of Peruvian nationals and enabling them to contribute to works increasing the productivity and economic stability of their country.

c. General Services Section Provides efficient and economical servicing of the program through centralization of certain program activities previously carried out by the various field parties. This section provides language training for U. S. technicians, handles, for U. S. program technicians, all matters pertaining to transportation of effects, customs regulations, etc. and provides household furnishings.

3. Progress Towards Achievement of Activity Targets

a. Work Accomplished to Date

The service sections referred to above are well-organized and are effectively carrying out their respective duties through use of local employees.

b. Work Remaining to be Done

The large increase in funds requested in FY 1959 and 1960 was primarily due to the purchase of residential furnishings for U. S. technicians which is offset by the corresponding savings in transportation of effects. In addition, the training program will be expanded to include English language training, for promising Peruvian technicians to enable them to qualify for further training in the United States. Since this is primarily a service project, work should continue throughout the life of the program.

4. Nature of the U. S. Contribution

a. Previous Fiscal Years

Costs of this support project have been borne by the U. S. in the past.

b. Budget Year

No U. S. technicians are assigned to this project. Sub-project financial requirements are as follows:

i) Technical Information Section:
6 local employees at an approximate cost of $19,000, including a
Communications Media Officer
Principal Information Assistant
Motion Picture Supervisor
General Services Clerk
Junior Writer
Senior Bilingual Secretary

Other Costs	$ 4,600
Total	$23,600

ii) Training Section:
6 local personnel at an approximate cost of $12,450, including a

Training Officer
Administrative Assistant
Bilingual Secretary
Junior Bilingual Stenographer
Messengers (2)

Other Costs	$ 7,950
Total	$20,400

iii) General Services Section:
7 local personnel at an approximate cost of $10,800 including a

Customs & Shipping Officer
Bilingual Secretary
Bilingual Stenographer
Mail Clerk
Junior Bilingual Typist
Messenger
Custodian Chauffeur

Other Costs	$ 9,200
Residential and office furnishings	$30,300
Total	$50,300

5. Nature of Cooperating Country Contribution

Not applicable.

6. Contribution from Other Sources and Relationship to Other Projects

Not applicable.

7. Financial Considerations

All costs are U. S. borne and will continue to be throughout the life of the project.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-99-001	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Southern Peru Colonization & Development Project		

1

PROJECT BEGINS FY / ENDS FY	(A) Dollar Obligations ($1,000) Function of Funds	(1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) MSP Counterpart	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized Non-Contract	(1) Technicians Authorized Contract	(2) Participants Non-Contract U.S.	(2) Participants Non-Contract 3rd Country	(2) Participants Contract
A. All Prior Years	SA Loan	2,000																	
B. Net Deob.-Reob.																			
Current Funds																			
Total Actual Year FY																			
C. Operational Year FY																			
D. Budget Year FY																			
E. All Subsequent Years																			
F. Total All Years		2,000																	

2

Dollar Obligation and Expenditure — FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY	(4) Un-Sub-Obligated 6/30/	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY	(4) Unliquidated Obligations 6/30/
All Prior Years	SA	86	-	1,914	-	1,914	1,403	511	1,914	1,403	511		511	511	-
Actual Year FY 1959	-				-	-	-	-	-	-	-		-	-	-
Operational Year FY	-											-	-	-	-
TOTAL	SA	86	-	1,914	-	1,914	1,403	511	1,914	1,403	511	-	511	511	-

Problems Addressed:
1. Increased population and internal migration.
2. Inadequate agricultural expansion.
3. Inadequate transportation facilities.
4. Need for improving legislation, government organization, policies or methods to encourage better use of resources (land labor and capital) for economic, political and social development.

1. General Description of the Project

The Southern Peru Colonization and Development Project was established by a Project Agreement signed on April 13, 1957. It provides for financially and technically assisting the Peruvian Government in developing a settlement program in areas selected in the undeveloped Eastern jungle, with the ultimate aim of relieving population pressure in the mountain area of Southern Peru. U. S. cooperation, through financial support of a loan from Special Assistance — Smathers Fund, is directed toward assisting the Peruvian Government in carrying out the construction of a penetration and access road through the eastern Andean Cordillera from Macusani, down the San Gaban Valley, to Otorongo. This project when completed, will open up the shortest accessible route from the Lake Titicaca Basin to the eastern jungle area of Peru.

The agreement provides for support of colonization and development work to be done by the Government, as subsequently agreed to along the following lines:

a. Completion of reconnaissance studies, specific plans and detailed engineering construction;

b. Carrying on such activities as road construction, land development, timber exploitation and cadastral surveys in settlement areas;

c. Carrying out measures necessary to actually settle the initial families and provide establishment of civil authority and basic facilities and services in health, education, agricultural extension, etc., for the new settlers of the unpopulated area. Although it was anticipated and noted in the agreement that further financing might eventually be required, the U. S. agreed to support the Government of Peru in carrying out this project through making available:

(1) Technical services as jointly agreed; and,

(2) A loan of $2,000,000 originating from Special Assistance Smathers Fund.

This colonization and development project would eventually be of major significance in contributing to the solution of the gnawing problems of an explosive population pressure and traditional unrest in Southern Peru. In Puno and the adjacent Departments of the high mountain plateau, or "Altiplano", resides a population of some 1,650,000 people, mostly of Indian origin.

Approximately 15,000 square miles in area, the Southern highlands of Peru are characterized by occasional to chronic drought accompanied by growing population pressure. Continual pressure of population in the Altiplano has tended to encourage the settlement of marginal lands. The limited extent of tillable highlands no longer produce, even in good years, sufficient food crops to adequately provide for the expanding population. Nutritional studies indicate a steadily decreasing daily per capita caloric intake. A long range solution of this problem required that encouragement be given the people to broaden their opportunities in these crowded uplands through:

a. Settlement in the Coastal Area - There are areas on the Coast which can be developed, but lands suitable for irrigation are now relatively limited, extremely expensive to develop and settle, and dependent on a restricted and undependable water supply.

b. More intensive utilization of the "Sierra" (or high inter-mountain plateau) lands - This can only be done by more intensive cultivation of marginal lands now in other uses, or by increasing the production from land already settled. Intensive cultivation may include use of better techniques, use of fertilizers, etc., but, nevertheless, appears limited in total potential.

c. Settlement in urban centers of the Coast and the Sierra, which involves a long-term program and heavy investments for development of industry.

d. Settlement in the tropical lowlands suitable for economic development.

Although offering many developmental problems, including substantial requirements for investment in public facilities and services as well as in financing private enterprise, the opening up of the better portions of the jungle areas appears to be the most realistic long-term approach towards solving the increasing pressures of a growing population; and it appears to provide the beginnings for encouraging a gradual migration of population into the interior of the Continent.

North and east of the heavily populated inter-mountain highland plateau, the Atlantic slope of the Andean Cordillera abruptly drops over the precipitous eastern escarpment to the lowland tropical forests of the Departments of Puno and Madre de Dios. Jungle lowlands in these Departments contain some 70,000 square miles of land -- part of it arable -- where today are living only 10,000 to 15,000 people.

Preliminary surveys, which were made jointly by Peruvian and American technicians under the first phase of the project in four major inter-mountain valley areas, indicated that the best possibility for carrying out a sound project was to push a roadway from Macusani to San Gaban and on to Otorongo, connecting it with the Cuzco-Maldonado highway being built by the Government of Peru. Such a roadway will establish the shortest connection between the eastern jungle lowlands suitable for colonization and the densely populated highlands of the Lake Titicaca Basin, and will make it possible, by establishing an economic climate favorable for settlement, to help relieve the constantly increasing population pressure in the highlands areas.

Surveys have made clear that it is most desirable to route the transportation directly to the major development area of the Madre de Dios and adjacent valleys in order to unite the country's regions of best possibility for economic development and to provide for later expected population adjustments. Other areas such as the Candamo Valley have been preliminarily surveyed and found to have limited potentialities for development in comparison to the Madre de Dios region.

The quality of the low terrace lands bordering the upper portions of the drainage system of the Madre de Dios River have recently been recognized and one million acres have been reserved by the Peruvian Government to permit the completion of land evaluation surveys to be carried out during the dry season. Within that area a yet undetermined amount of land contains not only one of the largest and purest stands of Spanish cedar (Cedrela) of exploitable size, but would also provide the best area for agricultural development in Southern Peru lowlands. This area is estimated to be one of the better localities for future settlement.

Lands in the lower portion of the San Gaban Valley will be settled as the road penetrates that area. The Government is opening the area for settlement. Extension of the road from San Gaban into the Inambari River Valley, where gold mining has been carried out in the past, will make it possible to re-evaluate the gold producing as well as the mineral potential of the area. Two companies have sent survey teams into the area.

It may be noted that air traffic from the Quince Mil-Maldonado territory is already nearly 10,000 tons per year and includes exports of substantial quantities of rubber, castaña nuts and lumber, and a few farm products. Based on the experience of opening up other roadways in Central Peru, such as the highway to Tingo Maria, the total freight tonnage within two years may be expected to jump to ten times the amount now hauled, even prior to the influence which will be obtained from future colonization settlement.

2. Specific Activity Targets

To provide economic support and technical assistance to the Government of Peru in:

a. Carrying out reconnaissance studies, specific plans and detailed engineering and economic studies necessary.

b. Constructing roads, developing lands for settlement, exploiting timber and conducting cadastral surveys within the settlement areas, as subsequently agreed.

c. Carrying out, as subsequently agreed, actual resettlement activities within the region providing for basic facilities in health, education, agriculture and establishment of essential local civil authority.

3. Progress to Date and Work Remaining to be Done:

a. Surveys: Loan funds in the amount of $15,000 have been allocated for a reconnaissance survey of resources of the Madre de Dios Valley. Areas most suitable for development are to be selected on the basis of these studies. Heretofore hindered by difficulty of access into the region, surveys to provide soil, topography and timber information have been, and are being carried out by U. S. and Peruvian technicians. These surveys are necessary to determine the location and extent of future land-use areas within the zone where settlement now appears to be practical.

After selection of lands the Government of Peru may be expected to take further steps of making cadastral and economic surveys necessary to distribute new lands opened for settlement. Problem of actual division of land cannot be faced properly until the area can be more easily penetrated and explored and detailed economic information is available on farm income possibilities. This project is actually not expected to deal with all phases of final colonization and resettlement activities but, rather, is expected to open the area and to provide a basis for the guidance of individual private settlers and investors into jungle areas of greatest opportunity.

b. Right of Ownership or Control of Land for Resident Settlers by Freehold or Leasehold: The Government of Peru has reserved the lands (20 kms. on both sides of the rivers) in the area of the upper Madre de Dios, the Manú, the Madre de Dios and the Inambari River Valley. Supreme Resolution No. 289, of November 14, 1958, in effect, limits the filing of "denuncias" (claims for land settlement) for a period of two years. Thus, the Peruvian Government has set aside these lands from purchase or claim for a period of two years, until information can be obtained from surveys upon which to base future plans for distribution and use of the colonizable areas.

c. Engineering and construction of the road from Macusani to Otorongo was placed in the hands of the Highway Department of the Ministry of Development and Public Works. Construction was begun following the surveys made by engineers and technicians. At the end of September 1959, the roadway had been extended and was passable beyond Macusani for 38 kms; contracts had been let for an additional 52 kms. Most of this roadway is being constructed through precipitous mountain gorges of the Eastern Andes at altitudes where a considerable amount of the equipment and supplies for road building must be carried in by mule pack or on men's backs. Upon completion of a particularly difficult section, at Km 42, traffic will soon be opened to Olachea at Km 54. The funds provided in the present agreement made it possible to extend the roadway to about 55 Kms. and detailed engineering surveys from the Km. 80 point to Km. 112 were being made to establish definitely the route of the road at the time current funds were exhausted. Approximately 85 Kms. will need to be built to connect with Otorongo which, in turn, connects to the Puerto Maldonado road being built by the Government of Peru. Some of the terrain is barely accessible in this area, and it has not yet been possible to make a detailed survey of the latter 25 Km. portion of the proposed road; such survey will be undertaken subsequent to completion of present detailed survey between the 136 and 145 Km. points.

d. Continuation of the Macusani-San Gabán Road into the Inambari Valley to connect with the Cuzco-Puerto Maldonado Road: The Project Agreement as amended, after early location surveys

were made, provides for application of funds on the Macusani-San Gaban Road rather than the Limbani-Phara. Part of the road from Macusani to San Gaban into the Inambari Valley is in operation. Loan funds in the amount of 5,000,000 soles have been allocated for the purpose of completing the Quince Mil Road to Otorongo, situated on the River Inambari. This 5,000,000 soles will enable to completion of 6 kilometers connecting the road from Cuzco to Otorongo. The completion of the connecting link to Otorongo will permit construction work on the Macusani-San Gaban Road to proceed at a more rapid pace simply because work may be conducted at both ends of the road between Otorongo and San Gaban. The establishment of a connection at Otorongo had previously been delayed due to difficulties in use and priority of departmental funds on this trans-departmental project.

e. Other Provisions Toward Full Development and Settlement of the Area to Release Population Pressures in Contiguous and Inaccessible Regions: Some progress has been made in the volume of planning activities for this general region. Ministries have indicated awareness and interest in evaluation of potentialities of development of jungle lands in contrast to lands in Sierra and irrigated coastal valleys. Interest has been generated in evaluating costs of new lands in the mountain and jungle areas in comparison to increasing costs of development of irrigated lands. USOM does not expect that much technical work can be done in actual settlement until after the jungle region is actually opened up and made accessible to the mountain and seaboard areas.

4. U. S. Contribution to the Project

a. All Prior Years

The U. S. has contributed services of U. S. technicians already assigned to the Country Program in carrying out reconnaissance, soils and timber studies within the region. A loan of $2,000,000 from Special Assistance-Smathers Fund was made available in FY 1957, to the Government of Peru for beginning this project. As of June 30, 1959 the unsubobligated balance was $457,123.00.

b. Operational Year and Budget Year

The remaining $457,123.00 is expected to be expended during the first half of FY 1960. No further loans are presently available for use on the project. On September 21, 1958 the Director of Roads requested assistance in obtaining additional funds in the amountof $2,000,000 to complete the project. USOM/Perú has indicated that it will, of course, study carefully such detailed proposal that may be made by the Peruvian Government.

