

Data Sheet

USAID Mission:	Peru
Program Title:	Democratic Strengthening
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	527-009
Status:	Continuing
Planned FY 2006 Obligation:	\$1,287,000 DA; \$1,980,000 ESF
Prior Year Unobligated:	\$1,037,000 ESF
Proposed FY 2007 Obligation:	\$1,740,000 DA; \$2,000,000 ESF
Year of Initial Obligation:	2002
Estimated Year of Final Obligation:	2007

Summary: USAID's democratic strengthening program supports democratic processes and institutions in critical areas. National level decentralization activities are focused on policy reform while the local level activities are concentrated within seven focus regions. Assistance activities are helping to create stronger local governments who are better equipped to act as deterrents to drug trafficking, illegal logging, terrorism, and other criminal practices as well as to respond effectively to citizen needs. USAID is also promoting political party strengthening and anti-corruption activities, including transparency, accountability, and greater citizen participation across all of its program areas.

Inputs, Outputs, Activities:

FY 2006 Program:

Promote and Support Anti-corruption Reforms (\$380,000 ESF; \$1,037,000 FY2005 Carryover ESF). USAID is using Economic Support Funds (ESF) to strengthen civil society oversight of governmental anti-corruption initiatives and to participate more effectively in policy dialogue. In support of efforts to conduct free and transparent presidential, congressional, and local elections in 2006, a political party and elections program promotes party transparency and improve voter access to information. FY 2005 ESF Carryover funds from the International Narcotics Control and Law Enforcement (INCLE) are supporting G-8 Anti-Corruption Compact work with Peru in promoting anti-corruption measures with the new Government of Peru's (GOP) administration taking office in 2006. USAID is also providing information technology infrastructure for the poorest and most remote municipalities to gain access to government management systems. These funds help form a network of state procurement agencies in the western hemisphere. Principal contractors/grantees: Associates in Rural Development (ARD), Government of Peru (GOP), and others to be determined through a competitive process.

Political Parties Strengthened (\$1,090,000 ESF). USAID is designing a new activity to strengthen political parties. Building on the results of the political party activities in the upcoming elections, USAID is expanding support for greater transparency and accountability among parties, both at the national and regional levels. Activities include strengthening internal democratic management of parties, improving the governance role parties can play, creating greater transparency of political financing, and improving enforcement of the Political Party Law passed in 2003. Principal contractors/grantees: To be determined through a competitive process.

Support Democratic Local Government and Decentralization (\$1,287,000 DA; \$510,000 ESF). USAID is consolidating its support to 537 local governments, six regional governments, and more than 1,000 community organizations in seven targeted regions. Resources are being used for training, technical assistance and studies to strengthen regional and local governments, improve staff capacity, and expand levels of responsibility and accountability. This assistance is vital to ensuring that additional transfer of authority and finances from central to local governments

occurs in a proper, transparent, and effective manner. USAID's decentralization activities are emphasizing the smooth assumption of power by the new regional and local authorities who will be elected in November 2006. ESF funds help to strengthen civil society's ability to participate in local planning, participatory budgeting, and government performance oversight, especially in preparation for the upcoming national and local elections in 2006. Training programs include conflict prevention and resolution strategies, especially those focused on gender issues and social problems such as domestic violence and inter-community conflict. USAID uses ESF funds to support an intensive information and communications campaign that enhances citizen knowledge and understanding of the decentralization process. Priority is given to the consolidation of a national oversight network to track the transfer of resources and responsibilities from the central to the local levels. USAID continues to provide national level policy support to further the decentralization process. Principal contractors/grantees: Associates in Rural Development (ARD), Civil Society Coalition led by Catholic Relief Services, and others to be determined through a competitive process.

FY 2007 Program:

Promote and Support Anti-corruption Reforms (\$500,000 DA). Those activities which complement anti-corruption efforts and are implemented through other program components are planned yet are awaiting the development of a new strategic framework and GOP priorities. USAID assistance will be aimed at strengthening government institutions and establishing effective mechanisms that will minimize future corrupt practices. Activities include working at the policy level to strengthen anticorruption measures and legislation as well as fortifying the National Anticorruption Council. Principal contractors/grantees: To be determined through a competitive process.

Political Parties Strengthened (\$1,000,000 ESF). USAID will continue to promote greater transparency and accountability among political parties. Activities will focus on building linkages between national and local level party organizations. Ongoing efforts will continue to strengthen internal democratic management of parties, improve the governance role parties can play, and create greater transparency of political financing.

Support Democratic Local Government and Decentralization (\$1,240,000 DA; \$1,000,000 ESF). As part of a new democracy strategic approach, USAID will reinforce regional and national level training and technical assistance capacity. Exact areas of intervention will depend on the priorities of the new GOP's administration that takes office in July 2006. It is expected, however, that U.S. foreign assistance will help municipal governments institutionalize the technical expertise being transferred during the current strategy. This includes technical assistance to integrate national and local management systems and to raise the capacity to develop and execute regional and local economic development plans. ESF funds will continue providing policy support for citizen oversight of the decentralization process, focusing on monitoring compliance with new decentralization policies and regulations, consolidating oversight networks, and tracking the transfer of resources to, and their proper use by, local level governments. During FY 2007 USAID expects to establish new implementation mechanisms. Principal contractors/grantees: To be determined through a competitive process.

Performance and Results: In FY 2005, USAID support for the decentralization process strengthened the capacity of 537 local governments in seven targeted coca growing regions, reaching 30% of municipalities nationwide. More than 100,000 citizens, including 31,000 women from public and private institutions and indigenous organizations were trained to strengthen their abilities to actively participate in the government. In the justice sector, 12 new trial commercial courts and one appellate court were established resulting in more expeditious handling of commercial disputes. Currently all 13 courts are able to resolve cases within two months.

By 2007 more than 80% of the 537 USAID supported local governments will be certified to receive greater authority and resources. Anti-corruption efforts will lead to more transparent policies and institutions creating a favorable environment for national and local elections, as well

as for investment and trade. Political parties will improve their operations, enhance their effectiveness within government, and better serve the citizens they represent.

US Financing in Thousands of Dollars

Peru

527-009 Democratic Strengthening	DA	ESF
Through September 30, 2004		
Obligations	7,737	30,008
Expenditures	5,249	17,786
Unliquidated	2,488	12,222
Fiscal Year 2005		
Obligations	1,302	3,963
Expenditures	1,996	10,511
Through September 30, 2005		
Obligations	9,039	33,971
Expenditures	7,245	28,297
Unliquidated	1,794	5,674
Prior Year Unobligated Funds		
Obligations	0	1,037
Planned Fiscal Year 2006 NOA		
Obligations	1,287	1,980
Total Planned Fiscal Year 2006		
Obligations	1,287	3,017
Proposed Fiscal Year 2007 NOA		
Obligations	1,740	2,000
Future Obligations	1,217	4,947
Est. Total Cost	13,283	43,935