

THE PERUVIAN POPULATION CONTROL PROGRAM

HEARING

BEFORE THE

SUBCOMMITTEE ON INTERNATIONAL OPERATIONS
AND HUMAN RIGHTS

OF THE

COMMITTEE ON
INTERNATIONAL RELATIONS
HOUSE OF REPRESENTATIVES

ONE HUNDRED FIFTH CONGRESS

SECOND SESSION

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HEARING ON THE PERUVIAN POPULATION CONTROL PROGRAM

WEDNESDAY, FEBRUARY 25, 1998

HOUSE OF REPRESENTATIVES
COMMITTEE ON INTERNATIONAL RELATIONS
SUBCOMMITTEE ON INTERNATIONAL OPERATIONS AND HUMAN
RIGHTS
Washington, DC.

The Subcommittee met, pursuant to notice, at 1:20 p.m., in room 2167, Rayburn House Office Building; Honorable Christopher H. Smith [chairman] presiding.

Representatives Present: Smith and Burton.

Staff present: Grover Joseph Rees, staff director.

Mr. SMITH. At this hearing of the Subcommittee on International Operations and Human Rights we will hear testimony of shocking human rights violations in the country of Peru, a country with whose government and people the United States has a close and friendly relationship. Indeed, I should begin by saying that I myself consider the Foreign Minister of Peru, Eduardo Ferrero, a personal friend. I have had cordial meetings with President Alberto Fujimori both in Lima as well as in Miami, and I have a special feeling for the Peruvian people.

One of the obligations imposed by friendship, however, is honesty. I hope that today's hearing will help us to know the truth both about the Peruvian population program and about the U.S. role, if any, in this program. To that end, we invited the Peruvian Embassy in Washington to send a witness to this hearing, but our invitation has been declined. The Embassy is invited to submit a written statement which will be made a part of the record.

[This statement appears in the appendix.]

Peru is a heavily Roman Catholic country with one of the lowest per capita incomes in the Western Hemisphere. Its population density is also relatively low. Until 1995, the family planning program operated by the Government of Peru was not a particularly high priority among that government's health programs. Sterilization was illegal except when necessary to preserve health.

In July 1995 President Fujimori announced that family planning would be a major priority for the government. Shortly thereafter, the Congress legalized sterilization as a method of family planning.

In spring and summer of 1996 government health workers began to conduct sterilization campaigns, often styled "ligation fairs" and, to a lesser extent, "vasectomy fairs", primarily in areas that were poor and/or rural. Reports began to appear shortly thereafter of sterilizations without consent or without informed consent. These

reports came from the Catholic Church, from human rights organizations, from feminist groups, and eventually from the government's own ombudsman.

Critics of the government program alleged:

That sterilizations are performed pursuant to prescribed national and regional goals rather than to patient demand;

That women, particularly those who are extremely poor and/or illiterate, are often pressured into undergoing tubal ligations;

That these women are not given adequate information about the risks and disadvantages of the surgery or about the availability of alternative methods of family planning;

That women are not encouraged to take time to make a considered decision about whether they want an operation that is permanent and likely to be irreversible;

And that the surgery is often performed in substandard facilities, with resulting medical complications.

There have also been reports that consent to sterilization has been imposed as a condition of receipt of food in government operated food programs, including programs supported by the United States, and that health workers in some locations have been paid a bonus for each woman they persuade to undergo a sterilization.

In January I asked my staff director and chief counsel of the Subcommittee, Grover Joseph Rees, to travel to Peru in order to investigate these charges. He met with doctors, human rights workers, government officials, and several of the victims themselves. His report made the following conclusions:

That the government had announced goals or quotas for the number of people to be sterilized nationwide, in particular regions, and even in particular hospitals.

That these goals emanated from a very high level in the central government.

That health officials, doctors, and other health workers would generally feel an obligation to meet these goals and would fear that their contracts would not be renewed if they failed to meet those goals.

That other abuses, such as lack of informed consent, pressure to consent, bonuses per woman sterilized, and trading food for consent, were probably not mandated by the central government but were the natural outcome of the mandate that the goals must be met.

I also asked Mr. Rees to determine the extent, if any, to which U.S. foreign assistance funds might be supporting the abuses in the Peruvian population program. His conclusions were as follows:

The U.S. family planning program in Peru is the largest in the Western Hemisphere and one of the largest in the world. It is conducted primarily through non-governmental organizations but also consists in some aid to programs of the Government of Peru.

To its credit, the USAID Office of Population, Health, and Nutrition made efforts to distance itself and its funds from the sterilization campaigns as soon as they became evidence in 1996.

Unfortunately, these efforts consisted mostly of private meetings and communications with government officials, foreign donors, and a few NGO's. The sterilization campaigns themselves, in contrast, were widely publicized, as was USAID's close and long-time asso-

ciation with the Government of Peru's family planning program. So many Peruvians have the impression that the United States supported the program in its entirety, including the sterilization campaigns.

Although USAID has made efforts to ensure that its assistance to the Peruvian Government does not support the sterilization campaigns, USAID continues to provide family planning assistance to the government and to NGO's that work closely with the government. In addition to broad support for the Ministry of Health infrastructure that might inadvertently assist the sterilization campaigns, this assistance has included several training courses for doctors in the technical aspects of performing vasectomies and tubal ligations.

The USAID Food for Peace program in Peru, whose programs are far more extensive than those of the Office of Health, Population, and Nutrition, has been a focus of allegations that poor women were promised food in exchange for their consent to be sterilized. In the face of these allegations, the USAID officials who manage the Food for Peace program failed to make vigorous efforts to ensure that no such abuses could occur. Indeed, Food for Peace operates a large targeted feeding program through an NGO that also conducts family planning programs for the Government of Peru. This NGO conducts its feeding programs in many of the same small rural medical posts in which the sterilization campaigns are conducted. In smaller posts the same government worker may be charged with distributing U.S. food and running the sterilization campaigns.

On January 6, 1998, after the sterilization campaigns and associated abuses had been widely publicized, the director of our USAID office in Lima wrote a letter to the Minister of Health stating that "our desire to collaborate in the area of family planning is based on the free, voluntary and informed choice of contraceptives . . . not in the pursuit of quantitative targets by method for a particular service provider or group of service providers, especially where tubal ligation and vasectomy are concerned."

The letter went on to list remedial measures on which "we need to be able to count . . . as soon as possible" to ensure that no U.S. food was traded for sterilization and that family planning programs of the Peruvian Government were not conducted pursuant to goals, quotas, or what the government has called "referential numbers."

Mr. Rees' report makes the following recommendations, which I strongly endorse and I hope USAID will discuss today:

(1) Discontinue all direct monetary assistance to the Government of Peru's family planning programs until it is clear that the sterilization goals and related abuses have stopped and will not resume.

(2) Discontinue in-kind assistance to the government family planning program unless it is clear that such assistance will not assist or facilitate, either directly or indirectly, the sterilization campaigns or related abuses.

(3) Discontinue public expressions of support for the government's family planning program, for instance, joint Ministry of Health/USAID billboards encouraging Peruvians to limit their families, that could easily be misconstrued as expressions of support for the sterilization campaigns.

(4) Dissociate the United States from the sterilization campaigns, goals, quotas, and associated abuses far more publicly than has been done up to now.

(5) Discontinue the use of words and actions that lend themselves to the accusation that USAID still favors population control over family planning.

(6) In choosing non-governmental organizations as grantees or contractors, use only those who will work independently of the government and who have not shown a preference for sterilization over other birth control methods.

(7) Discontinue the distribution of food through government medical posts or in cooperation with entities closely associated with the sterilization campaign.

(8) Contract for an independent audit to determine whether any U.S. assistance to the government or NGO's has been used in support of the sterilization campaigns.

(9) Consult with a broader spectrum of voices within Peru on family planning needs and concerns.

(10) Finally, notify congressional oversight committees of problems as soon as they appear.

I am well informed that the USAID Mission in Lima kept its superiors in Washington posted as events unfolded. Yet USAID in Washington did not see fit to inform this Subcommittee or any of the other committees with jurisdiction over foreign assistance programs, although they surely knew we would have been interested.

This problem is not unique to Peru. When I asked about similar allegations of forced sterilizations in Mexico in 1996, our USAID representative assured us loudly and clearly that this doesn't happen here.

Mr. Schneider, you might recall I brought that up to you after I returned from that trip.

It now appears, according to reports described in the State Department 1997 Country Report on Human Rights Practices for Mexico, that she has been mistaken. I hereby make a standing request that the Subcommittee on International Operations and Human Rights, which has the jurisdiction for oversight of these issues, be informed of any reports USAID may have or receive of coercion, lack of informed consent, or other abuses anywhere in the world. I would very much appreciate it if you would do that.

I would like to now ask our first witness for today's hearing, Mark Schneider, the Assistant Administrator for Latin America and the Caribbean for the U.S. Agency for International Development, as well as a board member of the Inter-American Foundation, if he would present his testimony to us at this time.

STATEMENT OF MARK SCHNEIDER, ASSISTANT ADMINISTRATOR FOR LATIN AMERICA AND THE CARIBBEAN, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Mr. SCHNEIDER. Thank you, Mr. Chairman. Let me just say before I begin that I want to take this opportunity to say that I have read the statements of some of the women who will follow me to testify today. I just want to say that one can only express sorrow and frustration; sorrow at the fact that those events occurred with respect to those women, and frustration in not having been able to

stop them from happening. It's unacceptable and it cannot be excused. I think that we all have to redouble our efforts to ensure that it doesn't happen again even if the instances are one, two, or a handful.

I want to thank you for the opportunity to appear today. I know that we are in agreement that the human rights of women must be given the highest priority in Peru, that any effort to abridge those rights runs directly counter to the values and foreign policy of the United States.

The Government of Peru has just announced this week, as I mentioned previous to the session, a number of very important concrete steps that should return their family planning program to a sound foundation. Those copies have now been given to the Committee.

As of yesterday, we received the following news that the Government of Peru will:

First, discontinue campaigns in tubal ligations and vasectomies.

Second, make clear to health workers that there are no provider targets for tubal ligations and vasectomies or any other specific family planning method, nor any targets of any kind at the regional or local levels. The only goal will be to ensure that women have the information and counseling to achieve their individual desires with respect to spacing and number of children.

Third, they have announced that they will implement a comprehensive monitoring program to ensure compliance with family planning norms and informed consent procedures.

Fourth, they welcome the ombudsman office's investigations of complaints, the nine complaints that have been received and commented upon by the ombudsman, and the opportunity to respond to any additional complaints.

Fifth, they will implement a 72-hour waiting period for people who choose tubal ligation or vasectomy. This must come after two separate counseling sessions.

Sixth, when judicial evidence of malpractice or uninformed consent is verified and a special judge has been named for this purpose, the Minister of Health has requested that compensation be provided to the women involved.

Finally, they will require that health facilities be certified in order to make sure that no operations are done in makeshift or substandard facilities.

We obviously believe that these are all welcome developments, and I think it perhaps is useful to reiterate the Administration's policy with respect to the voluntary nature of family planning. All of our family planning programs are guided by the principles of voluntarism and informed choice. We categorically oppose coercion in any form.

The evidence is compelling that there is and continues to be a real unmet need for family planning services in Peru. As a poor beneficiary noted, we had a lot of children because before we didn't know how to keep from having them.

Responsible family planning programs have a strong track record in improving the health of women and children. It is my hope that in the discussions generated by the controversy over surgical contraception in Peru that we not lose sight of the benefits of family

planning programs or of the principles that do guide USAID's efforts.

If I could give some history, Mr. Chairman. Tubal ligations and vasectomies have been a legal method of contraception in Peru only since September 1995. Previously surgical contraception was allowed only in cases where a woman's health would be in danger from an additional pregnancy. After legalization, the Peruvian Government moved to respond to what it perceived would be a pent-up demand for access to tubal ligation and vasectomies.

I should add that around the region, when one looks at the full range of methods of family planning that are used, tubal ligations and vasectomies constitute among the modern forms of family planning one of the higher percentages, approximately akin to the use of natural family planning methods in many of the countries.

To help meet this demand, unfortunately, the Government of Peru pursued a strategy of campaigns in which tubal ligation and vasectomy were offered on a planned date, often in a place where such services were not permanently available.

As soon as USAID became aware of the Government of Peru's move toward a campaign strategy, U.S. officials, as your staff recognized in the report, communicated to the government strong concerns about the potential for distortions and abuse. The agency also quickly segregated USAID family planning support from the campaign strategy. USAID implementing agencies were told not to support the campaigns in any way, and Ministry of Health officials, including the Minister of Health, were informed that USAID support could not—I repeat, could not—be used in this strategy.

Again, let me reiterate. The USAID disagreement with the strategy was not based on awareness of any particular abuses at that time, but rather, because of our worldwide experience in family planning as well as our conceptualization of family planning within a quality of care framework, experience has shown that targets and campaigns in this area are counterproductive and fraught with risk. As a matter of policy, USAID does not support performance-based quota systems in family planning programs.

While targets connected with provider performance do not necessarily lead to the use of pressure tactics, they at a minimum increase the vulnerability to abuse.

Moreover, for ethical, political and programmatic reasons, such drastic steps are unwarranted and wrong. They should not occur, and we will not support them.

Over the past 18 months USAID has not wavered in its opposition to setting targets for vasectomies and tubal ligations. More than 80 contacts with government officials, including the Minister of Health and a top advisor to the President, have taken place on this subject between July 1996 and December 1997, when the campaigns were first indicated.

USAID has also contributed, we believe, to responsible public debate and inquiry on this issue in Peru through our support for the human rights ombudsman, whose office has looked into the reports of abuse, through our support of and cooperation with women's groups, women's rights organizations, and through our statements at public events with a variety of health workers, practitioners and others.

In November of last year USAID sent a letter to the Minister of Women's Advancement and Human Development reiterating USAID's opposition to campaigns and to targets for surgical contraception or any other specific method, and indicating again USAID's opposition and its avoidance of any support for those activities.

In early January of this year, Mr. Chairman, as you noted, the USAID Mission director sent a second letter, this time to the Minister of Health, requesting a response concerning the allegations which had then appeared in the Peruvian press during November and December. At that point the letter was prepared and was sent on January 6, requesting response with respect to those allegations as well as again reiterating our view of the need for programmatic changes.

Let me stress, to the best of my knowledge no U.S. family planning funds or those of U.S. contractors have been used to support the campaign. In his trip report the Subcommittee staff director himself concluded that since shortly after the onset of the campaigns USAID has made efforts to distance itself from those campaigns. We appreciate and acknowledge the objectivity he exercised in reaching this conclusion.