5. Host Country Contributions

a. All Prior Years

The Government of Peru, by agreement, is supporting this project through the expenditure of $1,250,000 through normal agencies of the government of Peru. These funds are not to be mingled with the $2,000,000 in loan funds mentioned above. In actual fact, Peruvian expenditures in Public Works will probably far exceed the above amount, but actual amounts are difficult to estimate until the work on the first phase is completed.

b. Operational and Budget Year

The Government of Peru is expected to continue development activities within this region to the maximum extent possible within the limits of available funds. The present Minister of Finance is showing an active interest in the jungle region and even urges the initiation of investigations to begin other similar penetration routes farther to the south; one of which would extend into the valley of the River Tambopata.

6. Contributions From Ohter Sources

Project N° 527-99-001, Southern Peru Regional Development; and Project N° 527-99-906, SCIPS, and Plan del Sur both have exercised an active interest in this project; technical services and basic resources data are currently provided in support of project activities. The International Labor Office has shown an active interest in colonization projects concerning this general region.

7. Nature of U. S. Host Country Collaboration

This project is carried out under a project agreement signed by the Director USOM to Perú and the Minister of Development and Public Works.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED: October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION: UNCLASSIFIED	COOPERATING COUNTRY: PERU	PROJECT NO.: 527-99-020	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE: Miscellaneous Training		

1 PROJECT BEGINS FY 1957 ENDS FY 1959

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) MSP Counterpart	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized: Non-Contract	(1) Technicians Authorized: Contract	(2) Participants: Non-Contract U.S.	(2) Participants: Non-Contract 3rd Country	(2) Participants: Contract
A. All Prior Years	TC	55	-	55	-	-	-	-											
B. Net Decb.-Reob.		(18)		(18)															
Current Funds	TC	31		31															
Total Actual Year FY 1959	TC	13		13											-	-	11	1	-
C. Operational Year FY																			
D. Budget Year FY																			
E. All Subsequent Years																			
F. Total All Years		68																	

2

Dollar Obligation and Expenditure	FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/	(3) Unliquidated Obligations 6/30/	(B) Actual Year FY (1) Actual Obligations During FY	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY	(4) Un-Sub-Obligated 6/30/	(5) Total Available for Expenditure	(6) Actual Expenditure in FY	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY (1) Estimated Obligations in FY	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY	(4) Unliquidated Obligations 6/30/
	All Prior Years	TC	15	40	40	(18)	22	21	1	22	21	1		1	1	-
	Actual Year FY 1959					31	31	4	27	31	4	27		27	17	10
	Operational Year FY 1960												-	-	-	-
	TOTAL		15	40	40	13	53	25	28	53	25	28	-	28	18	10

Remarks: During FY 1959, training was provided in the fields of Mapping and Cartography, Public Safety, Atomic Sciences, and Economic Planning. During FY 1960, these training activities will be carried under projects: Mapping and Cartography, N°527-39-043, Public Safety, N°527-71-041, Atomic Energy Training, N°527-98-001, and Economic Planning N°527-99-957.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-99-900	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Cooperative Rural Development Service		

1 PROJECT BEGINS FY ____ ENDS FY 1961

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) MSP Counterpart	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized: Non-Contract	Contract	(2) Participants: Non-Contract U.S.	Non-Contract 3rd Country	Contract
A. All Prior Years	TC	800						800					1,405						
B. Net Deob.-Reob.																			
Current Funds		200						200											
Total Actual Year FY 1959	TC	200						200					185						
C. Operational Year FY 1960	TC	150						150					160						
D. Budget Year FY 1961	TC	150						150					200						
E. All Subsequent Years																			
F. Total All Years		1,300											1,950						

2

FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/58	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
Dollar Obligation and Expenditure: All Prior Years	TC	398	202	202		202	202		202	202					
Actual Year FY 1959	TC				200	200	1	199	200	1	199		199	199	
Operational Year FY 1960	TC											150	150	50	100
TOTAL		398	202	202	200	402	203	199	402	203	199	150	349	249	100

Problems Addressed:
1. Need for improving legislation, government organization, policies or methods to encourage better use of resources (land labor and capital) for economic, political and social development.
2. Inadequate transportation facilities.
3. Inadequate agricultural expansion.
4. Low level of industrial production.
5. Lack of understanding by labor of its responsibilities.
6. Increased population and internal migration.

1. General Description of the Project

The Rural Development Service, SCIF, was established as a cooperative service organization working within the Ministry of Development and Public Works. It cooperates with the National Fund for Economic Development (FNDE), another semi-independent branch of the Ministry which has a separate source of tax revenue and was established as a source of local funding for provincial development projects. SCIF was set up under provisions of a basic agreement, dated April 30, 1955, between the Director of the U. S. Operations Mission in Peru and the Minister of Development and Public Works, on behalf of their respective Governments. The agreement, as amended, is due to expire on June 30, 1960, but is expected to be renewed.

The principal objectives of the service are to:

a. Create an effective organization for planning, engineering, irrigation and road building projects, and carrying out specific projects as a demonstration in organization and operation as well as a means for training Peruvian engineers.

b. Evaluate the opportunities for economic development of various zones and departments of Peru, as well as determining economic feasibility of specifically proposed projects.

c. Offer technical management advice to industries in industrial potential and on management for increased productivity.

d. Provide for administrative and executive direction of a development type program with administrative services and fiscal control.

e. The final goal of the Rural Development Service will be to create, as a permanent dependency of the Peruvian Government, an effective (engineering) planning and evaluation Bureau for projects of irrigation, road construction and economic planning; and to establish priorities for the execution of selected development projects which can then be referred to the Ministry of Fomento and to the National Fund for Economic Development (FNDE) for action. Thus, the Cooperative Service can be expected to contribute towards the inventorying, planning and development of the material and human resources of Peru, with the ultimate aim of raising the standard of living, and assisting in the integration of the Indian population into the economic and political life of the country.

2. Specific Activity Targets of the Project

a. To complete studies of rural development, irrigation and road projects.

b. To execute rural development, irrigation and road building projects.

c. To carry out economic studies and planning for various zones of Peru.

d. To cooperate with industries and institutions in order to achieve increased productivity.

3. Progress Towards Achievement of Activity Targets

a. Work Accomplished to Date

The Cooperative Service has undertaken economic and engineering studies on about 36 separate projects, upon specific request and agreement between the Ministry of Development and the Director of the Rural Development Cooperative Service. These projects are explained within the descriptions that follow.

b. Work Remaining to be Done:

The Cooperative Service will remain an agency through which specific development planning will be carried forward in agreed fields of activity, particularly at the level of provincial and departmental projects. It will concentrate on economic and engineering planning of specifically selected project proposals as well as specifically agreed resources study projects limited to selected Departments or areas of the country.

4. Nature of U. S. and Peruvian Contributions to Joint Fund:

The U. S. Government has paid the full cost of U. S. technicians assigned to this Cooperative Service program, salary costs of certain local personnel, and a portion of the costs of participants. Amounts of these direct U. S. costs are listed by projects within the Rural Division Service program. Contributions have been made by each government, each year, to the joint fund of the Cooperative Service. The cash contributions, by fiscal year are:

	U.S.	Peruvian Gov't S/.	Peruvian Gov't $	Third Parties
FY 1958 and prior	$800,000	(16 million)	$936,842	432,015
Actual year FY 1959	200,000	(4 million)	160,000	18,435
Operational Year FY'60	150,000	(4 million)	160,000	-
Budget Year FY 1961	150,000	(4 million)	160,000	-

The basic agreement with the Peruvian Government for the functioning of the Rural Development Service expires in June 1960. It is planned to carry forward the functions of the Servicio although some changes may be required in its objectives, relationships and functions in accordance with requirements developing during FY 1960.

U. S. contributions are estimated at $150,000 in FY 1960 and $150,000 in FY 1961; host contributions are anticipated to remain at $160,000 each year in the hope that the ratio of host country contributions can be increased.

The Southern Peru Development Programs Peruvian Interministerial Committee assigned S/3,000,000 (approximately $160,000) for work relief in the drought area of Southern Peru in the former fiscal years, to the Pampa de Asillo irrigation project and the Rural Development Service was given the responsibilities of constructing and putting into operation said project. This money proceeded from the authorized sale of U.S. food relief commodities to the Peruvian Government under Title II of P. L. 480. Another contribution of $36,000 from the same source was made for purpose of the construction of the Calca Lares road

5. Distribution Amounts from Cooperative Service Funds

Obligations and expenditures by projects are shown in Form E-2.

Distribution of joint fund expenditures by object classes, covering the period of September 1955 through December 31, 1958 are as follows:

	Percent of Total
Salaries and wages (including bonuses, etc.)	38.5
Travel	1.5
Transportation of things	1.8
Communications	.2
Rent	.7
Printing	.3
Vehicles, repair and maintenance	2.9
Contract Services	40.8
Materials and supplies	7°.8
Equipment	5.5
	100%

6. Relationships to Other Projects

Relations and cooperation with other Cooperative Servicios

have been excellent.

7. Financial Considerations

The administration and financing of the Cooperative Service will eventually be transferred to the Ministry of Development and Public Works or, possibly, to a new Peruvian Economic Planning entity to be created when considered appropriate.

8. Cooperating Country-USOM Coordination

The appointment of a U. S. technician as Director of the SCIF is approved by the Minister of Development and Public Works; he also reviews and approves the annual budget project allotments.

E-2	FORM ICA 10-110 (6-59)	DATE PREPARED: October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION: UNCLASSIFIED	COOPERATING COUNTRY: PERU	PROJECT NO.: 527-99-900	E-2
				COUNTRY ECONOMIC PROGRAM	**STATUS OF COOPERATIVE SERVICE FUNDS**		

1 PROJECT DETAIL BY CS-FY		Obligations ($1000 Equivalent)				Expenditures ($1000 Equivalent)			
Project Number	Project Title	'58	'59	'60	'61	'58	'59	'60	'61
955	Administration (A-55)	30	37	39	40	50	44	40	40
957	Economic Planning (B-55)	8	14	20	40	18	26	25	40
956	Irrigation (C-55)	150	104	60	55	187	86	65	50
	Roads (D-55)	9	28	45	30	86	28	40	35
	Technical Services (G-57)	15	19	19	17	16	16	15	25
	Studies (FNDE) and unallocated (H-57)	62	160	190	201	59	139	195	210
958	Industry (E-55)	9	17	17	17	12	15	20	15
All Other Projects (Detail on Continuation Sheet)									
TOTAL (Must correspond with (3B.) and (3E.)		283	379	390	400	428	354	400	415

2 TITLE OF COOPERATIVE SERVICE: Cooperative Rural Development Service

CS-FY 1959 BEGINS: January 1, 1959 ENDS: December 31, 1959

3 SUMMARY OF STATUS

			CS-FY 1958	CS-FY 1959	CS-FY 1960	CS-FY 1961
(All Figures $1,000 Equivalent)	U.S. $1.00 = Exchange Rate by Year		19	25	25	25
A. AVAILABLE FOR OBLIGATION DURING CS-FY	1. Unobligated Balance End Prior CS-FY		109	299	305	225
	2. Agreed Contributions for CS-FY	Host Government	193	160	160	200
		U.S. Corresponding U.S.-FY	200	200	150	150
		U.S. Succeeding U.S.-FY				
		Other	80	25		
		TOTAL	473	385	310	350
	TOTAL		582	684	615	575
B. PLANNED OBLIGATIONS DURING CS-FY	1. Supplies and Equipment		85	69	47	48
	2. Personnel and Training		41	66	78	80
	3. All Other		157	244	265	272
	TOTAL		283	379	390	400
C. UNLIQUIDATED OBLIGATIONS BEGINNING OF CS-FY			182	37	62	52
D. TOTAL OBLIGATIONS AVAILABLE FOR LIQUIDATION (Block B. plus C.)			465	416	452	452
E. EXPENDITURE DURING CS-FY	1. Supplies and Equipment		50	66	56	53
	2. Personnel and Training		83	61	76	80
	3. All Other		295	227	268	282
	TOTAL		428	354	400	415
F. UNLIQUIDATED OBLIGATIONS CLOSE OF CS-FY (Block D. minus E.)			37	62	52	37
G. UNOBLIGATED BALANCE CLOSE OF CS-FY (Block A. minus B.)	1. Reserves					
	2. Unreserved Balance		299	305	225	175
	TOTAL		299	305	225	175

SECURITY CLASSIFICATION: UNCLASSIFIED

SHEET 1 OF 1 SHEETS TO THIS TABLE

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-99-901	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Inter-American Cooperative Service for (Development Planning in) Southern Peru - SCIPS		

1 PROJECT BEGINS FY / ENDS FY

Dollar Obligations ($1,000)

	Function of Funds	(A)(1) Total	(A)(2) U.S. Technicians	(A)(3) Non-Contract Participants	(A)(4) Contract Services	(A)(5) Commodities	(A)(6) Other Costs	(A)(7) Contributions to Cooperative Service	(B)(1) U.S. Owned MSP	(B)(2) PL 480 and Other	(B)(3) MSP Counterpart	(B)(4) Total U.S. Owned or Controlled L/C	(B)(5) Cooperating Country	(C) Other External Financing	(D)(1) Technicians Authorized: Non-Contract	(D)(1) Technicians Authorized: Contract	(D)(2) Participants: Non-Contract U.S.	(D)(2) Participants: Non-Contract 3rd Country	(D)(2) Participants: Contract
A. All Prior Years	TC	60						60					60						
B. Net Deob.-Reob.		(i)						(i)											
Current Funds	TC	30						30											
Total Actual Year FY 1959	TC	29						29					30						
C. Operational Year FY 1960		-						-					-						
D. Budget Year FY																			
E. All Subsequent Years																			
F. Total All Years		89											90						

2

Dollar Obligation and Expenditure — FY Source of Funds	Function of Funds	(A)(1) Total All Prior: Cumulative Expenditures 6/30/58	(A)(2) Total All Prior: Un-Sub-Obligated 6/30/58	(A)(3) Total All Prior: Unliquidated Obligations 6/30/58	(B)(1) Actual Year FY 1959: Actual Obligations During FY 1959	(B)(2) Total Available for Sub-Oblig.	(B)(3) Sub-Obligated in FY 1959	(B)(4) Un-Sub-Obligated 6/30/59	(B)(5) Total Available for Expenditure	(B)(6) Actual Expenditure in FY 1959	(B)(7) Unliquidated Obligations 6/30/59	(C)(1) Operational Year FY 1960: Estimated Obligations in FY 1960	(C)(2) Total Available For Expenditure	(C)(3) Estimated Expenditures in FY 1960	(C)(4) Unliquidated Obligations 6/30/60
All Prior Years	TC	45		15	(1)	14	14	-	14	14	-				
Actual Year FY 1959	TC				30	30	-	30	30	-	30		30	30	-
Operational Year FY 1960	TC														
TOTAL	TC	45		15	29	44	14	30	44	14	30		30	30	

Problems Addressed:

1. Increased population and internal migration.
2. Need for improving legislation, government organization, policies or methods to encourage better use of resources (land labor and capital) for economic, political and social development.
3. Concentrations of property, wealth, income and social opportunity.

