

## 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 2005 Obligation:</b>	\$1,488,000 ESF
<b>Prior Year Unobligated:</b>	\$110,000 DCA
<b>Proposed FY 2006 Obligation:</b>	\$2,000,000 ESF
<b>Year of Initial Obligation:</b>	1999
<b>Estimated Year of Final Obligation:</b>	2007

**Summary:** Phase I of USAID's Peru-Ecuador border program helped promote political and social stability on the border and built both individual and community capacities to address the most basic needs of the poorest border areas. Interventions were geared to improving the effective decentralization of services through strengthening local government and developing citizenship accountability in target areas; increasing protection of human rights; increasing state presence and availability and access to social services; improving natural resource management in selected areas; and promoting a culture of peace and public support for the 1999 Peru-Ecuador Peace Accords.

Starting in FY 2005, Phase II of the program will focus on economic integration of the border region through increased global trade and investment. Key government services will be improved, economic infrastructure will be strengthened, and the productivity of enterprises will be improved. This will ensure that the market access negotiated in the Free Trade Agreement (FTA) between the United States and Peru creates broad opportunities for border populations.

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

**FY 2005 Program:** Increase Private Sector Growth (\$1,150,000 ESF). USAID assistance will be used to support the creation and growth of private enterprises and private trade. USAID will fund technical assistance to small and medium enterprises through economic service centers to provide market information, to facilitate commercial contacts between national and international buyers (including Ecuadorians), and to identify companies willing to invest capital in local enterprises. Technical assistance will help producers add value to their products, facilitate investment, and increase competitiveness through access to financial services and improved infrastructure (e.g., roads, ports, and energy). Principal implementers: Chemonics International, local non-governmental organizations, Ministry of Transport, Ministry of Energy and Mines, and private sector institutions to be determined.

Increase Participation in Global Trade and Investment (\$250,000 ESF). USAID will provide training and technical assistance to targeted local public and private organizations to strengthen their capacity to respond to, and benefit from, opportunities created by bilateral and global trade and investment. Assistance will streamline business registration processes and resolve regulatory and administrative barriers faced by businesses. Where feasible, USAID will help develop regional or sub-regional competitiveness plans, regional or sub-regional export plans, and other measures designed to facilitate the identification and prioritization of opportunities for economic development in the areas included within the border region. USAID will also look for opportunities to streamline border and customs services to facilitate trade. Principal contractors/grantees: Nathan Associates, and others to be determined.

Support Peace Processes (\$88,000 ESF). USAID activities will promote a culture of peace and economic cooperation among Peruvians and Ecuadorians, and between indigenous and non-

indigenous communities in the area, in support of the Peace Accords. To diminish tensions and create a constructive environment for private sector investment in which real growth can occur, USAID will finance a communications program to develop a better awareness of the benefits of peace and economic integration with Ecuador. The program will include outreach communication campaigns with regional and local authorities, as well as the general public, to increase their knowledge of trade regulations. Principal contractors/grantees: Nathan Associates and others to be determined.

**FY 2006 Program:** Increased private sector growth (\$1,400,000 ESF). USAID plans to continue the activities described above. Implementers are not expected to change.

Increase Participation in Global Trade and Investment (\$500,000 ESF). USAID plans to continue the activities described above, and may expand activities to other provinces in the border region. Implementers are not expected to change.

Support Peace Processes: (\$100,000 ESF). USAID plans to continue the activities outlined above. Major contractors/grantees are not expected to change.

**Performance and Results:** FY 2004 was the final year of the community development phase (Phase I) of the program. USAID assistance contributed to the improvement of the quality of life for populations in targeted border areas. In the highlands, there was a reduction of the percentage of people living in conditions of extreme poverty from 63% to 53%; a reduction in chronic malnutrition prevalence from 32% to 28%; and an increase in the percentage of people who knew and were able to identify four to six basic human rights from 45% to 86%, in 2001 and 2004, respectively. Relationships fostering cooperation and joint action were established between citizens, including indigenous populations, and the local and district authorities. In the jungle, girls' attendance in school improved by six percent due to a bilingual education curriculum responsive to the cultural needs of indigenous populations. 360 school teachers from 87 schools incorporated the theme of peace in school curricula, and 95 communications professionals working in local and regional media were trained in communications techniques to foster a dialogue of peace. Information spots were broadcast on border crossing regulations and vehicles and border trade, and 150 officers were trained on border transit regulations. Bi-national exchanges were supported for 220 young leaders who exchanged experiences with Ecuadorian peers on community development and social work. Human rights promoters were trained in conflict prevention and natural resources management, as well as dealing with domestic violence.

Under Phase II, the Border Program will generate approximately 3,900 jobs, strengthen 690 small and microenterprises, and produce over \$19 million in new sales derived from increase trade. By addressing these quality-of-life issues, 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, 2003</b>		
Obligations	0	13,893
Expenditures	0	7,396
Unliquidated	0	6,497
<b>Fiscal Year 2004</b>		
Obligations	0	1,878
Expenditures	0	4,703
<b>Through September 30, 2004</b>		
Obligations	0	15,771
Expenditures	0	12,099
Unliquidated	0	3,672
<b>Prior Year Unobligated Funds</b>		
Obligations	110	0
<b>Planned Fiscal Year 2005 NOA</b>		
Obligations	0	1,488
<b>Total Planned Fiscal Year 2005</b>		
Obligations	110	1,488
<b>Proposed Fiscal Year 2006 NOA</b>		
Obligations	0	2,000
Future Obligations	0	1,131
Est. Total Cost	110	20,390