In the last few months, as I stated, there were reports in the press that in some cases the right to fully informed consent may have been violated and that tubal ligation and vasectomies have not always been safely performed. It also has been alleged that some health workers may have conditioned provision of food or medical care on acceptance of sterilizations. USAID urged Peru again in that letter to discontinue the tubal ligation and vasectomy campaigns, to disavow any policy of setting provider targets for voluntary surgical contraception, and finally, to implement a comprehensive monitoring program to ensure compliance with family planning norms and informed consent.

We believe these are significant measures and we are pleased that the Government of Peru, as I indicated in this statement and in the statement that we just received from the Government of Peru, has determined to take these steps.

Let me add as well that the Ministry has reiterated that it is against the law for any coercion or donation of goods or services, food or otherwise, in exchange for the acceptance of any contraceptive method.

If I could, Mr. Chairman, let me move to the staff director's report which was shared with USAID. It contains a series of recommendations, several of which mirror the concerns expressed in the letter from our Mission director to the Minister of Health. A significant number of those recommendations are reflected in the Ministry's actions this week.

I should add as well that they reflect the recommendations that the Peruvian ombudsman's office made following its review of complaints of abuse. It issued a call through various media in Peru to the society at large seeking complaints. To date that office has received complaints from a reported nine individuals who have alleged that they suffered reproductive rights abuses. Though clearly not even one abuse is acceptable, the allegation of mass abuse without informed consent has not been substantiated.

I would also like to briefly discuss, as you requested, the role of USAID food aid in Peru. USAID's Food for Peace Title II program in Peru benefited approximately 2.3 million poor Peruvians in 1997. We are absolutely convinced that that program has been a critical element in the 30-percent reduction in child malnutrition in Peru over the last 5 or 6 years.

The Subcommittee staff directors's report refers to recent allegations linking food assistance to sterilization. Two allegations, one in the report and one that we saw in the press with respect to United States provided food, were investigated immediately through onsite interviews with the women and their family members along with local non-governmental organizations and health promoters.

There are no known cases, no evidence that we are aware of, and no evidence in these two cases, no substantiation—and I can go into detail in the cases at some point, Mr. Chairman, of any U.S.-funded food assistance being used to coerce sterilizations.

The Subcommittee apparently has been provided material with respect to these two cases, but again, let me add that we will investigate any allegations which are made in this regard and take appropriate action. We concur with your deep concern, Mr. Chairman, and we will investigate any allegations that allege U.S. food aid in any involvement.

In concluding this testimony, let me make a few final points.

We obviously are pleased that the Government of Peru has announced the key changes it has informed us of this week in its family planning program and policy. These steps will help ensure informed choice. We obviously regret that these steps were not taken earlier, as we and others had urged. Nevertheless, this is an important development, and we will continue to keep you and your staff apprised of progress toward implementing these improvements.

The course of our future action will depend in part upon the continuing response of the Peruvian Government to this situation. We will continue monitoring the implementation of the steps that we have been informed of. And it's essential, we believe, that the Government of Peru continue to listen to the voices of its own people, in this case the ombudsman's office, women's groups, health worker providers, the National Medical Association, and the Ministry of Health's own evaluation of its program.

We look forward to working closely with you and your staff in the future to support America's international family planning programs.

I thank you for the opportunity to appear today.

Mr. SMITH. Thank you very much, Mr. Schneider. I appreciate your testimony.

[The prepared statement of Mark Schneider appears in the appendix.]

Perhaps like you, I just got this statement from the Government of Peru. In looking at it very quickly—we will analyze it very carefully, I can assure you—there seems to be a minimizing or an attempt to minimize the extent of the problem. Perhaps all governments go through that when they try to spin and try to suggest that it's not as bad as you think it is.

I notice in one of the changes that will be made, it says there will be no provider targets for tubal ligation or any other family planning method. What about national targets? It says regional and provider, but what about national?

Mr. SCHNEIDER. My understanding is that there will be no provider targets in terms of goals at the national level either.

Mr. SMITH. At any level? They left that out. It was local or regional.

Mr. SCHNEIDER. I think when it says there will be no provider targets. Period. The indication was that that was at the national level. In other words, my understanding is that there are no goals to reach.

Mr. SMITH. I would ask that you try to get them to be very clear on that.

Mr. SCHNEIDER. Let me just say, Mr. Chairman, that I am perfectly prepared to say that we are prepared, after a period of time, to inform the Committee fully as to the implementation of these steps. We will advise our contracting agencies to report to us if there is any reappearance of the campaigns or if there, in fact, appear to be goals set.

We do support the ombudsman's office and the women's rights organizations, and we will ask them specifically on this matter, as to whether or not they have found anything that contradicts this.

Mr. SMITH. In my opening comments I asked that an independent audit determine whether any U.S. assistance to the government or NGO's has been used in the sterilization campaigns. Can you agree to that?

Mr. SCHNEIDER. As I stated, what we have done is from the beginning we have segregated these programs. We would be happy to supply you with the information that demonstrates that.

I should add that the general support that we provide is generally going through non-governmental organizations to the largest extent. We will continue to monitor and we will continue to inform the Committee, and as I stated with respect to this, we will inform the Committee of these activities.

We do have a series of continuing reports of activities and the use of funds, and we will continue to monitor that. We are confident from the examination of these reports that these funds were not used for the campaigns.

Mr. SMITH. One of USAID's projects in Peru is called Project 2000. It is a program in which several NGO's, including a population control organization known as Pathfinder International, assists the government in developing a wide variety of health care systems and services. How sure are we that none of this assistance has benefited the government sterilization campaigns?

Mr. SCHNEIDER. My understanding is that that project relates to a range of health services, not merely the family planning program. The focus of it does include maternal and perinatal health, but we have been monitoring the program. They would be violating their agreement with us; essentially they would be violating their contract with us.

Mr. SMITH. Has there been any independent audit of that?

One of the concerns that many of us have—I have it—goes back to when we first became aware of coercion in the People's Republic

of China that the groups that most aggressively defended that program were many of the NGO's, some of those that to this day continue to receive large donations from the U.S. taxpayer, and chief among them is the U.N. Population Fund, which to this day continues to say it's a totally voluntary program.

That is not even a question anymore. It was a question, and I lived through it, throughout the 1980's when I offered amendment after amendment and had people at USAID tell me that I was missing the mark by a wide mile. Some agreed but many of them disagreed, and especially the NGO community and UNFPA, very aggressively.

So there is a past to denials and assertions of non-complicity that I'm concerned about, especially when the whole trend in the NGO community is toward integration of health and other humanitarian services. They could become tainted wittingly or unwittingly, like in the food distribution centers and things of that kind.

Please respond.

Mr. SCHNEIDER. I understand your concern, Mr. Chairman. What I would like to be able to do is to put together the financial reports that we have on the use of the grant funds. I'm fully prepared to make those available. If after that you believe that there is an additional need, we will discuss it. But I am confident that there has not been any misuse of funds.

As I say, we do have continuing internal audits; we do have the review by our own Inspector General of the use of grant funds. I am confident that they have not been misused. We will be happy to provide that for you.

[I am providing a copy of the Inspector General's September 1996 report, the most detailed audit of food aid undertaken up to that date. I should also state that the report found no diversion of food aid nor any misuse of funds resulting from monetization of food aid by the cooperating NGO's. The recommendation in the report, all of which were improvements on an already well-run program, were implemented promptly by the Mission in Lima.

[The report appears in the appendix.]

Mr. SMITH. Every grant is not inspected. There is a certain amount of trust that is implied, especially if there is a track record of having provided grants to that group. So spot checks may or may not discover something. Now that we have a very real and compelling problem on our hands, that's why I asked if an independent audit is something that you could agree to. Could you say yes or no to that?

As I think we have demonstrated, we are trying to be as absolutely honest and transparent as humanly possible. I don't want to bring up the PRC again, but having lived through that and having seen chicanery and distortion that I still can't believe, the jury is out. When the government says "there are eight cases." Well, there are eight cases maybe that he knows of and looked into. I'll never forget when I started making trips down to Central America finding how small many of the human rights contingents were that were looking into massive violations from the FMLN or any of those other groups. There are just too few people looking at this.

As my chief counsel advises me, the ombudsman had one investigator. How aggressive were they? How wedded to the program potentially were they? Any conflicts of interest? He says they were good, but that's one person.

Mr. SCHNEIDER. They are totally independent, and I think they are respected throughout Peru. The international human rights community would also say that the ombudsman represents an independent view.

Mr. SMITH. But understaffed, certainly. We need to know and have confidence that our tax dollar, wittingly or unwittingly—and I think it would be unwittingly—is not being used to promote this kind of violation of women's rights.

Mr. SCHNEIDER. Mr. Chairman, as I say, we will put together those reports for you. If after that you still feel there is a need for a further audit, then we will provide it.

Mr. SMITH. I appreciate that commitment.

Could you describe what USAID did to segregate its aid from the sterilization campaigns, what technical steps were involved in the segregation process? For example, were certain kinds of aid that we had been giving before July 1996 immediately discontinued? Did we require new reports of the government and/or the NGO community that worked closely with the government?

Mr. SCHNEIDER. As I stated, we informed the government that no funds would be provided to them for the campaign; we informed the government that none of our other resources could be used for the campaign; we segregated the program from the campaign at the start and informed our NGO's as well of the same prohibitions.

Mr. SMITH. Would you provide for the record more information on the technical details on how that was done?

Mr. SCHNEIDER. Sure.

Mr. SMITH. That would be helpful.

[The information is being prepared by the USAID Mission in Lima, and will be found in the Committee files as soon as it arrives.]

Mr. SMITH. One of the requests in my opening statement was to discontinue the distribution of food through government medical posts which are closely associated with the sterilization campaign. Is that something that USAID can support?

Mr. SCHNEIDER. I think one has to review what the food programs are aimed at and how they function.

Mr. SMITH. Nutrition.

Mr. SCHNEIDER. Let me explain. There are five different cooperating agencies. Four of them provide the food directly in sites other than those that are health clinics. The fifth was an organization which has previously been cooperating in the food distribution program, and it was the one that demonstrated that it could provide programs in the poorest areas of the country where the highest vulnerability children were.

In the context of dealing with the problem of malnutrition, or extreme malnourished children, the view was that it is essential to have them linked to the health clinics where the families also could obtain information about clean water, how to prevent diarrheal disease, assuring that the children were immunized at the same time.

Essentially what happens is the children go into the programs for between 6 months and year. They are severely malnourished; there are a series of criteria. In that process it's a combination of the food plus the health services that result in their being able to achieve a more adequate nutritional level.

The program you are referring to, there are some 2,300 of those sites. Only 200 of them are the ones directly run by a Ministry of Health official who is also responsible for the family planning services.

Mr. SMITH. How do you respond to the report that we have—we did submit this. It was part of Joseph Rees' staff report—that Dr. Jon Matta, President Fujimori's health advisor, defended the practice of going house to house to persuade women to undergo sterilization because, to quote the doctor, "if the Ministry of Health did not do the campaign house to house, people would not come." Asked whether there was a need for health workers to go back to the houses time and time again, Dr. Jon Matta replied, "with a long discussion of a hypothetical male patient with a hernia, a man might not want to get the hernia operation for any number of reasons, but", Jon Matta said, "it was a doctor's responsibility to convince the patient into doing what was best and having the operation. It's exactly the same with the ligation," he said. "Women in Peru are having too many children."

Poverty is one thing, but if there is an overwhelming health component, perhaps an argument could be made. But when there is an ongoing process to convince someone that children should not be born to that woman, and when you have the very substantial allegation of quotas and people getting bonuses for numbers of ligations performed, it paints a picture of a not so subtle pressure campaign. We've heard of these things, and I have met at least one doctor in Mexico where this allegation has been made, and a number of patients who were sterilized against their will. In this case it's a matter of pressure.

How do you respond to that kind of statement, the mindset of this Presidential health advisor?

Mr. SCHNEIDER. That's the reason that we opposed the campaigns and that's the reason that we segregated our program; that's the reason that no U.S. funds are used to support it. Precisely.

Mr. SMITH. If in the macro with the sterilization campaigns they are doing, what's to prevent it in the micro, if it just becomes parceled out so that in the implementation the mindset is still there, and there is no changing of stripes?

Just like nobody in this room believes, I don't think that Saddam Hussein has changed his stripes on a whole host of issues. If this is the mindset going into this, why if the campaigns are discontinued won't it just be done in a more piecemeal fashion?

Mr. SCHNEIDER. I think what we have seen is recommendations from the ombudsman's group in Peru, the health providers in Peru, recommending that these changes be made for many of the reasons that you are describing along with our recommendations and along with your recommendations. As a result of that, the Ministry of Health has agreed to make the changes that we have heard about, which in fact end the campaigns.

I believe that it's clear that in all instances health services, family planning or otherwise, should respond to the spontaneous and informed demand of the individuals not recruited for these kinds of services.

There is one thing that you said at the initial part of your comments with respect to the food program, and I just want to be clear. There are about 400,000 children who receive food through this program. I believe it's 150,000 families. There have been only two alleged instances on problems, and we investigated them specifically.

Even before last year, last April, as part of the internal review of our programs, we asked that they begin to undertake a review of family satisfaction with the program, including what kinds of information they received with respect to family planning and their satisfaction.

This is one of the areas where there is a slight inaccuracy in the Subcommittee report. It was not a precondition for the 1998 program, but it was a fact to be accomplished during the 1998 program. It is under way now. In the preliminary part of that—this is what I wanted to get to—they analyzed 55,000 cases in terms of saying has there been any change during this period in terms of the use of family planning methods, and the answer is no.

They are now going to go back and interview and undertake interviews with the people who receive services in terms of, did you get adequate information with respect to family planning services? Were you pressured in any way? They are going to attempt to determine that user satisfaction during this time period.

By the way, that was before any allegations were made.

Mr. SMITH. With respect to the Food for Peace food distribution programs, why has USAID dramatically cut the role of CARITAS, the Catholic relief agency, and increased the role of PRISMA, the NGO that ran its food distribution programs through the government over the last 4 years?

Mr. SCHNEIDER. It's very simple really. There was an effort made worldwide to increase our focus on the most food-insecure communities and the most malnourished. In the initial proposal from CARITAS they had 44 dioceses that they had proposed to cover. Eleven of those are on the coast where the levels of food insecurity were relatively low. Compared to the other areas of the country, those areas were not the highest problems, and therefore we requested that those 11 areas not be included. We funded fully the 33 that met the criteria of being in the areas of highest food insecurity and higher problems of malnutrition.

