

PROJECT AUTHORIZATION

Name of Country: Peru
 Name of Project: Urban Pueblo Joven Basic
 Infrastructure Construction
 Number of Grant: CARE OPG - 527-0261

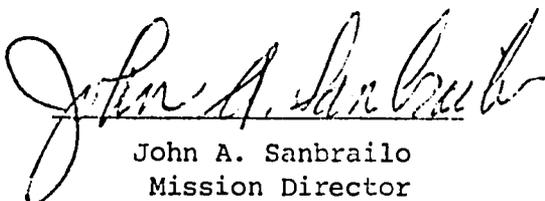
3

1. Pursuant to Section 10^d of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Urban Pueblo Joven Basic Infrastructure Construction CARE Operational Program Grant (OPG) for Peru involving planned obligations of not to exceed \$600,000 in grant funds over a two year period from date of authorization subject to the availability of funds in accordance with the A.I.D. OYB allotment process to help in financing foreign exchange and local currency costs for the CARE OPG. The planned life of the CARE OPG is two years from the date of initial obligation.

2. The CARE OPG consists of a two year food for work program in the Pueblos Jovenes of Lima and Trujillo.

3. The Grant Agreement which may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following essential terms and covenants and major conditions together with such other terms and conditions as A.I.D. may deem appropriate.

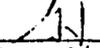
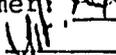
4. Commodities financed by A.I.D. under the CARE OPG shall have their source and origin in Peru or the United States, except as A.I.D. may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services shall have Peru or the United States as their place of nationality, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the CARE OPG shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States.


 John A. Sanbrailo
 Mission Director
 USAID/Peru

002
 Drafted by: RLA:TGeiger:pdg

6/18/84

Clearances:

DD:GHill: 
 CONT:MRogal: 
 PROG:RMaushammer: 
 FFW:GFoucher: 

Date

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE

A = Add
 C = Change
 D = Delete

Amendment Number

DOCUMENT CODE

3

2. COUNTRY/ENTITY

PERU

3. PROJECT NUMBER

527-0261

4. BUREAU/OFFICE

LA

5. PROJECT TITLE (maximum 40 characters)

OPG-CARE - Basic Infrastructure in PP.JJ.

6. PROJECT ASSISTANCE COMPLETION DATE (FACD)

MM DD YY
 1 2 3 1 8 6

7. ESTIMATED DATE OF OBLIGATION

(Under 'B.' below, enter 1, 2, 3, or 4)

A. Initial FY 8 4

B. Quarter 3

C. Final FY 8 5

8. COSTS (\$000 OR EQUIVALENT \$1 =)

A. FUNDING SOURCE	FIRST FY <u>84</u>			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	25	175	200	49	551	600
(Grant)	(25)	(175)	(200)	(49)	(551)	(600)
(Loan)	()	()	()	()	()	()
Other U.S.						
1. CARE		200	200		400	400
2.						
Host Country & PL 480 Title I		2,500	2,500		5,000	5,000
Other Donor(s)						
TOTALS	25	2,875	2,900	49	5,951	6,000

9. SCHEDULE OF AID FUNDING (\$000)

A. APPRO- PRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) FN	320	320				200		600	
(2)									
(3)									
(4)									
TOTALS						200		600	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

300 329 390

11. SECONDARY PURPOSE CODE

322

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code BU NUTR PVOU

B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

To assist CARE in its program of basic infrastructure, job creation, and primary health care in the Pueblos Jovenes of Lima and Trujillo.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY
 1 2 8 6

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000 941 Local Other (Specify)

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment)

17. APPROVED BY

Signature

John A. Sanbrailo

Title

Mission Director

Date Signed

MM DD YY
 10 6 18 84

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY



AGENCY FOR INTERNATIONAL DEVELOPMENT

UNITED STATES AID MISSION TO PERU

C/O AMERICAN EMBASSY

LIMA, 1 PERU

TELEPHONE: 286200

CABLE: USAID/LIMA

June 18, 1984

Mr. Timothy Lavelle
Director
CARE-Peru
Av. Los Laureles, 485
San Isidro

Subject: CARE--OPG Food for Work - Basic Infrastructure and Primary Health Care in the Pueblos Jovenes of Lima and Trujillo -- Project No. 527-0261

Dear Mr. Lavelle:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to the Cooperative for American Relief Everywhere (hereinafter referred to as "CARE" or "Grantee"), the sum of \$200,000 to provide support for a food for work program to improve basic infrastructure, primary health care, and income generation in the pueblos jóvenes of Metropolitan Lima and Trujillo, as more fully described in Attachment 1, the Schedule of this Grant, and Attachment 2, entitled "Program Description."

This grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning April 15, 1984 and ending June 30, 1985.

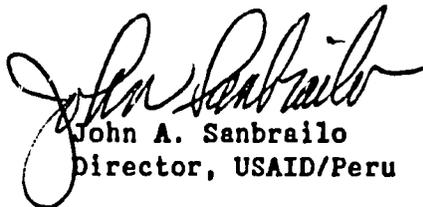
This grant is made to CARE on the condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1, the Schedule, Attachment 2 entitled "Program Description," and Attachment 3, entitled "Standard Provisions," which have been agreed to by your organization.

Mr. Timothy Lavelle

2.

Please sign all six (6) copies of this letter to acknowledge your receipt of the grant, and return the original and five (5) copies to A.I.D.

Sincerely yours,


John A. Sanbrailo
Director, USAID/Peru

Attachments:

- A. CARE's Field Grant Proposal and Budget
 - 1. Schedule
 - 2. Program Description
 - 3. Standard Provisions (Form 1420-52 of 2/82)

ACKNOWLEDGED:

CARE PERU

By : Timothy Lavelle
Timothy Lavelle

Title: Director

Date : 18 June 1984

FISCAL DATA :

Appropriation : 72-1141021
Budget Plan Code : LDAA-84-25527-AG13
Total Estimated Amount : \$600,000
Total Obligated Amount : \$200,000
Project No. : Project 527-0261
Funding Source : USAID/Peru

ScheduleA. Purpose of Grant

The purpose of this Grant is to provide support for CARE in its program of Basic Infrastructure, Job Creation, and Primary Health Care in the Pueblos Jóvenes of Lima and Trujillo, as more specifically described in Attachment 2 to this Grant entitled "Program Description."

B. Period of Grant

1. The effective date of this Grant is the date of the Letter of Agreement. The expiration date of the Grant is December 31, 1986.

2. Funds obligated hereunder are available for program expenditures for the estimated period April 15, 1984 to December 31, 1984 as shown in the Financial Plan below.

C. Amount of Grant and Payment

1. The total estimated amount of this Grant for the period shown in B.1 above is \$600,000.

2. A.I.D. hereby obligates the amount of \$200,000 for program expenditures during the period set forth in B.2 above and as shown in the Financial Plan below.

3. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3, Standard Provision 7B, entitled "Payment Periodic Advances." Cumulative shifts among A.I.D.-financed budget line items of more than 20% cannot be made without prior written approval of A.I.D.

4. Additional funds up to the total amount of the Grant shown in C.1 above may be obligated by A.I.D. subject to the availability of funds, and to the requirements of the Standard Provision of the Grant, entitled "Revision of Financial Plans."

D. Financial Plan

The following is the Financial Plan for this Grant, including local cost financing items which is authorized for all direct costs up to a total amount of \$183,550 for the first increment of the Grant. Revisions to this Plan shall be made in accordance with the Standard Provision of this Grant entitled "Revision of Financial Plans."

LIFE OF PROJECT FINANCIAL PLAN

<u>Cost Element</u>	Obligated Amount from 4/15/84 to 12/31/84 (U.S. \$)	Est. Additional funds which may be provided 1/1/85 to 12/31/86 (U.S. \$)	Total Est. Cost from 4/15/84-12/31/86 (U.S. \$)
<u>Local Currency Costs:</u>			
1. Administrative Expenses	\$ 120,324.	\$ 240,852.	\$ 361,176.
2. Materials and Equipment:			
a) Job-Creation:	51,560.	102,760.	154,320.
b) Primary Health	7,000.	14,104.	21,104.
c) Supplies for ONAA	4,000.	8,000.	12,000.
d) Supplies for INFOR	666.	1,334.	2,000.
<u>U.S. Dollar Costs:</u>			
3. CARE/NY Overhead	16,450.	32,950.	49,400.
TOTAL	\$ 200,000.	\$ 400,000.	\$ 600,000.

b

E. Reporting and Evaluation

1. The fiscal reporting requirements of this grant are set forth in Standard Provision 7B entitled "Payment Periodic Advances."

2. CARE shall monitor the performance under the Grant and ensure that time schedules are being met, projected work units by time periods are being accomplished and other performance goals as set forth in the Grantee's Operational Plan (Attachment A) are being achieved. This review shall be made for each sub-project, function, and activity under the Grant as set forth in the approved Operational Plan.

