

PD-ABX-045
117203

USAID/PERU
STRATEGIC OBJECTIVE CLOSEOUT REPORT
Date: June 28, 2002

1. **SO NAME & NUMBER: "Increased Incomes of the Poor"**
527-002

2. **GEOGRAPHIC LOCATION OF SO (NATIONWIDE OR SPECIFIC REGION):**
Nationwide, with emphasis in the extremely poor population living in the highlands and the poor living in rural and peri-urban areas.

3. **CHANGES IN RESULTS FRAMEWORK DURING THE LIFE OF SO:**
Added in 1998: IR 2.5.1 Increased access to financial services by microentrepreneurs and small farmers
Dropped in 1998 : IR 2.4 Strengthened Organizational Outreach

4. **SO-LEVEL IMPACT (EXPECTED VS. ACTUAL):**

Overall the SO capacity to increase incomes of the poor were hindered by the impacts of the El Niño in 1998, the global financial crisis in 1999, and the political instability of 2000 and 2001, which seriously hampered the country's economic growth. The GDP growth rate dropped from 7.2% in 1997 to less than 1% in 1998 and stayed that low for the following years. In spite the economic recession of the last four years, in the regions in which USAID's poverty reduction efforts are focused, interventions were directly responsible for increasing incomes and employment of USAID's customers.

5. **IR-LEVEL IMPACT (EXPECTED VS. ACTUAL):**

IR 1: Improved Policy environment for broad based growth

USAID's major contributions to improve GOP's policies can be summarized in the GOP's adoption of the economic corridors approach to reduce poverty, which was an outgrowth of the USAID's Food Security Strategy; current GOP's efforts to consolidate its nutrition programs; and GOP's efforts to improve targeting of its social programs, as well as establishing clear performance indicators to improve their efficiency.

The outgrowth of the 1995 Food Security Strategy generated new tactics and approaches to reduce poverty. It proposed to focus investments and services in secondary and tertiary (intermediate) cities where income and employment opportunities exist for the poor and where effective forward and backward linkages with agriculture and rural enterprises can be effectively developed and strengthened. This approach, which later developed into an "economic corridors" strategy, is currently used by the GOP as a central element to reduce poverty in the medium term.

USAID support for the development of a Proposal for a National Strategy for Reducing Chronic Malnutrition was based on a series of studies, workshops and analysis of best practices, with the participation of stakeholders (GOP, donors, NGOs, academic institutions) working in the area of food assistance and nutrition. The strategy paper generated consensus among decision-makers on the need to establish clear priorities and focus interventions, evaluate and consolidate current programs and replicate proven effective approaches.

Poverty Forums – During 1998-2001, in a collaborative effort, twenty bilateral and multilateral donors brought together key institutional players in a series of workshops that are attempting to capitalize on the best experiences to date in interventions leading to poverty reduction, with a view to influencing the strategies

developed by the GOP, NGOs and other development organizations. This efforts have led the GOP to refine Peru's poverty map and develop criteria to prioritize public social investment; and to reactivate an interministerial commission to better coordinate activities in health, nutrition, education, welfare and justice. In addition, it has created consensus on the need to establish clear and measurable objectives, as well as performance monitoring systems to improve efficiency of social investments.

Other interventions were directed to improve the policy environment to promote private sector investment. For example, under the Policy Analysis, Planning and Implementation (PAPI) project, implemented with the public and private sectors, efforts had a direct impact on the GOP's reduction of selected taxes, thereby making Peruvian export industries more price competitive in international markets; influenced the GOP decision to provide concessions of road and potable water construction and maintenance to private entities; provided public sector training in the operation of commodities exchanges which has facilitated the formal establishment of the Lima Commodities Exchange at the beginning of 1998; strengthened the Consumer Protection and Intellectual Property Rights Agency (INDECOPI) on improved oversight and enforcement of Peruvian competitive processes; and facilitated training that resulted in the simplification of the property titling process which directly improved the operations of the GOP titling institution.

More recently, a USAID study established that there would be \$200 million in lost "opportunity costs" associated with the poor conditions of the *Carretera Marginal* over the next seven years. USAID's Economic Service Center in the region, the local association of municipal leaders and private investors have established a commission to analyze options for a public-private sector partnership to finance the improvement of this critical road.

IR 2: Increased Market Access for Microentrepreneurs and Small Farmers

USAID activities through the private sector exporters association (ADEX) helped microentrepreneurs and small farmers enter new local and foreign markets, and strengthened its market share. During the strategic period, coastal agricultural products such as garlic, onions, lime, and grapes were successfully introduced in Colombia, Ecuador, Venezuela and the U.S, while mangoes and beans increased their market share in the US and European markets. Today, coastal crops that "graduated" from the program, such as sweet/yellow onions, export \$15 million per year, providing jobs to 2,600 people.

Starting 1998, emphasis shifted to expand market linkages with producers of highland and jungle crops. As such, the products featured were Andean grains (quinoa), potatoes, prickly pear (and cochineal), as well as coffee and cacao, which gained markets in the US and Europe, as well as Lima high-income markets. In addition, alpaca products (meat, skin, and sweaters) entered new markets in Lima and Europe. Starting in 2000, as a result of PRA efforts, Spain is a new market for French beans. Also, pineapple produced in Huancayo is now being provided to a processor who had been sourcing his material from Ecuador, and corn producers in Huanuco are now meeting the extensive needs of local chicken farmers.

Assistance to microentrepreneurs in clothing, shoes and handicrafts also proved to be huge successes. In shoes, the most notable was the introduction of Peruvian shoe production to Austria. The MSP's assisted handicrafts program now works almost exclusively for the U.S. home accents market (e.g. Pottery Barn, Crate & Barrel and Pier 1). Likewise, pottery from Chulucanas and Ayacucho has gained market share in U.S. and European markets. Partner export companies begun joint investment agreements with artisans to meet the quality standards and production volumes that the market demands.

As a result of USAID market access activities, over 11,000 small farmers and microentrepreneurs increased their sales¹ for domestic and foreign markets from \$1.7 million in 1995 to \$12.2 in 1997. Starting 1998, the program graduated coastal crops and the Alternative Development program started financing selva products.

¹Used as a proxy measurement for producer income

Nevertheless, the SO2 program assisted an average of 3,500 clients per year – microentrepreneurs and producers from non-coca growing areas –, who, despite the El Niño and financial and political crisis, increased their sales by \$8.8 million in 1998 to \$34 million in 2001. Furthermore, during 1997-2001, 28,300 new jobs were created. Women accounted almost half of them, in agricultural and non-agricultural enterprises, especially in handicrafts and clothes.

IR 3: Improved Capacity of the Extremely Poor

The Title II program -- implemented by six cooperating sponsors (ADRA, CARE, CARITAS, CRS, PRISMA, and TechnoServe) -- has been responsible to improve the capacity of extremely poor population in the rural Sierra and Selva areas, where levels of poverty and extreme poverty are the highest in Peru. During the 1997-2001 period, the program started a phase-out strategy that led to narrow its focus, in terms of target population, geographic areas and approaches, which has increased its efficiency. Based on its improved monitoring, assessing and learning, the program moved progressively from a poverty alleviation approach, based on food distribution and nutrition rehabilitation, to a poverty reduction approach, based on income generating activities and an integrated attack on chronic malnutrition. Elements such as health, sanitation and education played an important role, focusing on children under five.

Overall, P.L. 480 Title II programs addressed the food security needs of approximately 1,800,000 people in over 5,800 communities. The program contributed to the reduction of chronic malnutrition by at least 15% in targeted communities with interventions focusing on the short-term needs of malnourished children and their families, and the medium-term needs of increasing household revenues to enable families to acquire basic needs related to poverty reduction.

