

The Challenge

USAID's programs facilitate Peru's internal and international integration. Limited government presence in the highlands and jungle allows illegal coca cultivation, drug trafficking, illegal logging, remnants of terrorism, and HIV/AIDS transmission to flourish. USAID strengthens state presence through programs to reduce coca cultivation and supports interventions in health, education, economic growth, environment, and democracy. Weak democratic institutions and low citizen confidence thwart Peru's ability to adopt critical economic and political reforms. USAID improves the accountability and effectiveness of regional and local governments in the areas affected by illegal drug cultivation. While Peru's economy has outperformed most Latin American economies, 49.5% of Peruvians live in poverty and 18% in extreme poverty. USAID activities lay the foundation for sustained trade-led economic growth and increased market access for micro, small and medium enterprises that help reduce poverty.

Objectives, Sectors and Workforce

Mission Director: Hilda Arellano

MCA Status: Currently Not Eligible

PEPFAR Focus Country: No

Provided or Received Services From Other Missions: Provided

Program Budget (Appropriations by Objective)

	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07	2005 SO Performance Score	Direct SO Admin. Cost Ratio
527-006 Education	2,624	2,475	2,450	2,450	-6.6%	1.26	Exceeded
527-008 Peru-Ecuador Border Region Development	1,988	1,488	990	1,000	-49.7%	0.53	Not Met
527-009 Democratic Strengthening	9,385	5,302	3,267	3,740	-60.1%	0.86	Not Met
527-010 Economic Growth	5,170	3,960	3,648	2,740	-47.0%	1.12	Exceeded
527-011 Health	17,582	14,756	14,213	12,736	-27.6%	1.02	Met
527-012 Environment and Natural Resources	4,060	3,509	3,040	3,070	-24.4%	1.09	Met
527-013 Alternative Development	49,705	51,239	48,510	42,500	-14.5%	0.90	Met
PL 480 Title II	23,868	6,293	9,009	13,000	-45.5%		
Country Total	114,382	89,022	85,127	81,236	-29.0%		

Program Budget (Appropriations by Account)

	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Andean Counterdrug Initiative	49,705	51,239	48,510	42,500	-14.5%
Child Survival and Health Programs Fund	17,582	14,756	14,213	12,736	-27.6%
Development Assistance	13,786	11,246	9,435	9,000	-34.7%
Economic Support Fund	9,441	5,488	3,960	4,000	-57.6%
PL 480 Title II	23,868	6,293	9,009	13,000	-45.5%
Total	114,382	89,022	85,127	81,236	-29.0%

Program Budget by Sector and Account

	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Basic Education ACI	0	0	250	250	N/A
Basic Education DA	2,624	2,475	2,450	2,450	-6.6%
Agriculture and Environment ACI	2,980	2,340	40,850	35,100	1,077.9%
Agriculture and Environment DA	4,060	3,509	3,040	3,070	-24.4%
Higher Education & Training ACI	302	302	0	0	N/A
Economic Growth ACI	42,523	44,697	2,500	2,000	-95.3%
Economic Growth DA	5,170	3,960	2,658	1,740	-66.3%
Economic Growth ESF	1,888	1,488	1,980	2,000	5.9%
Human Rights DA	300	0	0	0	N/A
Democracy and Governance ACI	3,900	3,900	4,160	4,400	12.8%
Democracy and Governance DA	1,632	1,302	1,287	1,740	6.6%
Democracy and Governance ESF	7,453	4,000	1,980	2,000	-73.2%
Conflict Management / Humanitarian Assistance ESF	100	0	0	0	N/A
Family Planning / Reproductive Health CSH	8,348	6,898	6,831	5,191	-37.8%
HIV / AIDS CSH	1,000	992	1,584	1,200	20.0%
Child Survival and Maternal Health ACI	0	0	750	750	N/A
Child Survival and Maternal Health CSH	5,450	5,164	4,653	5,200	-4.6%
Vulnerable Children CSH	300	0	0	0	N/A
Other Infectious Diseases CSH	2,484	1,702	1,145	1,145	-53.9%
PL 480 Title II	23,868	6,293	9,009	13,000	-45.5%
Total	114,382	89,022	85,127	81,236	-29.0%

Workforce	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
US Direct Hires	18	20	21	21	16.7%
US Non Direct Hires	6	4	4	4	-33.3%
Foreign Nationals	112	96	98	98	-12.5%
Total	136	120	123	123	-9.6%

Operating Expense	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Salaries and benefits	3,165	3,048	2,526	2,307	-27.1%
Travel	391	305	260	324	-17.1%
Transportation of things	103	222	228	92	-10.7%
Rent	568	469	419	431	-24.1%
Security	198	160	163	171	-13.6%
Equipment	106	53	157	207	95.3%
ICASS - Operating Expense only	612	614	579	607	-0.8%
Other Operating Expense	535	668	765	661	23.6%
Total OE Budget	5,678	5,539	5,097	4,800	-15.5%
US direct hire salary and benefits	2,776	2,500	2,477	2,744	-1.2%
Program Funded Administrative Expenses				3,927	
Country Total Administrative Budget				11,471	
Percent of Bureau OE Total				11.6%	

Mission Summary	FY 2004	FY 2005	FY 2006	FY 2007
Program per US Direct Hire (\$000)	6,355	4,451	4,054	3,868
Program per All US (\$000)	4,766	3,709	3,405	3,249
Program per Position (\$000)	841	742	692	660
Operating Expense as % of Program Funding				5.9%
Program Funded Admin Expense as % of Total Admin				34.2%
Total Admin Expense as % of Program Funding				14.1%

Other Major Donors:

Bilateral: Canada, Germany, Japan, Switzerland.

Multilateral: European Union, Pan American Health Organization, United Nations Children's Fund (UNICEF), United Nations Development Program, World Bank.