1. General Description of the Cooperative Service

The "Servicio Cooperativo Inter-Americano del Plan del Sur" was set up as an operating entity pursuant to an agreement between the USOM and the Ministry of Finance, dated October 10, 1957. It funcitions under the Ministry of Agriculture in carrying out resources possibilities in the Southern Peru Region. The agreement will expire on June 30, 1960.

2. Specific Activity Targets

This Cooperative Service was created in order to facilitate the carrying out of studies prescribed in Project N°527-99-906, "Southern Peru Regional Development".

Activities covered by the project sponsored by the Cooperative Service arrangement include:

a. To plan and make surveys for the purpose of studying and evaluating the resources within the Region of Southern Peru area;

b. To train personnel and demonstrate methods of resources evaluation, including possibilities for carrying out technical cooperation and economic development studies in all fields concerned with the development potentials of the area; and

c. To evaluate the resources and to plan for the development of human and material resources within the designated Region of Southern Peru.

The Cooperative Service provides an effective legal mechanism for administrative and technical support of the regional development studies, as well as policy making guidance.

USOM/Peru and the Ministry participate jointly in all phases of the planning and administration of the cooperative activities covered by the agreement. The "Interim Advisory Committee for Planning and Development of Southern Peru" is the Government agency through which coordination of activities is provided by the Ministries of Finance and Commerce, Development and Public Works, Public Health and Social Assistance, Education, Agriculture, Labor and Indian Affairs, with the United States Operations Mission.

3. Progress Toward Achievement of Activity Targets

a. Work Accomplished to Date

(1) SCIPS has facilitated the progress of SPRD in gathering economic data for the research studies, economic planning and development of Southern Peru.

At the time of establishing the SPRD Project, it was hoped to complete the work studies by December 31, 1958. However, due to unavoidable delay in getting started, and because of the extension job of analysis, refinement and publishing the results of the work it was not found practical to complete the organization's activities until a year later.

For a further explanation of work being carried on by SPRD, see Project N°527-99-906.

(2) Training projects, to date, have taken the form of practical work experiences in which U. S. technical personnel have supervised and guided teams of young Peruvian professional and semi-professional personnel in carrying out the specialized phases of the above research study.

(3) The completed studies, resulting from SPRD activities, will suggest more than fifty promising rehabilitation and resettlement projects which are located within the region of Southern Peru.

(4) Technicians assigned to SCIPS have taken the initiative in conduct

exploration activities along the Upper Madre de Dios River system in effort to find suitable land for future resettlement.

(5) In addition, studies conducted in the Region have shown that nothing short of a consolidated developmental program can hope to relieve the chronic problems of an exploding population in the area, along with its associated social and economic maladjustments.

b. Work Remaining to be Done

(1) Supervise publication and sdistribution of completed SPRD studies.
(2) Liquidate Cooperative Service activities and obligations prior to June 30, 1960.

4. Nature of U. S. Contribution

a. Prior Fiscal Years

U. S. contribution to the Cooperative Service joint fund totalled $90,000 through 1959. No funds were expected to contribute, nor deemed necessary, in FY 1960 because of was believed that sufficient financing has been provided to complete the work agreed upon, and because of the planned termination of the project by June 30, 1960.

5. Nature of Host Country Contribution to Joint Funds

a. Prior Fiscal Years

All Peruvian contributions to the joint fund were made from proceeds derived from the sale of drought relief supplies made available to the Government of Peru under Title II of P. L. 480. in 1957 and 1958. The 1959 host country contribution was provided by the Ministry of Development and Public Works. These contributions were S/285,000 in 1957, S/855,000 in 1958, and S/750,000 in 1959; or the equivalent of about $15,000, $45,000, and $30,000 (using average annual rates of exchange of 19.00, 19.00, and 25.00 Soles).

6. Contribution From Other Sources and Relationship to Other Projects

None. This activity set up the administrative structure necessary to carry out Project N°527-99-906, Southern Peru Regional Development.

7. Financial Considerations

No further financing will be necessary due to termination of the project in June 30, 1960. The Cooperative Service is expected to expend available funds for project activities prior to the termination.

8. Cooperating Country - USOM Coordination

This project was jointly planned and agreed to by the Director of USOM/Peru and the Minister of Hacienda.

E-2	FORM ICA 10-110 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-99-901	E-2
				COUNTRY ECONOMIC PROGRAM	STATUS OF COOPERATIVE SERVICE FUNDS		

1 PROJECT DETAIL BY CS-FY		Obligations ($1000 Equivalent)				Expenditures ($1000 Equivalent)			
Project Number	Project Title	58	59	60	61	58	59	60	61
99-901	Administration	48	67	33		48	67	33	
All Other Projects (Detail on Continuation Sheet)									
TOTAL (Must correspond with (3B.) and (3E.)		48	67	33		48	67	33	

2 TITLE OF COOPERATIVE SERVICE: Servicio Cooperativo Inter-Americano del Plan del Sur (SCIPS)

CS-FY 19 59
BEGINS: January 1, 1959
ENDS: December 31, 1959

3 SUMMARY OF STATUS			CS-FY 58	CS-FY 59	CS-FY 60	CS-FY 61
(All Figures $1,000 Equivalent)	U.S. $1.00 = Exchange Rate by Year		22.70	22.70	25.00	
A. AVAILABLE FOR OBLIGATION DURING CS-FY	1. Unobligated Balance End Prior CS-FY		2	41	33	
	2. Agreed Contributions for CS-FY	Host Government	38	27	-	
		U.S. Corresponding U.S.-FY	45	30	-	
		U.S. Succeeding U.S.-FY				
		Other	4	2	-	
		TOTAL	87	59	-	
	TOTAL		89	100	33	
B. PLANNED OBLIGATIONS DURING CS-FY	1. Supplies and Equipment		5	7	3	
	2. Personnel and Training		26	50	25	
	3. All Other		17	10	5	
	TOTAL		48	67	33	
C. UNLIQUIDATED OBLIGATIONS BEGINNING OF CS-FY			-	-	-	
D. TOTAL OBLIGATIONS AVAILABLE FOR LIQUIDATION (Block B. plus C.)			48	67	33	
E. EXPENDITURE DURING CS-FY	1. Supplies and Equipment		5	7	3	
	2. Personnel and Training		26	50	25	
	3. All Other		17	10	5	
	TOTAL		48	67	33	
F. UNLIQUIDATED OBLIGATIONS CLOSE OF CS-FY (Block D. minus E.)			-	-	-	
G. UNOBLIGATED BALANCE CLOSE OF CS-FY (Block A. minus B.)	1. Reserves					
	2. Unreserved Balance		41	33	-	
	TOTAL		41	33	-	

SECURITY CLASSIFICATION UNCLASSIFIED

SHEET 1 OF 1 SHEETS TO THIS TABLE

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-99-906	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Southern Peru Regional Development		

1 PROJECT BEGINS FY 1956 ENDS FY 1960

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) Joint MSP Servicio Fund	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized Non-Contract	(1) Technicians Authorized Contract	(2) Participants Non-Contract U.S.	(2) Participants Non-Contract 3rd Country	(2) Participants Contract
A. All Prior Years	TC	559	67				492				48								
B. Net Dash.-Rash.	TC	(2)	(2)																
Current Funds	TC	59	59																
Total Actual Year FY 1959	TC	57	57								67				4				
C. Operational Year FY 1960	TC	31	31								33								
D. Budget Year FY 1961																			
E. All Subsequent Years																			
F. Total All Years	TC	647																	

2

Dollar Obligation and Expenditure — FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/58	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
All Prior Years	TC	332		227	(2)	225	149	76	225	149	76		76	76	
Actual Year FY 1959	TC				59	59	58	1	59	58	1		1	1	
Operational Year FY 1960	TC											31	31	31	
TOTAL	TC	332		227	57	284	207	77	284	207	77	31	108	108	

Problems Addressed:
1. Increased population and internal migration.
2. Need for improving legislation, government organization, policies or methods to encourage better use of resources (land labor and capital) for economic, political and social development.
3. Concentrations of property, wealth, income and social opportunity.

E-1	FORM ICA 10-120 (6-59) Continuation Sheet	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	Project N° 527-99-906	E-1
				COUNTRY ECONOMIC PROGRAM	Southern Peru Regional Development		

1. General Description of the Project

This project involved Special Technical Services as specified in the agreement of June 30, 1956, between ICA and the Ministry of Finance and Commerce of Perú. The general objectives of the project were to develop a program for an economic resource study. It was anticipated that the study would lead to full use of the human and natural resources of the region comprising the Departments of Arequipa, Apurimac, Cuzco, Madre de Dios, Moquegua, Puno, Tacna and Ayacucho. The project was to make important studies to assist in the development of public works, encourage and assist private investors in resource development, stimulate industry and employment, improve and expand technical aids for agriculture, expand health services and educational opportunities, and contribute to the full and coordinated economic expansion possible in the region. This project is scheduled to terminate upon the publication of the studies conducted. The estimated date of completion is December 31, 1959.

2. Specific Activity Targets or End Results of the Project

The objectives of SPRD research were to conduct a broad natural resource and economic use study to provide a background for the development of:

a) Transportation: roads and highways - airfields, etc.
b) Power potential and, further, possible industrial developments.
c) Service Industries.
d) Mining and special resources.
e) Fishing.
f) Irrigation and drainage.
g) Basic human capabilities.

3. Progress Toward Achievement of Activity Targets

a. Work Accomplished to Date

This study was made to provide the basis on which a development program for the region could be established by a regional development authority. Its activities, among others, included road and highway improvement, construction of sanitary systems, airfields, irrigation projects and other public works, public health projects, expansion of technical aids for agriculture, and expansion of educational facilities. It is intended that the study will "illuminate the most promising developmental opportunities" of the region and open the way for "perfection of material and human resources studies essential to sound planning".

The agreement originally indicated that studies should be completed by December 31, 1958. However, because of delay in arrival of U. S. personnel and other factors, completion is now expected by December 31, 1959.

The study was divided into two major parts. One centered around the human capabilities. This represented a pioneer study to be carried further by the developmental authority in the future. The second one was a study of non-human resources and their present economic uses and future potentialities, together with an evaluation of those public services most important to an effective program of development. Each of these major parts is further divided into two stages, the first a fact-finding and inventory operation, the second an evaluation and interpretation based on the facts that emerge.

A sub-project on human capabilities was set up, with offices in Cuzco. Its stated objectives were to carry out a field study of the resources, capabilities and limitations of the indigenous communities of Cuzco, Puno and the Apurimac departments.

In addition, three other supplementary and interpretative studies were blocked out for execution by the human capabilities group. The studies concerned (1) value systems and their implications for social and economic development; (2) institutional factors to be considered in connection with development programs; and (3) educational and other methods of changing the institutional outlook of groups as necessary to facilitate desirable development.

On the economic side, a fact-finding operation was contracted to SCIF, who processed and complied factual information of the area and is now publishing this information in a statistical hand-book.

Some 17 additional studies have been carried out based partly on interpretation and study of the statistical information to be obtained by SCIF, and partly on supplementary work by SPRD or by other contractors, covering the following fields:

Demography
Educational Facilities
Public & Private Health Facilities
Housing & City Planning
Highways & Transportation
Communications
Nutrition
Public & Private Recreational Facilities
Maps
Management of Public Lands
Measurement of Economic Dev.
Minerals
Energy and Fuels,
Industry
Agric. Development Including Animal Forestry and Fish Products
Manpower Analysis
Water Resources Management
Private Cooperation
Finance and Fiscal Management
Input - Output

Each of these studies was developed in two stages. The first was a detailed topical outline of material to be included in the finished study, the second the finished study itself.

b. Work Remaining to be Done

The studies should be completed and submitted for publishing prior to December 31, 1959.

4. Nature of U. S. Contribution

Total U. S. contribution to the Project, in the form of technical assistance, training commodities, and other costs, has totalled $223,000 in salaries to technicians and other costs necessary to support them in the conduct of the project.

5. Nature of Cooperating Country Contribution

This project is partially financed from the Servicio Cooperativo Interamericano del Plan del Sur, Project N° 527-99-901.

No other direct host country contributions are made.

6. Contribution From Other Sources and Relationship to Other Projects

See Project N° 527-99-901.

7. Financial Considerations

No further financial considerations due to termination of Project.

8. Cooperating Country --- USOM Coordination

Cooperating country and USOM coordination is carried on in conjunction with Project N° 527-99-901.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED: October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION: UNCLASSIFIED	COOPERATING COUNTRY: PERU	PROJECT NO.: 527-99-955	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE: Rural Development Service - Administration		

1 PROJECT BEGINS FY 1955 ENDS FY 1961

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) Joint [illegible] Fund	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized	(2) Participants Non-Contract	(2) Participants Contract	(2) Participants Non-Contract U.S.	(2) Participants Non-Contract 3rd Country	(2) Participants Contract
A. All Prior Years	TC	93	43				50				122									
B. Net Deob.-Reob.	TC	(1)					(1)													
Current Funds	TC	37	27				10													
Total Actual Year FY 1959	TC	36	27				9				37				2					
C. Operational Year FY 1960	TC	37	26				11				39				2					
D. Budget Year FY 1961	TC	51	40				11				40				2					
E. All Subsequent Years																				
F. Total All Years	TC	217																		

2

Dollar Obligation and Expenditure: FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/58	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
All Prior Years	TC	90		3	(1)	2	2		2	2					
Actual Year FY 1959	TC				37	37	36	1	37	36	1		1	1	
Operational Year FY 1960	TC											37	37	34	3
TOTAL		90		3	36	39	38	1	39	38	1	37	38	35	3

Problems Addressed:

1. Need for improving legislation, government organization, policies or methods to encourage better use of resources (land labor and capital) for economic, political and social development.