Interventions reached a yearly average of 290,000 malnourished children under the age of five years and their mothers, designed to achieve a sustainable and healthy growth trend, including completion of vaccinations, education and training events for mothers, and monitoring of weight gains.

In addition, an average of 130,000 rural families per year received food-for-work rations while reconstructing roads, building latrines, potable water systems, and health posts, rehabilitating irrigation systems, and undertaking terracing of agricultural land. They benefited not only from the short-term nutritional value of the ration, but also have laid the foundation for sustainable, longer-term gains in family incomes and improved health through improved living conditions and increased skills. Complementary to these infrastructure investments, the program has also helped an average of over 124,000 farmers per year increase the productivity and quality of selected crops to meet market opportunities and improve their family income.

IR 4: Strengthened Organizational Outreach

Activities in this area, implemented through the US PVO PACT, strengthened management and implementation capacities of 85 NGOs and 2 NGO networks who work in departments with high incidence of extreme poor populations. This has helped these NGOs to widen their possibilities to access other funding sources (GOP and other donors) and increase their outreach to a greater number of rural and extremely poor communities. Training and technical assistance to NGOs included subjects as personnel management, strategic planning, project design using the logical framework, monitoring and evaluation, and financial management/budgeting. PACT also provided training in participatory planning; collaborating closely with municipal authorities in identifying priority needs and proposed solutions.

IR 5: Increased Production and Productivity of microenterprises and small farms

Increases in production and productivity have been confirmed in the increases in sales of these products. Increases in productivity surpassed expectations in the manufacturing area, where there was a reduction in unit production costs of near 40%, due to MSP's assistance to improve processing and management skills.

The success of this assistance has resulted in the establishment of Centers of Technology Innovation in the area of apparel.

Similar successes were achieved with highland products, which have increased their yields two to three-fold over the strategic period. The quality of coffee for export was also improved by the adoption of water efficient de-pulping technologies.

IR 5.1 Increased access to financial services by microentrepreneurs and small farms

SO2 has had a resounding impact on the microfinance sector that exceeded expectations. The number of microentrepreneurs and small farmers that have had access to financial services increased from 6,900 in 1996 to 75,335 in 2001. USAID-directly supported micro-finance institutions increased their loan portfolios from \$14 million in 1997 to \$25 million in 2001. During the 1997-2001 period, women accounted for 60 to 85% of the portfolio; 40% of the microcredits were directed to rural areas; and almost 70% of loans were for anti-poverty lending - less than \$300. The average delinquency rate for USAID-sponsored credit services was 5%, below nationwide rates.

In addition to direct credit services, SO2 also expanded its assistance to microfinance institutions that provide credit to SO2's target beneficiaries through the NGO COPEME (Consortium of Organizations that Support Small and Micro Enterprises). COPEME developed a set of common services that has allowed for improved economies of scale for NGOs and formal microenterprise financial institutions. COPEME also conducted training and technical assistance activities to introduce best practices among such institutions, which has strengthened their intermediation capacity and dropped operating costs. COPEME is now directly providing services to 19 Microfinance institutions, including NGOs and EDPYMES (Development Entities for Small and Micro Enterprises) with a combined loan portfolio of over \$44 million and near 90,000 clients, representing 65% of the total microfinance portfolio of NGOs nationwide. COPEME also provided other services geared to strengthen the MFIs. The credit bureau service, in alliance with INFOCORP, is successfully servicing 39 MFI. A self-regulation program for credit NGOs started performing operational audits on 17 MFIs and is currently providing useful information for the programming of new training courses on accounting and banking principles, and management information systems. The SINFONED, MFIs monitoring system, has published 3 quarterly reports on the performance of the Peruvian MFIs, thereby establishing comparative benchmarks that will increase the efficiency of all participating MFIs. A major contribution of USAID microfinance activities was the recognition in the sector of the importance of sustainability of the operations in order to provide services to the poor.

Another important breakthrough was the establishment of two guarantee programs with *MIBANCO* and *Solución Financiera de Crédito*. The Mission and the Office of Development Credit used the Development Credit Authority that will increase the commercial supply of funds to approximately 20,000 micro-entrepreneurs by \$12 million over the next two years. This marks an important milestone for Peru, as it is the first time commercial banks have created loan portfolios specifically for microentrepreneurs.

6. LESSONS LEARNED IN IMPLEMENTATION OF THE SO:

There are many lessons that can be drawn from implementing as broad and far-reaching an SO as this one. Increasing incomes of the poor is a monumental challenge worldwide, and a particularly daunting one in a country in which over half the population is classified as poor, and where fully 15% of the country does not have sufficient resources to purchase food.

One lesson that we feel is important to note is the need to differentiate between poverty reduction and poverty alleviation. In the Mission's terms, poverty reduction encompasses all those activities geared to generating sustainable economic growth and, with it, increased opportunities for the poor to earn a

livelihood and gradually lift themselves out of poverty. Poverty alleviation refers to actions and programs that address the critical needs of the most poor and isolated of society, and for whom basic subsistence is an ongoing problem. The goals in this instance are to ensure that their most basic nutritional and health requirements are addressed, to prevent further deterioration and, most importantly, to assure that permanent and irreversible damage to small children and infants is avoided.

In the area of poverty reduction, it is vitally important that all efforts to enhance the productivity and earning potential of the target beneficiaries be market driven. By this, SO2 means that all actions be taken to help its clients generate products for which there is an unmet demand. It makes little or no sense to engage in efforts to increase the production of, for example, potatoes in a given area because the conditions are appropriate for them, or because they are a traditional crop, when the market is, or will be, saturated with them at harvest time. It is far better for all concerned to first seek out buyers for particular products or crops, and then work with one's clients to ensure that production can satisfy the demands of these buyers. If these efforts are successful, the prospects for repeated and ongoing commercial relations are developed and enhanced.

Such efforts can be classified as "demand pull" rather than "production push". The phrase that was developed to summarize this approach is "produce what you know you can sell, rather than try to sell what you've already produced". The beneficiaries of these efforts are admittedly, by and large, the more "economically viable" of the poor-- those who have the wherewithal to provide goods and services that meet market requirements for quantity, quality and timeliness. The rationale for this is that this approach offers a means to assist a great number of poor to increase their incomes in what is expected to be a sustainable manner and insert them more soundly into a modern market economy.

We nevertheless recognize that there are an extraordinarily high number of poor whose circumstances are direr, and who need more support and attention. In these case, we seek to alleviate their suffering by providing feeding supplements and nutritional counseling to those who are at the most risk. This means children under three years of age and their lactating mothers. The reasons for this are that our limited resources can be put to best effort by reducing the incidence of chronic malnutrition within this target population. If a child is chronically malnourished, its physical, mental and psychosocial development is thwarted, and no amount of subsequent feeding or nutritional support can overcome or reverse the damage done.

In a country as poor as Peru, one can find evidence of chronic malnutrition wherever one looks. However, the highest incidence occurs in the rural sierra. SO2 has accordingly learned that the greatest cost-effectiveness for our limited assistance dollar comes from targeting efforts in those geographic areas where extreme poverty and chronic malnutrition are the highest. Well-conceived and well-implemented programs in these areas have the greatest impact in ensuring that future generations won't be as handicapped as their forbearers in seeking to escape poverty.

Other lessons learned can be summarized as follows:

- Effectiveness of assistance can be increased with a geographical focus, clear objectives and precise indicators.
- Understanding of the difference between poverty reduction and poverty alleviation, has led to establishing different strategies, targeting population, objectives and timeframe for each stage, which has allowed to set up attainable targets at reasonable costs, and thus increase assistance efficacy.
- USAID capacities to influence policies were overestimated. Change in policies is very difficult for a sole institution. A unified donors' position is more effective.

