

Peru

Program Overview

The political, economic, and development objectives of the United States are to help consolidate Peru's democratic gains, thus enabling it to benefit from a market economy, raise its standard of living, and assert control over its territory by effectively combating narcotics trafficking and terrorism and increase social investments in health and education.

Resources to Advance Transformational Diplomacy

Request by Account by Fiscal Year

(\$ in thousands)	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request
TOTAL	136,174	90,286	103,023
Andean Counterdrug Initiative	103,165	36,546	37,000
Child Survival and Health	12,736	12,785	11,430
Development Assistance	11,000	10,911	53,293
Economic Support Fund	3,000	29,757	-
Foreign Military Financing	-	-	900
International Military Education and Training	44	178	400
Nonproliferation, Antiterrorism, Demining and Related Programs	325	109	-
Public Law 480 (Food Aid)	5,904	-	-

Request by Program Area by Fiscal Year

(\$ in thousands)	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request
TOTAL	136,174	90,286	103,023
Peace and Security	103,534	60,590	69,750
Counter-Terrorism	325	181	610
Stabilization Operations and Security Sector Reform	44	106	240
Counter-Narcotics	102,765	60,053	68,900
Transnational Crime	400	250	-
Governing Justly and Democratically	3,490	2,800	3,000
Good Governance	2,490	2,050	3,000
Political Competition and Consensus-Building	1,000	750	-
Investing in People	15,186	15,235	14,430

(\$ in thousands)	FY 2007	FY 2008	FY 2009
	Actual	Estimate	Request
TOTAL	136,174	90,286	103,023
Health	12,736	12,785	11,430
Education	2,450	2,450	3,000
Economic Growth	8,060	11,661	15,843
Trade and Investment	1,990	3,200	5,843
Financial Sector	500	-	-
Private Sector Competitiveness	500	421	3,000
Environment	5,070	8,040	7,000
Humanitarian Assistance	5,904	-	-
Protection, Assistance and Solutions	5,904	-	-

Request by Objective by Account, FY 2009

(\$ in thousands)	Total	P&S	GJD	IIP	EG	HA
TOTAL	103,023	69,750	3,000	14,430	15,843	-
Andean Counterdrug Initiative	37,000	37,000	-	-	-	-
Child Survival and Health	11,430	-	-	11,430	-	-
Development Assistance	53,293	31,450	3,000	3,000	15,843	-
Foreign Military Financing	900	900	-	-	-	-
International Military Education and Training	400	400	-	-	-	-

Peace and Security: The United States will strengthen infrastructure and provide training for the Government of Peru (GOP) institutions in coca-producing zones. Programs will focus on eradication, interdiction, and alternative development. Assistance also will help the GOP enforce money-laundering laws, reduce drug use and improve economic conditions to reduce dependency on coca cultivation. Moreover, funds will be allocated to help the GOP improve its capability to participate in peacekeeping operations. Through quality military education, U.S. programs will improve professionalism in the military and encourage civilian control, respect for human rights, military justice reform, and better management of defense resources.

Governing Justly and Democratically: USAID programs will help regional governments become more effective and transparent, ensure political parties are more representative and accountable, foster institutional resistance to corruption, and build public confidence in democratic institutions. Assistance provided under the Peace and Security and Economic Growth Objectives complement these efforts by preventing the encroachment of drug money into Peru's fragile democratic institutions, and by addressing the frustrations of those excluded from participating in the country's recent economic growth.

Investing in People: USAID assistance will help encourage the Government of Peru (GOP) to improve the delivery of social services. Health programs will help improve obstetrical care and the quality of voluntary reproductive health services, as well as increase the sustainability of commodity logistics systems in both the public and private sectors. Programs will address tuberculosis, malaria, and other public health threats as well as help the GOP implement its HIV antiretroviral treatment program. Assistance also will help raise student achievement scores by improving the quality of education in targeted coca-growing regions while assisting the national and local governments to decentralize the education system.

Economic Growth: Trade capacity building assistance will seek to eliminate the most important barriers to trade and investment for micro, small, and medium enterprises. Assistance provided by USAID will help extend the benefits of free trade to Peru's poorest citizens by linking local producers in the impoverished highlands and Amazon regions to international markets. USAID's programs also will help the economically disadvantaged overcome bureaucratic barriers to improving business practices, including reducing the time and cost of starting a new business venture. USAID also will help Peru promote sustainable forest management, reduce illegal logging, and comply with the environmental provisions of the Peru Trade Promotion Agreement. Furthermore, USAID will continue to help Peru's Ministry of Labor to revamp its labor inspection system by implementing a risk-based inspection program and improving the efficiency and effectiveness of labor dispute settling mechanisms.

Linkages with the Millennium Challenge Corporation

In November, 2007, the Millennium Challenge Corporation approved the Government of Peru's Threshold Country program proposal designed to reduce corruption in public administration and improve immunization coverage.

Overview of Major Changes

The FY 2009 request for Peru reflects an increase over the FY 2008 estimate, mainly to increase funding for alternative development, and support for the Peru FTA. There is also a slight increase for counter-narcotics programs and to enhance security forces ability to participate in international peacekeeping operations.