The program that you mentioned had a higher concentration in those communities of food insecurity, and that is why they received additional funding. That was basically it.

Mr. SMITH. The new monitoring and supervision system that the Government of Peru in its statement asserts that it will implement, have you gotten any word from them what that might look like so it's not people who potentially have a conflict of interest?

Mr. SCHNEIDER. I have, and will try in general terms to describe it. My understanding is they are putting together internally a combination of doctors and lawyers both inside and outside the ministry. It's a committee made up of OB-GYN, medical association, physicians college, the main medical school in Peru, and representatives of the Ministry of Health that will be reviewing all of these allegations. They are undertaking their own monitoring system of these new changes that they have put into effect.

I believe as well, which I think is very important for us because of the reason I stated earlier, that they are going to use the ombudsman's office as well as women's organizations to report on the implementation.

Mr. SMITH. One of the other action items speaks of compensation for those individuals or families where there is legal evidence of malpractice. Have you gotten any additional elaboration on what that means? What kind of effort will be undertaken to find these women? Very often it's a lack of knowledge that there is some way of redress that will prevent people from coming forward.

Mr. SCHNEIDER. Two things. The ombudsman's office does have—I forget the number—district office, regional offices around the country in terms of human rights concerns. My understanding is that they do have nationwide target areas that they can reach with their announcements that they are available for complaints to be made.

The other is that the human rights organizations, particularly the women's rights organizations, will be made aware of this. I can assure you that the women's rights organizations in Peru are very active. We support them. Manuela Ramos is one of those. I have no doubt that they will be seeking out women who feel that they have in some way had their reproductive rights violated to bring their cases.

I think it's important that in this process that apparently there has already been an ad hoc judge named to look into this for this purpose. Once they are verified, they would go for compensation.

I am also informed that the ombudsman's office itself has a women's rights office.

Mr. SMITH. Is that something USAID would consider as part of your publicity campaign, to inform women that if it was something less than voluntary or informed consent—

Mr. SCHNEIDER. Absolutely. We would inform our own cooperating agency.

Mr. SMITH. What about the larger public relations effort?

Mr. SCHNEIDER. To the degree that we do public relations in this area, absolutely. We generally would do outreach and dissemination through the groups which are located all over the country. The groups are the ones that are out there.

Let me say this. What we will do is we will work on development of a statement for all these groups to put out through their programs and through their local organizations.

Mr. SMITH. I'd like to yield to the staff director and general counsel, Joseph Rees.

Mr. REES. Mr Schneider, someone in another congressional office was kind enough to give us this morning something that is called the USAID Peru Population Assistance Fact Sheet, which apparently was faxed around to other congressional offices yesterday—not to our office, but to other offices—which makes some rather stronger statements than you do about the report that I issued. Frankly, it's a crummy way to do business, but I do feel that we need to get on the record some of the things that are said in this "fact sheet" and get your reaction to them.

Mr. SCHNEIDER. I'd like to receive a copy of the fact sheet myself. Apparently there is some confusion. Perhaps you could make a copy available to me.

Mr. REES. It has a USAID fax logo on it.

Mr. SCHNEIDER. Or else send it to me.

Mr. REES. Perhaps it's a clever forgery, but it does seem to mirror your testimony. It makes some rather stronger statements than you make in your testimony. It's not the first time this has happened.

Mr. SCHNEIDER. I'll be happy to respond once I see it. We'll send you a written response.

Mr. REES. Some of the things here are also in your testimony, and I'd like to ask you about them.

Mr. SCHNEIDER. Sure.

Mr. REES. The general pattern that is kind of disturbing—I did spend only a week in Peru. It was therefore necessary to rely primarily on secondary sources. You can only visit so many people who claim that things actually happened to them. We visited with feminist organizations, with church representatives, the human rights coordinator, the ombudsman. As is clear from the report, the impression that I emerged with was that this was not a small problem; this was a big problem.

Although it is not possible to quantify the number of women out of those 110,000 who did not have fully informed consent, I don't think it's a fair characterization of the ombudsman's position that only nine people didn't have fully informed consent. The coordinator of human rights, which is a respected, independent—

Mr. SCHNEIDER. Who we helped finance.

Mr. REES. Right. I want to quote here from their report. In May of 1977 they reported in a petition to the U.N. Economic and Social Council, "The national population policies have on many occasions resulted in the imposition of methods of sterilization."

The impression I had from a meeting at which Ms. Brems from USAID was also present with some representatives of feminist groups—it was an informal meeting; I didn't put any of their names in the record—was that this is a pattern. This is not something that just happened a few times. I really thought we were agreed on that when I was down in Peru, that this was a big problem. Yet if I only read this fact sheet, I would think that this Subcommittee was making much ado about nothing, that there were nine cases that we know about and there might be a couple of others lying around there. That's disturbing.

There is a traditional lawyer story, that the good lawyer can make three arguments simultaneously: my dog didn't bite your client; your client provoked my dog; and I don't have a dog. That seems to be what you are doing here. You are saying we dissociated ourselves from these campaigns, and they weren't so bad anyway.

Mr. SCHNEIDER. I think that's wrong. They were bad. We argued from the beginning that they should be stopped, because inevitably what they do is they open the door to abuse. Whether that is one or nine, by opening the door to abuse we said that we would not provide any support, and we did not provide any support.

We also said that when those kinds of abuses occur that we believe the government should, and thankfully in this instance they

did, announce that they would stop those campaigns, because they are wrong, and we think that they failed to provide for women's rights, and we think that they inevitably tend to result in the possibility for inadequate health care for the women, particularly when they take place in places that are not the traditional places where appropriate medical treatment can be given.

Let me also just add, however, there is a difference between—this perhaps relates to your concern—saying that the overall policy of campaigns and setting goals we believe in general is wrong and saying that it has produced widespread violations. That, we do not believe has taken place. Let me just give you some of the reasons.

Mr. REES. So you disagree with the Coordinadorn.

Mr. SCHNEIDER. The difference is what is—

Mr. REES. They said many occasions.

Mr. SCHNEIDER. To me nine is many.

Mr. REES. You think they only meant nine?

Mr. SCHNEIDER. All I'm saying is that there has not been substantiated a mass lack of informed consent. What we said is that the policy and program created that possibility and we should not participate in it, and we should investigate and press the government to change the policy, and that's what we did, and we should continue to do so.

Mr. REES. An anonymous source identified as a U.S. Embassy official told a Peruvian newspaper in the last few days that the abuses in the Peruvian program were just isolated cases. You just said nine is many. How many cases would they have to come up with that they validated, that is, people who came forward, despite whatever they may perceive as the risk to themselves, people whose cases were thoroughly investigated, and yes, this is a definite yes? How many do they have to come up with before you would be prepared to tell our Embassy officials to stop calling up and saying that they are isolated cases?

Mr. SCHNEIDER. I don't think that it's going to produce any particular number. All I can tell you is that I believe that we did what we should, which is to say stop the policy, change the policy; it can produce abuses; those abuses are not acceptable, whatever the number is.

Now that the government has changed the policy, it's our responsibility to monitor it, to see that it's implemented, and to ensure that there is no repeat if we are going to continue to cooperate in the future.

Let me just add here. There is something which I think is important in one of the recommendations you suggested, that we stop support for family planning.

Mr. REES. That was going to be my next question. That recommendation is not in the report. Where do you see that recommendation in my report?

Mr. SCHNEIDER. I believe that was in one of the questions.

Mr. REES. Direct monetary assistance to the government program. Money, unlike in-kind assistance, can be used for anything that the people want to use it for.

Mr. SCHNEIDER. Currently, my understanding is that we virtually do not provide direct monetary support. There is a very

small amount of money that goes to the Government of Peru, and it is basically for training in a particular area of informed consent.

My concern was that I believe in the earlier questions there was a view that we should not provide support, and I wanted to make it clear that we believe that we should continue to provide family planning support in Peru, because we do think that it results in saving women's lives, and we do believe it helps ensure the reduction of infant mortality rates.

Mr. REES. Just so we can be clear on what we agree on and don't agree on, and since I don't know how many people you faxed this fact sheet to, the "Fact Sheet," as it calls itself says that "despite the impossibility of a thorough investigation into allegations, the report suggests"—that's my report—"recommendations that would have far-reaching ramifications such as discontinuing U.S. support for technical assistance and contraceptives for the entire national family program."

Then you go on to defend a number of particular kinds of assistance which the report does not attack. Here's what the report actually does recommend. The report recommends that USAID stop training government doctors on how to perform sterilizations. It recommends that we discontinue direct monetary assistance to the government family planning program—you're correct, I think there is only a little—until the sterilization campaigns are discontinued and other abuses corrected.

With respect to contraceptives and other in-kind assistance, it suggests only that USAID evaluate such assistance in light of the possibility that it could directly or indirectly benefit the sterilization campaigns or give rise to a perception of continued U.S. support for the campaigns.

It doesn't say that you need to cut those off. It discusses that question at some length, and that's just not what the recommendation is.

Mr. SCHNEIDER. I'm pleased to hear that, because I think that would be a mistake.

Mr. REES. You could have known it already.

Mr. SCHNEIDER. The problem is there was an assumption if you answer that in the negative, that therefore you should cut off all the family planning programs, and we clearly now agree that that would not be the wise thing to do.

There is also, it seems to me, one question. The fact sheet that you are referring to, I did not fax those to anyone. If I had, I would have made sure that you received it first.

Mr. REES. I was using "you" in the plural.

Mr. SMITH. I think you may have indicated this earlier. Will you let us know who sent this around? It would be nice to know since it had some things that raised questions.

Mr. SCHNEIDER. I agree.

Mr. SMITH. It is important, and I said this in my opening statement, in terms of keeping us abreast of anything that you hear of in your shop regarding these things happening. We would have loved to have known this a year and a half ago. We were out of the loop per se in terms of USAID notification.

Mr. SCHNEIDER. Let me be clear. We had no reports of allegations of abuse a year and a half ago. The first time that those re-

ports were received was in November and December. That's when we sent the letter and briefed the staff.

Mr. REES. When I was in Peru I saw newspaper articles from early 1997. The Coordinadorn's report was from May 1997. If the possibility of problems was important enough to segregate our assistance in July 1996, then why not say to Chairman Smith—who you have got to know is concerned about this and who has asked you about similar issues in the past—hey, look, you'll be happy with us. Frankly, we probably would have recommended even more dramatic steps. It's just a little awkward to read these things in the newspapers a year and a half later.

Mr. SCHNEIDER. If I could, Mr. Chairman, what I would like to do is to suggest that whenever there are actions that result in a policy or program change that we undertake such as this that we do inform the Committee. I think that's fair.

Mr. SMITH. If I could just ask that it be expanded when you hear of allegations that are judged at least to be credible. Even in a collaborative way we can then speak hopefully with one voice to an offending country that this is absolutely outside the norm of acceptable human rights behavior; it is to be condemned by everyone regardless of their position on any of these issues.

Mr. SCHNEIDER. I understand.

Mr. REES. As the Chairman mentioned, we were in Mexico in June 1996. Not about this issue. We were meeting with a group of human rights advocates, broad-based, not people with any special interest in family planning. Congressman Smith asked, "By the way, is there any problem with coercive population control here?"

Before the question could be translated into Spanish, the USAID person who was there, who we had not actually invited to the meeting, said, "No, that doesn't happen here."

Then the question was translated into Spanish, and I think five of the six people nodded their heads and said, "Oh yes." And several of them knew of particular cases and knew of doctors who had been put under pressure.

Nevertheless, on a subsequent visit that I made to look further, USAID took the position that this wasn't happening. And I should say that that was in contrast to Peru, where I thought they were much more engaged. But now in the human rights report, the country report that came out just last month, it really suggests that there are some very serious allegations in Mexico. We have requested a full briefing on that. Will we be able to get it very soon? And if you have any thoughts on what is happening in Mexico, it would be good to get them on the record.

Mr. SCHNEIDER. Two things. First, yes, we would be pleased to brief you on it.

Second, the human rights report, the paragraphs that you saw in the 1997 report also were in the 1996 report. There was no change, according to the State Department. I looked at that, and they informed me that they simply put in the same paragraphs that were there in 1996.

With respect to the specific cases, if you recall, I indicated last year that we would undertake a review of those cases and attempt to investigate the allegations. There has been subsequent action since the letter that I sent to the Chairman. It took some time to

go through a process where the women were prepared to have their names given to someone who would then undertake to investigate the allegations.

Finally, we did contact PROVIDA, and they arranged with the women to contact the Mexican Human Rights Commission, which is similar to the U.S. Civil Rights Commission in the sense of autonomous operating.

My understanding is that they have begun the investigation. They have opened files in those cases, and in fact we received yesterday information from the Mexican authorities that the commission will be preparing its response shortly. Presumably that will be either verification or not of the allegation and recommendations with respect to those cases.

Mr. REES. Just one more question about Peru. The one case where there was a woman who alleged that she was promised food through PANFAR in exchange for sterilization, the investigation seems to have been done by the NGO, by PRISMA, the organization that was accused of the violation. Is that the regular way to do things? Wouldn't it be better to send somebody else?

You are often dealing with somebody who is in a position or perceived position of authority in the community, and a very poor, perhaps uneducated woman. Are we really sure that what they tell or what the NGO says they told them is the ultimate fact of the situation?

Mr. SCHNEIDER. No. I agree with that. The initial information, however, was with respect to the records of when the child had entered the program, what were the conditions, in terms of attempting to look at the allegation. It was on that basis that the information was sought from PRISMA and from the Food for Peace office which undertook the investigation. The allegation was not verified.

We will provide you with the details in both cases, both the case that you mentioned—

Mr. REES. I think I got it. It was in your fact sheet.

Mr. SMITH. Will the gentleman yield?

Mr. REES. Sure.

Mr. SMITH. Part of the concern that we have is the whole area of independence. I'll never forget a number of meetings that I had, especially one in New York, with Dr. Sadik in 1989 when I was one of George Bush's two congressional representatives to the United Nations. So I spent quite a lot of time up there. I asked for a meeting and got a meeting with her and asked her all about the coercion in China. She said there were reports done; there were investigations undertaken under the auspices of UNFPA; and they found it to be totally voluntary.

I said, well, please let me see the reports. I had an USAID person sitting right there. He was nodding his head. Let's see the reports.

I never got the reports. Apparently there were no reports. If there was an investigation, it was internal or never reduced to writing.