- Interventions in policy dialogue cannot be charged to a contractor. The organization to work with in the area of policy dialogue has to have influence, decision-making power and political will to act. In addition, its members' decisions need to follow the organization's mandate.
- Donor assistance should be used not only as a financing instrument, but also primarily as a way to introduce innovative approaches that have been tested and validated in a replicable scale in previous experiences, which eventually could influence policies.
- Lessons learned from studies and USAID experience need to be disseminated effectively to inform strategy development.
- USAID, based on its successful experiences – in country and worldwide, should play a more active role in defining the conceptual framework of partners' development proposals.
- Greater knowledge of your “customer/client” is very efficient to develop adequate strategies.
- A degree of certainty on resources availability is needed to establish realistic targets.
- A change in USAID policies within an ongoing strategy affects implementation costs and resources use that should be taken into account when considering any modification of a strategy.
- Although the Title II program is implemented by different Cooperating Sponsors, it has to be managed as an integrated program, in terms of focus -geographic and population wise- and performance measurements, that responds to the needs of the host country and the Mission strategy. The magnitude of Title II resources, in the case of Peru, is such that can be used as an effective mechanism to promote effective strategies and influence GOP and other partners.
- Recipients need to be more accountable for the results they are delivering. However, grants that are USAID/W based usually reduce the monitoring role that Missions can exercise and diminish its capacity to resolve problems and improve efficiency and effectiveness of assistance.
- The strategy to identify markets and then identify specialized producers to adapt products to meet proven demand is effective to assist small producers increase their incomes.
- The scale of agricultural production units is a constraint to expand a sellable supply. Small agricultural units do not have enough assets to support unpredictable cases. Technology cannot be introduced in small units, or in areas where there are no technical support services.
- NGOs need to act as facilitators of market linkages, but not assume the commercialization per se. There are other costs and knowledge that an NGO does not have. Besides, it is not sustainable in the long run.
- Efforts to improve the regulatory framework are needed. For example, land titling in valleys with productive capacity to foster the land market to consolidate productive units.
- A more efficient use of natural resources requires efforts to increase awareness on the economic value of natural resources (e.g. water, forest, land) and the environmental services associated to them, in addition to the economic benefits of the direct or indirect use of them.

- Mission should define one and only microcredit policy, according to ADS 219. Interest rates should take into account promoting the operational sustainability of the MFI. USAID/Peru experience in microcredit has demonstrated that subsidized microcredit that does not provide for the sustainability of the funds, in the long run causes the loss of the funds, and eventually affects the people we want to serve.
- The expansion of an NGO microfinance program needs to be gradual and not significantly at once because it will endanger the achievements in operational sustainability already made.
- The evaluation of the PVO Support project stressed the need to expand community participation in the participatory planning effort, provide more intensive training on indirect costs and operating efficiency of NGOs, train fewer NGOs more completely, work more intensively with NGO consortia, and include gender training.

A 2000 CDIE review of USAID's Poverty Reduction Experience cited:

"Another program notable for its use of an explicit poverty reduction goal is USAID/Peru. It's Strategic Objective for economic growth is "to increase incomes of the poor."¹³ The Mission's "second cities" project identified over thirty economic corridors, combining economic potential with poverty incidence (Plunkett & Salinger 1999 p. 31). The second cities program is concentrated geographically in poor districts which are physically and economically linked to growing markets and intermediate cities (FY 2000 CP). According to the USAID's 1997 Annual Progress Report, the Peru Mission also conducted innovative food security programming, combining maternal and child health, school and community feeding and income generation programs which were tightly focused on communities not benefiting from the country's economic revival (pp. 140-1)."

7. LIST OF EVALUATIONS/SPECIAL STUDIES:

- Instituto Cuanto, Evaluacion de Impacto Nutricional de Comedores Populares en Poblaciones en Riesgo, June 1997
- Village Bank Evaluation in Peru, 1997
- Management Systems International. Peru PACT PVO Evaluation, 1997
- Evaluation of Title II microcredit programs, 1998
- Loui Berger, Evaluation of Title II Programs
- 1999 IMPACT Evaluation of FINCA Microcredit program
- Apoyo Consultoria, Estrategia de Desarrollo Social. Enero 1999.
- Instituto Apoyo, Evaluacion de Programas y Proyectos Productivos financiados con Recursos de PL480 Titulo II. Noviembre 1999
- Abt Associates, PAPI Evaluation, May 1997
- Prisma, Panfar Evaluation , 2000
- Adra Peru, Informe Final. Evaluacion de Impacto 1997-1999, Febrero 2000
- Instituto Apoyo, Politica Nacional para la Reduccion de la Desnutricion Cronica en el Peru, Julio 2001
- Tufts School of Nutrition Science and Policy. Proposal for a National Strategy to Reduce Chronic Malnutrition in Peru. October 2001
- Universidad del Pacifico. "Elementos para el Desarrollo de las Ciudades Intermedias en Apoyo a la Lucha contra la Pobreza Extrema
- I Diálogo sobre Experiencias y Retos en la Lucha contra la Pobreza, 1998
- II Diálogo sobre Experiencias y Retos en la Lucha contra la Pobreza, Salud, Nutricion, Saneamiento, Justicia, 1999
- III Diálogo sobre Experiencias y Retos en la Lucha contra la Pobreza, Generacion de Empleo, 2000

8. ESTIMATED OTHER DONOR/PARTNER/COUNTERPART CONTRIBUTIONS:

During the FY 1997-FY 2001 period, the GOP budgeted US\$ 5.5 billion in anti-poverty programs. Other donors financed several programs that complemented USAID poverty reduction strategy. Specific co-funding examples include: European Union, for the GOP Executive Secretariat for Anti-Poverty Programs; the Swiss on a study on market potential for Andean grains; IICA on cost-sharing for technical assistance and training for the Lima Commodities Exchange; the World Bank, IDB, UNDP, and other bilateral and multilateral organizations on the implementation of the Poverty Forums. Programs (grants and loans) from other donors (World Bank, IDB, Canada and Japan) in the area of economic growth and poverty reduction amounted \$2,227 million. These programs were focused mainly on economic infrastructure, such as roads, energy, irrigations; structural economic reform, food security, credit, agriculture, and modernization of the public sector in areas such as tax, customs, trade and investment.

9. PEOPLE DIRECTLY INVOLVED WITH THE SO:

NAME	TITLE	DATES WORKING ON SO
Mike Kaiser	Team Leader	8/98-6/02
Harry Wing	Team Leader	8/92-8/98
Mike Burkly	Food for Peace Officer	4/01- to date
Stan Stalla	Food for Peace Officer	8/97-6/01
Robert Wilson	Food for Peace Officer	8/94-5/97
George Baldino	Food Security Advisor	3/87- to date
Fernanado Chavez	M&E Coordinator	6/00- to date
Eduardo Albareda	MSP Activity Manager	11/92- to date
Connie Gutierrez	MSP Activity Coordinator	9/91-9/98
Juan Robles	PVO Support/ Title II coordinator PRA Activity Manager	9/91-8/97 9/97- to date
Jaime Giesecke	Microfinance Specialist	6/99- to date
Alfredo Gutierrez	Title II Coordinator	7/86 to date
Samuel Chincaro	Title II Coordinator	6/00- 3/02
Pedro Carrillo	Title II Coordinator	7/98-3/2000
Victor Merino	PVO Support/ Title II Coordinator	10/97-2/00
Jorge Alarcon	PAPI Activity Manager	5/95-10/98

10. LIFE OF SO FUNDING: (In US \$)

DA	35,933,000
CSD	100,000
PL 480 (Food Assistance)	242,908,000
ESF	2,671,000
INL	-----
USAID TOTAL	281,612,000
GRAND TOTAL	\$281,612,000

Note: This SO is carrying forward a pipeline of \$6,592,655 of Development Assistance funds to support the continuation of some activities under the new Strategic Objective No. 10, Increased Economic Opportunities for the Poor in Selected Economic Corridors

