

## Data Sheet

<b>USAID Mission:</b>	Peru
<b>Program Title:</b>	Peru-Ecuador Border Region Development
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	527-008
<b>Status:</b>	Continuing
<b>Planned FY 2006 Obligation:</b>	\$990,000 ESF
<b>Prior Year Unobligated:</b>	\$13,000 ESF
<b>Proposed FY 2007 Obligation:</b>	\$1,000,000 ESF
<b>Year of Initial Obligation:</b>	1999
<b>Estimated Year of Final Obligation:</b>	2007

**Summary:** The Peru-Ecuador Border Program focuses on the economic integration of the border region through increased global trade and investment. Under this approach, key government services are being improved, economic infrastructure strengthened, and the productivity of enterprises increased. Activities help expand market access opportunities for border populations, and bilateral Peru-Ecuador trade as well as trade with other countries, including the United States.

### **Inputs, Outputs, Activities:**

#### **FY 2006 Program:**

Improve Private Sector Competitiveness: (\$990,000 ESF; \$13,000 FY 2005 ESF). USAID assistance supports the creation and growth of enterprises as well as increased trade levels. Technical assistance to small and medium enterprises (SMEs) provides market information, facilitates commercial contacts between producers and national and international buyers (including Ecuadorians), and identifies companies willing to invest capital in local enterprises. Specialized assistance is provided to increase productivity, expand e-commerce, and procurement. Training and technical assistance is provided to targeted local private organizations to strengthen their capacity to reap the benefits of growing international trade. USAID may transfer funds to the Development Credit Authority (DCA) for guarantees to increase access to financial services and improved infrastructure (e.g. energy, transportation, water). Principal implementer: Chemonics International local non-governmental organizations, and others to be determined through a competitive process.

#### **FY 2007 Program:**

Improve Private Sector Competitiveness: (\$1,000,000 ESF). USAID plans to continue supporting the creation and growth of enterprises and increased trade levels. Activities would include support to economic service centers, technical assistance to SMEs, and specialized assistance for E-commerce and procurement opportunities. This assistance would include training and technical assistance to address regulatory and administrative barriers faced by businesses, regional or local competitiveness and work to streamline border and customs services. Principal Implementers: Chemonics International, local non-governmental organizations, and others to be determined through a competitive process.

**Performance and Results:** A major accomplishment during FY 2005 was the completion of the Rio Nieva Bridge providing access to the Amazon River and to Ecuador. USAID assistance constituted 37% of the total cost of the 510 foot road bridge. The bridge is already serving more than 9,500 settlers in the Amazon region, 95% of whom are from the Awajun and Wampis Amazonian indigenous groups. As established in the Peace Accords, the bridge facilitates regional communication, and connects 135 kilometers of road to the major South American road network in the Northern Amazon region. As a result, travel time between the two main towns in the area (Wawico and Saramiriza) has reduced by half, thus reducing transportation costs and

expediting the trade of regional agricultural products to the coastal area and benefiting more than 22,600 people.

Through market information provided by USAID supported Economic Service Centers (ESCs), small farmers and entrepreneurs in targeted border regions increased the value of new sales by \$6.3 million, and created 1,641 jobs, of which 21% are for women. Thirty eight percent of total sales were made by businesses located in Peruvian border provinces. Technical assistance and market information provided by the program opened new markets for key regional products such as key lime, mangoes, shellfish, beans, and plantains. USAID support also provided Business Development Services (BDS) to 74 SMEs. The SMEs received assistance which improved product quality; facilitated market linkages; and expanded the use of information and communication technologies to improve productivity. Some of the targeted value chains were mango, coffee, camu camu (a tropical fruit), tourism and handicrafts. In September 2005, the Program began a groundbreaking activity to streamline business registration by starting two DCA Loan Portfolio Guarantees with two municipal credit unions operating in the Peru-Ecuador border region thus making it possible to generate an additional \$9 million in loans to this region.

This Strategic Objective has been implemented through two phases. Phase I, which concluded at the end of FY 2004, had a community development focus; in Phase II the focus changed to economic integration through increased trade and investment. Under Phase II, the Border Program is expected to generate approximately 3,900 jobs, strengthen 690 SMEs, and produce over \$19 million in new sales as a result of increased trade and investment. Through larger incomes and greater economic interdependence, USAID's interventions will promote political, social, and economic stability on the border with Ecuador and help ensure a lasting peace between the two countries.

## US Financing in Thousands of Dollars

Peru

527-008 Peru-Ecuador Border Region Development	DCA	ESF
<b>Through September 30, 2004</b>		
Obligations	0	16,271
Expenditures	0	12,599
Unliquidated	0	3,672
<b>Fiscal Year 2005</b>		
Obligations	309	1,277
Expenditures	0	1,422
<b>Through September 30, 2005</b>		
Obligations	309	17,548
Expenditures	0	14,021
Unliquidated	309	3,527
<b>Prior Year Unobligated Funds</b>		
Obligations	0	13
<b>Planned Fiscal Year 2006 NOA</b>		
Obligations	0	990
<b>Total Planned Fiscal Year 2006</b>		
Obligations	0	1,003
<b>Proposed Fiscal Year 2007 NOA</b>		
Obligations	0	1,000
Future Obligations	0	0
Est. Total Cost	309	19,551