3. CARE will submit to USAID its detailed Project Implementation and Evaluation (PIE) report on a four-month basis to fulfill its formal evaluation requirement. The PIE reports will describe the status of project activities, problems encountered in implementation, use of OPG funds expended, i.e., financial reports stating amounts of funds received, spent and liquidated in accordance with the main items in the budget. CARE will also provide the USAID/Food for Development Office with reports of CARE supervisors' field inspections, and quarterly status reports of commodities and number of recipients.

F. Special Provisions

The Standard Provisions in Attachment 3 for U.S. Grantees and U.S.-Sub-Grantees - A.I.D. Form 1420-52 (2-82) are modified as follows:

delete Provisions:

- 5A--Negotiated Overhead Rates--Predetermined,
- 7A--Payment--Federal Reserve Letter of Credit,
- 7C--Payment--Reimbursement,
- 10B--Procurement of Goods and Services Over \$250,000,
- 13B--Title to and Care of Property (U.S. Government Title), and
- 13C--Title to and Care of Property -(Country Title).

G. Overhead Rate

The Grantee will be reimbursed for its indirect cost on the following indirect cost rates (see Standard Provision 5B).

<u>BASE</u>	<u>RATE</u>	<u>PERIOD</u>
Total Direct Costs, less Commodities, Ocean Freight Equipment, Construction, Alterations, and Renovations	9.0%	April 15, 1984 until changed

H. Title to Property

Title to all property the cost of which is financed under this Grant shall be vested with the Grantee.

I. Authorized Geographic Code

The authorized geographic code for procurement of goods and services under this Grant is Code 000 (U.S.) and Peru.

PROGRAM DESCRIPTION

I. Purpose of the Grant

The purpose of this Grant is to assist CARE to implement a program of Food for Work in support of basic infrastructure, job creation, and primary health care projects in the pueblos jóvenes (urban squatter settlements) of Lima and Trujillo, in cooperation with participating Government of Peru entities.

II. Goals and Objectives

1. To respond to the most urgent problems facing the urban poor of Lima and Trujillo by:

a) improving the physical infrastructure (by constructing school classrooms, health posts, streets and sidewalks, water and sewage systems, flood control retaining walls, etc., and by planting trees in residential areas and parks) in these urban areas;

b) generating employment through Food for Work and job-training/job-creation projects;

c) providing primary health care and community health outreach services in marginal areas; and

d) improving the health and nutritional status of low-income urban residents.

2. To provide CARE with the resources required to carry out Food for Work and Primary Health Care activities and monitor the implementation of basic infrastructure projects which will be coordinated with the Ministries of Health, Education, and the Forestry Division of the Ministry of Agriculture (INFOR), as well as with Cooperación Popular and the National Office of Food Support (ONAA).

3. To assist the Peruvian Government in multisectoral planning and implementation of public works in the pueblos jóvenes of Lima and Trujillo.

4. To continue the process of institutionalizing the community self-help program within the Government of Peru.

III. Program Implementation

This project will be implemented by CARE over a two year period in coordination with the Ministries of Health, Education, Agriculture (General Directorate of Forestry and Fauna), the National Office of Food Support (ONAA) and the National Office of Popular Cooperation (COOPOP). CARE will assume responsibility for overall monitoring of the project's implementation and will assume complete responsibility for the utilization of Grant funds.

Upon the signing of this Grant Agreement between USAID and CARE, the latter will enter into subsequent (or extend existing) contractual agreements with the National Office of Popular Cooperation (COOPOP), representing those sectors involved in infrastructure development, with ONAA and with the Ministries of Education and Health. These arrangements will specify the responsibilities of each party in the fulfillment of project activities and provide for project inputs in a timely fashion. A Multi-Sectoral Coordinating Commission presided by COOPOP with CARE as Advisor, has been established to coordinate all Food for Work activities and infrastructure works financed with project funds in Metropolitan Lima. The Commission will include representatives of the GOP ministries and agencies participating in the project.

To insure an effective implementation of project activities, the Commission will hold monthly meetings in order to:

1. identify geographic priorities for project implementation based on deficits of services to be provided;
2. coordinate and evaluate sectoral program plans for the construction of basic infrastructure;
3. approve policies and directives necessary for the successful implementation of project activities;
4. make the necessary readjustments in project implementation and establish corrective actions when required;
5. prepare and submit an annual report regarding project implementation, including accounting for funds received and disbursed for each of the sectors, targets met and necessary changes in program design or implementation arrangements (or both).

The Commission will assemble a group comprised of planning personnel from all participating ministries which will study infrastructure requirements, determine priority areas, and make recommendations to the Commission on the location of project sites. The Commission will also insure that efforts be made to introduce low-cost self-help projects that maximize the number of people participating in the public work projects.