11. SUMMARY LIST OF ACTIVITIES UNDER THE SO:

Activity Title/Short Description	FY 1997-2001 Funding Amount (US\$)	Start and End Date	Implementing Organizations
<p>527-0343 Policy Analysis, Planning and Implementation (PAPI) Assisted the GOP and the private sector in developing sound economic policies and strengthening the policy dialogue and decision-making process.</p>	2,309,393	9/20/90 12/31/97	Secretaria General de la Presidencia de la Republica DEG CONFIEP
<p>527-0353 PVO Support Project Strengthened the institutional capacity of Peruvians NGOs to work more effectively with community organizations in the delivery of health, agriculture and enterprise development services.</p>	4,963,337	7/23/92 9/30/00	PACT
<p>940-0406 Microenterprise Innovation Project (MIP)* Expanded outreach of USAID/Peru microenterprise programs through expanded NGO financial services outreach, and the provision of non-financial services for microenterprises development.</p>	3,637,000**	9/1/95 9/30/02	ADEX, COPEME CRS, CARE, FINCA Caritas Minka, Pirka, El Taller ADEX-Artesanias
<p>527-0349 Microenterprise and Small Producers Support Project (MSP) Increases incomes and employment of microentrepreneurs, small producers and smallholder farmers and strengthen their member grassroots organizations through technical assistance and access to credit, entrepreneurial and managerial skills, production services, and strengthening the capabilities of ADEX, and NGOs to provide sustained technical assistance and market access services to microenterprises.</p>	19,716,198	10/1/91- 9/30/02	ADEX Louis Berger Int'l Chemonics Technoserve CRS CARE FINCA COPEME
<p>527-0387 Poverty Reduction and Alleviation Activity (PRA) Expands opportunities for sustained productive employment and income growth for the poor and the extremely poor through the operation of Economic Service Centers (ESCs) and policy studies. The ESCs primarily facilitate information on markets, technical and management assistance, and access to financial services, in order to lower the costs of entry into markets and broaden the participation of local people in them; and act as an aggressive broker of deals between local producers and foreign, domestic buyers and investors. Policy studies are directed to address constraints that restrict economic opportunities and competitiveness at the local and regional level identified by the Economic Service Centers; and constraints at the macro level identified by the GOP, the private sector and USAID/Peru.</p>	8,078,633	10/1/99- 9/30/03	CONFIEP Chemonics
<p>P.L.480 Title II Food Security Program Ensured the food security of population groups living in extreme poverty by satisfying essential food needs, stimulating production and income growth through labor-intensive productive activities among small farmers and microentrepreneurs, and improving the health status of nutritionally at-risk families.</p>	242,908,060	10/1/96- 12/31/01	CARE Caritas ADRA PRISMA Technoserve CRS

* EG Bureau funds supported MSP related components: Credit Access Program, Anti-Poverty Lending Microenterprise Development Services.

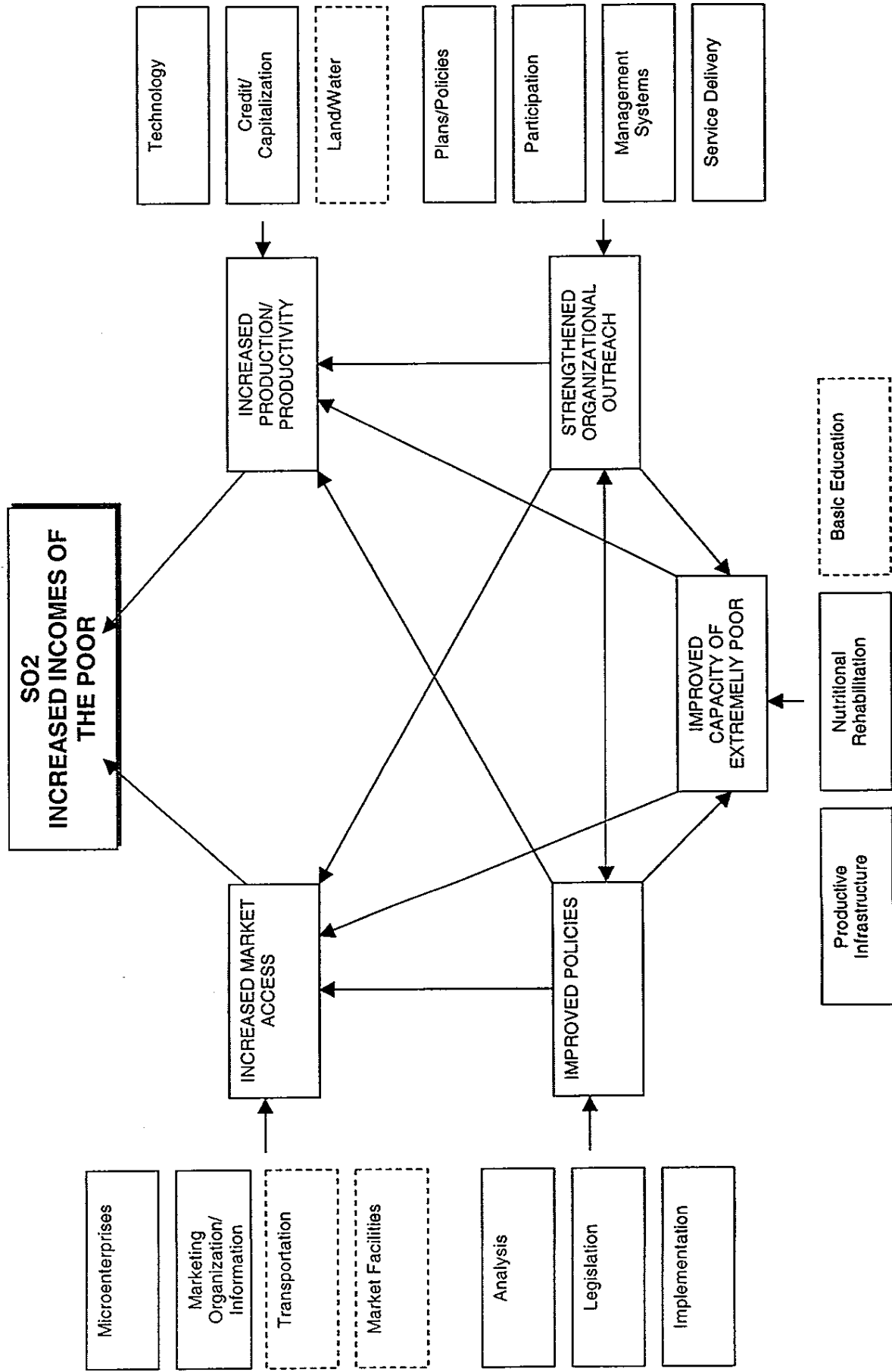
** Includes PD&S funds

ANNEXES:

All Results Frameworks (necessary)
Completed FY 97-01 PMP indicator table (necessary)
Other documentation important to the SO

SO Team Clearances:

