

Data Sheet

USAID Mission:	Peru
Program Title:	Economic Growth
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	527-010
Status:	Continuing
Planned FY 2006 Obligation:	\$2,658,000 DA; \$990,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2007 Obligation:	\$1,740,000 DA; \$1,000,000 ESF
Year of Initial Obligation:	2002
Estimated Year of Final Obligation:	2007

Summary: USAID facilitates trade and investment through policy reforms and institutional strengthening; spurs competitiveness through improved economic infrastructure and business development services; and enhances food security for vulnerable populations through expanded access to microfinance services, improved agricultural productivity, and greater Government of Peru (GOP) capacity to provide essential services to the extremely poor. Programs which are implemented in Peru's major coca growing areas in support of counter narcotics objectives include public-private partnerships, market access and financial services activities. These programs are funded by the Andean Counter-Drug Initiative (ACI) funds and are referenced in the Alternative Development (527-013) Data Sheet.

Inputs, Outputs, Activities:

FY 2006 Program:

Increase Trade and Investment (\$1,520,000 DA, \$990,000 ESF). USAID supports an open dialogue with public, private and grassroots organizations on the benefits associated with private investment, free trade, and the effective implementation of a Free Trade Agreement (FTA) with the United States. Training and technical assistance to government officials and the private sector is provided to eliminate the highest priority barriers to trade and investment for micro, small, and medium enterprises (MSMEs). USAID identifies markets for local products and links entrepreneurs and producers to organizations that help improve productivity and competitiveness in the marketplace. USAID assistance is also directed to public sector agencies to improve the regulatory environment in areas such as business registration, property rights, customs, small business regulation, E-government, labor laws, and competition policy. In response to growing tensions in mining areas, USAID is starting a pilot conflict mitigation activity. Principal contractors/grantees: Nathan Associates and other implementers to be determined through a competitive process.

Protect and Increase Food Security of Vulnerable Populations. P.L. 480 activities improve the health and productive capacities of poor families that lack access to adequate food. Basic health, nutrition, and food assistance interventions are targeted to malnourished and at-risk children. Food-for-work activities help improve community infrastructure such as safe water and sanitation systems, reforestation, and small irrigation systems. USAID uses the proceeds from the sale of food to help food-insecure families supplement their incomes. Finally, these funds support the decentralization of the GOP's food security programs, while enhancing program effectiveness to ensure sustainability. Principal contractors/grantees: Adventist Development and Relief Agency (ADRA), Caritas, PRISMA, local non-governmental organizations (NGO's).

Strengthen the Financial Services Sector and Increase Access to Capital (\$1,138,000 DA). USAID's activities contribute to expanding market access for MSMEs by expanding financial services and private sector investments through a variety of alliances and Development Credit Authority (DCA) agreements. USAID's resources leverage private sector resources through DCA

agreements (up to \$800,000) for loan portfolio guarantees with strategic lending institutions or portable guarantees with strategic enterprises. USAID also supports activities which expand access to capital for private investment in public economic infrastructure will be supported. Principal contractors/grantees: municipal governments, private enterprises, and municipal savings banks.

FY 2007 Program:

Increase Trade and Investment (\$1,000,000 ESF, \$1,240,000 DA). USAID plans to support activities that promotes economic growth and development and reduces poverty through the contribution of international trade and investment. Policy reform, strengthening institutional capacity, and meeting regulatory and market driven trade and investment standard activities may be implemented with an emphasis on those areas identified during negotiations of the FTA. The pilot conflict mitigation activity may continue to be funded. Implementers to be determined through a competitive process.

Protect and Increase Food Security of Vulnerable Populations. P.L. 480 funded activities as described will be continued, consistent with an approved plan to phase out Title II assistance to Peru by 2008. Principal contractors/grantees: Adventist Development and Relief Agency (ADRA), Caritas, Cooperative for Assistance and Relief Everywhere, Inc. (CARE), PRISMA, local non-governmental organizations.

Strengthen Financial Sector's Contribution to Economic Growth (\$500,000 DA). Activities which contribute to expanding market access for MSMEs by expanding financial services and private sector investment will be established through a variety of alliances and DCA agreements. Up to \$500,000 will be used to establish DCA guarantees.

Performance and Results: Technical assistance in public-private partnerships led to the successful concession of 964 kilometers of a coast-to-jungle road. Assistance in preparing the GOP to negotiate the Free Trade Agreement (FTA) helped maintain public support for the FTA. Microentrepreneurs and small producers receiving USAID assistance generated \$35.2 million in new sales and nearly 18,000 full-time equivalent jobs (45% were for women) through new or expanded market opportunities. USAID supported microfinance institutions provided financial services to over 280,300 poor people. The P.L. 480 Title II Program benefited over 114,240 families, with approximately 110,000 children enrolled in feeding programs while their mothers received training in preventive health practices. The program also provided access to sanitary infrastructure (i.e., latrines, safe water) to 13,190 families, and irrigation for 2,357 hectares. By FY 2007, USAID expects to contribute towards the creation of 89,000 full time equivalent jobs, expanded sales of \$146 million, and facilitate financial services for 245,000 small producers, thereby stimulating economic growth in selected regions. In addition, USAID expects poverty and chronic malnutrition rates to be reduced by 10% in these regions. With USAID assistance, Peru's trade levels will rise based on the completion of a FTA with the United States.

US Financing in Thousands of Dollars

Peru

527-010 Economic Growth	DA	DCA	ESF	PL 480
Through September 30, 2004				
Obligations	18,926	74	0	87,581
Expenditures	11,866	25	0	87,581
Unliquidated	7,060	49	0	0
Fiscal Year 2005				
Obligations	3,455	23	0	11,909
Expenditures	5,570	48	0	11,909
Through September 30, 2005				
Obligations	22,381	97	0	99,490
Expenditures	17,436	73	0	99,490
Unliquidated	4,945	24	0	0
Prior Year Unobligated Funds				
Obligations	0	0	0	0
Planned Fiscal Year 2006 NOA				
Obligations	2,658	0	990	8,509
Total Planned Fiscal Year 2006				
Obligations	2,658	0	990	8,509
Proposed Fiscal Year 2007 NOA				
Obligations	1,740	0	1,000	7,903
Future Obligations	3,314	0	0	0
Est. Total Cost	30,093	97	1,990	115,902