The independence factor of who is investigating. That's why even with our own process here on the Hill, as you know so well, there always needs to be the GAO, and there always needs to be this oversight to ensure an absolutely pristine investigation, or as much

as you could possibly get. So the independence of this report, as you just mentioned, is drawn into question.

Mr. SCHNEIDER. If I could, we had as of June 1996 one of the most intensive worldwide Inspector General's reviews of the food program in Peru, looking at questions with respect of did it get to its beneficiaries, et cetera. Those results were extremely positive with respect to the food program.

I guess the answer is that we do have independent reviews. When these kinds of allegations occur, we also immediately try and get the information that would permit us to make a judgment of whether there is a basis for further investigation.

I think it's fair to say that when these cases arise that we shouldn't be satisfied with simply the same organization that has the information undertaking an investigation, that we should have a third party, and I am fully prepared to ask in this case the human rights organizations in Peru to look at these cases as well.

The fastest way for us to try to find the information when these allegations occur is obviously to ask the people with the data when did that person enter the program, when did she and the child leave the program, what was the situation.

We will make that information available to you, and I'll be happy to ask the independent human rights organizations to review this.

Mr. REES. Thank you. Just one more thing on the ombudsman. I did meet with Rocio Villanueva who was the investigator who worked on this. I don't remember if Ms. Brems was in that meeting or not. I don't think she was. She is obviously very determined. She made it clear that she doesn't have any problems with family planning; there is no axe to grind there. I didn't know until I read this piece of paper today that there were only nine cases. I did read the report of the Defensoria.

It was clear from our interview with her, which came out before the report, that she didn't think there were only nine cases. In fact, I think there is a direct quote which I did not attribute to any particular person, but I said one investigator said. And that was who it was.

She said she had found a lot of women who were satisfied with their ligations, who were happy, but that even in those cases she did not think they had been fully advised of all the risks and the disadvantages of the operation. And from person after person, including many, many people who don't have any axe to grind against family planning in general, there was a general impression that if you consider it an abuse that a woman has this operation without being fully informed of the advantages and the disadvantages and the other methods, this was not isolated; this was systemic.

Mr. SCHNEIDER. It's clearly a violation of civil rights; it's clearly a violation of what we consider to be an adequate family planning program; it's clearly what we consider to be something that results in our saying that these campaigns should be stopped, and they were stopped.

In this particular instance, let me just add that I have no question that there are instances such as those we have heard that the ombudsman has discovered where full informed consent was not provided. That's why we made the statements that we did.

I think as you know, we have asked that an independent, if you will, study of user satisfaction be undertaken nationwide, similar to what is already under way with the food program in terms of the participants that I mentioned earlier.

Mr. REES. But which you didn't require the food program to begin until January 1998, right?

Mr. SCHNEIDER. No, because there had been no allegations of any kind. As part of the normal program management we said we think you need to do this, and the first step was to review 55,000 women and to look at the data, and they are doing that currently. We will be quite prepared to provide you with the results from that study and the one on user satisfaction in terms of family planning services.

Mr. REES. The only point made in the report is that you should have asked them to do it shortly after April 1997 instead of in January 1998. We might have found out things in time to deal with some of these problems.

Mr. SCHNEIDER. On the one hand you have very in-depth study by the Inspector General of the overall program. For 3 months they had inspectors in the country looking at the Food for Peace program, and they found it to be one of the best programs that they saw, and that it did reach the needy beneficiaries, and the statistics show reduced malnutrition among children by 30 percent. It was working.

That was followed by continuing regular monitoring of the program itself. As a result, in that process we asked this additional information to be made available during the course of 1998, and there had been no allegations at the time that we requested that. Had there been, we obviously would have said immediately do it. That's why we have gone back and said accelerate that, complete it faster.

Mr. REES. When was that Inspector General's report, by the way?

Mr. SCHNEIDER. It was completed, I believe, in June 1996.

Mr. REES. So that was when you were still operating primarily through CARITAS or CARITAS was your largest grantee at the time.

Mr. SCHNEIDER. No. There were five, I think.

Mr. SMITH. We have a vote on the floor on the Witness Protection and Interstate Relocation Act. I am going to ask very briefly three final questions.

First of all, are you aware of any other country where any pressure or inadequate informed consent is an issue in the family planning program?

Mr. SCHNEIDER. No. Let me be clear about one thing. In the case of Mexico, for example, we have continued to follow that up. I traveled to Mexico along with Sally Shelton, and we attempted to continue to follow up the questions that you raise.

It's a question that we believe needs to be asked continually in order to be sure that programs are run in accord with the policy that I've stated, which is voluntary, fully informed consent, that the program provides those family planning services that women desire.

Mr. SMITH. All of us are always concerned about the other major issue of population control and meeting numbers; the belief, which I think is myth, that somehow the world can't sustain certain numbers of people.

President Fujimori, as you know, announced his family planning program in July 1995. A couple of questions. Do you know what was behind his newfound population priority?

I had met with him before that and sensed zero concern about those issues in terms of launching that.

Were the U.S. Government or any of our personnel encouraging him to move into this whole area of family planning/population control?

In Peru or in any other country does the IMF or the World Bank encourage, either orally or in writing, either directly or indirectly, that a country establish a family planning or population control program?

Mr. SCHNEIDER. Family planning programs are viewed to be an integral part of maternal child health programs. I would say that most world health organizations would argue strongly that family planning services need to be provided in order to permit women to be able to space the births, if that's what they want.

Mr. SMITH. The question is not about the rationale. With the IMF or the World Bank, is it in any way a part of their negotiation with a country?

Mr. SCHNEIDER. I can't tell you in terms of negotiation. I will tell you, however, that integrated family health programs, maternal/child care programs, I know that World Bank, World Health Organization all believe that family planning should be a part of—

Mr. SMITH. I know what the rationale is and what their assertion is. The question is—

Mr. SCHNEIDER. Do they support it?

Mr. SMITH. No. These are people who have substantial lending capabilities, the IMF and the World Bank, and obviously can exercise considerable clout over a nation that is in dire economic straits. A reallocation or a restructuring, for example like Peru, of its loans, and in comes a basket of issues of which population/family planning is one of them. That can easily be perceived, orally or written, directly or indirectly, as a pressure on a government to get with the program or else run the risk of losing or not being as favorably received by that institution. I want to know if it's part of the mix.

Mr. SCHNEIDER. It clearly would be.

Mr. SMITH. With IMF as well?

Mr. SCHNEIDER. I don't know with IMF. If, for example, you want to reduce maternal mortality and the World Bank has a program to do it, they would undoubtedly say there should be some family planning services available to women in that process. Particularly in Peru, because Peru unfortunately has the third highest, I believe, maternal mortality rate in Latin America. As you know, Mr. Chairman, one of the tragedies is that it's listed the third, but probably even a higher cause of maternity mortality in Peru are illegal abortions because they don't have access to family planning services.

Mr. SMITH. As you know, Mr. Schneider, there is a great controversy as to what is acceptable, what is not. There are those who feel natural family planning is the only way to go; some who feel that abortifacient disguised as family planning and contraception is something that is part of the overall mix, but the bottom line question that I need to know, and I want it for informational purposes, and I always get a stall; I never get a clear answer. Do these institutions require a population stabilization of any kind as part of a sustainable development as in any way a condition for a loan or some economic support that they are looking for? If the answer is yes, OK. If it's no, OK.

Mr. SCHNEIDER. I don't believe so in the way that you just phrased the question.

Mr. SMITH. That's why I said directly or indirectly. That's why it's important to get to the heart of it. Is it something that is part of a package and "you'll be looked at favorably if you meet this criteria"?

Mr. SCHNEIDER. You said something which I want to also be clear. USAID, and I believe all of those organizations, when I say family planning services, I included natural family planning services.

Mr. SMITH. As we know U.S. law, and I think USAID would disagree with our changing the law, says only those organizations that provide the full array. So there are many who would provide, for example, natural family planning or maybe natural and condoms, but don't believe that abortifacient should be part of that mix. They're excluded from that provision of U.S. Government aid.

Mr. SCHNEIDER. What I want to get back to is your original question. Do I believe that the bank, et cetera, includes a maternal mortality program? When I say, yes, I'm sure they would, it would include natural family planning as a choice.

Mr. SMITH. The question is, why is that a criteria for a loan for a country like Peru, that needs, or it did some years ago, restructuring of its loans?

Mr. SCHNEIDER. When I say a loan, I can't tell you for sure in terms of a loan in agriculture, but I can say that if it's a health loan that is aimed at improving maternal health and reducing infant mortality, I would be very surprised if it did not include a full array.

Mr. SMITH. Could you get back to us with a more detailed answer? I know you are attempting one. And also as it relates to an economic loan, as a restructuring of debt, which these countries are riddled with.

Mr. SCHNEIDER. I don't believe so, but I will be happy to.
[The answer below was supplied following the hearing.]

The IMF conditions its assistance on macroeconomic reforms. I am not aware of an instance where the IMF has required any condition related to family planning. Likewise, the Treasury Department has informed me that the World Bank has no policy that requires family planning programs as a condition for its lending, even within the health sector.

Mr. SMITH. It seemed there was some suspicion that after a visit by some U.S. officials and then some of these announcements one could only guess that all of a sudden Fujimori was enamored of

population control, which again, having seen him face to face, wasn't even on his radar screen.

Mr. SCHNEIDER. I will say that earlier in the 1990's President Fujimori was clearly focused on issues of terrorism and hyperinflation and getting the economy under control. I did see him in 1996 or 1997, and at that point his focus had shifted to poverty as his focus of concern. But we will get back to you with respect to the questions as to what we are able to find out with respect to—

Mr. SMITH. I appreciate that. Mr. Schneider, you have been very gracious with your time. Regrettably there is a second vote. I missed one already. I'd better make this one. It's the final passage.

Let me just say for the record we did get a copy of that fax. It went to seven very, very "pro choice" members. No pro lifers got that fax. That again hurts this idea of being completely up front and open when some of those talking points were criticisms. I'll lay it all on the table every day of the week with you folks. I hope you would do the same with me.

We are temporarily in recess.

[Recess.]

Mr. SMITH. The Subcommittee will continue its hearing. I apologize for the break. There are some additional votes coming up right afterwards, but we will try to keep the hearing going to hear this very, very important testimony.

I would like to present our next panel, beginning with Dr. Hector Chavez Chuchon, who is a physician and the president of a regional medical federation in Peru; Avelina Sanchez Nolberto and Victoria Espinoza are women from Peru who sadly and tragically underwent tubal ligations at medical facilities of the Government of Peru under very, very bad circumstances.

Let me just say on behalf of the Subcommittee this record will be very widely disseminated to Members. I know when they hear of your story, they will be moved, as I was when I first heard of it. Now we will hear in greater amplification what has happened and what is going on in Peru. I do thank you for your willingness and courage to come to the United States, to come to the Congress and bear witness to a very harsh reality and a truth that some would like to see put under the table. So I do thank you for your willingness to do so.

Doctor, if you could begin.

STATEMENT OF DR. HECTOR HUGO CHAVEZ CHUCHON, PRESIDENT, REGIONAL MEDICAL FEDERATION OF AYACUCHO, ANDAHUAYLAS, AND HUANCVELICA, PERU

Dr. CHUCHON. Thank you very much. I thank you very much for hearing us. My name is Hector Hugo Chavez Chuchon. I am the president of the regional medical federation of Ayacucho, Andahuaylas, and Huancavelica in the Republic of Peru. I must say this is the poorest region in our country, in Peru.

Right now I want to say very clearly that I don't belong to any particular political group, and I hope that the Peruvian Government has the best possible success in its work for the Peruvian people, but I have the moral obligation to come forward to give the moral position when things are being badly done.

I'd like to describe what has happened since the start of the tubal ligation and vasectomy sterilization campaign. In my region there are about 200 doctors. Some of the doctors in my region have come forward to complain about the inhumane and massive and expanding sterilization campaign, one that imposes quotas on medical personnel. As proof I have this document.

Mr. SMITH. Without objection, the full document will be made a part of the record both in Spanish and in English.

[The communiqué appears in the appendix.]

Dr. CHUCHON. I am going to read only a part of that document. It's a communiqué. This is a communiqué to all the health personnel in the region of Huancavelica.

There will be no payment for the bringing of patients for the AQV, which is the sterilizations that are done through obligation.

At the indication from our executive directorship of health the persons in the basic health program, the persons on the list, have to bring in two patients per month for sterilization.

The personnel termed focalizado have to bring in three persons for the AQV, the sterilization, per month.

The personnel labeled as clas have to bring in three people per month for sterilization.

I have concluded the places where these sterilizations are done are generally deficient and the personnel doing the sterilizations are usually not sufficiently trained for the operations.

The Ministry of Health denies that there are campaigns or quotas, referring to sterilizations, and absolves itself of its responsibility but doing this without taking into account among other things that the doctors work underneath their own orders. The doctors who are contracted work underneath a very subtle pressure, because employment conditions are very unstable and there are very few social benefits, and they can easily lose their work position.

I would like the Members of Congress and the people of the United States to understand that my country is a very large one, and we are not yet at 25 million inhabitants. So this in no way calls for a brutal campaign of population control and much less one that features sterilization.

The facts show us that prosperous countries like Japan have a higher density of population. Even though geographically it's a much smaller country and they lack the natural resources of my country, they still live prosperously. So it's clear that the most important thing are human resources which can generate wealth and well being. Therefore, I would say that for those who really want to help my country, it would be better to invest in education and job creation the millions of dollars that go in population control programs.

Thank you very much.

Mr. SMITH. Thank you very much, doctor.

[The prepared statement of Dr. Chuchon appears in the appendix.]

I would like to ask Ms. Espinoza if she would proceed.

**STATEMENT OF VICTORIA ESPERANZA VIGO ESPINOZA
(JOSEPH MEANEY, TRANSLATOR)**

Mrs. ESPINOZA. Good afternoon. My name is Victoria Esperanza Vigo Espinoza. I am 34 years old. It's very important to say that before they did the tubal ligation it was very difficult for me to have children because I had hormonal problems. I took pills to regulate my menstrual cycle and to become fertile so that I could become pregnant.

On the 23rd of April 1996, I went to my private consultant, to the clinic, because I had had small spotting of blood. I didn't give it too much importance. I was about 32 to 33 weeks pregnant, and because I was not insured, I preferred to go to the hospital, and the doctor gave me a transfer to the hospital. I didn't have any family members with me, but just a friend.

An obstetrical nurse admitted me into the hospital, and she told me to wait for the intern who would be coming down. I told the intern my situation, that I had a great deal of pain, a great deal of pain.