Team Leader: MB
Program Office Backstop: af



RESULTS TRACKING TABLES
Strategic Objective Two: Increased Incomes of the Poor

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	BASELINE DATA					TARGETS / ACTUAL				
			YEAR	VALUE	1997	1998	1999	2000	2001			
STRATEGIC OBJECTIVE 2: INCREASED INCOMES OF THE POOR												
1. Value of Expenditures per capita of the Poor. (Data analyzed by socio-economic and geographic variables.) R4 Reported	Definition: The poor are defined as household whose per capita expenditure is lower than the cost of the basic/minimum consumption basket, which is the basic food nutritional basket plus the cost of other necessary goods and services. At current prices (1996), a person is defined as poor if his/her average daily expenditure does not exceed \$1.75. Assumptions: (a) U.S. \$2.2 for 1994 and devaluation effects incorporated every year thereafter; (b) 1.7% annual population growth rate; and (c) average of six members per household/year.	The National Living Standards Survey, conducted by CUANTO, S.A.	1994	496	510 512	529**	549**	570** 473	592**	N/A		
			Lima Rural Sierra Rural Selva Lima Female-headed household INEI (I)	584 379 417	649 410 384 575*			581 380 371				
			INEI (I)	464								
2. Value of Expenditures per capita of the extremely Poor. (Data analyzed by socio-economic and geographic variables.)	Unit: U.S. 1994 dollars/capita/year Definition: The extremely poor are defined as household whose per capita expenditure is lower than the cost of the basic food nutritional basket. At current prices (1996), a person is defined as extremely poor if his/her average daily expenditure does not exceed \$1.00. Assumptions: (a) U.S. \$2.2 for 1994 and devaluation effects incorporated every year thereafter; (b) 1.7% annual population growth rate; and (c) average of seven members per household/year.	The National Living Standards Survey, conducted by CUANTO, S.A.	1994	(257) 301	287 306 349	298	310	321 271 287	334	N/A		
			Lima Rural Sierra Rural Selva INEI (I)	353 284 301	286 295			265 263				
			INEI (I)	282								
3. Percentage of Poor in the Population. (Data analyzed by socio-economic and geographic variables.)	Unit: U.S. 1994 dollars/capita/year Definition: The poor are defined as household whose per capita expenditure is lower than the cost of the basic/minimum consumption basket, which is the basic food nutritional basket plus the cost of other necessary goods and services. At current prices (1996), a person is defined as poor if his/her average daily expenditure does not exceed \$1.75.	The National Living Standards Survey, conducted by CUANTO, S.A.	1996	51	48 50.7 35.5	44**	41**	38** 54.1 45.2	35**			
			Lima Rest Urban Rural Rural Sierra Rural Selva INEI (I)	39.8 49.5 64.5	48.8 64.8 68.1 64.9			49.8 66.1 65.5 69.2				
			INEI (I)	18.9	42.7	42.4	47.5	48.4	54.8			
4. Percentage of Extremely Poor in the Population. (Data analyzed by socio-economic and geographic variables.) R4 Reported	Unit: Percent Definition: The extremely poor, a subset of the poor population, are defined as household whose per capita expenditure is lower than the cost of the basic food nutritional basket that covers minimum nutritional requirements.	The National Living Standards Survey, conducted by CUANTO, S.A.	1996	5	17.0 14.7	15.3**	13.8**	12.5** 14.8	11.2**			
			Lima Rest Urban Rural Rural Sierra Rural Selva INEI (I)	37.9 36 36	2.4 7.5 31.9 32.6 36.4			4.7 8.3 30.1 30.2 31.5				
			INEI (I)	18.2	18.2	17.4	18.4	15.0	24.4			

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	BASELINE DATA					TARGETS / ACTUAL								
			YEAR	VALUE	1997	1998	1999	2000	2001							
<p>COMMENTS: Socio-economic variables include: Sex, education, age. Geographic variables: urban, rural, Lima, coast, Sierra, Jungle. * Preliminary</p> <p>** Targets may be adjusted downward later in 1998 based on impact of El Niño, and final survey results. INEI (1) National Household Survey-IV quarter, used as a proxy for 1997-2000, revised in 2002. The 2001 data is based on a revised methodology.</p>																
<p>Intermediate Result 2.1: Improved Policy Environment for Broad-Based Growth</p>																
1. Per capita social expenditure	<p>Definition: Total social expenditures of the central government (which includes some transfers to regional governments), expressed in per capita terms. USAID uses the GOP definition of social expenditures, which includes three broad categories of expenditures: 1) basic; 2) focused or urgent; and 3) other. The entire budgets of the Ministries of Education and Health, the Basic Justice program, as well as a large number of more targeted programs operated by other GOP ministries are included in the social expenditure calculation (see attached notes for detailed explanation). Expenditures are expressed in current U.S. dollars. Total population of the country is used to derive the per capita figure.</p> <p>Unit: Current U.S. dollars</p>	<p>Expenditure data: The Ministry of Economy and Finance; data are drawn from two publications: <i>Peru in Numbers (Peru en Numeros)</i> and <i>Annual Public Sector Budget (Presupuesto del Sector Público)</i>. Population data: National Institute of Statistics (INEI)</p>	1996	129 (original base was 158-budget, updated to expenditures)	153	166	152	168	161							
2. Per Capita Social Expenditure for the Poor R4 Reported	<p>Definition: Social expenditures for the poor are defined as all central government expenditures (which includes some transfers to regional governments) for GOP programs classified by the GOP as "urgent". There are currently 14 such programs. An estimate of the poor population of the country is used to derive the per capita figure. The poor are defined as households whose per capita expenditure is lower than the cost of the basic/minimum consumption basket, which is the basic food nutritional basket plus the cost of other necessary goods and services. At current prices (1996), a person is defined as poor if his/her average daily expenditure does not exceed \$1.75.</p> <p>Unit: 1996 U.S dollars</p> <p>Comments: Targets may be adjusted downward later in 1998 based on impact of El Niño, and final survey results</p>	<p>Expenditure data: The Ministry of Economy and Finance; data are drawn from two publications: <i>Peru in Numbers (Peru en Numeros)</i> and <i>Annual Public Sector Budget (Presupuesto del Sector Público)</i>. Population data: Cuanto S.A. Living Standard Survey</p>	1996	69	75 78	82	90 (2)	103	111							

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	BASELINE DATA					TARGETS / ACTUAL					
			YEAR	VALUE	1997	1998	1999	2000	2001				
3. Select policy, legal or regulatory reforms	<p>Definition: [NOTE: specific policies to be identified by the SO2 extended team based on additional analysis.]</p> <p>Unit:</p>	N/A											
4. Percent of households with two or more unsatisfied basic needs. (Data analyzed by socio-economic and geographic variables) [National and Title II activity based.]	<p>Definition: A household is defined as having unsatisfied basic needs if it demonstrates at least two or more of the following characteristics: - no sewage, drainage or toilet system; - more than three people per bedroom; - temporary construction materials, i.e. dirt floors, straw mat walls, etc.; - head of family with incomplete primary school and more than three dependents per income earner; - children between the ages of 6 and 12 that do not attend school</p> <p>Unit: Percentage</p> <p>N: National PL: Title II</p>	National Household Survey, INEI	1995 (B)	114.4	13.7 13.1*	13.0 (2)	12.3	11.7			11.1		
R4 Reported		PVO surveys undertaken by the cooperating sponsor (ADRA, CARE, PRISMA and CARITAS)	Lima Rural Sierra Rural Selva INEI	4.8 20.3 45.6	19.4								
<p>COMMENTS/NOTES: Social expenditures for the poor include: 1. Min. of Economy and Finance "Glass of Milk" Program; 2. FONCODES (development social fund); 3. PRONAA (food assistance); 4. COOPOP (community works); 5. INFES (Education & Health Infrastructure); 6. PAR (Displaced Persons Program); 7. Ministry of Agriculture; (a) Support to Emergency Areas, and (b) Pronamachs (soil conservation); 8. Ministry of the Presidency: Water and Sewage Program; 9. Ministry of Education: Scholar food and Education (breakfasts); 10. Ministry of Transp. & Communications: Rural Roads program; 11. Ministry of Energy & Mining: Social Electricity Development Program; 12. Presidency of the Ministers' Council: Civic Action; 13. Ministry of Health: Family Planning and Emergency Fund to fight epidemic diseases; 14. Min. of Economics & Finance: Social Support Program/PL 480. (2) Indicator dropped. Not within USAID's manageable interest</p>													
<p>Intermediate Result 2.2: Increased Market Access for Microentrepreneurs and Small Farmers</p>													
1. Value of exports of selected non-traditional export products.	<p>Definition: Non-traditional exports are defined as either (a) products that were not exported by Peru prior to 1992, or (b) products that have not been exported on a regular basis during the last 5 years. The FOB value of exports of each selected product is aggregated to produce this indicator. Selected products represent goods produced mainly by small farmers and microenterprises. The value of exports for each product is tracked separately, and is aggregated into one annual figure.</p> <p>Agricultural products: new dry bean varieties; garlic; yellow onions; yellow potatoes; key lime; grapes; cochineal, coffee. Microenterprise products: handicrafts; shoes</p> <p>Unit: Thousands of current U.S. dollars</p>	National Customs Administration (SUNAD) Annual Reports	1995(B)	354,512	422,887 478,307	396,000* 413,093	580,125 (2)	680,745			800,568		
R4 Reported		Selected Products Dry beans Garlic Y. Onions Y. Potatoes Key limes Grapes Cochineal Coffee Handicrafts Shoes Mangoes	12,333 1,283 1,053 6,340 1,289 28,511 283,761 12,350 1,304	8,767 827 2,947 5,935 2,451 33,430 396,877 17,524 1,215 8,371	2,048 5 5,178 2,621 8 17,229 366,877 17,692 1,285 150								