E-1	FORM ICA 10-120 (6-59) Continuation Sheet	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY Perú	Project N° 527-99-955	E-1
				COUNTRY ECONOMIC PROGRAM	Administration - Rural Development Service (SCIF)		

1. General Description of the Project

This project, established under an agreement of September 22, 1955, provides for:

a. Executive control and direction of the cooperative servicio program through a Director and the services of a Business Manager and local personnel.

b. Administrative and auxiliary services essential to the operation of the Rural Development Service.

This project centralizes administrative services, provides effective control of fiscal budgetary and accounting activities, personnel management, procurement and property control.

2. Specific Activity Targets or End Results of the Project

a. To develop budgetary and accounting activities for the program.

b. To demonstrate modern techniques in the fields of personnel management, procurement, property control and fiscal control.

c. Through training of the personnel to set an example of efficient administration.

3. Progress Toward Achievement of Activity Targets

The administrative personnel and supervision required is being supplied.

The project continues to provide the services required to promote efficiency; and it will need to be continued through the life of the SCIF program.

4. Nature of the U. S. Contribution

a. Previous Fiscal Years

The U. S. government has provided the U. S. technicians and certain local personnel assigned directly to the project, consisting of one engineer, three bilingual secretaries and one other employee.

b. Operational and Budget Year

In FY 1960 and FY 1961 the USOM will provide the services of the Chief of Party and a Business Manager.

U. S. Technicians:	FY 1960	FY 1961
Chief of Party (Rural Dev. 1089000) Includes transfer and home leave and overlap of technician in FY'61) FSR 3/6	$16,000	$30,000
Business Manager (8034102) FSR 5/1	10,000	10,000
Other Costs 02-08	2,000	3,000
Local Personnel: 1 consulting engineer, 4 bilingual secretaries and clerk. (To be reduced to four by end of FY 1960)	9,000	8,000
TOTAL	$ 11,000	$ 11,000

c. Future Fiscal Years

This project is expected to be continued as long as the Rural Development Service is in existence.

E-1	FORM ICA 10-120 (6-59) Continuation Sheet	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY Perú	Project N° 527-99-955	E-1
				COUNTRY ECONOMIC PROGRAM	Administration - Rural Development Service (SCIF)		

5. Contributions from Cooperative Service Joint Funds

A. Allocations from joint funds to this project are (in equivalent dollars):

CY 1958	$30,000	(Actual)
CY 1959	$37,000	(Estimated)
CY 1960	39,000	(Estimated)
CY 1961	40,000	(Planned)

b. The Peruvian staff working with this project and paid from joint funds consist of:

General Administration	3
Accounting	9
Personnel and legal	4
Commercial Department	7
Property, etc.	4
	27

6. Nature of Additional Cooperating Country Contributions

The Peruvian Government does not make additional contributions to this project except for office space in the Government building.

7. Contribution from Other Sources and Relationship to Other Projects

No direct contributions in kind, other than through the joint fund, are received from other sources, except for office space. The project provides administrative services for all other projects of the Rural Development Service.

8. Financial Considerations

The funds indicated should be sufficient.

9. Cooperating Country - USOM Coordination

The budgets for this project are submitted to the Ministry of Development and Public Works for its approval.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-99-956	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Engineering, Irrigation and Land Development		

1 PROJECT BEGINS FY 1955 ENDS FY 1961

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) Joint ~~MSP ~~ Fund	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized Non-Contract	(1) Technicians Authorized Contract	(2) Participants Non-Contract U.S.	(2) Participants Non-Contract 3rd Country	(2) Participants Contract
A. All Prior Years	TC	46	23	17			6				1,416								
B. Net Deob.-Reob.	TC	(6)	(1)	(3)			(2)												
Current Funds		25	14	10			1												
Total Actual Year FY 1959	TC	19	13	7			(1)				311						2		
C. Operational Year FY 1960	TC	4		4							314						1		
D. Budget Year FY 1961	TC	8		8							303						2		
E. All Subsequent Years																			
F. Total All Years	TC	77																	

2

Dollar Obligation and Expenditure — FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/58	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
All Prior Years	TC	39		7	(6)	1		1	1		1		1	1	
Actual Year FY 1959	TC				25	25	14	11	25	14	11		11	8	3
Operational Year FY 1960	TC											4	4	-	4
TOTAL		39		7	19	26	14	12	26	14	12	4	16	9	7

Problems Addressed:

1. Inadequate transportation facilities.
2. Inadequate agricultural expansion.
3. Increased population and internal migration.
4. Need for improving legislation, government organization, policies or methods to encourage better use of resources (land labor and capital) for economic, political and social development.

1. General Description of the Project

This project was set up by SCIF Project Agreement N°C-55 dated September 22, 1955. It defines the overall operational pattern as well as the objectives in the program fields of irrigation, roads, and land development activities.

The project develops small irrigation systems and related land drainage projects.

Specific sub-projects under the general project are developed and identified in detail, by name and description. Developmental sub-projects may be proposed by the Minister of Development and Public Works, by the Director of the Bureau of Water and Irrigation of the Ministry or by the Director of SCIF. The irrigation sub-projects selected for implementation are agreed upon by the Minister, the Director of Water and Irrigation and by the Director of SCIF; and sub-project developments are under the immediate direction of the Director of SCIF.

2. Specific Activity Targets

a. In irrigation, activities are carried out in:

(1) design of irrigation and drainage works, and

(2) studies of proposed or planned rural irrigation development projects

b. In road studies and road construction, SCIF will continue supervising the completion of various road construction projects and studies.

c. In technical services, SCIF will continue to carry out overall studies related to the sub-projects undertaken in this project and to the areas considered for development.

3. Progress Toward Achievement of Activity Targets

a. Work Accomplished to Date

Various sub-projects of irrigation, roads and land development have been agreed upon. Many of the Cooperative Service project agreements were entered into at the time of droughts in the Andean high mountain-plains area. Significant studies of many projects were undertaken to determine their usefulness as work projects as well as for long term land adjustment and utilization purposes. Progress is indicated in the following listing of projects, their purposes, amounts of money alloted, and status.

In the field of irrigation, a staff of 12 engineers, 5 assistant engineers, 10 topographers, supported by 5 other persons, has been developed and trained. In road studies and construction supervision, 5 engineers, 6 assistant engineers, 13 topographers, 4 other persons support SCIF's activities. And, in technical studies SCIF has a staff of 3 engineers, 1 assistant engineer, 1 topographer and 10 other persons to carry out the work assigned. All have been given in-the-job training.

E-1	FORM ICA 10-120 (6-59) Continuation Sheet	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	Project N°527-99-956	E-1
				COUNTRY ECONOMIC PROGRAM	Rural Development Service - Irrigation, Engineering and Land Development - SCIF		

PROJECT DESCRIPTION	EXPENDITURES THROUGH SEPT. 1959 IN SOLES	STATUS	EST. FINANCIAL REQ. TO COMPLETE PROJECT IN SOLES
1. Pampa de Anta Irrigation			
Department of Cuzco: detail studies, construction of a 17,000 acre irrigation project, and drainage of Sierra land for an airport near Cuzco; largely financed from special funds granted to Cooperative Service (the equivalent of about $90,000 from original joint funds was used for study and survey phases).	8,533,000	Studies: field work completed and office work 90% complete. Construction has been stopped due to the lack of funds to be furnished by Peruvian sources.	20,500,000
2. Lago Titicaca Stations			
Department of Puno: location, establishment and equipping of 27 meteorological stations.	372,000	Completed, turned over to F.N.D.E.	completed
3. Asillo Irrigation			
Department of Puno: detail studies and construction of irrigation facilities development of 10,125 acres in the mountain plains area. This was a drought relief measure, largely financed from special funds granted to Cooperative Service (in addition to equivalent of about $90,000 of original joint funds).	4,844,800	Studies: field work completed, office work completed, report submitted to SPRD & Ministry of Development. Construction: completed.	completed
4. Pampa de Ñoco Irrigation			
Department of Ica: detail studies and construction of facilities, development of 7,500 acres in a cooperative irrigation project.	1,315,000	Studies: field work completed. Office work underway. Construction: stopped incomplete.	14,000,000
5. Usquil Irrigation			
Department of La Libertad: preliminary feasibility study of irrigation.	528,300	Completed report submitted to F.N.D.E.	completed

E-1	FORM ICA 10-120 (6-59) Continuation Sheet	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	Project N° 527-99-956	E-1
				COUNTRY ECONOMIC PROGRAM	Rural Development Service - Irrigation, Engineering and Land Development		

PROJECT DESCRIPTION	EXPENDITURES THROUGH SEPT. 1959 IN SOLES	STATUS	EST. FINANCIAL REQ. TO COMPLETE PROJECT IN SOLES
6. Apurimac Irrigation			
Department of Apurimac: reconnaissance study for irrigation and reclamation development.	125,000	Completed, report submitted to F.N.D.E.	completed
7. Huamanga - La Mar Irrigationl			
Department of Ayacucho: detail study of irrigation possibilities, including dam sites.	140,860	Completed, report submitted to F.N.D.E.	completed
8. Parinacochas Irrigation			
Department of Ayacucho: reconnaissance study of irrigation possibilities.	45,000	Completed, report submitted to F.N.D.E.	completed
9. Chumpi Irrigation			
Department of Ayacucho: detail study of irrigation possibilities.	251,502	Completed, report submitted to F.N.D.E.	completed
10. Huamanguilla é Ihuain Irrigation			
Department of Ayacucho, detail study of irrigation possibilities.	160,280	Field and office work completed.	completed
11. Acco - Cordoba & Cuenca			
Department of Huancavelica: reconnaissance study of irrigation possibilities.	49,900	Completed report submitted to F.N.D.E.	completed
12. Cajabamba Irrigation			
Department of Cajamarca: detail study of irrigation possibilities.	103,810	Field work completed. Report in process.	70,000

E-1	FORM ICA 10-120 (6-59) Continuation Sheet	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	Project N° 527-99-956	E-1
				COUNTRY ECONOMIC PROGRAM	Rural Development Service - Irrigation, Engineering and Land Development - SCIF		

PROJECT DESCRIPTION	EXPENDITURES THROUGH SEPT. 1959 IN SOLES	STATUS	EST. FINANCIAL REQ. TO COMPLETE PROJECT IN SOLES
13. Chumbao Irrigation			
Department of Apurimac: detail study of irrigation possibilities.	311,000	Field work completed. Report in Process.	150,000
14. Soras Irrigation			
Department of Ayacucho: detail study of irrigation possibilities.	225,430	Field work completed. Report in process.	100,000
15. Santiago de Chuco Irrigation			
Department of La Libertad; detail study of irrigation possibilities.	288,603	Field work completed. Report in process.	85,000
16. Puente Stuart -Pte. La Mejorada Road			
Department of Junín: planning and supervision of construction of road in Central Huancayo province; serves about 30,000 population.	4,321,084	41 Km. completed. Road accepted by the Peruvian Government June 1958.	completed
17. Macusani-San Gaban Road			
Department of Puno: surveys, detailed planning and supervision of construction of penetration road, important as a means of providing work drought relief purposes. SCIF assisted the Ministry of Development, Dept. of Roads, in supervising construction, furnishing some equipment and engineering, planning and supervision.	318,280	Begin August 1956 through Feb. 1957 4 1/2 Kms. of road completed. Project turned over to Roads Dept.	completed
18. Puno - Moquegua Road			
Department of Puno: assisted the Ministry of Development, Dept. of Roads, in planning and supervising	1,086,142	From August 1956 through Feb. 1957.	completed

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E-1	FORM ICA 10-120 (6-59) Continuation Sheet	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	Project N°527-99-956	E-1
				COUNTRY ECONOMIC PROGRAM	Rural Development Service - Irrigation, Engineering and Land Development - SCIF		

PROJECT DESCRIPTION	EXPENDITURES THROUGH SEPT. 1959 IN SOLES	STATUS	EST. FINANCIAL REQ. TO COMPLETE PROJECT IN SOLES
24. Sisa-San Pablo Road			
Department of San Martín: survey and study of road to jungle area.	239,385	Field work of studies completed. Report in process.	43,000
25. Jepelacio-Sisa Road			
Department of San Martín: survey and study of road to jungle area.	412,677	Field work of studies completed. Report in process.	295,000
26. Lamas-Sisa Road			
Department of San Martín: survey and study of road to jungle area.	459,998	Field work of studies completed. Report in process.	269,300
27. Pucacaca-San Pablo Road			
Department of San Martín: survey and study of road to jungle area.	251,609	Field work of studies completed. Report in process.	140,300
28. Lamas Maceda Road			
Department of San Martin: survey and study of road to jungle area.	62,887	Field work of studies completed. Report in process.	36,200
29. Monobamba - Vitoc Road			
Department of Junín: engineering survey and economic study of market road in Sierra Indian Communities.	91,367	Field work of studies completed. Report in process.	completed

E-1	FORM ICA 10-120 (6-59) Continuation Sheet	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	Project N° 527-99-956	E-1
				COUNTRY ECONOMIC PROGRAM	Rural Development Service - Irrigation, Engineering and Land Development - SCIF		

PROJECT DESCRIPTION	EXPENDITURES THROUGH SEPT. 1959 IN SOLES	STATUS	EST. FINANCIAL REQ. TO COMPLETE PROJECT IN SOLES
30. Huari-Surcubamba Road			
Department of Huancavelica: engineering survey and economic study of market road in Sierra Indian communities.	50,293	Field work of studies completed.	completed
31. Ayabaca-Pacaypampa Road			
Department of Piura: engineering survey and economic study of market road near Ecuadorian Border.	198,157	Field work of studies 70% completed. Report pending.	158,000
32. Carhuaz-Chacas Road			
Department of Ancash: engineering survey and economic study of market road in Sierra Indian Communities.	52,910	Field work of studies completed.	41,000
33. Pachas-LLata Road			
Department of Huánuco: engineering survey and economic study of market road in Sierra Indian Communities.	116,940	Field work completed. Report in process.	89,000
34. Cajabamba-Crisnejas Road			
Department of Cajamarca: agreement has been signed but work has not been started.	117,569		completed
35. Maray Dam			
Department of Lima: construction of a rock fill dam to impound water for irrigation of about 400 hectares.	220,000	Partially built. Construction stop for lack of funds.	750,000

PROJECT DESCRIPTION	EXPENDITURES THROUGH SEPT. 1959 IN SOLES	STATUS	EST. FINANCIAL REQ. TO COMPLETE PROJECT IN SOLES
36. Layo Irrigation			
Department of Cuzco: study of 1,500 hectares of irrigation.	214,000	Field work completed. Report not to be compiled due to lack of funds.	80,000
37. Lucanas Irrigation			
Department of Ayacucho Project with FNDE for a detail study of four areas totalling 16,700 hectares (Moyobamba, Llamaiso, Ancascocha and Yaurihuiri); studies for the first three have been completed and accepted.	885,900	Yaurihuiri: about 9,000 hectares. Field work on 9,000 hectares in process. Report to began upon complete of field work.	950,000

b. Work Remaining to be Done

(1) Completion of surveys and construction work on the Calca Lares penetration road.