CARE will provide overall direction of the program and account for the use of all grant funds and Title II commodities, as well as assist in the purchase with Title I funds of materials and equipment required for construction projects. Title I counterpart funds will be disbursed by the Ministry of Economy, Finance and Commerce to COOPOP, ONAA, and the Ministries of Health, Education, and Agriculture. Title I funds to be used for the procurement of materials and equipment will be accounted for separately by COOPOP, ONAA, and the various Ministries involved in the project. CARE will maintain its own staff consisting of four project supervisors, with expertise in self-help community development, food programming and infrastructure, a program coordinator (engineer), an accountant and accounting assistants to manage OPG funds, as well as other logistical staff.

CARE will assume responsibility for the supervision and monitoring of initial entry, transportation, and distribution of all food commodities. In order to carry out this responsibility, the following activities are required:

1. Maintaining separate records and appropriate documentation required by AID with respect to the Title II commodities, including inventory records from time of port entrance to ultimate distribution, commodity and recipient status reports, reports on inland losses, etc.
2. Assuring that adequate warehousing and warehouse surveillance have been provided for Title II commodities.
3. Maintaining a record of all end-use inspection and reports related to project supervision, and inform AID whenever an irregularity is indentified.

CARE shall (a) work with the Multi-Sector Commission and the Ministry of Health to assure that health posts already constructed under the PIBA program are adequately equipped and supplied and fully staffed by December 31, 1984; (b) report to AID on the results of its work in this regard by January 31, 1985; and (c) consult with the Ministry of Health's Office of Planning and Office of Infrastructure Development to determine the appropriate number of health posts to be constructed, staffed, and equipped each year and the location of each.

The National Office of Popular Cooperation (COOPOP) and ONAA will share the major responsibility for organizing participating communities, by either working with already-established neighborhood committees or by creating new organizations where none currently exist.

ONAA will be responsible for the handling of food commodities, including reception at port, transportation, warehousing, rebagging of damaged commodities, and distribution to the beneficiaries. ONAA nutritionists will be assigned to the project and will, on a regular basis, provide instruction in nutrition and sanitation to project participants. To reach a larger number of food recipients beyond those directly involved in construction of basic infrastructure, ONAA will implement less complex yet more labor-intensive food for work projects such as excavation of terraces for hillside road and street construction, wall (enclosure) construction for schools and health centers, excavation for water and sewerage systems, etc.

COOPOP* serves as secretariate for and chairs the program's Multi-Sectoral Coordinating Commission, which has the major role in determining priorities of services required and the locations in which the program will be implemented. COOPOP will utilize food for work in implementing projects such as sidewalk construction, neighborhood kitchen construction, and road or street upgrading. During the first year of the project, approximately 224,000 square meters of sidewalks will be constructed, plus a yet to be determined amount of street upgrading. CARE will participate in the procurement of material and equipment for COOPOP and Ministry of Education projects. COOPOP will assume full responsibility for all legal aspects related to the construction of basic infrastructure and will be responsible for the warehousing of material and equipment purchased for COOPOP projects.

The Ministry of Health (Regional offices of both Lima and Callao) will collaborate with pueblo joven communities to construct an agreed-upon number of health posts per year as determined by CARE, the Ministry of Health, the Multi-Sectoral Commission, and USAID. The construction of some 5 annexes to previously constructed health facilities is also contemplated under this program. The Ministry will either provide construction foremen for project sites as required, as well as architectural plans and engineering assistance, or request that COOPOP and/or CARE provide technical and procurement guidance necessary to construct and equip the health posts. In addition, the Ministry will provide lists of materials and equipment required for procurement. The Ministry will provide staff for the health facilities. In the case of a posta sanitaria, the staff will consist of an intern (Secigrista) and an auxiliary nurse; for the centros medicos, a full-time physician and nurse will be provided.

The Ministry of Education will play a similar role in the construction of approximately 100 classrooms and 25 sanitary facilities per year and will provide the same type of technical assistance, i.e. architectural plans, engineering assistance and a construction foremen for project sites as required. The Ministry will prepare lists of construction material and classroom equipment, and will assist CARE in identifying procurement sources. The schoolroom construction program is an extension of CARE's on-going project in which approximately 315 classrooms are built annually in the Departments of Lima and La Libertad.

To substantiate purchase requests during the life of the project, each Ministry will furnish an annual projection of materials and equipment needed.

The Forestry Division (INFOR) of the Ministry of Agriculture will plant 36,000 tree seedlings per year in the pueblos jóvenes. Approximately 160,000 trees planted to date will be maintained by the DGFF until survival is assured. The DGFF will be responsible for directing all the seedling nursery and reforestation activities as well as provide direct technical training to workers in the preparation and cultivation of seedlings and forest maintenance.

