



USAID
FROM THE AMERICAN PEOPLE

PERU

DEMOCRACY

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USAID supports citizen oversight initiatives to make government more accountable and transparent.

Implementing Partners: Academy for Educational Development (AED), Associates in Rural Development (ARD), International Finance Corporation (IFC, World Bank Group), International Republican Institute (IRI) and Millennium Challenge Corporation (MCC), Management Systems International (MSI) and PROETICA.

Partners: Presidency of the Council of Ministers, Ministry of Transport and Communications, Ministry of Economy and Finance, Ministry of Interior, Judiciary, Office of the Comptroller, Office of the Ombudsman, Congress, Regional and Local Governments, National Commission on Decentralization, National Tribunal for Elections, National Office on Election Processes, Donor Group on Governability, IDEA International, and political parties.

In a country three times the size of California, one in every three Peruvians lives within 300 square miles of Lima, the country's capital. This conglomeration of the population only further reinforces Peru's highly centralized political structure. The concentration of power around the capital continues to skew both human and financial resources away from the regions, resulting in a limited state presence throughout much of Peru's highland and jungle areas. This lack of government, in turn, has opened space for the advancement of illegal coca cultivation, drug trafficking, illegal logging, HIV/AIDS transmission, and a resurgence of terrorist activities.

Peru's political party system remains highly fragmented. For example, 22 political parties participated in the 2006 presidential and congressional elections. Most of these parties are newly registered, have weak links to a constituency, and lack an institutional framework. Corruption constitutes a major obstacle to democracy and the rule of law. It has undermined Peruvian people's trust in the political system, its institutions, and its leadership. Economically, corruption is hindering the development of fair market structures, and distorting competition, thereby deterring investment.

Responding to these challenges and opportunities, USAID/Peru works to strengthen political parties, promote decentralization, and fight corruption. This includes increasing local government transparency while improving citizen access to information, especially surrounding the royalties being generated and distributed through the extractive industries. Support to civil society is a cross-cutting element integral to all programs. Additional activities include a Millennium Challenge Corporation Threshold Program aimed at combating corruption in Peru's public sector.

The program dedicates much of its resources to promoting decentralization and improving the capacity of local government, a top priority of the past and current Peruvian administrations. Successful decentralization holds the promise of stronger grassroots democracy, greater national unity, and a more inclusive society. National-level activities focus on policy reform while local-level activities work directly with regional and municipal governments. Local activities – concentrated within five of Peru's poorest and most marginalized regions – are targeting more than 300 local governments and five regional governments.

Resources are used for training and technical assistance to strengthen regional and municipal governments, improve staff capacity, ensure the proper use of modern financial and management systems, and expand levels of responsibility and accountability. This assistance is vital to ensuring that the additional transfer of authority and finances from central to local governments occurs in a proper, transparent, and effective manner. At the national level, USAID continues to work on improving the legal framework that drives the decentralization process. A new program, designed to strengthen civil society's ability to oversee government performance, will begin in 2009. This includes ensuring greater transparency in the way local and regional governments conduct business – including a special focus on extractive industry resources – while also improving the level of services delivered to citizens.

Recent achievements include:

- USAID assistance armed citizens with tools to demand greater accountability from political parties and hold elected officials responsible for their campaign promises. The political party program supported the development, by a local NGO, of a congressional biography that recorded legislators' program platforms and areas of interest. More than 90 parliamentarians, accounting for more than 75% of all Congress members, voluntarily submitted a summary of their primary campaign promises, voting records, and contact information. The publication, the first of its kind in Peru, is improving civic awareness about elected officials and create greater incentives for legislators to meet their obligations as representatives of citizens.
- In 2008, USAID completed its flagship, 5-year decentralization program. Activities enabled seven regional governments, 536 municipalities, and leading civil society groups in all target regions to develop and institutionalize capabilities in the following areas: strategic planning, participatory budgeting, and public accountability. According to an independent evaluation commissioned during 2008, over 45 materials produced by the USAID decentralization program are currently being used by a wide range of stakeholders: national, regional, and local governments; civil society organizations; universities; and other donors.



Political and civic leaders discuss concrete reforms to Peru's political party law during a workshop organized by USAID, the International Republican Institute (IRI), and the National Office of Electoral Processes (ONPE).



Role play with indigenous leaders during an Extractive Industries Transparency Initiatives (EITI) workshop organized by USAID and the International Finance Corporation (IFC) on transparency in local government.