(2) Studies and field surveys on 14 road and 11 irrigation projects for the National Fund for Economic Development.

(3) Training of the Peruvian technical personnel is proceeding satisfactorily. The chief of the irrigation section has been sent to Israel for a six-month period of irrigation studies, under the auspices of FAO.

4. Nature of U. S. Contribution

a. Previous Fiscal Year

The U. S. paid the costs of one U. S. technician, during FY 1957 through FY 1959, and of 2 participants.

b. Operational and Budget Years

No U. S. technicians will be assigned during FY's 1960 and 1961. Costs for training participants are included in the budget for both years.

	1960	1961
1 Roads - 1 year U. S. A.	$4,000	$4,000
1 Irrigation and Drainage 6 months U. S. A.		$4,000
	$4,000	$8,000

c. Future Fiscal Year

This project will be expected to continue as long as the Rural Development Service will be in existence.

5. Contribution From Cooperative Service Joint Fund

In CY 1958, joint fund obligations were the equivalent of about $236,000.

In prior years, allotments to the project (between October 1955 and December 30, 1958) were 27,858,264 soles, or the equivalent of about $1,466,000 (at 19 soles per dollar).

The CY 1958 joint fund obligations were the equivalent of about $236,000. The CY 1959 joint fund obligations are expected to be about $311,000 (equivalent in soles).

It is estimated that the CY 1960 contribution will be the equivalent of about $314,000 and the 1961 contribution is planned at the equivalent of $303,000.

6. Nature of Cooperating Country Contribution

Sources of special contributions made through the Cooperative Service joint fund for specific projects are mentioned in the write-up of the Cooperative Service.

7. Contributions From Other Sources and Relations to Other Projects

No contributions have been received from other sources.

8. Financial Considerations

The funds indicated should be sufficient.

9. Cooperating Country-USOM Coordination

Technical and financial questions of irrigation and road constructions and studies at the policy level are resolved in coordination with the Ministry of Development and Public Works and the National Fund for Economic Development and decisions made with the agency representative are carried to completion by the Peruvian staff of the project.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-99-957	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Rural Development Service - Economic Planning		

1 PROJECT BEGINS FY 1955 ENDS FY 1961

	(A) Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) Joint AID Counterpart Fund	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized: Non-Contract	Contract	(2) Participants: Non-Contract U.S.	Non-Contract 3rd Country	Contract
A. All Prior Years	TC	15	13				2				63								
B. Net Dach.-Reach. Current Funds	TC	19	16				3												
Total Actual Year FY 1959	TC	19	16				3				14				1				
C. Operational Year FY 1960	TC	46	28	14			4				20				1		2		
D. Budget Year FY 1961	TC	53	36	14			3				40				2		2		
E. All Subsequent Years																			
F. Total All Years	TC	133																	

2

Dollar Obligation and Expenditure — FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/58	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
All Prior Years	TC	14		1		1	1		1	1					
Actual Year FY 1959	TC				19	19	19		19	19					
Operational Year FY 1960	TC											46	46	30	16
TOTAL		14		1	19	20	20		20	20		46	46	30	16

Problems Addressed:

1. Need for improving legislation, government organization, policies or methods to encourage better use of resources (land labor and capital) for economic, political and social development.
2. Inadequate transportation facilities.
3. Inadequate agricultural expansion.
4. Low level of industrial production.

E-1	FORM ICA 10-120 (6-59) Continuation Sheet	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	Project N° 527-99-957	E-1
				COUNTRY ECONOMIC PROGRAM	Economic Planning - SCIF		

1. General Outline of the Project

Project SCIF N°B-55 authorizes the Director of the Servicio Cooperativo de Irrigación, Vias de Comunicación e Industria SCIF, to establish and maintain defined activities in the field of economic planning, and specifically to carry out economic feasibility studies.

This Project is intended to define the overall operational pattern and objectives of individual projects undertaken by SCIF and to analyze and recommend on the economic feasibility of those projects.

Specific studies are made by the Rural Development Service under the heading of "Economic Planning". Funds allocated to the project are apportioned in specific amounts as required for the economic planning activities identified in the individual studies, or sub-projects. The economic analysis and planning project presently includes only a small specialized staff.

2. Specific Activity Targets

The Economic Planning Project provides for establishment of a group of technicians who have the following responsibilities:

1. To accumulate, analyze, evaluate and make recommendations on projects undertaken by SCIF. This includes such statistical information as may be deemed essential for evaluation and presentation of projects in the fields of irrigation, roads and industry.

2. To conduct special surveyssand studies required to determine the feasibility or economic soundness of proposed projects.

3. To furnish economic information pertinent to specific work projects which, when combined with details of engineering costs or construction estimates, will provide a basis for determining operating project feasibility or priority.

3. Progress Toward Achievement of Activity Targets

a. Work Accomplished to Date

(1) Specific data required for analysis of economic factors pertaining to various sub-projects undertaken by SCIF, to date, have been collected and evaluated with other project data.

(2) Economic evaluation and planning studies for the Departments of Tumbes and Arequipa have been published.

(3) Over a period of the last 19 months, the Division collected, centralized and analyzed economic, industrial, agricultural, commercial, fishing, educational, handicraft data for studies being made by the Southern Peru Regional Development Service.(These economic studies are being prepared for the Peruvian Government by SPRD, at a cost of $107,000.).

An economic evaluation is being made of the Libertad Department; other departmental studies are being considered for San Martin, Cajamarca, and Ancash.

Further services in collection of analysis and evaluation of Cooperative Services Projects will be undertaken as needed.

Peruvian economists are being trained, much needed economic data has been complied. There is a growing awareness of the importance and need for sound economic analysis in evaluating proposals for new irrigation and road projects. The growing number of requests by Peruvian Government agencies for department - wide or area studies is evidence of this increased awareness. It is planned to encourage the growth of this interest into consideration of planning on a national level for public works and those activities normally considered to be outside the realm of private capital interest.

E-1	FORM ICA 10-120 (6-59) Continuation Sheet	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	Project N° 527-99-957	E-1
				COUNTRY ECONOMIC PROGRAM	Economic Planning - SCIF		

4. Nature of U. S. Contribution

a. Previous Fiscal Years

In the past, the U. S. Government has paid the cost of one U. S. economist and a local bilingual secretary.

b. Operational and Budget Years

U. S. Technicians			1960	1961
Economic Advisor	FSR/3	(9011000)		$19,000
Agricultural Economic Advisor (Home leave & trans. FY 1960)	FSR/4	(9011700)	$28,000	17,000
			$28,000	$36,000
Participants				
3 Econ. Dev. (1-12 mo.;2-6 mo.) USA			$14,000	$14,000
Other Costs in support of U. S. technicians			4,000	3,000
			$46,000	$53,000

c. Future Fiscal Years

The project will continue as long as the Rural Development Service is in existence.

5. Contributions From Cooperative Service Joint Funds

The project is otherwise financed from the Cooperative Service Joint Fund . The Peruvian personnel paid by joint funds include: 3 economists, 3 3engineers, 1 administrative assistant, 1 statistical analyst, 1 statistician, 1 draftsman, 1 secretary, 2 clerks.

5. Contribution From Cooperative Service Joint Fund

Prior year allotments to the project (between October 1955 and December 30, 1958) totalled S/.1,534,871, or the equivalent of about $80,730 at 19 soles per dollar.

The CY 1959 contribution is estimated at the equivalent of about $14,000.

It is estimated that the CY 1960 contribution will be increased to about $20,000 and as additional projects are studied and areas studies are also to be made, the CY 1961 is planned to be about $40,000 (in soles).

6. Nature of Cooperating Country Contribution

The Peruvian Government does not contribute additional funds directly to this project except for use of office space and certain facilities.

7. Contribution From Other Sources and Relationship to Other Projects

There are no other contributions. The project has furnished economic data to SPRD as mentioned above. It has used the services of specialists of the Agricultural Service on a reimbursable basis.

8. Financial Considerations

The funds alloted should be sufficient for the functioning of the project.

9. Cooperating Country USOM Coordination

The project budget is submitted to the Minister of Public Works for approval each year.

FY-61

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-99-958	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Rural Development Service - Industry		

1 PROJECT BEGINS FY 1955 ENDS FY 1961

	Function of Funds	(A) Dollar Obligations ($1,000) (1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) U.S. Owned MSP	(2) PL 480 and Other	(3) Joint MSP Counterpart Fund	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized: Non-Contract	(1) Technicians Authorized: Contract	(2) Participants: Non-Contract U.S.	(2) Participants: Non-Contract 3rd Country	(2) Participants: Contract
A. All Prior Years	TC	24	16	5			3				35								
B. Net Deob.-Reob.	TC	(1)					(1)												
Current Funds	TC	13	11				2												
Total Actual Year FY 1959	TC	12	11				1				17				1				
C. Operational Year FY 1960	TC	29	21	7			1				17				1		2		
D. Budget Year FY 1961	TC	25	15	8			2				17				1		2		
E. All Subsequent Years																			
F. Total All Years	TC	90																	

2

Dollar Obligation and Expenditure	FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/58	(2) Un-Sub-Obligated 6/30/58	(3) Unliquidated Obligations 6/30/58	(B) Actual Year FY 1959 (1) Actual Obligations During FY 1959	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY 1959	(4) Un-Sub-Obligated 6/30/59	(5) Total Available for Expenditure	(6) Actual Expenditure in FY 1959	(7) Unliquidated Obligations 6/30/59	(C) Operational Year FY 1960 (1) Estimated Obligations in FY 1960	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
	All Prior Years	TC	18		6	(1)	5	5		5	5					
	Actual Year FY 1959	TC				13	13	12	1	13	12	1		1	1	
	Operational Year FY 1960	TC											29	29	19	10
	TOTAL		18		6	12	18	17	1	18	17	1	29	30	20	10

Problems Addressed:
1. Low level of industrial production.
2. Increased population and internal migration.
3. Lack of understanding by labor of its responsibilities in economic and social development of the country.

E-1	FORM ICA 10-120 (6-59) Continuation Sheet	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	Project N° 527-99-958	E-1
				COUNTRY ECONOMIC PROGRAM	Industry - SCIF		

1. General Description of the Project

Project SCIF N°E-55 of September 22, 2955, provides authorization to the Director of the Servicio Cooperativo de Irrigación, Vías de Comunicación e Industria, SCIF, to establish and maintain defined activities in industry development.

2. Specifc Activity Targets or End Results of the Project

a) To collaborate with local industries and institutions in increasing industrial productivity.
b) To cooperate with the Peruvian Government, as requested, in the establishment of priorities in industrial development.

3. Progress Towards Achievement of Activity Targets

a. Work Accomplished to Date

(1) Local and U. S. technicians have assisted and advised local industrial management personnel in the creation of a government Productivity Center and an Industrial Research Institute.

(2) A Question and Answer Service has been established.

(3) A Technical Digest and Technical Film services and a Technical Library is in operation.

(4) Small Business Manuals (Small Business Administration; translated in Spanish in Mexico by ICA) are being distributed.

(5) A handicraft survey of Southern Peru was completed.

(6) Advisory assistance and encouragement was given to the newly created Peruvian Institute of business Administration (Instituto Peruano de Administración de Empresas), which is similar to the AMA (American Management Association),

(7) Economic studies of industrial facilities and opportunities in Southern Peru was completed.

b. Work Remaining to be Done

Collaboration with the Peruvian Institute of Business Administration and Productivity will be continued. Industry officers will cooperate with industrial organizations, educational institutions and various associations interested in increased productivity.

4. Nature of the U. S. Contribution

a. Previous Fiscal Year and Actual Year

The U. S. Government has paid the cost of salary and travel of a U. S. technician (Handicraft Advisor) a local bilingual assigned to the project during FY 1959.

b. Operational Year

Costs for training two participants are included in the FY 1960 operational budget, in the amount of $7,000 and U. S. technicians costs were estimated at $21,000 for the replacement of the Handicraft Advisor by an Industry Advisor.

c. Budget Year

U. S. Technicians

Industry Advisor (1151.00) FSR/3	$15,000

Participants

2 Industry Dev. 6 months U. S. A.	$ 8,000

Other Costs

In support of U. S. technicians $ 2,000
TOTAL $25,000

Future Fiscal Years

This is an advisory and service type of project which may be expected to continue as long as the Rural Development Service.

5. Contributions From Cooperative Service Joint Fund

Allotments in prior years, October 1955 to December 30, 1958, amounted to S/1,330,000, or about $10,000 (at 19 soles per dollar).

The CY 1959 contribution is expected to amount to the equivalent of $17,000, and it is estimated that this level of contributions will continue through CY 1960 and CY 1961.

Funds contributed by the Cooperative Service joint fund during 1960 and 1961, are planned at $17,000 and $12,000 respectively.

The Peruvian personnel paid by joint funds consist of an engineer and a librarian.

6. Nature of Other Cooperating Country Contributions

The Peruvian Government does not contribute additional funds directly to this project except for provision of office space.

7. Contribution From Other Sources and Relationship to Other Projects

No contributions have been made from other sources.

The project contracted industrial economic studies for account of the Southern Peru Regional Development.