At that moment the obstetrical nurse, the intern asked me, "How many children do you have?" I told her this is the third. And she asked me, "Are you going to receive a ligation?" I didn't even answer because I wasn't interested in it, and I was feeling great pain. And they prepared to operate on me.

The intern then asked me if I had any family members present, and I told him no. And he said, "Sign this release for the operation." I didn't read it. I was in a huge amount of pain. And they did a caesarean on me.

In the afternoon of the next day I got up to go see my child, and they told me that my child had died. The next day the intern came in with the doctor, and I said that I wanted to go home. He asked me why. The intern said, "She is very sad because of her child's death." And the doctor tried to calm me down and said, "Maybe you'll have another child." And I heard the intern tell him, "No, she's ligated."

The next day an obstetrical nurse came in to take my blood pressure and check on me and asked me if I was still depressed. I said, "Mostly because they had done a ligation on me." But in my chart there was not indicated a ligation. So she went to go find the intern and asked him if it was true, and he said, "Yes, it's true. They did a ligation on you."

Later on that afternoon the intern came up and said, "Forgive me for what has happened."

On the third day I left. I felt very sad and very defeated, because I wanted to have this child and other children. And I had to go do psychological, psychiatric treatments. Somehow I still have faith that one day I'll have more children.

It's very rare for a case like mine to come to light. Thanks to God I heard what they were saying to each other. I do know my rights, and I'm educated. I know how to defend myself. It was very difficult for me to make a formal complaint, and it is much more difficult for the women in the countryside who don't know their rights, who don't know how to do it, to lodge their complaints.

And that's all.

[The prepared statement of Victoria Esperanza Vigo Espinoza appears in the appendix.]

Mr. SMITH. Ms. Espinoza, thank you very much for your courage. We heard earlier about the new Peruvian policy that would allow some right of redress. My hope is that it will be a very aggressive attempt to discover and ascertain who has been abused by the government's family planning program to date and not just a cursory effort, but an all-out effort to find the victims, and second, to provide every means available to enable those who have been abused to make their case effectively so that the burden of proof isn't so high and the bar isn't so high that recompense is not forthcoming. An example has to be made.

As you pointed out, Ms. Espinoza, you knew your rights; you were abused by the system, by an individual doctor. There are not nine as the ombudsman probably thinks, but there are probably many, many, many more. I can assure you we will do everything we can from our Subcommittee's point of view to make sure that the victims are identified.

Mr. Rees and I have talked about this, but I hope to undertake a trip sometime in the very near future to Peru, and now with the government's apparent commitment—I say apparent, because we've gotten words before from governments. I'm going to make sure the deeds match the words. Part of my agenda will be, in addition to addressing this issue in its totality, to make sure the victims like yourself are identified, are given a chance to come forward, and to receive that recompense so that it never happens again in Peru.

So thank you very much for your very compelling testimony.

Let me ask Ms. Nolberto if she would now proceed.

STATEMENT OF AVELINA SANCHEZ NOLBERTO (JOSEPH MEANEY, TRANSLATOR)

Mrs. NOLBERTO. Good day, Congressman Smith. My name is Avelina Sanchez Nolberto. I live in Ayacucho. I had a tubal ligation. The ligation that was done on me was done through trickery.

I had complications after the tubal ligation, and I've been an invalid since. I can't work to maintain, to help raise my children. Before the tubal ligation I was healthy and I was able to maintain my children. I've had to have four operations to help repair what the tubal ligation did, and I'm still in delicate health.

I've suffered quite a bit from all the different operations and the damage that was done to me. There have been major sacrifices for my husband and children as well as feeling kind of abandoned.

I want to denounce this, but I'm very poor and I don't know how to speak. Thank you very much.

[The prepared statement of Avelina Sanchez Nolberto appears in the appendix.]

Mr. SMITH. Thank you very much for your testimony.

Dr. Chuchon, Mr. Schneider when he was here made reference to the few validated cases of women who were sterilized without informed consent. Do you believe that these cases are isolated? Is it the exception, or is it more the rule that there are many more cases that simply are not known or have not come forward?

In like manner, you talked about the physicians and the subtle pressures. You've come forward, probably at great risk to yourself

in terms of your career. Are there others who might be willing as this scandal becomes more apparent to come forward to give testimony and bear witness to the abuse of women through coerced or pressured sterilization and a lack of informed consent?

Dr. CHUCHON. In the first case, I would like to say the Ministry of Health has accepted that there were people who died from ligations for the AQV, the sterilizations. They talked about three cases that were confirmed. But there are also complications from these procedures. In my work and being in contact with the people, there are not a few people who come in and lament and have all kinds of problems with what had happened to them. I would say it's a considerable number.

Responding to the question about pressure, unfortunately in my country, in the working sector it's very hard to get names, especially in health. What does exist are contracts. These contracts come for services that aren't personalized. It's a modality where there really isn't stability in terms of employment or social benefits. So it's logical to see the subtle pressure that exists on people who work in the medical field.

When people come in with complications that were "voluntary" the Ministry of Health would say the program is good, it's the doctor that's bad, that made a mistake, and they would try to shirk their responsibilities. This has created a lot of concern among the doctors, and they have gone to the medical federation to protest. The National Medical Federation has put out formal protests in the newspapers of the country, saying that the infrastructure was deficient and that the personnel doing these procedures were not well trained.

You asked if other people would be willing to come forward. I wouldn't know what to say in answer to that question, because really there is fear.

Mr. SMITH. Do you fear for your own career, having been willing to speak out?

Dr. CHUCHON. I don't know if the fear is founded or unfounded, but I definitely feel the obligation for my country to defend it, and that is why I decided to take the honor to come here before yourself, because I think this is too much. That's why I say this country which is so powerful and always helps us should invest especially in education and infrastructure and in job creation.

I want to repeat that my country is very large. It's the 16th country in size in the world, and we are a very rich country, and I would like help in education and in general cultural development and job creation.

Mr. SMITH. Is it possible that some of the women who come in, especially for childbirth, are perhaps sterilized without their knowledge as well as without their informed consent and as a consequent never get pregnant again but do not know that they have had a tubal ligation?

Dr. CHUCHON. It's very hard to affirm or deny such things. These are situations that are basically known on the inside. So it would be hard to affirm or negate. But there are rumors of this and people not being in agreement.

Mr. SMITH. With regard to the Peruvian Government statement that these mass sterilization campaigns are to be no more, do you

have any concern that rather than being an overt mass sterilization campaign that it will just go more underground but the same mindset that drove the initial campaign will now be employed on a more individualistic type basis, a smaller basis?

Dr. CHUCHON. First of all, I'm very pleased to hear that news, and I hope it's really true. As you know, my country is very large and I'm just in one spot, in the heart of the Andes, and I couldn't know what is going on in the whole country.

In any case, I certainly hope there will be respect for the human person and that full information will be given with the advantages and disadvantages, and I would hope that in all these programs of family planning those that really do the planning would be the families, and not offer them just artificial methods, but also natural methods, as the World Health Organization said, that have 98.5 percent effectiveness. But people are not being given this option of using natural methods of family planning, and what has happened is they have actually gone against natural methods, saying that they were obsolete, et cetera. So I think there is a lack of freedom there.

Mr. SMITH. Mr. Schneider earlier had indicated that natural family planning was provided. Is it your testimony that it is not, or if it is, it is cast in a disparaging light?

Dr. CHUCHON. No. I would say that the information comes from a different point of view. It's really coming from a point of view that favors artificial methods of family planning. Speaking particularly about my region of Ayacucho where there doesn't exist—in the whole region of Ayacucho there is not a single institution that promotes natural family planning. We think that it's very enriching that it's much better in all cases, because it brings out good values, and it contributes to the uniting of families; it doesn't cost anything and it doesn't do any damage at all.

Mr. REES. Doctor, in your English translation of your testimony that was provided to the Subcommittee you say, "I would like to have the people of the United States understand what their government is doing in Peru." In light of Mr. Schneider's testimony that we had separated the U.S. program from the sterilization campaigns, why do you say that it's the U.S. Government that is doing this?

Dr. CHUCHON. We know by information from literature that the rich countries in general apply pressure on the poorer countries for their own objectives. When I was referring to the United States, I don't think a large part of the population of the United States is in agreement with this, and that's why I allowed myself to say this prayer. It's a good plea, a humane one, that asks for the well-being of many people. I would hope that all this money would not go to family planning, that it would go for support to all the different necessities that they have, especially after all the damage that has been done by the El Nino phenomenon.

Mr. REES. I think our Chairman, who will be back in a few minutes, would agree with you that sometimes there is an imbalance, that we spend more money in some countries on population programs and less on other health programs, other development programs that we ought to, but I am trying to get on the record here whether there is any U.S. connection with the sterilization cam-

paigns themselves. Our own government representatives have assured us that they distanced themselves from those campaigns, that they did not participate in them. I just wanted to make sure that you don't disagree with that. If you do, please tell us.

Dr. CHUCHON. I think that there might be links.

Mr. REES. But you're not sure?

Dr. CHUCHON. No, I don't have proof of it.

Mr. REES. Congressman Burton has a question.

Mr. BURTON. I only have one question. I just ran into Chairman Chris Smith in the hall. I was appalled when he told me that these two ladies were forced to have themselves sterilized. Is that correct?

Mrs. ESPINOZA. Yes.

Mr. BURTON. This was a government demand?

Mrs. ESPINOZA. I don't know. I can't say. The person who was responsible was the doctor.

Mr. BURTON. Is this government policy down there?

Mrs. ESPINOZA. I only know my own personal case. I don't know what the politics of the government are, but I can talk for my own personal case.

Mr. BURTON. What did the doctor say?

Mrs. ESPINOZA. The doctor accepted his responsibility that he had done it, and then we went before the judge. But when I read my own case, then the doctor then denied that it was his responsibility.

Mr. BURTON. When the doctor did the sterilization on you, did he tell you he was going to do it, and did he say why he was doing it?

Mrs. ESPINOZA. No.

Mr. BURTON. He didn't tell you anything?

Mrs. ESPINOZA. No. No one asked me anything. He didn't ask me. The obstetrical intern at the entrance asked me if I wanted a tubal ligation, in the emergency room.

Mr. BURTON. Were you in the process of giving birth to a child?

Mrs. ESPINOZA. I was 32 to 33 weeks into my pregnancy and I was coming in in great pain into the emergency room.

Mr. BURTON. Maybe you can answer this question. When I talked to Chris, he said that this was a governmental policy, and it hasn't been made clear to me that this is a policy of the government.

Mr. REES. I think what the testimony reflects so far, including the USAID testimony that came earlier, is that there was a government policy to set certain goals, certain numbers of people in the country who would be sterilized, and that the government did not specifically say you should sterilize people without their consent.

Mr. BURTON. But there is a policy?

Mr. REES. There is a policy to encourage sterilization.

Mr. BURTON. To cut down population growth?

Mr. REES. I'm not sure the government gives that reason.

Mr. BURTON. They're just for a sterilization program?

Mr. REES. They would say that in many cases it's the best thing for the woman, for the family.

Mr. BURTON. Well, that's a subjective judgment by government and one that I don't think the good Lord would tolerate.

I would like to know more about this. I'm a Member of the full International Relations Committee. Any information you could give me. I think we ought to have a full hearing of the full Committee on this, especially when we are talking about any kind of assistance to Peru. Our assistance in Peru or in Latin America ought to be based upon human rights, and this is a violation of people's human rights. I'd certainly like to have more information.

Mr. REES. We will get you the full information as soon as possible.

Mr. BURTON. Thank you very much for letting me ask these questions.

Mr. REES. Thank you.

Dr. Chuchon, I had one more question for you along the lines of the questions the chairman was asking. With respect to the question of informed consent, of whether women were sterilized without being fully advised of the risks and disadvantages of the procedure and of the availability of other methods, in your personal experience was this something that just happened every once in a while, or was this systemic? Was this typical that the government workers would encourage women to be sterilized without really telling them everything they needed to know? Or was it just isolated?

Dr. CHUCHON. I would say it's more of a generalized situation, generalized cases. With respect to information, the information comes from a source that is compromised. There are certain types of stimulations, like this document, which has at the end of the year—

Mr. REES. Incentives, right?

Dr. CHUCHON. Incentives. That they will give prizes to the establishments that have the lowest cost and the greatest benefits to the population for the AQV, the sterilization; for the best organized campaign; and the greatest work to bring people in without cost; the effective participation of the head of the health center and the personnel in the campaigns; the best results in bringing people in at the level of the health post; and then personal certificates for members of the campaign.

Mr. REES. So there is no special award for the person who gives the best informed consent?

Dr. CHUCHON. No.

Mr. REES. I know this comunicado has been published in the newspaper in Lima. Has the government maintained that this document is a forgery, or do they acknowledge it, or has there been any reaction at all?

Dr. CHUCHON. What the government has said is that this was an initiative of the subregional director for Huancavelica, and we would see this as another case of not accepting their responsibilities.

Mr. REES. Does the government maintain that this is inconsistent with the government's general policy?

Dr. CHUCHON. You will easily understand that this type of document is not something that most people can get. In the health establishments these type of documents are secured. Many doctors are very uncomfortable and feel badly about this type of thing. So they did this to get it to us, but they asked to remain anonymous.

As president of the federation, it's my responsibility to show this document, and so we show this in Peru.

Mr. REES. I have some questions for Senora Espinoza. Some of these are technical questions, and I know that some of them may hurt you to answer, but I hope you understand we have to be as complete as possible in the record.

What was the date of your sterilization, approximately?

Mrs. ESPINOZA. The way it happened was an indirect way through the surgical nurse.

Mr. REES. When did it happen?

Mrs. ESPINOZA. The 23rd of April, at night.

Mr. REES. Which year?

Mrs. ESPINOZA. 1996.

Mr. REES. So if someone at that meeting with you said it was 1995, they probably heard wrong, right?

Mrs. ESPINOZA. That's right, no.

Mr. REES. And this happened in a government hospital?

Mrs. ESPINOZA. In the regional hospital, at the Social Security hospital.

Mr. REES. That's a government hospital, right?

Mrs. ESPINOZA. Yes.

Mr. REES. Was this before or after the beginning of the sterilization campaigns?

Mrs. ESPINOZA. The sterilization campaigns had already started, and in my house, they came to visit. During the campaign they had come to my house looking for people that would be candidates for sterilization, in the same way that they do other campaigns, for malaria and other things.

Mr. REES. You were not sterilized as a direct result of these campaigns?