*N.B. Supreme Resolution No.039-82-EFC, date January 27, 1982, named the National Office of Popular Cooperation (COOPOP) to replace the Ministry of Housing and Construction as the coordinating agency responsible for development in the Pueblos Jóvenes.

IV. Life of Project Output/Targets

In the two-year life of the CARE-PIBA project, CARE expects to distribute FFW rations (totalling some 6,600 MT of food) to approximately 13,000 workers and 51,000 dependents (a total of approximately 65,000 beneficiaries) who are pueblo joven residents of Lima or Trujillo. At the end of the two year period, the following project targets are expected to be completed:

1. COOPOP:

- Construction of 287,303 square meters of sidewalks in Lima
- Construction of 220,000 square meters of sidewalks in Trujillo

2. Ministry of Health:

Construct, equip and staff 5 to 18 health centers in Lima (the precise number to be determined in consultation with the Ministry of Health)

3. Ministry of Education:

Construct and equip 188 classrooms and 40 sanitary facilities in Lima

4. Ministry of Agriculture (INFOR):

- Plant 76,000 new trees and maintain 826 hectares of trees in Lima
- Plant 70,000 new trees and maintain 200 hectares of trees in Trujillo

5. Oficina Nacional de Apoyo Alimentario (ONAA):

- Implement approximately 400 community projects in Lima
- Implement approximately 50 community projects in Trujillo

6. Small Income-Generating Projects:

- Create 58 jobs and 150 FFW positions through the implementation of small projects in Lima
- Create 27 jobs and 100 FFW positions through the implementation of small projects in Trujillo.

7. Primary Health Care Projects:

- Select 9 Health Posts in Lima/Callao area as pilot project sites
- Select and train 50 auxiliaries and 135 health promoters to cover 135 manzanas (blocks) in the pilot project area
- Conduct baseline health-status studies in the pilot project communities
- Hold two professional seminars to train new auxiliaries and to offer continuing education for health promoters and auxiliaries
- Hold one course in traditional birth methods for health auxiliaries
- Make five video cassette recordings and complete seven slide/tape presentations of themes to be taught to health auxiliaries.

ACTION MEMORANDUM

June 15, 1984

TO: John Sanbrailo, USAID Director
THROUGH: Robert Maushammer, Program Officer
FROM: Gerald Foucher, Food for Development Officer
SUBJECT: Project Authorization for proposed CARE OPG 527-0261
Urban Pueblo Joven Basic Infrastructure Construction
with Food Assistance Program (PIBA)

Attached for your review and approval is a proposal submitted by CARE requesting \$600,000 in OPG funds to implement a two year FFW program in the Pueblos Jóvenes of Lima and Trujillo. This FFW program is a continuation of the successful CARE-PIBA program initiated in April 1980 in Lima alone.

This project is designed to respond to both the immediate infrastructure needs and the medium-term health and economic problems of the urban poor by:
(1) building school rooms and health posts; (2) improving and constructing access roads and sidewalks; (3) planting trees in formerly arid neighborhoods and parks; (4) providing primary health care; (5) providing income-generating opportunities and; (6) directly addressing nutritional needs with Title II food assistance. Nutritional and community development education will be provided in conjunction with food distribution. These activities respond directly to critical urban needs identified in the FY 1984 CDSS.

The project will be implemented by CARE in coordination with the Ministry of Health (MOH), Ministry of Education (MOE), Cooperación Popular (COOPOP), the Ministry of Agriculture's Forestry Institute (INFOR) and the National Office of Food Assistance (ONAA). The GOP has demonstrated its interest and support to this project by providing approximately 2.5 million dollars annually in Title I counterpart funding.

I. Background

The deterioration of the Peruvian economy during the past decade, coupled with a sharp and sustained migration to the coastal cities, especially Lima, has resulted in grave problems of urban malnutrition and lack of basic infrastructure. The current ratio of urban to rural population in Peru is expected to increase dramatically over the next 15 years, increasing the pressure on urban services.

At present, there is a convergence of declining real incomes (with inflation in 1983 at 125% per annum) and the presence in Lima and other urban areas of vast numbers of unemployed or underemployed people (estimates are that these people represent over 50% of the urban population). Families at the margin of urban life are extremely vulnerable and, during the current economic crisis, their ability to purchase an adequate diet has greatly diminished. N.B.: For the Metropolitan Lima area, it is calculated that to provide a minimum diet with sufficient calories for normal growth and development for a family of six, it would require spending the equivalent of four minimum basic incomes per month (a total of approximately \$200, as of July 1983) on food purchases alone.