8. Financial Considerations

The indicated funds should be sufficient for annual project operations.

9. Cooperating Country USOM Coordination

The annual budget of the Industry Project is submitted to the Minister of Public Works for his approval.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	PROJECT NO. 527-50-900	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE Contribution to the Servicio Cooperativo Interamericano de Salud Publica (Additional Contribution: SA Funds)		

1 PROJECT BEGINS FY 1960 ENDS FY 1962

	(A) Function of Funds	(A) (1) Total	(A) (2) U.S. Technicians	(A) (3) Non-Contract Participants	(A) (4) Contract Services	(A) (5) Commodities	(A) (6) Other Costs	(A) (7) Contributions to Cooperative Service	(B) (1) U.S. Owned MSP	(B) (2) PL 480 and Other	(B) (3) MSP Counterpart	(B) (4) Total U.S. Owned or Controlled L/C	(B) (5) Cooperating Country	(C) Other External Financing	(D) (1) Technicians Authorized: Non-Contract	(D) (1) Technicians Authorized: Contract	(D) (2) Participants: Non-Contract U.S.	(D) (2) Participants: Non-Contract 3rd Country	(D) (2) Participants: Contract
A. All Prior Years																			
B. Net Doub. Rech. / Current Funds																			
Total Actual Year FY 1959																			
C. Operational Year FY 1960	SA	92						92					195						
D. Budget Year FY 1961	SA	16						16					195						
E. All Subsequent Years 1962	SA	16											195						
F. Total All Years	SA	124											585						

2

Dollar Obligation and Expenditure — FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/	(A) (2) Un-Sub-Obligated 6/30/	(A) (3) Unliquidated Obligations 6/30/	(B) Actual Year FY (1) Actual Obligations During FY	(B) (2) Total Available for Sub-Oblig.	(B) (3) Sub-Obligated in FY	(B) (4) Un-Sub-Obligated 6/30/	(B) (5) Total Available for Expenditure	(B) (6) Actual Expenditure in FY	(B) (7) Unliquidated Obligations 6/30/	(C) Operational Year FY 1960 (1) Estimated Obligations in FY	(C) (2) Total Available For Expenditure	(C) (3) Estimated Expenditures in FY 1960	(C) (4) Unliquidated Obligations 6/30/60
All Prior Years															
Actual Year FY															
Operational Year FY												92	92	41	41
TOTAL												92	92	41	41

Problems Addressed:
1. Need for improving legislation, government organization, policies or methods to encourage better use of resources (land labor and capital) for economic, political and social development.
2. Inadequate educational systems.
3. Increased population and internal migration.
4. Low level of industrial production.

E-1	FORM ICA 10-120 (6-59) Continuation Sheet	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	Project N°527-50-900	E-1
				COUNTRY ECONOMIC PROGRAM	Contribution to Servicio Cooperativo Interamericano de Salud Pública (Additional Contribution:SA Funds)		

1. General Description of the Project

The funds described on the face sheet of this jproject will be contributed to the Servicio and be utilized on project N°527-52-921.

2. Specific Activity Targets or End Results of the Project

The National Water Development Program will evaluate the present water supplies and establish future needs and priorities for construction. Planning on a national level is essential if this program is to be carried out successfully. Findings or results attained from this evaluation survey will be used by the National Water Board in the development of water supplies in strategic areas. Cooperation with local engineers is necessary. The E-1 proposal is prepared on the basis that U. S. participation during the first three years will be primarily concerned with the phase of "Studies, Planning and Pilot Projects". It is expected that collaboration after this first phase of work (which may actually be completed sooner if local contracting methods may be used) will be continued through the regular SCISP program.

3. Progress Toward Achievement of Activity Targets

Not applicable.

4. Nature of the U. S. Contribution

An additional contribution from Special Assistance Funds will be made to the Joint Funds of SCISP to support a National Program of Community Water Supply Development.

5. Nature of Cooperating Country Contribution

The host country is at the present time contributing approximately Five Million Soles (approximately $180,000) to the SCISP Program for development of water supplies each year. This contribution is expected to continue at the same level or to increase each year for several years.

E-1	FORM ICA 10-109 (6-59)	DATE PREPARED: October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION: UNCLASSIFIED	COOPERATING COUNTRY: PERU	PROJECT NO.: 527-52-921	E-1
				COUNTRY ECONOMIC PROGRAM	PROJECT TITLE: National Program of Community Water Supply Development (Studies, Planning and Pilot Projects)		

1 PROJECT BEGINS FY 1960 ENDS FY 1961

	(A) Dollar Obligations ($1,000) Function of Funds	(1) Total	(2) U.S. Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contributions to Cooperative Service	(B) L/C Commitments or Obligations (1) Joint [illegible] Funds	(2) PL 480 and Other	(3) MSP Counterpart	(4) Total U.S. Owned or Controlled L/C	(5) Cooperating Country	(C) Other External Financing	(D) Numbers of People (1) Technicians Authorized Non-Contract	(1) Technicians Authorized Contract	(2) Participants Non-Contract U.S.	(2) Participants Non-Contract 3rd Country	(2) Participants Contract
A. All Prior Years																			
B. Net Deob.-Reob.																			
Current Funds																			
Total Actual Year FY 1959																			
C. Operational Year FY 1960									92				195						
D. Budget Year FY 1961									16				195						
E. All Subsequent Years 1962													195						
F. Total All Years													585						

2

Dollar Obligation and Expenditures — FY Source of Funds	Function of Funds	(A) Total All Prior (1) Cumulative Expenditures 6/30/	(2) Un-Sub-Obligated 6/30/	(3) Unliquidated Obligations 6/30/	(B) Actual Year FY (1) Actual Obligations During FY	(2) Total Available for Sub-Oblig.	(3) Sub-Obligated in FY	(4) Un-Sub-Obligated 6/30/	(5) Total Available for Expenditure	(6) Actual Expenditure in FY	(7) Unliquidated Obligations 6/30/	(C) Operational Year FY (1) Estimated Obligations in FY	(2) Total Available For Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60
All Prior Years															
Actual Year FY															
Operational Year FY															
TOTAL															

Problems Addressed:

Low Domestic Productivity

Inefficient Government

1. General Description of the Project

The proposed project, a "National Program of Community Water Supply Development", is to be coordinated with the world-wide water supply program. Its purpose is to make a detailed study of present conditions pertaining to water supplies in Peru, and to plan a national program for improving the existing municipal water supplies and constructing new systems on a priority basis. Considerations will be given to population, industrial development, both existent and potential, economic status of community (whether the system could be self-supporting or not), and other pertinent factors.

The need for such a program is described in the book "Plan Nacional de Obras Sanitarias, Agua Potable y Desague". A brief resumé shows that there are 1,408 major cities and towns in Peru. There are only 22 water supplies that can be considered adequate as to quality and quantity. There is little possibility of industrial development and a subsequent increase in employment and higher standard of living in a country until there are adequate water supplies. It is expected that the planning stage of this undertaking can be completed within three years or less.

2. Specific Activity Targets or End Results of the Project

The National Water Development Program will evaluate the present water supplies and establish future needs and priorities for construction. Planning on a national level is essential if this program is to be carried out successfully. Findings or results attained from this evaluation survey will be used by the National Water Board in the development of water supplies in strategic areas. Cooperation with local engineers is necessary. The E-1 proposal is prepared on the basis that U. S. participation during the first three years will be primarily concerned with the phase of "Studies, Planning and Pilot Projects". It is expected that collaboration after this first phase of work (which may actually be completed sooner if local contracting methods may be used) will be continued through the regular SCISP program.

3. Progress Toward Achievement of Activity Targets

a. Work Accomplished to Date

The first stage of this program, a preliminary survey, has been completed. A National Water Board has been established and conditions are right for a progressive planning jprogram to begin immediately.

b. Work Remaining to be Done

1) Completion of a final water study

2) Development of a detailed plan for community water supply

3) Implementation of above plan

4. Nature of the U. S. Contribution

As indicated in the E-1 sheet, a contribution from the U. S., through SCISP, of $124,000 (One hundred and twenty-four thousand dollars) is estimated as required for technician services and associated costs during the next three years to carry out this program. Operating under the direction of a U. S. Sanitary Engineers in SCISP, this money will be planned as follows:

4. Nature of the U. S. Contribution (continued)

FIRST YEAR

1	Chief Engineer, local personnel	$4,000	$4,000
2	Planning Engineers " "	$3,600	$7,200
6	Field Engineers, " "	$2,400	14,400
	Travel and per diem for engineers, local personnel		24,000
7	Pick-Up trucks	$2,200	15,400
	Maintenance, oil, repairs, etc.		8,000
2	Secretaries, local	$1,200	2,400
3	Draftsmen, local	$1,200	3,600
7	Chauffeurs, local	$1,000	7,000
			$86,000
	Office equipment, printing, etc.		6,000
			$92,000

SECOND YEAR

1	Chief Engineer, local	$4,200	$4,200
2	Planning Engineers, local	3,700	7,400
1	Secretary, local	1,200	1,200
1	Draftsman, local	1,200	1,200
	Maintenance, repairing automobiles		2,000
	Office equipment		600
			$16,600

THIRD YEAR

1	Chief Engineer, local	$4,400	$4,400
2	Planning Engineers, local	3,700	7,400
1	Secretary, local	1,200	1,200
1	Draftsman, local	1,200	1,200
	Maintenance, repairing, etc.		2,000
	Office equipment		400
			$16,600

5. Nature of Cooperating Country Contribution

The host country is at the present time contributing approximately Five Million Soles (approximately $180,000) to the SCISP program for development of water supplies each year. This contribution is expected to continue at the same level or to increase each year for several years.

G-1	FORM ICA 10-113 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION	COOPERATING COUNTRY PERU	ICA ADMINISTERED PROGRAM	G-1
				COUNTRY ECONOMIC PROGRAM	**SUMMARY BY FUNCTION AND LOCAL CURRENCY GENERATION**		

(ALL FIGURES IN $1,000)

			(A) CUMULATIVE TO ACTUAL YEAR	(B) ACTUAL YEAR FY 1959 TOTAL	(B) (1) Prior Year Funds	(B) (2) Actual Year Funds	(C) OPERATIONAL YEAR FY 1960 (1) Congressional Presentation	(C) (2) Program	(D) BUDGET YEAR FY 1961
1 DOLLAR PROGRAM	A. Defense Support Special Assistance	1. Project	2,000 1/	(4)	(4)	-	-	- 3/	-
		2. Non-Project	-	2	2 2/				
		TOTAL	-	(2)	(2)	-	-	-	-
	B. Technical Cooperation		16,238	2,624	(160)	2,784	2,900	2,800	2,962
		TOTAL	18,238	2,622	(162)	2,784	2,900	2,800	2,962
	C. Includes MSP Loans								
	D. Includes MSP Sales of Agricultural Surplus								
2 GENERATION OF L/C FOR MSP USES	A. U.S. Owned L/C Generation for MSP Uses	Potential Generation							
		Less: Triangular currencies not available for internal use							
		Less: Waivers							
		TOTAL							
	B. Counterpart L/C Generation for MSP Uses	Potential Generation							
		Less: L/C for U.S. uses							
		Less: Waiver of Counterpart Deposit							
		Less: Other (Loan, etc.)							
		Add: Excess of Sales Proceeds Over Commensurate Value Counterpart Loan Repayments							
		Add: Other (footnote)							
		TOTAL							
	TOTAL GENERATION								

REMARKS:

1/ Represents loan under Smathers' Amendment for $2,000,000.

2/ Emergency Relief and Assistance. Arequipa Earthquake Disaster.

3/ Exclusive of amounts which may be needed from regional or world-wide appropriation accounts, such as: Atomic reactor, educational type $25,000; Program of Water Supply Development - $195,000 in FY 1960, $16,000 in FY 1961.

SECURITY CLASSIFICATION UNCLASSIFIED

G-2	FORM ICA 10-114 (6-59)	DATE PREPARED October 1, 1969	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	ICA ADMINISTERED PROGRAM	G-2

COUNTRY ECONOMIC PROGRAM

DOLLAR PROJECT PROGRAM BY FIELD OF ACTIVITY

ANNUAL PROJECT ASSISTANCE COSTS BY FIELD OF ACTIVITY — All Dollar Figures $1,000		(A) Total All Fields	(B) 11-19 Food and Agriculture	(C) 21-29 Industry and Mining	(D) 31-39 Transportation	(E) 41-49 Labor	(F) 51-59 Health and Sanitation	(G) 61-69 Education	(H) 71-79 Public Administration			(I) 81-89 Community Development, Social Welfare and Housing			(J) 91-99 General and Miscellaneous
									(1) 71 Public Safety	(2) 72-79 Public Administration	Total	(1) 81-82 Comm. Devel. and Social Welfare	(2) 83-89 Housing	Total	
1 ACTUAL YEAR	SA/DS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TC	2,784	1,035	125	58	114	539	359	-	41	41	-	3	3	510
FY 1959	Total	2,784	1,035	125	58	114	539	359	-	41	41	-	3	3	510
No. of Technicians – Total		83	27	4	3	2	19	15	2	2	4	-	1	1	8
Direct Hire		71	21	3	3	2	16	15	-	2	2	-	1	1	8
Contract		12	6	1	-	-	3	-	2	-	2	-	-	-	-
No. of Participants – Total		101	29	5	2	18	15	15	-	3	3	-	-	-	14
Non-Contract		98	26	5	2	18	15	15	-	3	3	-	-	-	14
U.S.		76	14	5	2	18	9	14	-	1	1	-	-	-	13
Third Country		22	12	-	-	-	6	1	-	2	2	-	-	-	1
Contract		3	3	-	-	-	-	-	-	-	-	-	-	-	-
2 OPERATIONAL YEAR	SA/DS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TC	2,800	1,006	83	70	118	551	448	39	82	121	-	5	5	398
FY 1960	Total	2,800	1,006	83	70	118	551	448	39	82	121	-	5	5	398
No. of Technicians – Total		84	30	2	3	2	17	15	4	5	9	-	2	2	4
Direct Hire		70	21	1	3	2	15	15	2	5	7	-	2	2	4
Contract		14	9	1	-	-	2	-	2	-	2	-	-	-	-
No. of Participants – Total		89	19	3	12	19	11	14	2	3	5	-	-	-	6
Non-Contract		89	19	3	12	19	11	14	2	3	5	-	-	-	6
U.S.		80	12	3	12	19	9	14	2	3	5	-	-	-	6
Third Country		9	7	-	-	-	2	-	-	-	-	-	-	-	-
Contract		-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 BUDGET YEAR	SA/DS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TC	2,962	1,184	63	69	124	518	487	39	84	123	-	6	6	388
FY 1961	Total	2,962	1,184	63	69	124	518	487	39	84	123	-	6	6	388
No. of Technicians – Total		79	27	4	3	1	15	15	2	5	7	-	2	2	5
Direct Hire		67	20	2	3	1	12	15	2	5	7	-	2	2	5
Contract		12	7	2	-	-	3	-	-	-	-	-	-	-	-
No. of Participants – Total		108	29	5	12	23	11	15	3	3	6	-	-	-	7
Non-Contract		108	29	5	12	23	11	15	3	3	6	-	-	-	7
U.S.		96	19	5	12	23	9	15	3	3	6	-	-	-	7
Third Country		12	10	-	-	-	2	-	-	-	-	-	-	-	-
Contract		-	-	-	-	-	-	-	-	-	-	-	-	-	-