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	BASELINE DATA					TARGETS / ACTUAL					
			YEAR	VALUE	1997	1998	1999	2000	2001				
	Wearing apparel.												
5. Number of microentrepreneurs and small farmers with improved market access [activity-based]	Unit: Percentage Definition: equivalent to the number of clients in USAID-sponsored programs. Programs are structured to identify markets prior to identifying clients. Therefore, by definition, a program client has improved market access.	Semi-annual reports from ADEX	1996	14,013	20,000 20,741	28,327	(3)						
<p>COMMENTS/NOTES: * Decrease from 1997 due to early estimates of El Niño damages in agriculture. (2) Indicator dropped. Not within USAID's manageable interest (3) Indicator used by implementing agencies. Not reported to USAID</p>													
Intermediate Result 2.3: Improved Productive Capacity of the Extremely Poor													
1. Chronic Malnutrition Rates.	Definition: Children aged under 60 months with a height for age more than two standard deviations below the National Center for Health Statistics (NCHS) benchmarks	Demographic Health Survey (DHS), undertaken by the National Statistics Institute (INEI)	1996	26 N 40 R	24:N 38:R 24 N**	22:N 35:R 22N**	20:N 33:R	19:N 31:R 24N 40R	17:N 28 R				
[National and Title II- activity based]	Unit: Percentage				23.6 N***								
(Data analyzed by geographical characteristics)	N: National R: Rural PL: Title II	PVO surveys undertaken by the cooperating sponsor agencies (ADRA CARE, PRISMA, and CARITAS)		27.8 47.6 43.8	39.0 R*** 45.3 SIR*** 35.0 SeR*** 14.1 U***								
R4 Reported	** INEI estimates												
<p>COMMENTS/NOTES: A special Title II report will include also: Number of children in Title II Nutrition and Growth Monitoring programs; Children with complete immunizations under Title II programs; Percent of children enrolled in Title II programs who show positive growth trends; Average weight gains; Number of children graduating from feeding programs; Beneficiaries that have completed cycle of training events; Number of families with access to new sanitary/health facilities; Hectares and families served that are incorporated under improved production technologies; under new or rehabilitated irrigation systems; Hectares incorporated under improved soil conservation or agroforestry practices; Number of marketing infrastructural works; Kilometers of access roads rehabilitated; Value of microcredit loan portfolio; Number of loans; Delinquency rates; Loan default rates; Temporary employment generated under Title II Food for Work programs; Families assisted in coca producing zones; Project supervision. See tables for Title II</p>													
Intermediate Result 2.4: Increased Productivity of Microenterprises and Small Farmers													
1. Yields per hectare of selected small farmer crops.	Definition: Average percentage increase in yields (output) per hectare of selected crops. Selected crops are grown mainly by small farmers. Coastal products: - dry beans - sweet yellow onions Sierra products:	Ministry of Agriculture, Office of Statistics	1995	0%	29.5 50	15.0 (3)	15.0	15.0	15.0	15.0			

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	BASELINE DATA					TARGETS / ACTUAL						
			YEAR	VALUE	1997	1998	1999	2000	2001					
	- yellow potatoes - Andean grains													
2. Reduction in production costs per unit of output of selected microenterprise products.	Unit: Average yearly percentage of change. Definition: Average percentage reduction in production costs (as a measurement of productivity) of microenterprises owned by USAID customers. Selected products are handicrafts, wearing apparel and shoes.	Annual reports from ADRA, CARE, CARITAS and PRISMA. Semi-annual reports from ADEX	1995	0	20 18*	10 17	8 20	8 N/A	5 N/A					
R4 Reported 1/	Unit: Average yearly percentage of change * Preliminary Data													
3. Number of clients/customers using improved technologies [activity-based]	Definition: Number of direct clients of USAID projects that are using improved technologies introduced by USAID. Improved technologies are those directed to improve management, marketing and production skills. In addition, Number of non-direct clients will be tracked. Non-direct clients are those that are not receiving direct assistance from USAID, but are part of the target groups.	Semi-annual reports from ADEX.				14,315	(3)							
	Unit: Number	Special studies.												
COMMENTS/NOTES: 1/ Targets presented in the R4 FY97-FY99 considered a total 70 percent reduction by the year 2001, based on the results obtained by the activity in this area. Following recommendations received during the R4 review, targets were lowered down to a total 50 percent reduction by the year 2001. (3) Indicator used by implementing agencies. Not reported to USAID.														
Intermediate Result 2.4.1: Increased Access to Financial Services by Microentrepreneurs and Small Farmers														
1. Number of microentrepreneurs and small farmers that have access to credit [activity-based]	Definition: Number of USAID microentrepreneurs and small farmers clients that have accessed USAID and non-USAID credit sources; and number of microentrepreneurs and small farmers clients of USAID-assisted credit retailer NGO financial institutions. USAID clients are defined as those receiving direct technical assistance or training. USAID-assisted credit retailers are those that receive technical assistance to improve their credit providing capacity.	Annual reports from ADRA, CARE, CARITAS and PRISMA. Semi-annual reports from ADEX	1996	6,900	9,800 46,800	20,000 54,180	60,000 45,067	55,000 69,410	70,000 89,800					
R4 Reported	Unit: Number													
2. Total amount in U.S. dollars made available to USAID/Peru customers.	Definition: Amount of U.S. dollars that USAID-sponsored financial programs have made available to low-income people. Loan Portfolio	Annual reports from ADRA, CARE, CARITAS and	1995	3,500	13,500 14,193	20,000 11,777	40,000 8,883	60,000 21,111	80,000 44,000					