Mrs. ESPINOZA. I couldn't say that it was done directly through the sterilization campaign because I didn't know everything about it. The campaigns started in 1995.

Mr. REES. I'll just state for the record that there are elements in Senora Espinoza's story that suggest that there might have been a preference in the government hospital for sterilization whether or not it was actually done during one of the campaigns.

Mr. MEANEY. She said she didn't understand.

Mr. REES. She doesn't need to answer. That has been a point of contention.

Do you know if your baby passed away during the operation or later, or during the caesarean or later?

Mrs. ESPINOZA. He died 18 hours after birth, when I was still in the intensive care area.

Mr. REES. When I met with an official of the Ministry of Health he told me that there were two justifications for your sterilization—he had your records right there with him, and he told me that there were two justifications, and one of them was this idea, apparently mistaken, that you had already had at least two caesareans. The other was that you had cancer, that it was discovered during the caesarean that you had a malignant growth. Did you hear that, and what is your reaction to it?

Mrs. ESPINOZA. Yes, I was reading that. My first child, who is 16 years old, was born normally and not through caesarean. I have

the history of my child. My second child is 4 years old, and that was at 42 weeks that they did the first caesarean.

Mr. REES. What about the cancer? Did you hear about cancer?

Mrs. ESPINOZA. I went in for an examination and they said I was fine. Some people said I was crazy.

Mr. REES. But other than that you were fine.

[Laughter.]

Mr. REES. One of the things that happens when we have a controversial hearing is that we get a lot of interesting faxes. In addition to the fax that I discussed earlier with Mr. Schneider of USAID, I received anonymously, with no mark for who sent it, a fax in Spanish. I want to read it to you. It talks about me for a little while, and then it says—I am translating into English:

“I induced Senora Espinoza, I guess when I was in Peru, to make statements against the family planning program with a promise, fooling her into thinking that if she did that somebody would pay for an operation to reverse the sterilization.”

I guess I would like to put this in the record. I don't know where it came from, but I would like to put it in the record, and ask you if there is any truth to that.

Mrs. ESPINOZA. No, not at all.

Mr. REES. When you and I met, was I the first person you had ever told this story to?

Mrs. ESPINOZA. Yes. My case wasn't made public, and I did it after 7 months of fighting to have a reparation of the tubal ligation and going to the judges, and after having fought so much, I didn't have the money to go for a more powerful attorney to look into it. The students from the university came and studied it. They came to my house. They were studying journalism and law. To study this as a case that had been on the record. They asked to have my testimony as a help for their studies, but I never made anything public, and it was not a public scandal at all.

Mr. REES. I may be wrong about this, but I thought that when you talked to me—we had a videotaped interview—I thought you had already given an interview to a newspaper, or maybe even television.

Mrs. ESPINOZA. No. The first time that I spoke publicly was with the defender of the people, and she then took it to a show called Panorama and then made it public.

Mr. REES. By the time we talked, that was later, right? I talked to you after you talked to the Defensoria.

Mrs. ESPINOZA. Yes.

Mr. REES. So I wouldn't have been able to trick you into making these statements if you had already made them to somebody else, right?

Mrs. ESPINOZA. No.

Mr. REES. Do either of you, Senora Espinoza, Senora Nolberto, know of other cases in your personal experience of women who have been sterilized without being fully informed of the risks and the disadvantages of that operation or of the availability of other methods?

Mr. MEANY. Mrs. Espinoza says that she doesn't know of any cases except for those that came out in the media and in the press, and she's only really known her own case.

Mrs. NOLBERTO says she doesn't know of other cases, just her own that happened.

Mrs. NOLBERTO. The people that came in, they deceived me, but I don't know of other people. A person came and took me from my house, although I didn't want to go. They said it was for my good, that it was free. And they said to take advantage of it, and that you're still young and that you might be able to have more children. So they wanted me to go. I thought they were going to do something good for me.

Then I gave my story. They wanted to get my medical history. I was scared that they were going to do some harm to me, and I didn't have any money to pay for the medical history. They said don't worry, we'll pay for that. So they took the medical history, and then they took blood, and then they took me to the operation room to do the tubal ligation. Then they made me fall asleep.

When they woke me up I was hurting quite a bit, and my stomach swelled up. They said that I would be going home the same afternoon. This and no more.

Mr. REES. Thank you.

Mr. SMITH. Thank you, Mr. Rees.

I want to conclude by thanking the very distinguished and courageous individuals from Peru who have come forward. We will be following this very closely from the Subcommittee. We will be following how you might be treated or perhaps mistreated in the future.

One of the things that I have learned from 18 years of human rights work, and I am the chairman of the Helsinki Commission as well, dealing with Eastern and Central Europe and Russia, is that you always protect your whistleblowers. In the European context, they are often called Helsinki monitors. Whatever their name, they are people who come forward with credible evidence regarding human rights abuse.

It seems very clear that Peru has a major problem. Maybe this statement from the Ministry of Health is a step in the right direction. Kofi Annan just returned with a statement from Saddam Hussein that certainly is not being all that well received, given its ambiguities. But we will be looking for the deeds.

The Indian Government not so long ago brought gross dishonor on itself because of its forced sterilization campaign. Mrs. Gandhi felt the brunt of that.

The People's Republic of China since at least 1979, although its coercion preceded that, in a coordinated, U.N.-sponsored way continues to bring gross dishonor to itself because of its forced abortion and forced sterilization and its use of quotas, timetables, and making children illegal if they exceed the one-child limit. An absolutely foreign, alien, and I think grotesque notion that somehow the government can confer legality on a child because he or she fits into a population/family planning program; if you have two, the second child is illegal.

We see this in other places like Vietnam, where there is a two-child per couple policy.

I just say this because I frankly am sick and tired of governments abusing their people. When the NGO's stand arm in arm

with the oppressors, they become part of the oppression. We need to speak out very clearly on this.

When Rajiv Gandhi did this years ago in India there was a loud outcry about the coercive population control. To think that it is in our own hemisphere is doubly troubling. The reports out of Mexico and now this very substantial report out of Peru we are going to be watching. I hope to undertake a trip myself along with my staff director and other interested Members in the very near future.

The pressure is just beginning to build. We will be watching to see how the government reaches out to the victims, and hopefully USAID, our own government's response will be above and beyond what one might expect to make sure the victims are reached and adequately compensated as this paper from the Peruvians is outlining.

This hearing was very informative, but it is just the beginning. I do again want to thank you for your bravery in coming forward.

Without objection, I will make the report written by Mr. Rees as a result of his trip there a part of the record.

[The report appears in the appendix.]

Mr. SMITH. Again, I want to thank you very, very sincerely for your testimony and your willingness to bear witness to these atrocities.

This hearing is adjourned.

[Whereupon at 4:10 p.m. the hearing was adjourned.]



APPENDIX

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**COMMISSION ON SECURITY AND
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CO-CHAIRMAN

Statement of Representative Chris Smith
Chairman, Subcommittee on International Operations and Human Rights
February 25, 1998

At this hearing the Subcommittee on International Operations and Human Rights will hear testimony of shocking human rights violations in Peru, a country with whose government and people the United States has a close and friendly relationship. Indeed, I should begin by saying that I myself consider the Foreign Minister of Peru, Eduardo Ferrero, a personal friend. I have had cordial meetings with President Alberto Fujimori both in Lima and in Miami, and I have a special feeling for the Peruvian people. One of the obligations imposed by friendship, however, is honesty. I hope that today's hearing will help us to know the truth, both about the Peruvian population program and about the U.S. role, if any, in this program. To that end, we invited the Peruvian Embassy in Washington to send a witness to this hearing, but our invitation has been declined. The Embassy is invited to submit a written statement for the record.

Peru is a heavily Roman Catholic country with one of the lowest per-capita incomes in the Western Hemisphere. Its population density is also relatively low. Until 1995, the family planning program operated by the Government of Peru was not a particularly high priority among that government's health programs. Sterilization was illegal except when necessary to preserve health.

In July 1995 President Fujimori announced that family planning would be a major priority for the government. Shortly thereafter, the Congress legalized sterilization as a method of family planning.

In spring and summer of 1996 government health workers began to conduct sterilization campaigns --- often styled "Ligation Fairs" and, to a lesser extent, "Vasectomy Fairs" --- primarily in areas that were poor and/or rural. Reports began to appear shortly thereafter of sterilizations without consent or without informed consent. These reports came from the Catholic Church, from human rights organizations, from feminist groups, and eventually from the government's own Ombudsman.

Critics of the government program alleged:

first, that sterilizations are performed pursuant to prescribed national and regional goals rather than to patient demand;

that women, particularly those who are extremely poor and/or illiterate, are often pressured into undergoing tubal ligations;

that these women are not given adequate information about the risks and disadvantages of the surgery or about the availability of alternative methods of family planning;

that women are not encouraged to take time to make a considered decision about whether they want an operation that is permanent and likely to be irreversible; and

that the surgery is often performed in substandard facilities, with resulting medical complications.

There have also been reports that consent to sterilization has been imposed as a condition of receipt of food in government-operated food programs, including programs supported by the United States, and that health workers in some locations have been paid a bonus for each woman they persuade to undergo sterilization.

In January I asked the Staff Director and Chief Counsel of the Subcommittee, Grover Joseph Rees, to travel to Peru in order to investigate these charges. He met with doctors, human rights workers, government officials, and several of the victims themselves. His report made the following conclusions:

- That the government had announced goals or quotas for the number of people to be sterilized nationwide, in particular regions, and even in particular hospitals.
- That these goals emanated from a very high level in the central government.
- That health officials, doctors, and other health workers would generally feel an obligation to meet these goals and would fear that their contracts would not be renewed if they failed to do so.
- That other abuses --- such as lack of informed consent, pressure to consent, bonuses per woman sterilized, and trading food for consent --- were probably not mandated by the central government but were the natural outcome of the mandate that the goals must be met.

I also asked Mr. Rees to determine the extent, if any, to which United States foreign assistance funds might be supporting the abuses in the Peruvian population program. His conclusions were as follows:

- The U.S. family planning program in Peru is the largest in the Western Hemisphere and one of the largest in the world. It is conducted primarily through non-governmental organizations (NGOs), but also consists in some aid to programs of the Government of Peru.
 - To its credit, the AID Office of Population, Health, and Nutrition made efforts to distance itself and its funds from the sterilization campaigns as soon as they became evident in 1996.
 - Unfortunately, these efforts consisted mostly of private meetings and communications with government officials, foreign donors, and a few NGOs. The sterilization campaigns themselves, in contrast, were widely publicized, as was AID's close and long-time association with the Government of Peru family family planning program. So many Peruvians have the impression that the United States supported the program in its entirety, including the sterilization campaigns.
 - Although AID has made efforts to ensure that its assistance to the Peruvian government does not support the sterilization campaigns, AID continues to provide family planning assistance to the government and to NGOs that work closely with the government. In addition to broad support for Ministry of Health infrastructure that might inadvertently assist the sterilization campaigns, this assistance has included several training courses for doctors in the technical aspects of performing vasectomies and tubal ligations.
 - The AID Food for Peace program in Peru, whose programs are far more extensive than those of the Office of Health, Population, and Nutrition, has been a focus of allegations that poor women were promised food in exchange for their consent to be sterilized. In the face of these allegations, the AID officials who manage the Food for Peace program failed to make vigorous efforts to ensure that no such abuses could occur. Indeed, Food for Peace operates a large "targeted feeding program" through an NGO that also conducts family planning programs for the Government of Peru. This NGO conducts its feeding programs in many of the same small rural medical posts in which the sterilization campaigns are conducted. In smaller posts, the same government worker may be charged with distributing U.S. food and running the sterilization campaigns.
- On January 6, 1998, after the sterilization campaigns and associated abuses had been widely publicized, the director of our AID office in Lima wrote a letter to the Minister of Health stating that "our desire to collaborate in the area of family planning is based on the free, voluntary and informed choice of contraceptives . . . not in the pursuit of quantitative targets

by method for a particular service provider or group of service providers, especially where tubal ligation and vasectomy are concerned." The letter went on to state list remedial measures on which "we need to be able to count . . . as soon as possible" to ensure that no U.S. food was traded for sterilization and that family planning programs of the Peruvian government were not conducted pursuant to goals, quotas, or what the government has called "referential numbers."

Mr. Rees's report makes the following recommendations, which I endorse and which I hope AID will discuss today:

- **Discontinue all direct monetary assistance to Government of Peru family planning programs until it is clear that the sterilization goals and related abuses have stopped and will not resume.**
- **Discontinue in-kind assistance to the government family planning program unless it is clear that such assistance will not assist or facilitate, either directly or indirectly, the sterilization campaigns or related abuses.**
- **Discontinue public expressions of support for the government family planning program -- for instance, joint Ministry of Health/AID billboards encouraging Peruvians to limit their families -- that could easily be misconstrued as expressions of support for the sterilization campaigns.**
- **Dissociate the United States from the sterilization campaigns, goals, quotas, and associated abuses far more publicly than has been done up to now.**
- **Discontinue the use of words and actions that lend themselves to the accusation that AID itself still favors "population control" over "family planning."**
- **In choosing non-governmental organizations as grantees or contractors, use only those who will work independently of the government and who have not shown a preference for sterilization over other birth control methods.**
- **Discontinue the distribution of food through government medical posts or in co-operation with entities closely associated with the sterilization campaign.**
- **Contract for an independent audit to determine whether any U.S. assistance to the government or NGOs has been used in support of the sterilization campaigns.**
- **Consult with a broader spectrum of voices within Peru on family planning needs and concerns.**
- **Finally, notify Congressional oversight committees of problems as soon as they appear.**

I am informed that the AID mission in Lima kept its superiors in Washington posted as events unfolded, yet AID in Washington did not see fit to inform this subcommittee or any of the other committees with jurisdiction over foreign assistance programs --- although they surely knew we would have been interested. This problem is not unique to Peru: when I asked about similar allegations of forced sterilizations in Mexico in 1996, our AID representative assured us loudly and clearly that "that doesn't happen here." It now appears, according to reports described in the State Department's 1997 Country Report on Human Rights Practices for Mexico, that she may have been mistaken. I hereby make a standing request that the Subcommittee on International Operations and Human Rights be informed of any reports AID may have or receive of coercion, lack of informed consent, or other abuses anywhere in the world.

I look forward to hearing from our witnesses.