SECURITY CLASSIFICATION UNCLASSIFIED

G-3	FORM ICA 10-115 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	ICA ADMINISTERED PROGRAM	G-3
				COUNTRY ECONOMIC PROGRAM	**DOLLAR PROJECT PROGRAM BY COST COMPONENT**		

DOLLAR COST COMPONENTS AND NUMBER OF PEOPLE BY FY AND FUNCTION		(A) MAJOR COST COMPONENTS (ALL FIGURES $1,000)							(B) NUMBER OF TECHNICIANS					(C) NUMBER OF PARTICIPANTS		
		(1) Total Cost	(2) Direct Hire Technicians	(3) Non-Contract Participants	(4) Contract Services	(5) Commodities	(6) Other Costs	(7) Contribution to Cooperative Services	(1) Direct Hire (a) Positions Authorized	(1) Direct Hire (b) On Board End of Year	(2) Contract (a) Positions Programmed	(2) Contract (b) On Board End of Year	(3) Locals Direct Hire on Board End of Year	(1) Non-Contract (a) Programmed for U.S.	(1) Non-Contract (b) Programmed for 3rd Country	(2) Contract Programmed
1 ACTUAL YEAR FY 1959	SA/DS															
	TC	2,784	980	309	52	55	288	1,100	71	59	12	7	79	76	22	3
	TOTAL	2,784	980	309	52	55	288	1,100	71	59	12	7	79	76	22	3
2 Congressional Presentation	SA/DS															
	TC	2,900	1,033	319	135	74	444	895	65	65	5	5	-	76	13	8
	TOTAL	2,900	1,033	319	135	74	444	895	65	65	5	5	-	76	13	8
OPERATIONAL YEAR FY 1960	SA/DS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TC	2,800	1,077	333	258	60	287	785	70	61	14	8	57	80	9	-
	TOTAL	2,800	1,077	333	258	85	287	785	70	61	14	8	57	80	9	-
3 BUDGET YEAR FY 1961	SA/DS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TC	2,962	1,072	401	378	30	296	785	67	58	12	6	46	96	12	-
	TOTAL	2,962	1,072	401	378	30	296	785	67	58	12	6	46	96	12	-

G-4	FORM ICA 10-116 (6-59)	DATE PREPARED: October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION: UNCLASSIFIED	COOPERATING COUNTRY: PERU	ICA ADMINISTERED PROGRAM	G-4
				COUNTRY ECONOMIC PROGRAM	**LOCAL CURRENCY PROGRAM BY FIELD OF ACTIVITY**		

DEFINITIONS:
OBLIGATIONS or COMMITMENTS
1. U.S. owned local currency -- Obligation is considered to take place in same manner as for dollar funds.
2. Counterpart -- Commitment is considered to take place when a firm agreement is made between the U.S. and the host country to provide specific amounts for specific purposes or projects. Since such agreement takes place at different stages in different countries, varying from instances in which the obligation or commitment and the authorization to release from the special account are identical to instances in which the firm agreement precedes such authorization, indicate the point in the programming process which precludes reprogramming without amendment of an intergovernmental agreement.

OBLIGATIONS OR COMMITMENTS BY FISCAL YEAR (All Figures $1,000 Equivalent)			(A) FY 1959 (1) MSP Source (a) U.S. Owned	(A) FY 1959 (1) MSP Source (b) Counterpart	(A) FY 1959 (2) Title I PL 480 & Other	(B) FY 1960 (1) MSP Source (a) U.S. Owned	(B) FY 1960 (1) MSP Source (b) Counterpart	(B) FY 1960 (2) Title I PL 480 & Other	(C) FY 1961 (1) MSP Source (a) U.S. Owned	(C) FY 1961 (1) MSP Source (b) Counterpart	(C) FY 1961 (2) Title I PL 480 & Other
1 MILITARY PURPOSES	A. Projects										
	B. Budget Support										
	C. Military Procurement										
	TOTAL										
2 ECONOMIC PURPOSES	A. Projects	1. Food and Agriculture			4,255						1,000
		2. Industry and Mining			156						
		3. Transportation						1,000*			1,000*
		4. Labor									
		5. Health and Sanitation									
		6. Education									
		7. Public Admin. — Public Safety									
		7. Public Admin. — Public Administration									
		7. Public Admin. — TOTAL									
		8. C.D., S.W., & H. — Community Development and Social Welfare									
		8. C.D., S.W., & H. — Housing									
		8. C.D., S.W., & H. — TOTAL						1,000*			
		9. General and Miscellaneous									
		TOTAL			4,411			2,000			2,000
	B. Budget Support										
	C. Procurement for Third Countries										
	TOTAL				4,411			2,000			2,000
3 TOTAL ALL PURPOSES					4,411			2,000			2,000

* For explanation of projects to be proposed, see Part II "ICA Administered Program", Sections A and E.

G-5	FORM ICA 10-117 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	ICA ADMINISTERED PROGRAM	G-5
				COUNTRY ECONOMIC PROGRAM	DOLLAR PIPELINE SUMMARY ANALYSIS		

OBLIGATION AND EXPENDITURE BY FISCAL YEAR (ALL FIGURES $1,000)			(A) TOTAL ALL YEARS PRIOR FY	(B) ACTUAL YEAR FY 1959				(C) OPERATIONAL YEAR FY 1960				(D) BUDGET YEAR FY 1961			
			(1) Unliquidated Obligations 6/30/58	(1) Actual Obligations During FY 1959	(2) Total Available for Expenditure	(3) Actual Expenditure in FY 1959	(4) Unliquidated Obligations 6/30/59	(1) Estimated Obligations in FY 1960	(2) Total Available for Expenditure	(3) Estimated Expenditures in FY 1960	(4) Unliquidated Obligations 6/30/60	(1) Proposed Obligations in FY 1961	(2) Total Available for Expenditure	(3) Estimated Expenditures in FY 1961	(4) Unliquidated Obligations 6/30/61
1 ALL PRIOR YEAR FUNDS	SA/DS	Project	1,914	(4)	1,910	1,398	512		512	512	-		-	-	-
		Non-Proj.	-	2	2	2	-		-	-	-		-	-	-
		Sub-Total	1,914	(2)	1,912	1,400	512		512	512	-		-	-	-
	Tech. Cooperation		2,084	(160)	1,924	1,413	511		511	360	151		151	120	31
	TOTAL		3,998	(162)	3,836	2,813	1,023		1,023	872	151		151	120	31
2 FY. FUNDS 1959	SA/DS	Project													
		Non-Proj.													
		Sub-Total													
	Tech. Cooperation			2,784	2,784	1,675	1,109		1,109	742	367		367	290	77
	TOTAL			2,784	2,784	1,675	1,109		1,109	742	367		367	290	77
3 FY FUNDS 1960	SA/DS	Project													
		Non-Proj.													
		Sub-Total													
	Tech. Cooperation							2,800	2,800	1,606	1,194		1,194	814	380
	TOTAL							2,800	2,800	1,606	1,194		1,194	814	380
4 FY FUNDS 1961	SA/DS	Project													
		Non-Proj.													
		Sub-Total													
	Tech. Cooperation											2,962	2,962	1,690	1,272
	TOTAL											2,962	2,962	1,690	1,272
5 TOTAL FUNDS ALL YEARS	SA/DS	Project	1,914	(4)	1,910	1,398	512	-	512	512	-	-	-	-	-
		Non-Proj.	-	2	2	2	-	-	-	-	-	-	-	-	-
		Sub-Total	1,914	(2)	1,912	1,400	512	-	512	512	-	-	-	-	-
	Tech. Cooperation		2,084	2,624	4,708	3,088	1,620	2,800	4,420	2,708	1,712	2,962	4,674	2,914	1,760
	TOTAL		3,998	2,622	6,620	4,488	2,132	2,800	4,932	3,220	1,712	2,962	4,674	2,914	1,760

SECURITY CLASSIFICATION UNCLASSIFIED

SHEET 1 OF 1 SHEETS TO THIS TABLE

G-6	FORM ICA 10-118 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	ICA ADMINISTERED PROGRAM	G-6
				COUNTRY ECONOMIC PROGRAM	**LOCAL CURRENCY PIPELINE**		

DEFINITIONS:

GENERATED – Generated is defined to mean the amount of local currency that has accrued or will accrue as a result of dollar obligations. Deductions should be made for MSP currencies not available for MSP use as indicated in Table G-1.

OBLIGATED OR COMMITTED

1. U.S. owned local currency – Obligation is considered to take place in same manner as for dollar funds.
2. Counterpart – Commitment is considered to take place when a firm agreement is made between the U.S. and the host country to provide specified amounts for specific purposes or projects. Since such agreement takes place at different stages in different countries, varying from instances in which the obligation or commitment and the authorization to release from the special account are identical, to instances in which the firm agreement precedes such authorization, indicate the point in the programming process which precludes reprogramming without amendment of an intergovernmental agreement (describe below the type of document used for such agreement).

EXPENDITURE

1. U.S. owned currency – Expenditure of U.S. owned local currency is considered to take place at the time funds are withdrawn from the U.S. account.
2. Counterpart – Expenditure of counterpart is considered to take place at the time funds are withdrawn from the special account.

(ALL FIGURES $1,000 EQUIVALENT)

			(A) FY 1959 (1) Status 7/1/58	(A) FY 1959 (2) Net Change	(A) FY 1959 (3) Status 6/30/59	(B) FY 1960 (1) Net Change	(B) FY 1960 (2) Status 6/30/60	(C) FY 1961 (1) Net Change	(C) FY 1961 (2) Status 6/30/61
1 MSP LOCAL CURRENCIES	A. U.S. Owned	1. Generated							
		2. Deposited							
		3. Obligated							
		4. Expended							
		5. Undeposited Generation							
	Exchange Rate $1=	6. Unobligated Deposits							
		7. Unexpended Deposits							
	B. Counterpart	1. Generated							
		2. Deposited							
		3. Committed							
		4. Expended							
		5. Undeposited Generation							
	Exchange Rate $1=	6. Uncommitted Deposits							
		7. Unexpended Deposits							
2 PL 480 TITLE 1 LOCAL CURRENCY FOR MSP PURPOSES		A. Generated	13,070 1/	-	13,070	2,925	15,995	2,925	18,920
		B. Deposited	8,960 2/	4,110	13,070	2,925	15,995	1,000	16,995
		C. Obligated	7,968 3/	4,411	12,379	2,000	14,379	2,000	16,379
		D. Expended	7,968	4,411	12,379	2,000	14,379	2,000	16,379
		E. Undeposited Generation	4,110	(4,110)	-	-	-	1,925	1,925
		F. Unobligated Deposits	992	(301)	691	925	1,616	(1,100)	516
	Exchange Rate $1= 19 - 27.9	G. Unexpended Deposits	992	(301)	691	925	1,616	(1,100)	516
3 OTHER LOCAL CURRENCY FOR MSP PURPOSES		A. Generated	4,355	810	5,165	-	5,165		
		B. Deposited	4,355	810	5,165	-	5,165		
		C. Committed	4,135	1,030	5,165	-	5,165		
		D. Expended	4,135	668	4,803	362	5,165		
		E. Undeposited Generation	-	-	-	-	-		
		F. Uncommitted Deposits	220	(220)	-	-	-		
	Exchange Rate $1=	G. Unexpended Deposits	220	142	362	(362)	-		

SECURITY CLASSIFICATION UNCLASSIFIED

1/ See G-7 and analysis attached.

2/ U. S. Disbursing Officer's records maintained in Soles. Cumulative deposit in dollars through 7/1/58 derived as follows:

a. On the basis of the analysis attached to table G-7, total soles proceeds for the purposes of Section 104(g) are $13,070,000. No sales agreement was executed in FY 1959 and all deposits against previous agreements had been made by June 30, 1959. The report "Counterpart Funds and ICA Foreign Currency Accounts" as of June 30, 1959, M/SR, shows $4,110,000 deposited during FY 1959. (This amount represented the balance of generated 104(g) proceeds from previous sales agreements, over and above U. S. uses, to be deposited.) Thus, deposits through 7/1/58 are reported as $8,960,000 ($13,070,000 minus $4,110,000).

3/ ICATO A-552 of March 27, 1959 shows cumulative obligations through 6/30/57 as $5,366,000. Report "Counterpart Funds and ICA Foreign Currency Accounts" as of June 30, 1959, M/SR, shows $2,602,000 withdrawn for country use during FY 1958; thus, cumulative obligations as of 7/1/58 equal $7,968,000.

G-7	FORM ICA 10-119 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	ICA ADMINISTERED PROGRAM	G-7

COUNTRY ECONOMIC PROGRAM

TITLE I, PUBLIC LAW 480 SALES
(In thousands of U. S. Dollars)

1 SALES AGREEMENTS BY FY OF SIGNATURE	(A) Total Sales Contemplated By Agreement (Adjusted)	(B) Reserved For U.S. Use Section 104 (a, b, f, h, i, etc.)	(C) Section 104(e) Loan Administered By Ex-Im Bank (Cooley)	(D) MSP Country Uses					
				(1) Section 104(c)		(2) Section 104(d)	(3) Section 104(e)	(4) Section 104(g)	(5) Total Administered By MSP Agencies
				(a) Administered By DOD	(b) Administered By ICA				
A. Cumulative through Actual Year FY 1959 *	21,199	6,264	1,865	100				13,070	13,070
B. Operational Year, FY 1960	6,500	1,950	1,625					2,925	2,925
C. Budget Year, FY 1961	6,500	1,950	1,625					2,925	2,925
TOTAL	34,199	10,164	5,115	100				18,920	18,920

* See continuation sheet for detailed analysis of prior Fiscal Years.