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	BASELINE DATA					TARGETS / ACTUAL				
			YEAR	VALUE	1997	1998	1999	2000	2001			
3. Average delinquency rate of USAID-sponsored credit activities.	Unit: Thousands of U.S. dollars Definition: Delinquency rates for each credit provider and average rate weighted by size of total portfolio. Unit: Average yearly rate.	PRISMA. Semi-annual reports from ADEX Annual reports from ADRA, CARE, CARITAS and PRISMA. Semi-annual reports from ADEX	1995	12%	5% 3.1%	3% 6.6%	3% 7.48%	3% 7.49%	3% 12%			
COMMENTS/NOTES:												
Intermediate Result 2.5: Increased Effectiveness and Efficiency of Organizations Providing Assistance to the Poor												
1. Number of USAID-supported NGOs realizing a reduction in administrative costs at either of two levels: 1) 10%-15% or 2) over 15% [Note: defined as a measure of efficiency.]	Definition: Administrative costs are defined as all expenditures that do not directly support NGO program or activities. This is a cumulative indicator, aggregating over time the number of NGOs that realize the specified administrative costs savings each year (USAID's program works with a "new" set of NGOs each year). Administrative costs are calculated as a percent of overall costs (administrative and program) when an NGO enters a USAID-supported program. The same calculation is made at the conclusion of the program period and compared to the initial figure. The percent change determines whether an NGO is included in either of the two cost savings categories. (For additional detail, refer to attached explanatory notes.)	Accounting records of NGOs and PVOs participating in USAID-supported programs relevant to SO 2 PVO Support, Title II and MSP.			(4)							
2. Number of USAID-supported NGOs that meet or exceed expected levels of improvement in targeting poor districts	Unit: Number of NGOs Definition: Expected levels of improved targeting towards districts classified as "high priority poor districts" are defined as follows: NGOs that spend up to 33% of total program resources in poor districts are expected to improve targeting by at least 50% (for example moving from an initial level of 25% spending in poor districts to a level of 38%); NGOs that spend between 34% and 66% of program resources are expected to improve targeting by at least 25%; and NGOs that spend over 66% of program resources are expected to improve targeting by at least 12.5%. This is a cumulative indicator, aggregating over time the number of NGOs that meet expected targeting levels (USAID's program works with a "new" set of NGOs each year).	Reports of NGOs and PVOs that participate in programs or implement activities supported by USAID (PVO Support, Title II and MSP).			(4)							

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	BASELINE DATA					TARGETS / ACTUAL		
			YEAR	VALUE	1997	1998	1999	2000	2001	
			3. Value of NGO program resources that have been shifted to focus on the poor	<p>Unit: Number</p> <p>Definition: Value of resources that have been shifted from programs in districts not classified as poor to programs in districts classified as "high priority poor". The indicator is meant to capture an improved focus over a one year period. This is a cumulative indicator, aggregating over time the annual value of program resources that have been shifted to "poor" districts.</p> <p>Unit: US current dollars</p>	<p>Reports of NGOs and PVOs that participate in programs or implement activities supported by USAID (PVO Support, Title II and MSP).</p>			(4)		
4. Number of organizations that use management systems	<p>Definition: An organization qualifies as having management systems in place if it meets the following criteria: (1) uses the logical framework methodology as a planning and management tool; (2) has an operational monitoring and evaluation system in place; and (3) has an effective accounting system in place (to meet this criterion an accounting system must: be auditable; be transparent and use standard accounting techniques; and have an internal checking system).</p> <p>Unit: Number</p>	<p>Reports of NGOs and PVOs that participate in programs or implement activities supported by USAID (PVO Support, Title II and MSP), as well as assessments conducted by USAID implementing agents (e.g. PACT)</p>			85			N/A	N/A	N/A

COMMENTS/ NOTES: High priority poor districts are those 419 districts classified by the Ministry of the Presidency (PRES) as of the highest priority for attention, includes extremely poor districts.
(4) Indicator dropped due to concerns on data collection procedures

P.L. 480 Title II Program Annual Progress Indicators
Actual Data

Performance Indicator	Indicator Definition and Unit of Measurement	PVO		Baseline 1996		Actual 1997		Actual 1998		Actual 1999		Actual 2000		Actual 2001	
		a) < 36 mo.	b) < 60 mo.	a) < 36 mo.	b) < 60 mo.	a) < 36 mo.	b) < 60 mo.	a) < 36 mo.	b) < 60 mo.	a) < 36 mo.	b) < 60 mo.	a) < 36 mo.	b) < 60 mo.	a) < 36 mo.	b) < 60 mo.
1. Children in Title II Nutrition and Growth Monitoring Programs	Definition: Children under a) 36 and b) 60 months of age who are enrolled in child nutrition programs. Unit: Number	CARE	25,946	50,250	35,340	65,898	32,246	53,743	6,720	11,200	5,381	9,647	2,626	4,306	
		CARITAS	57,542	92,693	43,336	90,425	40,462	72,486	25,322	49,274	21,745	39,187	13,776	21,695	
		ADRA	20,584	20,584	25,008	25,008	57,133	38,046	65,868	72,867	72,867	69,863	69,863	69,863	
		PRISMA	107,406	150,450	133,632	181,839	181,344	193,742	155,157	192,095	137,387	162,183	25,029	30,817	
		TOTAL	211,478	313,977	237,316	363,170	311,185	358,017	253,067	318,437	237,380	283,884	111,294	126,681	
2. Children With Completed Immunizations Under Title II Programs	Definition: a) Children under 12 months who have received the recommended immunizations. b) Children aged 12 to 24 months with completed immunizations, including the measles vaccine. Unit: Percent Note: The Peruvian Ministry of Health recommends the measles vaccine after 12 months.	CARE	65	72	83	85	41	79	58.5	68.5	75.0	81.0	92.0	71.0	
		CARITAS	47.5	N/m	74	77	N/m	77	70.0	70.0	85.0	85.0	90.0	90.0	
		ADRA	N/m	75	79	80	66	48	66	68.7	80.0	75.0	89.0	90.9	93.7
		PRISMA	80.1	85.4	84	91	84	92	91.0	96.0	88.0	92.0	92.0	90.0	95.0
		Total	N/m	N/m	46,297	33,228	27,456	22,168	121,528	16,895	31,173	109,049	11,727	27,525	4,347
3. Children Graduating from Feeding Programs	Definition: Children "graduating" from Title II nutrition programs during the period - stop receiving supplementary feeding from the program. "Graduation" is defined by the following minimum criteria: positive weight gains over last three months; completed immunizations; and mothers attending the minimum cycle of health and nutrition training. Unit: Number	CARE	N/m	N/m	16,005	120,783	152,436	23,159	16,895	31,173	109,049	11,727	27,525	4,347	
		ADRA	N/m	N/m	16,005	120,783	152,436	23,159	16,895	31,173	109,049	11,727	27,525	4,347	
		PRISMA	94,783	94,783	120,783	120,783	152,436	152,436	121,528	109,049	109,049	109,049	109,049	109,049	
		Total	183,085	183,085	183,085	183,085	213,120	213,120	166,855	157,117	157,117	157,117	157,117	157,117	
4. Beneficiaries that have completed cycle of training events.	Definition: Number of beneficiaries that have completed the minimal cycle of training events provided by the PVO. The standard minimal cycle includes training in: acute respiratory and intestinal infections; prenatal control; immunizations; family planning or responsible parenting (CARITAS); and nutrition and feeding practices. Unit: a) Number; b) Percentage	CARE (* % of parents of assisted children)	N/m	N/m	45,438	80 %*	28,643	97 %	29,269	85 %	21,907	83 %	4,585	80 %	
		CARITAS	26,561	26,561	18,274	82 %	36,790	95 %	35,824	89 %	36,995	78 %	15,444	103 %	
		ADRA	N/m	N/m	117,314	94 %**	130,696	-	104,687	98 %	111,337	86 %	35,343	91 %	
		PRISMA(** % of mothers)	N/m	N/m	117,314	94 %**	130,696	-	104,687	98 %	111,337	98 %	5,620	98 %	
		Total	N/m	N/m	117,314	94 %**	130,696	-	104,687	98 %	111,337	98 %	5,620	98 %	
5. Number of	Definition: Hectares affected by one of	a) Hectares	a) Hectares	a) Hectares	a) Hectares	a) Hectares	a) Hectares	a) Hectares	a) Hectares	a) Hectares	a) Hectares	a) Hectares	a) Hectares	a) Hectares	
		b) Families	b) Families	b) Families	b) Families	b) Families	b) Families	b) Families	b) Families	b) Families	b) Families	b) Families	b) Families	b) Families	