In addition to alleviating the problem of malnutrition, one of the basic objectives of the USAID strategy is to respond to the basic human needs of the large and rapidly increasing urban population living in the pueblos jóvenes. Municipal resources have not been sufficient to keep pace with the rapid rate of urban growth. The result has been either inadequate or non-existent infrastructure facilities and a lack of basic public services (especially health and education) in the slum areas.

Because of these pressing social and economic realities, the pueblos jóvenes are a crucial political area. The civil unrest that could lead to political instability would originate in the marginal urban communities. The GOP places a very high priority on the pueblos jóvenes and has afforded a great deal of support for the PIBA program. Over the past two years, Peru's President, Fernando Belaunde, has personally chaired several of the Multisectorial Commission meetings and the First Lady has played an active role as a catalyst, insuring program advances.

II. Accomplishments to Date (1980 - 1983)

Program implementation has been good as demonstrated by the following outputs:

- A. 519 schoolrooms, 89 with sanitary facilities
- B. 46 health posts
- C. 360,000 trees planted
- D. 364,500 sq. mt. sidewalks
41 kilometers of leveled streets
- E. 86 community centers (labor only)
- F. 232 community development projects, sewers, feeding centers, etc.

Although overall program output has been acceptable, there have been disappointments. Inability to meet all program targets and late start-ups were due to late payment of Title I counterpart funding. On occasion, Title I payments were received as late as November-December resulting in a considerable loss of real purchasing power. This problem continues to the present. The Mission has expended, and continues to expend, much effort in encouraging the Ministry of Finance to complete its obligations to provide timely counterpart for the PIBA program. Another sought-after benefit of this program was the forming and functioning of a Multi-Sectorial Commission whose responsibilities were to prioritize and coordinate all project activities. Although initially successful, after the reorganization of the Ministry of Housing and the naming of COOPOP as head of the Commission in January 1982, the Multi-Sectorial Commission lost its effectiveness. Recent meetings with the Director of COOPOP led to a Multi-Sectorial Commission meeting last month with the purpose of having it assume its prior active role in program coordination. Monthly meetings are planned hereafter.

Through CY 1983 the following resources have been utilized in program implementation:

- A. \$ 5,208,000.00 value of Title II commodities
- B. \$ 736,000.00 OPG to CARE
- C. \$10,000,000.00 GOP Title I contribution (est.)
- \$15,944,000.00 Total

III. Written Reports and Evaluation

CARE presents to USAID a quarterly Project Implementation Evaluation (PIE) report which covers targets met, shortfalls and explanations. In addition to frequent site visits and coordinating meetings with CARE and Ministry personnel, these reports have been particularly useful in monitoring program implementation.

Additionally, CARE has performed evaluations on the Health and Education sectors of the program. These evaluations have been very helpful in identifying program weaknesses and specifically in getting the Ministries to provide solutions to ongoing implementation problems.

The recent Title II evaluation was critical of three aspects of the CARE program:

A. CARE should "avoid linking itself to the political agendas of particular parties." Although working closely with COOPOP, the various Ministries and Mrs. Belaunde, the Mission feels strongly that program goals are responsive to real and urgent needs in the pueblos jóvenes.

B. CARE "should reduce its Title II projects in Lima" and "direct its activities toward Peru's secondary cities." Given the recognized needs of the Lima pueblos jóvenes, we did not feel that one of the major USAID-CARE urban activities should be abandoned. Nevertheless, we do recognize that urban needs do exist elsewhere and consequently program activities will be expanded to include the large pueblos jóvenes sector of Trujillo.

C. "There is virtually no community participation in planning projects." The CARE-PIBA project's principal objective is to provide badly-needed health, education and other services to the pueblos jóvenes. As such, this program is not a community-based social action program, but collaborates with the professional decision-making apparatus of the participating ministries to determine site selection and priorities. Nevertheless, a lesser part of the program has involved ONAA in some 232 smaller community development projects completed under its non-public sector program called PAATCO. These projects generally are responsive to the felt needs of the community. Moreover, such activities as sidewalk and street construction have acted as a catalyst to additional self-help neighborhood beautifying projects and has created a sense of neighborhood pride and community spirit (a very viable form of community development) which did not exist before.

IV. Proposal

The following are key problem areas and CARE's proposed responses via the PIBA program:

A. Health and Education, Forestation & Street Levelling -- Lima and Trujillo

Health and education infrastructure in the pueblos jóvenes is particularly weak. Poor health is cited as one of the principal characteristics of urban slum residents, mainly due to unemployment, underemployment and the high cost of food, clothing, and health care. While some health posts do function in the pueblos jóvenes, built either by the Ministry of Health or private voluntary organizations, their numbers and condition do not begin to cover the need. Health post staffing and community outreach services are especially inadequate.