**Testimony of
Mark Schneider
Assistant Administrator for Latin America and the Caribbean
U.S. Agency for International Development
Before the House International Relations Committee
Subcommittee on International Operations and Human Rights**

**February 25, 1998
Washington, D.C.**

Chairman Smith, other members of the subcommittee, thank you for the opportunity to appear today and discuss recent developments in Peru. We are eager to work with this Committee in an open and transparent fashion so that we can all collectively get to the bottom of a very serious issue that demands to be handled rigorously and impartially. I know we are in full agreement that the human rights of women must be given the highest priority in Peru, as elsewhere, and that any effort to abridge those rights runs directly counter to the values and foreign policy of the United States. We all agree that men and women should be able to voluntarily make their family planning choices and have access to safe family planning services. Equally clearly, we must base our judgement of the situation in Peru on a full accounting of the facts of the matter to be fair to all the parties involved.

I am also glad that the Government of Peru has just this week announced a number of very important concrete steps that should return their family planning program to a sound foundation. As of yesterday, we have received the good news that the Government of Peru will:

- Discontinue their campaigns in tubal ligations and vasectomies.
- Make clear to health workers that there are no provider targets for voluntary surgical contraception or any other method of contraception.
- Implement a comprehensive monitoring program to ensure compliance with family planning norms and informed consent procedures.
- Welcome Ombudsman Office investigations of complaints received and respond to any additional complaints that are submitted as a result of the public request for any additional concerns.
- Implement a 72 hour "waiting period" for people who choose tubal ligation or vasectomy. This waiting period will occur between the second counseling session and surgery.

- Require health facilities to be certified as appropriate for performing surgical contraception as a means to ensure that no operations are done in makeshift or substandard facilities.

Again, these are all welcome developments.

Before going into more detail, I think it useful to reiterate the Administration's policy on the voluntary nature of family planning and look briefly at the larger context of our overall assistance program to Peru. The United States provides international family planning assistance to developing nations to help reduce unintended pregnancies, combat infant and maternal mortality and reduce the spread of deadly diseases such as AIDS. *All* of our family planning programs are guided by the principles of voluntarism and informed choice. We categorically oppose coercion in any form. The U.S. Agency for International Development's (USAID's) family planning efforts have helped millions of couples in the developing world achieve their desire for better cared for and more prosperous families.

USAID family planning programs are built within an internationally accepted framework that stresses the quality of health care. This quality of care approach to family planning has six defining features:

- People can choose from a range of contraceptive methods;
- Families receive adequate information on all methods available;
- Health personnel are appropriately trained;
- Health personnel treat clients with respect;
- Clients have ongoing access to necessary services; and,
- These health services should cover other related aspects of reproductive health.

It is clear that the guiding principles of our family planning program are about giving women and men access to healthy and educated choices about having children and improving their own lives.

The overall U.S. foreign assistance program to Peru is built around: promoting democracy and human rights; reducing the entry of illegal drugs into the United States; protecting human health; and reducing poverty through broad-based economic growth. These actions contribute to the stability of a trading partner with one of the fastest growing economies in the region that is becoming increasingly important to the United States.

Economic improvement has been impressive in Peru, but continuing inequities, particularly in the poorest urban and rural areas of the country, indicate that much

needs to be done to generate productive employment and income to meet the needs of those in poverty. In 1996, 51.3 percent of Peruvians lived below the poverty line. Chronic malnutrition of children in rural areas was 40 percent, and infant mortality in rural areas remained twice as high as in urban areas. Unintended pregnancies among adolescents are on the rise. Just last week we also saw Peru battered by *El Niño* and in the midst of a sizable humanitarian emergency.

Although there has been considerable progress, much remains to be done to bolster a fragile and uneven democracy in Peru. Improving human rights is an important part of USAID's effort in Peru. USAID assistance has contributed to broader citizen participation in decision-making processes of local governments, the emergence of the Human Rights Ombudsman Office as one of the most respected Peruvian institutions, and the release of hundreds of individuals from jail who have been "unjustly" accused or convicted of terrorism. We have also worked to strengthen the capacity of human rights non-governmental organizations and to try and promote the capacity of the judiciary system to become more independent.

In the area of health, Peru has achieved noteworthy successes in recent years, and it is fair to say that USAID's large investments in health in Peru, including its support for family planning, have contributed significantly to those successes. Chief among the successes over the last five years:

- Infant mortality fell by 22 percent;
- Under-5 mortality fell by 24 percent; and,
- Chronic malnutrition of children under 5 fell 30 percent.

Peru's status as a priority country for USAID in family planning emanates from the two most important underlying rationales for international assistance in family planning: reproductive rights and promotion of the health of women and children. For more than two decades, nations of the world have agreed that reproductive rights not only include a couples' right to practice family planning, but also access to contraception and the other services that allow such decisions to be exercised. Thus, women and men have the right to make decisions freely about the number and spacing of their children, without intervention by governments or other entities, at the same time that they have the right to the means to put their decisions into effect. Information, education and services should be delivered in a way that provides equal access to women and men of all races, classes, ethnic groups, education levels and place of residence.

Through both large-scale national household surveys and in-depth qualitative research with everyday women throughout Peru, the evidence is compelling that most women desire to space or limit births. USAID supported a massive household survey in 1996, in which people in some 30,000 households were interviewed through a random sample. It showed that:

- A full 59.4 percent of married women in Peru want no more children.
- Of the 26 percent of women who want more children, 17.5 percent want to wait at least two years before their next pregnancy.
- Though women in Peru on average have 3.5 births each, women's desired family size is 2.5.
- Teen pregnancy is a problem in Peru: 13 percent of young women aged 15-19 are either pregnant or already mothers.
- It is also estimated that some 260,000 abortions occur annually in Peru. Virtually one of every three pregnancies ends in abortion -- this in a country where induced abortion is only legal in very restricted cases. Abortion remains one of the major causes of maternal mortality in Peru.
- Maternal mortality is high in Peru, estimated at 265 deaths per 100,000 live births -- more than 30 times the level in the United States. Unsafe abortion contributes to this, as does high fertility, adolescent fertility and short birth intervals. Further, half of births in Peru occur at home. Regrettably, despite the health successes mentioned above, maternal mortality has not declined in recent years. Without an active family planning program in Peru these indicators of human suffering would be far starker.

The above are national statistics. When one looks at statistics for poor areas in Peru, the picture is much worse. For example, recent reports of the Ministry of Health estimate that maternal mortality in some rural regions is 700 per 100,000 live births. This is why USAID focuses more on meeting the needs of poor populations in Peru's highland areas and jungle. The goal is to allow the benefits of development to be distributed more equitably.

Thus it is fairly self-evident that the need for responsible family planning programs in Peru is considerable and that these programs can have far-reaching effects in improving the health of women and children. It is my hope that in the discussions

generated by the controversy over tubal ligation and vasectomy in Peru, we not lose sight of the great benefits of family planning programs or of the principles that guide USAID's efforts in this regard.

Most family planning programs in Peru offer a variety of family planning services integrated into a comprehensive approach to maternal health. Surveys show that natural family planning methods are the most common practice in Peru, and USAID has supported a number of successful programs in natural family planning. Studies also show that voluntary surgical contraception was the third most utilized form of contraception in Peru last year. In the United States, and indeed worldwide, tubal ligation is the most widely practiced family planning method.

Tubal ligations and vasectomies have been a legal method of contraception in Peru since September 1995. Previously, surgical contraception was allowed only in cases where a woman's health would be in danger in the event of additional pregnancies. After legalization, the Peruvian government moved to respond to what they perceived would be a large pent-up demand for access to tubal ligations and vasectomies. Unfortunately, either officially or unofficially, the evidence suggests the Peruvian government adopted a practice of quantitative national targets for surgical contraception in mid-1996. To help reach these goals, the government of Peru pursued a strategy of campaigns in which tubal ligation and vasectomy were offered on a planned date, often in a place where such services were not permanently available.

As soon as USAID became aware of the government of Peru's move toward quantitative targets for sterilization and campaign strategy, U.S. officials communicated strong concerns about the potential for distortions to the government. The agency also quickly segregated USAID family planning support from the campaign strategy. USAID implementing agencies were told not to support the campaigns in any way, and Ministry of Health officials, including the Minister of Health, were informed that USAID support could not be used in this strategy. USAID refused to permit our programs to support the target/campaign strategy in any way.

USAID disagreement with the strategy at the earliest moment was not based on awareness of any particular abuses at that time, but rather because of USAID's knowledge of worldwide experience in family planning programming, as well as USAID conceptualization of family planning within a quality of care framework. Experience has shown that targets and campaigns are often counterproductive. USAID's philosophical opposition resides in the belief that the vertical imposition of targets in family planning opens the door to many types of distortions in what should be a sacred relationship between the health provider and the client. Worldwide

experience has shown this statement to be particularly the case where tubal ligation and vasectomy are concerned.

As a matter of policy, USAID does not support performance-based quota systems in family planning programs. While targets connected with provider performance do not necessarily lead to the use of "pressure tactics", they, at a minimum, increase the vulnerability for abuses. Moreover, for ethical, political and programmatic reasons, such drastic steps are unwarranted and counterproductive. USAID programs seek to satisfy unmet demand for family planning which, with few exceptions, still outpaces the ability of public and private sector programs to provide these services.

Over the past 18 months, USAID has not relented in its opposition to setting targets for vasectomies and tubal ligations, and over 80 contacts with government officials, including the Minister of Health and a top advisor of the President, have taken place on this subject between July 1996 and December 1997. USAID has also mobilized public debate on this issue in Peru through its support for the Human Rights Ombudsman, which has looked into reports of abuses, through our support and cooperation with women's groups, and through statements at public events with a variety of health care practitioners, concerned citizens and non-governmental organizations.

While the campaigns continued, USAID gathered information continuously, through official and unofficial sources and ongoing monitoring in the field by USAID staff and specialized consultants. In November, we wrote to the Minister of Women's Development expressing our concerns about these programs. In early January the USAID mission director sent a letter to the Minister of Health requesting a response concerning the allegations, as well as programmatic changes. But let me stress again, no U.S. family planning funds or those of U.S. contractors have been used to support the campaigns. The Staff Director of this subcommittee has agreed with that finding.

In the last few months, there have been reports in the press that the right to fully informed consent may have been violated and that tubal ligations and vasectomies have not always been safely performed. It has also been alleged that some health workers may have conditioned provision of food or medical care on acceptance of sterilizations. These reports reached the press in December and January. The Staff Director of the House Subcommittee on International Operations and Human Rights, went to Peru to investigate the reports the week of January 19-25 and, together with a USAID representative, visited alleged victims of the abuses.

USAID urged Peru to: 1) discontinue tubal ligation and vasectomy campaigns; 2) disavow any policy of setting provider targets for voluntary surgical contraception; and 3) implement a comprehensive monitoring program to ensure compliance with family planning norms and informed consent procedures, including conducting a nationwide family planning user satisfaction survey.

We believe these are significant measures, and we are pleased that the Government of Peru itself determined to take these and the other steps I detailed at the beginning of my testimony.

It is also important to clear up some possible misperceptions that may exist as a result of the trip report of the Subcommittee's Staff Director. The author states he traveled to Peru "to investigate allegations of mass sterilizations of poor women without informed consent and other abuses in the population/family planning program of the Government of Peru." While the report contains a series of recommendations, it does not substantiate claims of mass sterilizations of poor women without informed consent.

Despite a call through various media in Peru for society at large to submit complaints of abuses, the *Defensoría del Pueblo* to date has validated cases from not more than 9 individuals who have suffered reproductive rights abuses. Though clearly not even one abuse is acceptable, the allegation that abuses have been "massive" has not been substantiated at this time. The possibility exists that further cases may arrive at the *Defensoría* and be validated, but present evidence does not support the contention of massive abuses.

USAID knew of no reports of sterilizations without consent in 1996 nor, for that matter, in much of 1997. Further, several of the allegations that have been characterized recently in the media as forced sterilization have turned out, upon closer scrutiny, to be cases of poor quality of services that led to preventable mortality and morbidity, which are certainly regrettable in their own right, though quite different from involuntary sterilization.

I would also like to briefly discuss the role of U.S. food aid in Peru, since there has been some question as to whether any of these resources were unknowingly diverted for use in the campaigns. USAID's Food for Peace Title II program in Peru provides approximately 94,000 metric tons of food annually, valued at over \$50 million. This program benefited approximately 2.3 million poor Peruvians in 1997, providing short and long-term solutions to the conditions of poverty that afflict approximately 50 percent of the overall population.

The program is implemented by five non-governmental organizations -- the Adventist Development and Relief Agency, CARE, CARITAS, PRISMA, and TechnoServe. In 1997, over 400,000 children benefited from nutrition activities. Since food has been shown to have more impact on reducing child malnutrition when used in combination with other health and nutrition interventions, these nutrition activities also put emphasis on monitoring the weight gain and overall health of participating children, recommending they be fully immunized, and requiring attendance by their mothers at a series of information/training sessions covering pre-natal care, breast feeding and weaning techniques, diarrheal and respiratory diseases, and family planning.

PANFAR (Food and Nutrition Program for High Risk Families), which is implemented by PRISMA in cooperation with the Ministry of Health, is the only Title II-supported program to be the subject of allegations that food distribution is conditioned on consent to surgical contraception. Again, it is important to stress that we have heard of only two such allegations. Each of these cases were quickly investigated and no abuses were found. Because the program is extensive -- benefiting over 150,000 families in 2,360 population centers in the poorest areas of Peru -- PANFAR has a very thorough monitoring system. The system includes participation in every PANFAR community by both PRISMA and Ministry of Health officials to ensure that all precepts of the program are adhered to. These precepts include the prohibition of offering food assistance either as an inducement to enter PANFAR or to adopt any method of family planning.

The Subcommittee Staff Director's report refers to one case allegedly linking Title II food assistance under the PANFAR Program to coerced sterilizations. In addition, an article in the local newspaper El Comercio dated January 26, 1998, alleges another case linking PANFAR to coerced sterilization. However, neither of these cases appears to be validated by further investigation. The Subcommittee has been provided with material relevant to these cases. We will investigate any other cases, beyond these alleged incidents, if they come to our attention.

Any allegations of misuse of food assistance are investigated immediately. In the case of PANFAR, past cases of intended or actual misuse of food have been dealt with swiftly and fairly, including discontinuation of food resources until allegations have been investigated, and removal, and in one case jailing, of Ministry of Health officials for improperly using food assistance in a case of financial abuses. Recent allegations linking food assistance to coerced sterilizations have been investigated immediately through on-site interviews with the women and their family members, local non-governmental organizations and health promoters. There are no known

cases, or no evidence that we are aware of, linking U.S.-funded food assistance to coerced sterilizations.