Performance Indicator	Indicator Definition and Unit of Measurement	Baseline 1996		Actual 1997		Actual 1998		Actual 1999		Actual 2000		Actual 2001	
		a) Hectares	b) Families	a) Hectares	b) Families	a) Hectares	b) Families	a) Hectares	b) Families	a) Hectares	b) Families	a) Hectares	b) Families
Hectares under Improved Soil Conservation /Agroforestry Practices	more of the following: contour planting, terracing intercropping, reforestation, infiltration ditches and river defenses. Unit: a) Number of Hectares; b) Families served	5,469	48,015	4,814	47,115	4,333	46,764	15,701	49,185	2,652	30,122	1,848	5,627
		1,932	N/m	5,999	32,582	4,628	3,143	3,993	27,043	4,060	25,383	1,295	8,935
		480	N/m	687	10,391	969	11,098	3,236	28,772	2,602	8,153	1,449	14,352
		7,881	48,015	11,500	90,088	9,930	61,005	22,930	105,000	9,314	63,658	4,592	28,914
6. Hectares incorporated under improved production technologies	Definition: Hectares affected by one or more of the following: the use of high yielding seed varieties, proper use of fertilizer, use of fertilizer, proper weeding and appropriate spacing. Unit: a) Number of Hectares; b) Families served	1,200	9,638	3,513	14,350	2,628	20,750	3,643	28,480	2,066	20,280	1,118	5,099
		198	N/m	239	3,381	234	N/m	897	12,192	2,976	12,955	1,984	8,435
		662	N/m	1,057	8,280	1,448	8,296	17,837	8,003	12,958	17,625	14,464	21,659
		785	974	743	389	2,304	3,052	1,272	3,317	1,422	2,585	1,410	2,292
7. Hectares incorporated under new or rehabilitated irrigation systems	Definition: Hectares affected by one or more of the following: construction or rehabilitation of canals, reservoirs or wells. Unit: a) Number of Hectares; b) Families served	2,845	9,638	5,552	26,400	6,930	32,439	24,859	52,925	20,365	54,147	19,738	37,858
		N/m	N/m	18,447	25,563	7,765	18,092	3,444	5,522	5,781	6,189	1,742	3,300
		454	N/m	856	5,136	1,839	7,871	3,204	17,198	1,295	5,026	5,894	12,755
		-	-	19,303	30,699	9,604	25,963	6,648	22,720	7,076	11,215	7,636	16,055
8. Kilometers of access roads rehabilitated	Definition: Rural roads * Includes new and rehabilitated Unit: a) Number of Kilometers; b) Families served	4,174	65,002	2,338	41,852	4,927	55,846	2,997	66,050	2,328	25,210	-	-
		*428	N/m	654	9,696	1,087	N/m	952	18,909	1,002	25,827	280	19,736
		721	N/m	1,325	14,801	966	8,712	1,482	33,589	881	14,072	974	27,543
		5,323	65,002	(Y)4,317	66,349	6,980	64,558	5,431	118,548	4,211	65,109	1,254	47,279
9. Number of marketing infrastructure facilities constructed	Definition: marketing and infrastructure facilities include: warehouses or packing, processing or marketing stalls. Unit: a) Number of facilities; b) Families served	6	N/m	118	20,050	250	8,760	34	835	204	989	72	3,607
		54	N/m	78	9,360	73	7,300	150	7,532	63	4,174	80	5,378
		60	-	196	29,410	323	16,060	184	8,367	267	5,163	152	8,985
		a) Works	b) Families	a) Works	b) Families	a) Works	b) Families	a) Works	b) Families	a) Works	b) Families	a) Works	b) Families
10. Number of sanitary/health infrastructure works constructed or installed	Definition: Sanitary/health infrastructure works include: latrines, sewage systems, potable water systems, wells and health posts. Unit: a) Number of works; b) Families served	709	709	615	615	690	690	2,304	2,304	5,463	5,458	6,250	6,250
		7,857	8,613	3,942	5,344	9,555	9,555	5,357	5,979	4,390	4,883	2,769	2,769
		405	N/m	407	789	1,714	N/m	38	3,202	-	-	-	-
		90	805	71	3,867	1,686	1,686	-	-	-	-	-	-
constructed or installed	Unit: a) Number of works; b) Families served	24	N/m	8	267	12	N/m	-	-	-	-	-	-
		-	-	40	1,271	12	N/m	77	3,202	16	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-

Performance Indicator	Indicator Definition and Unit of Measurement	PVO		Baseline 1996		Actual 1997		Actual 1998		Actual 1999		Actual 2000		Actual 2001	
		a)	b)	a)	b)	a)	b)	a)	b)	a)	b)	a)	b)	a)	b)
	ADRA - latrines - water systems	3,138	3,138	3,958	3,958	2,264	2,264	5,605	2,264	5,605	2,102	2,102	3,879	3,879	
	CARE - latrines - water systems	16	2,880	21	2,520	29	1,780	17	1,780	1,889	-	-	-	-	-
11. Temporary employment generated under Title II Food for Work programs	Definition: Number of families employed with food for work wages to improve their productive or socio-economic capacity. Unit: Number of families	31,500	47,655	47,655	146,057	23,446	46,366	66,050	81,921	58,888	25,210	45,203	13,787	24,710	38,497
12. Value of microcredit loan portfolio	Definition: Value of outstanding loans made in cash and in-kind from PVOs or through rotating funds established by PVOs. Unit: US\$	167,000	354,078	433,920	343,299	1,224,439	40,773	2,074,866	389,654	420,000	791,467	6,873,578	8,820,579	4,969,011	15,532,576
13. Number of loans	Definition: Number of loans made from the various sources of microcredit from PVO sources. Unit: a) Total number; b) Loans to women	4,080	404	1,824	674	1,929	362	2,277	8,825	1,069	13,031	8,764	13,031	8,764	13,325
14. Delinquency Rates	Definition: Percent of loans made from various PVO sources that have not been repaid within 90 days beyond due dates, i.e. delinquent for more than 90 days. Payments past due as a percent of the total loans outstanding. Unit: Percent	0%	5.0%	3.6%	-	2.0%	9.0%	12.5%	0.0%	4.0%	1.9%	3.0%	9.7%	2.2%	5.73%
15. Loan Default Rates	Definition: Total amount of loans past due one year or more as a percentage of the total unpaid loan balance. Unit: Percent	4% Women Inc. Gen. (WIG) Project 7% Microenterprise Project (MP)	7% Ag. Inc.Gen. (AIG) Project 4.9%	3% WIG Project 8% MP	12% AIG Project	6.8%	7% AIG Project 4% PASA Project	0%	8.0%	2.99%	0%	8.0%	6.27%	9%	13.2%

Comments/Notes: N/m: Not measured yet. N/p: Not projected yet. WIG: Women's Income Generation Project. AIG: Agricultural Income Generation Project. (Y): It includes bridge roads and the longitude is measured among the towns that it unites the rehabilitated road

Title II Annual
Progress Indicators

February
27/ 2002

INDICATOR	DEFINITION	PVO	Actual 1999	Targets 2000	Actual 2000	Targets 2001	Actual 2001
Value of Sales of selected products (thousand of US\$)		TNS	691	Alpaca meat & fiber	28	125	128
			1,031	Agricultural Production*	395**	784	431
		CARE	12,433	Cattle raising	8,416	3,533	1,219
			1,970	Retail commerce	3,912	1,623	382
			617	Agricultural Production*	1,985	5,405	250
			8,418	Agricultural Production*	2,232		4,355
		PRISMA	141	Agricultural Production*	77	155**	243***
		CARITAS					
		TOTAL	25,301		17,045	11,624	7,007

* Products: prickly pear, cochinitilla, rice, beans, peas, potatoes, coffee, barley, cacao, corn, banana, wheat, yucca, carrots.

Note: ** target change; *** to be revised.