Education facilities are extremely limited in all of the newer slum settlements. In older pueblos jóvenes, the number of classrooms is inadequate, with many facilities too deteriorated to be used. Sanitation facilities (bathrooms) are also limited, of poor and unhealthy quality, or even non-existent in many schools (some having in the range of 1,000-1,500 students per day).

The CARE program will complement the Mission's urban sector program by increasing the number of pueblos jóvenes that participate in neighborhood upgrading projects and broaden the type of services provided to the pueblo joven residents of Lima and Trujillo. The OPG will permit CARE and the GOP to increase access to education and health facilities, water and sewerage systems, sanitation services, and generally improve their environment, as well as employ and feed the urban poor at a time of great need.

OPG funds will be provided to CARE to maintain the personnel levels required to monitor the organization of participating communities, account for the use of grant funds, including counterpart funding, assist in the purchase of the construction materials and equipment required for infrastructure projects, monitor all construction, and insure the proper handling and distribution of food. Funds will be used to rent office space and to purchase supplies required for program administration and supervision. In addition, a portion of OPG funds made available to CARE will be used to purchase pallets for the Lima food warehouse of the National Office of Food Support (ONAA), and assist with the distribution of Title II food to participating communities. CARE expects to maintain food distribution levels in Lima at 5,880 monthly family rations of 43.2 kgs. to provide supplementary food assistance for some 29,400 beneficiaries.

CARE plans to enter into the Trujillo area with a FFW program in an attempt to meet the need for food assistance and infrastructure development there. Trujillo has the second largest pueblo joven population after Lima. Along with the FFW aspect of the program, CARE will also engage in job-creation and income-generation projects similar to those planned for Lima (see below). ONAA will be the principal counterpart involved in a number of non-public sector activities and COOPOP will coordinate small community development construction projects. In Trujillo, it is expected that program activity during this start-up first year will require 700 monthly family rations (3,500 beneficiaries).

The value of Title II commodities contemplated to implement the Food for Work program over the next two years is estimated at \$2 million.

B. New Initiatives: Job-Creation and Income-Generation

Job-creation and income-generation schemes will be strongly emphasized under the renewed PIBA program. Projects such as bread-making, small animal raising, community gardens, cooperative stores, production and marketing of handicrafts and garbage collection will be implemented mainly in communities in Lima in which CARE has already worked. Technical assistance will be provided through the present CARE staff and outside assistance will be sought where appropriate, for example, from the Panamerican Center for Sanitary Engineering and Environmental Sciences (CEPIS).

CARE's role will be that of providing management and organizational assistance for projects, along with linking community-level project committees with social action or church organizations with pueblo joven experience. CARE will also assist in the provision of working capital, materials, and other inputs. Community organizational and promotional assistance will be provided by the Team of Human Development, a local Non-Governmental Organization (NGO) which has a number of years of experience working in Peru's pueblos jóvenes.

C. New Initiative: Primary Health Care

CARE will also engage in a pilot program of primary health care, coordinating with and complementing USAID Health Sector activities. This pilot program will be based in health posts and community centers in the pueblos jóvenes of Lima, with an initial emphasis on education activities in early child nutrition and diarrhea control (prevention and treatment). CARE will also coordinate activities with the Ministry of Health and will also seek to establish a working relationship with the Nutrition Research Institute (Instituto de Investigación Nutricional) sponsored with a grant from Johns Hopkins University, and other Peruvian NGOs that can provide specialized expertise.

CARE's role will be principally one of coordination. A CARE program coordinator, Dr. Michael Alms, will be assigned and a curriculum will be developed for specialized training of existing Ministry staff (e.g. nutritionist and/or health promoters). These health workers will fortify existing activities at the health post level (which is theoretically the initial entering point to the health system, but one that is in practice largely underutilized). The strategy will also emphasize home visits during which mothers will be encouraged to monitor the nutritional status of infants and children. Once these basic activities are established, the health workers will assist community groups to establish other health priorities and will seek to respond flexibly to the communities' felt needs, for example in organizing vaccination campaigns, family planning activities or tuberculosis control.

Physical inputs to support the primary health care outreach activities will include audio-visual teaching aids (video cassette packages to be developed under a prospective project with CESPAC, the Center for Educational Training Services in the Ministry of Agriculture), transportation, and logistical assistance for health extension promoters.

The benchmark indicators to measure progress toward achievement of the program objectives of a Primary Health Care outreach program will be the services provided during the year and the number of people in the program who utilize these extension and health post services.