SALES UNDER SALES AGREEMENTS BY FISCAL YEAR OF SIGNATURE

2 COMMODITY	(A) Cumulative through Actual Year FY 1959		(B) Operational Year FY 1960		(C) Budget Year FY 1961	
	(1) Unit and Quantity Metric Tons	(2) $ Value	(1) Unit and Quantity Metric Tons	(2) $ Value	(1) Unit and Quantity Metric Tons	(2) $ Value
Edible Oil (250/ton)	3,612 MT	1,044	3,000	750	3,000	750
Dairy Products (420/ton)	352 MT	157	690	150	690	150
Rice (145/ton)	29,568 MT	4,372	20,000	2,900	20,000	2,900
Wheat (64/ton)	233,177 MT	14,707	40,000	2,500	40,000	2,500
Freight		919		200		200
TOTAL		21,199		6,500		6,500

SECURITY CLASSIFICATION UNCLASSIFIED

Agreement of	Adjusted Total	U. S. Uses	104(g) ICA	Cooley
1955	7.450 1/	2.084	5.366	-
1956	2.652 1/	.100 (104c) .680 (AFH)	1.872	-
1957	3.638 2/	1.100	2.538	-
1958	7.459 2/	2.300	3.294	1.865 3/
1959	-	-	-	-
	21.199	6.264	13.070	1.865

1/ From report "Status of Funds of Treasury under Agreements entered into pursuant to Title I, P. L. 480, Agricultural Trade Development and Assistance Act of 1954, as amended. Cumulative from Inception through December 31, 1958". Column III - Dollar Equivalent, Collection from Surplus Commodity Sales.

2/ Provided by the Banco de Fomento Agropecuario. Dollar figure represents equivalent value in dollars of soles deposited for individual shipments converted at rate of exchange applicable to the transaction.

3/ Represents 25% of total currencies deposited in accordance with the agreement of April, 1958.

G-8 a	FORM ICA 10-135 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	ICA ADMINISTERED PROGRAM	G-8 a
				COUNTRY ECONOMIC PROGRAM	**ICA/IES COORDINATED PLANS**		

1

Actual Year = FY 1959
Operational Year = FY 1960
Budget Year = FY 1961

Subject Matter Fields	ICA Activity Code		(A) ICA PROGRAM								(B) IES PROGRAM										(C) GRAND TOTAL
			U.S. TECHNICIANS			PARTICIPANTS TO U.S.					U. S.					FOREIGN						
			Univ. Contract	All Other	Total	Observational Study	In-Service Training	Educ. Inst. Study	Total	3rd Country Participants	Total	Lecturers & Research Scholars	Teachers	Students	Specialists	Total	Lectures & Research Scholars	Teachers	Students	Leaders & Specialists	Total	Total	
A. Agriculture	(11-19)	Act FY	5	21	26	3	5	6	14	12	52	1	-	-	-	1	-	-	1	1	2	3	55
		Op FY	5	23	28	4	3	5	12	7	47	1	-	-	-	1	1	-	1	-	2	3	50
		Bud FY	5	20	25	4	5	10	19	10	54	1	-	-	-	1	-	-	1	-	1	2	56
B. Atomic Energy	(98)	Act FY	-	-	-	-	-	1	1	-	1	-	-	-	-	-	-	-	-	-	-	-	1
		Op FY	-	-	-	-	-	1	1	-	1	-	-	-	-	-	-	-	-	-	-	-	1
		Bud FY	-	-	-	-	-	1	1	-	1	-	-	-	-	-	-	-	-	-	-	-	1
C. Civil Police Administration	(71)	Act FY	-	-	-	-	2	1	3	-	3	-	-	-	-	-	-	-	-	-	-	-	3
		Op FY	-	4	4	-	2	-	2	-	6	-	-	-	-	-	-	-	-	-	-	-	6
		Bud FY	-	2	2	1	2	-	3	-	5	-	-	-	-	-	-	-	-	-	-	-	5
D. Community Development and Social Welfare	(81-82)	Act FY	-	1	1	4	-	-	4	-	5	-	-	-	-	-	-	-	-	-	-	-	5
		Op FY	-	1	1	2	-	-	2	-	3	-	-	-	-	-	-	-	-	-	-	-	3
		Bud FY	-	1	1	2	-	-	2	-	3	-	-	-	-	-	-	-	-	-	-	-	3
E. Economics		Act FY	-	6	6	2	-	-	2	1	9	-	-	-	-	-	-	-	1	-	1	1	10
		Op FY	-	3	3	1	-	1	2	-	5	-	-	-	-	-	-	-	1	-	1	1	6
		Bud FY	-	4	4	1	-	1	2	-	6	1	-	-	-	1	-	-	1	-	1	2	8
F. Education	(61-69)	Act FY	-	15	15	-	1	13	14	1	30	2	2	-	-	4	3	10	4	5	22	26	56
		Op FY		15	15	-	-	14	14	-	29	2	2	-	-	4	-	7	-	1	8	12	41
		Bud FY	-	15	15	1	-	14	15	-	30	2	2	-	-	4	-	7	2	3	12	16	46
G. Engineering		Act FY	-	2	2	-	-	2	2	-	4	-	-	-	-	-	-	-	6	-	6	6	10
		Op FY	-	2	2	-	-	1	1	-	3	5	-	-	-	5	2	-	8	-	10	15	18
		Bud FY	-	2	2	-	-	2	2	-	4	3	-	-	-	3	2	-	6	-	8	11	15
H. English Language	(69)	Act FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	1	1	1
		Op FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	-	2	2	2
		Bud FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	-	2	2	2
I. Housing	(83-89)	Act FY	-	1	1	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	1
		Op FY	-	2	2	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	2
		Bud FY	-	2	2	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	2
J. Humanities		Act FY	-	-	-	-	-	-	-	-	-	2	-	7	-	9	7	-	5	1	13	22	22
		Op FY	-	-	-	-	-	-	-	-	-	3	-	7	-	10	1	-	6	1	8	18	18
		Bud FY	-	-	-	-	-	-	-	-	-	3	-	10	-	13	2	-	7	1	10	23	23

SECURITY CLASSIFICATION UNCLASSIFIED

SHEET 1 OF 1 SHEETS TO THIS TABLE

G-8 b	FORM ICA 10-136 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	ICA ADMINISTERED PROGRAM	G-8 b
				COUNTRY ECONOMIC PROGRAM	ICA/IES COORDINATED PLANS		

1 Cont'd.
Actual Year = FY 19 59
Operational Year = FY 19 60
Budget Year = FY 19 61

Subject Matter Fields	ICA Activity Code		(A) ICA PROGRAM									(B) IES PROGRAM										(C)
			U.S. TECHNICIANS			PARTICIPANTS TO U.S.						U. S.					FOREIGN						
			Univ. Contract	All Other	Total	Observational Study	In-Service Training	Educ. Inst. Study	Total	3rd Country Participants	Total	Lecturers & Research Scholars	Teachers	Students	Specialists	Total	Lecturers & Research Scholars	Teachers	Students	Leaders & Specialists	Total	Total	GRAND TOTAL
K. Industry & Mining	(21-29)	Act FY	1	4	5	-	-	4	4	-	9	-	-	-	-	-	-	-	-	2	2	2	11
		Op FY	1	2	3	-	-	3	3	-	6	-	-	-	-	-	-	-	-	-	-	-	6
		Bud FY	2	3	5	-	-	3	3	-	8	-	-	-	-	-	-	-	-	-	-	-	8
L. Labor	(41-49)	Act FY	-	2	2	16	1	1	18	-	20	-	-	-	-	-	-	-	-	1	1	1	21
		Op FY	-	2	2	16	2	1	19	-	21	-	-	-	-	-	-	-	-	1	1	1	22
		Bud FY	-	1	1	20	3	-	23	-	24	1	-	-	1	2	-	-	-	-	-	2	26
M. Mass Media Communications	(92)	Act FY	-	-	-	-	-	-	-	-	-	1	-	-	-	1	-	-	-	1	1	2	2
		Op FY	-	-	-	-	-	-	-	-	-	1	-	-	-	1	1	-	2	-	3	4	4
		Bud FY	-	-	-	-	-	-	-	-	-	1	-	-	-	1	1	-	2	2	5	6	6
N. Parliamentarians		Act FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	1	1
		Op FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	15	15	15
		Bud FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	1	1
O. Public Administration	(72-79)	Act FY	-	2	2	1	-	-	1	2	5	-	-	-	-	-	-	-	3	-	3	3	8
		Op FY	-	5	5	1	2	-	3	-	8	-	-	-	-	-	-	-	5	1	6	6	14
		Bud FY	-	5	5	1	2	-	3	-	8	-	-	-	-	-	-	-	5	-	5	5	13
P. Public Health	(57-59)	Act FY	3	15	18	1	2	4	7	6	31	-	-	-	-	-	-	-	-	-	-	-	31
		Op FY	1	14	15	-	3	4	7	2	24	-	-	-	-	-	-	-	-	-	-	-	24
		Bud FY	-	12	12	1	2	4	7	2	21	-	-	-	-	-	-	-	-	-	-	-	21
Q. Public Officials		Act FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Op FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	1	1
		Bud FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
R. Science (Medical, Physical, Natural)		Act FY	-	-	-	-	-	-	-	-	-	5	-	-	-	5	6	-	7	-	13	18	18
		Op FY	-	-	-	-	-	-	-	-	-	3	-	-	-	3	3	-	7	-	10	13	13
		Bud FY	-	-	-	-	-	-	-	-	-	3	-	-	-	3	3	-	7	1	11	14	14
S. Social Sciences		Act FY	-	-	-	-	-	-	-	-	-	7	-	7	-	14	9	-	2	-	11	25	25
		Op FY	-	-	-	-	-	-	-	-	-	3	-	7	-	10	3	-	4	-	7	17	17
		Bud FY	-	-	-	-	-	-	-	-	-	3	-	9	-	12	3	-	4	1	8	20	20
T. Transportation	(31-39)	Act FY	-	3	3	-	2	-	2	-	5	-	-	-	-	-	-	-	-	-	-	-	5
		Op FY	-	3	3	1	6	-	7	-	10	-	-	-	-	-	-	-	-	-	-	-	10
		Bud FY	-	3	3	1	6	-	6	-	10	-	-	-	-	-	-	-	-	-	-	-	10

SECURITY CLASSIFICATION UNCLASSIFIED

BEST AVAILABLE

G-8 c	FORM ICA 10-137 (6-59)	DATE PREPARED October 1, 1959	☒ ORIGINAL ☐ REVISION NO.	SECURITY CLASSIFICATION UNCLASSIFIED	COOPERATING COUNTRY PERU	ICA ADMINISTERED PROGRAM	G-8 c
				COUNTRY ECONOMIC PROGRAM	ICA/IES COORDINATED PLANS		

1 Cont'd.

Actual Year = FY 19 59
Operational Year = FY 19 60
Budget Year = FY 19 61

Subject Matter Fields	ICA Activity Code		(A) ICA PROGRAM								(B) IES PROGRAM										(C)
			U.S. TECHNICIANS			PARTICIPANTS TO U.S.					U.S.					FOREIGN					
			Univ. Contract	All Other	Total	Observational Study	In-Service Training	Educ. Inst. Study	Total	3rd Country Participants	Total	Lecturers & Research Scholars	Teachers	Students	Specialists	Total	Lecturers & Research Scholars	Teachers	Students	Leaders & Specialists	Total	Total	GRAND TOTAL
U. Mapping and Geodesy		Act Fy	-	-	-	-	4	1	5	-	5	-	-	-	-	-	-	-	-	-	-	5	10
		Op FY	-	-	-	-	6	-	6	-	6	-	-	-	-	-	-	-	-	-	-	6	12
		Bud FY	-	-	-	-	5	1	6	-	6	-	-	-	-	-	-	-	-	-	-	6	12
V. Law		Act FY																	36		36	36	36
		Op FY																	4		4	4	4
		Bud FY																	20		20	20	20
W.		Act FY																					
		Op FY																					
		Bud FY																					
TOTAL		Act FY																					
		Op FY																					
		Bud FY																			•		

2. Comments: 1. Statement of how ICA/IES activities programmed were coordinated.
Meetings of the USOM Training Officer with the Embassy Cultural Attaché were held to coordinate the U. S. programs at a staff level; and it should be pointed out too, that coordination of the programs has been discussed in Country Team meetings, with the attendance of the Ambassador and the USOM Director.

2. An example of instances where ICA or IES have scheduled projects at the request of each other. IES programs in support of ICA projects during the budget year are as follows:
   1. IES has scheduled two awards for visiting lecturers in the Department of Metallurgy at the National Engineering University. Under project N°527-21-007 a U. S. technician is assisting in the establishment of the department and ICA is providing basic equipment.
   2. IES awards in teacher training and teacher education will complement the activities of SECPANE at San Marcos University and the Chosica Normal School.

Close detail collaboration was given on labor training grants. This year, ICA and IES may schedule a few training activities to accommodate each other's programs. In the course of a recent meeting at the Embassy, the possibility of the USOM assisting IES with a few leader training grants in the field of labor and/or university administrators was discussed with the USOM Director.

3. When both IES and ICA have considerable activity in the same field, a statement of how their activities complement rather than duplicate.

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				COUNTRY ECONOMIC PROGRAM	ICA/IES COORDINATED PLANS		

2. Comments: (continuation)

In the field of Education, ICA and IES provide training for teachers. When training for specific fields of specialization coincide, as in the case of vocational, primary or secondary education, USOM efforts are oriented towards providing the Peruvian Government with the opportunity to meet specific training needs of specific project goals. IES, on the other hand, handles personal applications of Peruvian teachers regardless of the manner in which they intend to utilize their training upon return and relates than to the general needs of the country. In this way ICA and IES complement each other and both tend to improve the quality of education in Peru.