VI. Life of Project Inputs and Major Outputs

A. Contributions to Program:

1. Financial Contributions:

Ministry of Finance (Public Treasury and Title I sales)	\$ 5,000,000.
AID (OPG funds)	\$ 600,000.
CARE	<u>\$ 400,000.</u>
Sub-Total Part 1.	\$ 6,000,000.

2. Human Resources:

Ministry of Education:

Project Engineers/Staff \$ 50,000.

School Teachers \$ 170,000.

Ministry of Health

Project Engineers/Staff \$ 70,000.

Medical Personnel \$ 260,000.

Cooperación Popular

Project Engineers/Staff \$ 300,000.

Ministry of Agriculture

Agronomist/Staff \$ 70,000.

AID Staff \$ 80,000.

ONAA Staff \$ 120,000.

CARE Staff (apart from those funded by OPG) \$ 80,000.

Sub-Total Part 2. \$ 1,200,000.

3. In-Kind Inputs

AID (Food Commodities)
(6,600 MTs for a 2-year period) \$ 1,925,000.

AID (Ocean Freight) \$ 600,000.

ONAA
(Warehouse, personnel, and commodity transport) \$ 55,000.

Cooperación Popular
(Materials and Transport) \$ 80,000.

Ministries of Health, Education, and Agriculture
(Materials, equipment and operations) \$ 70,000.

Sub-Total Part 3. \$ 2,730,000.

GRAND TOTAL: \$ 9,930,000.

B. Life of Project Output/Targets

In the two-year life of the CARE-PIBA project under OPG 527-0261, CARE expects to distribute FFW rations (totalling some 6,600 MT of food) to approximately 13,000 workers and 51,000 dependents (a total of approximately 65,000 beneficiaries) who are pueblo joven residents of Lima or Trujillo. Many of the participants in the CARE-PIBA FFW projects are women heads of households. The PL 480 Title II foods represent a significant contribution to their very limited family income and a stimulus to improve their communities' basic infrastructure.

At the end of the two year period, the following project targets are expected to be completed:

1. COOPOP:

Construction of 287,303 square meters of sidewalks in Lima

Construction of 220,000 square meters of sidewalks in Trujillo

2. Ministry of Health:

Construct, equip and staff from 5 to 18 health centers in Lima (the precise number to be determined in consultations with the Ministry of Health)

3. Ministry of Education:

Construct and equip 188 classrooms and 40 sanitary facilities in Lima

4. Ministry of Agriculture (INFOR):

Plant 76,000 new trees and maintain 826 hectares of trees in Lima

Plant 70,000 new trees and maintain 200 hectares of trees in Trujillo

5. Oficina Nacional de Apoyo Alimentario (ONAA):

Implement approximately 400 community projects in Lima

Implement approximately 50 community projects in Trujillo

6. Small Income-Generating Projects:

Create 58 jobs and 150 FFW positions through the implementation of small projects in Lima

Create 27 jobs and 100 FFW positions through the implementation of small projects in Trujillo.

7. Primary Health Care Projects:

Select 9 Health Posts in Lima/Callao area as pilot project sites

Select and train 50 auxiliaries and 135 health promoters to cover 135 manzanas or blocks in the pilot project area

Conduct baseline health-status studies in the pilot project communities

Hold two professional seminars to train new auxiliaries and to offer continuing education for health promoters and auxiliaries

Hold one course in traditional birth methods for health auxiliaries

Make five video cassette recordings and complete seven slide/tape presentations of themes to be taught to health auxiliaries.

VI. Recommendation

CARE's request for OPG assistance fully meets the requirements for OPG programs. The GOP is committed to the project and CARE has prior experience in implementing proposed activities.

The period for Congressional Notification expired on June 13, 1984. Budget allowance has been received by the Mission for the initial increment of \$200,000 for FY 1984.

Therefore, it is recommended that:

1. You sign the attached Project Authorization and Project Paper Data Sheet signifying your approval of this request and authorizing up to a total of \$600,000 to support the CARE OPG for a Project for Urban Pueblo Joven Basic Infrastructure Construction with Food Assistance (PIBA).

2. You sign the attached Letter of Agreement approving the obligation of \$200,000 in FY 1984 to fund the first increment of the Grant.

Attachment I: Project Authorization

Attachment II: Project Data Sheet

Attachment III: CARE OPG Letter of Agreement

Attachment IV: CARE OPG Field Grant Proposal

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Draft: FFDJHJones

Clearances: CARE- OPG- FFW- Basic Infrastructure

FFD: GLFoucher (in draft)
PROG: RJMaushammer (in draft)
HNE: NJParker (in draft)
RLA: TLGeiger (in draft)
CONT: MARogal (in draft)
DD: GAHill (in draft)