In concluding this testimony, I would like to add several final points. We are pleased that the Government of Peru has decided to take the steps it has informed us of this week. This is an important development, and we will keep you and your staff apprised of progress toward meeting this commitment. The course of our future action will depend, in part, upon the continuing response of the Peruvian government to this situation. I am optimistic that the Government of Peru appears to be willing to listen to the voices of its own people -- the Ombudsman's Office, women's groups, health care providers, the national medical association and the Ministry of Health's own evaluation of its program -- and come out with a clear enunciation of support for the voluntary nature of family planning programs.

We look forward to working closely with you and your staff in the future to support America's international family planning programs, and I thank you for the opportunity to appear today.

Dr. Hector Hugo Chávez Chuchon
Congressional Hearing Testimony

President, Regional Medical Federation
of Ayacucho, Andahuaylas, and Huancavelica, Peru
February 25, 1998
House Committee on International Relations
Subcommittee on International Operations and Human Rights

My name is Hector Hugo Chávez Chuchon, and I am the president of the regional medical federation of Ayacucho, Andahuaylas, and Huancavelica in the Republic of Peru. This area is the poorest in the country. I do not belong to any political group, and hope that the Peruvian government has as much success as possible in its enterprises. But, at the same time, I have the moral obligation to come forward and denounce wrongs there, where they are done.

I'd like to describe my work since the start of the tubal ligation and vasectomy sterilization campaign. There are approximately 200 doctors in my region. Some of them have come to declare and demand that the federation step forward to defend doctors and to protest the "inhumane," massive, and expanding sterilization campaign, a campaign which imposes quotas on medical personnel. As proof of these quotas, I have this document which is available in the information packet that you have. These doctors do not like the way in which people are brought in for these surgical procedures, where information is poor, incomplete, and generally deficient. Also, the places where these operations are performed are for the most part unsuitable, and the personnel often insufficiently trained.

The Ministry of Health denies that there are campaigns and quotas referring to sterilizations, and absolves itself of its responsibility, without taking into account among other things that the doctors work under their orders. Doctors work under pressure from their superiors, are given quotas and submitted to other more subtle forms of pressure. It is also true that doctors work under very unstable employment conditions, and could easily lose their posts.

I would like to have the people of the United States understand what their government is doing in Peru. My country is very large, and we do not have more than 25 million inhabitants, which in no way calls for a brutal birth control campaign, especially not one of sterilization. The facts show that prosperous countries like Japan have a high population density. Even though they are geographically much smaller, and lack the natural resources of my country, they live prosperously. So, we can see that the most important thing for a country is its human resources, which can generate wealth and well-being. Therefore, I would like especially to say that if you want to help my country, do so by investing in education and job creation, and not using these millions of dollars for population control programs.

Avelina Sanchez Nolberto
Congressional Hearing Testimony

Occupation: Unemployed
25 February 1998

House Committee on International Relations
Subcommittee on International Operations and Human Rights

As a poor mother of five under age children and separated from my husband who also lives in the city of Andahuaylas, I wash clothes to support myself and the children. During my work activities I got to know an obstetrician who works in the Social Security hospital of Ayacucho. I confided in her about the problems I had run into with my husband. Then she spoke to me about tubal ligation and, of course, I was against it, but after so many demands she convinced me, adding that my husband could come back at any moment and would once again fill me with children.

So on the 16th of October 1996 a worker, the sister of the obstetrician, arrived at my house telling me that it was free and I should take advantage of the opportunity since specialists from the Social Security hospital in Lima had arrived. I resisted saying that I had to go to the market to cook lunch for my small children who were studying in school. I went to the market and stayed a long time. Upon my return I found her outside my house and she intercepted me saying that I was already scheduled for a ligation and that they would take me by taxi. That is how I arrived at the hospital practically against my will without any of my girls going in with me. This lady took charge of all the business in the hospital. This was the way I had the surgical intervention of a tubal ligation.

After the operation I was not able to recover. My stomach swelled and I had the sensation that all my intestines were burning. I could not expel intestinal gas. It was three in the afternoon on October 17th 1996. Then I began to worry because I entered the hospital totally healthy. When I went to the obstetrician to complain about my state of affairs, she became very insolent and said that she had nothing to do with this, and she had the audacity to tell me, "Don't be bothering me, as if I had dragged you in." After that, my children came searching for me desperately when they did not find me home. They found me in the hospital and that is how I left still very sick.

In the night of October 17th 1996 I had terribly strong colic and my entire stomach swelled with a terrible burning sensation that I could not stand. So when I woke up my oldest daughter took me back to the Social Security hospital where they operated on me again on October 18th 1996. When my family started to inquire about my health status, what was the problem I really had?, no one could tell them anything concrete. When I was supposed to be asleep I heard the nurses whispering among themselves that when they operated to do the ligation they had cut my intestines. I was not able to recuperate so they tried again on November 10th 1996, but my condition kept deteriorating so they decided to send me on November 15th 1996 to the Social Security hospital of Lima at my daughter's insistence. There they did a complete cleaning of my intestines because a greenish liquid had formed and the doctor told me that I had septicemia. I left there on December 12th 1996 returning to my city without medicines to continue my

treatment. The doctors treating me refused to give me medicines when I asked because I have no insurance.

From that time I have not been able to recover, and given my precarious financial situation, I had to return to my husband so that he could look after the children. I still cannot go back to work like before. Relapsing again, I went to the hospital Maria Auxiliadora de San Juan de Miraflores in Lima on November 4th 1997. I stayed there to be treated for what the doctor said was a perforated intestine. This was very expensive and I owe the hospital but do not have the ability to pay them back or to continue my treatment because of the expensive medicines needed. I am desperate from this situation. I cannot work to support my younger children. My oldest daughter, 20 years old, is studying and doing domestic work and is supporting me as much as she can. Now I am staying in the house where she works and the lady here has very kindly agreed to receive me with my young girls of 7 and 11 years old, and I have been given a great deal of help to recuperate.

Sra. Victoria Esperanza Vigo Espinoza
Congressional Hearing Testimony

Wife and mother
February 25, 1998
House Committee on International Relations
Subcommittee on International Operations and Human Rights

It is very important to say that before the tubal ligation, it was very difficult for me to conceive children because of hormonal problems. I took pills to regulate my menstrual cycle and for fertility, and so became pregnant.

On the 23rd of April, 1996, I went to a private clinic. I had been having spotting, but did not think it very important because there was very little blood. I was at 32-33 weeks of pregnancy. Then, since I was on Social Security, I preferred to go to the hospital, and the doctor transferred me there. I did not have any family members with me, but went with a friend. An obstetric nurse in training admitted me. She told me to wait for the intern, who would be coming down. I told the intern my situation, that I had a great deal of pain. During that time, I was in great pain. The nurse asked "How many children do you have?" I responded "This is the third," and she said, "Are you going to be sterilized?" I didn't answer, because I wasn't interested, and was feeling great pain.

So they prepared to operate on me. The intern asked, "Do you have any family here?" "No," I responded, and I signed without reading, because of the pain. They did a Caesarean on me. On the afternoon of the next day, when I wanted to see my child, they told me he was dead. The intern came with my doctor. I said, "I want to go home now." The intern said, "She is very sad because her child died." My doctor then said, "You will have another child," to help calm me down. But I heard the intern whisper, "No, she is ligated."

In the afternoon, the obstetric nurse on call came in to take my blood pressure. I said, "Please, they say that I have been sterilized?" She went to find the intern, and he said, "Yes, they performed a ligation on the lady." Later, the intern came and said, "Forgive me for what has happened. I feel guilty."

I left on the third day. I felt completely defeated, depressed about never having more children, and went to see a psychiatrist to overcome the depression. And I still have faith that I may one day have more children.

It's rare for a case like mine to come to light, even though I know my rights. But if it was so difficult for me, living in the city, where there is help available, and education, to make a formal complaint, it is seven times harder for the poor people in the countryside to lodge complaints, because they do not know their rights.

Communiqué

This communiqué is for all the health personnel in the sub-health region of Huancavelica.

1. There are no per capita AQV patient payments for sterilizations obtained coercively.
2. The executive directors of Human Health Services and the Basic Health Program indicate that:
 - Named personnel must get 2 persons for AQV per month.
 - Focused personnel must get 3 persons for AQV per month
 - CLAS personnel must get 3 persons for AQV per month*
3. For the preceding, the chief and obstetrician of the health center have to present the log of personnel who obtained patients for the campaign that month.
4. At the end of the year the number of patients attracted by each person will be evaluated so as to give them a certificate with a number of credits determined by the number of patients. This will thus give the certificates curricular value.
5. At the end of the year there will be rewards for the site that has:
 - A) The least costs and best benefits to the population of AQVs
 - B) For the best organized campaign
 - C) Greatest effort to bring in people (without cost)
 - D) Participation of the chief of the health center and personnel in the campaigns
 - E) Best results in attracting people at the level of a health post
 - F) Personal certificates for the campaign teams
6. The budget for rationing assigned per day of the campaign needs to be executed in food for patients and personnel, of which the personnel of the site will have to sign rations forms to document correspondence to the budget.

Signed and sealed by the Ministry of Health.

Dr. Oscar Alberto Zuniga Vargas
Sub-Regional Director of Health
of the region of Huancavelica

Dr. Edilberto Martinez Pujay
Sub-Regional Executive Director of Human Health
of the region of Huancavelica

Dr. Maria Elena Herrera Palomino
Coordinator of the program Basic Health
for All, region of Huancavelica

* The personnel designated as "named" ("nombrado") are those included on the employee lists.
The personnel designated as "focussed" ("focalizado") are those working in the basic health program.
The personnel designated as "clas" are medical students doing their final practicum or internship before graduation and their license to practice.

COMUNICADO

SE COMUNICA A TODO EL PERSONAL DE SALUD DE LA SUB REGION DE SALUD HUANCAYELICA QUE:

- 1.- NO HAY PAGO POR CAPTACION DE PACIENTES DE AQV YA QUE TIENE CARACTER OBLIGATORIO
- 2.- QUE POR INDICACION DE LA DIRECCION EJECUTIVA DE SALUD DE LAS PERSONAS Y EL PROGRAMA DE SALUD BASICA:
 - PERSONAL NOMBRADO DEBERA CAPTAR 02 PACIENTES PARA AQV. MENSUAL
 - PERSONAL FOCALIZADO DEBERA CAPTAR 03 PACIENTES PARA AQV. MENSUAL.
 - PERSONAL CLAS DEBERA CAPTAR 03 PACIENTES PARA AQV. MENSUAL
- 3.- DEBERA LO ANTERIOR EL JEFE Y OBSTETRIZ DEL CENTRO DE SALUD DEBERA PRESENTAR LA RELACION DE PERSONAL QUE CAPTE PACIENTES PARA LA CAMPANA DEL MES.
 - e) A FIN DE AÑO SE EVALUARA EL NO DE PACIENTES CAPTADOS EFECTIVOS POR PERSONAS PARA OTORGARLES UN CERTIFICADO CON DETERMINADO NO DE CREDITOS SEGUN LA CAPTACION DE PACIENTES EFECTIVOS, DANDOLE ASI UN VALOR CURRICULAR AL CERTIFICADO
 - f) A FIN DE AÑO SE PREMIARA AL ESTABLECIMIENTO QUE TENGA:
 - EL MENOR COSTO Y MAYOR BENEFICIO DE POBLACION DE AQV.
 - POR MEJOR ORGANIZACION DE CAMPANA
 - MAYOR ESFUERZO DE CAPTACION (SIN CARRO)
 - PARTICIPACION EFECTIVA DEL JEFE DEL CENTRO DE SALUD Y PERSONAL EN LAS CAMPANAS.
 - e) MEJOR CAPTACION A NIVEL DEL PUESTO DE SALUD
 - f) CERTIFICADOS PERSONALES PARA LOS EQUIPOS DE CAMPANA,
- 4.- QUE EL PRESUPUESTO POR RACIONAMIENTO ASIGNADO POR DIA DE CAMPANA DEBERA EJECUTARSE EN ALIMENTACION PARA PACIENTES Y PERSONAL, DEL CUAL EL PERSONAL DEL ESTABLECIMIENTO DEBERA FIRMAR PLANILLAS DE RACIONAMIENTO PARA LA RENDICION PRESUPUESTAL CORRESPONDIENTE.



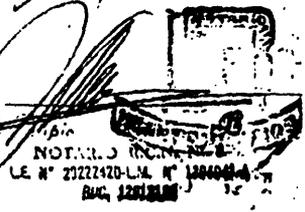
MINISTERIO DE SALUD
 CTAR "Liberadores War"

 San Cayetano de Salud de Huancavelica

MINISTERIO DE SALUD
 Calle 1250 N° 2322 WASH
 Dr. Cesar...
 Director Sub-región de Huancavelica

REGION LOS LIBERTADORES HUANO
 SUB-REGION DE SALUD HUACA
 DR. MARIA...
 COORDINADORA P.E.S.
 N° 24877

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 dución fiel y exacta de lo que menciona
 el interesado y legalizo previa confrontación de
 ley.
 - 2 FEB. 1990



BEST AVAILABLE COPY

February 10, 1998

To: Honorable Benjamin A. Gilman
Chairman, Committee on International Relations

Honorable Chris Smith
Chairman, Subcommittee on International Operations and Human Rights

From: Grover Joseph Rees
Staff Director and Chief Counsel
Subcommittee on International Operations and Human Rights

Re: Report on Staff Delegation to Peru

From January 17 through January 25, 1998 I traveled to Peru to investigate questions pertaining to human rights, with particular emphasis on allegations of mass sterilizations of poor women without informed consent and other abuses in the population/family planning program of the Government of Peru.

The population assistance program of the United States Agency for International Development (AID) in Peru is the largest such program in the Western Hemisphere, and AID has worked closely with the program of the Government of Peru. As you know, the Subcommittee on International Operations and Human Rights has oversight jurisdiction over AID's population assistance and child survival programs. One important objective of such oversight is to ensure that if abuses do exist in programs conducted by foreign governments, the United States does not support such abuses --- whether intentionally or inadvertently --- or give the appearance of support.

ITINERARY & SCHEDULE

I left Washington Saturday, January 17 and arrived in Lima early in the morning of Sunday, January 30. On Sunday I received briefings from U.S. Embassy personnel including Ambassador Dennis Jett, and with AID officials including Acting Director John Cloutier. I then visited six U.S. citizen prisoners in Chorrillos prison. (A separate report on prison conditions and prospects for transfer to the United States will follow.)

On Monday, January 18 I had meetings with Peruvian government officials, human rights advocates, representatives of women's organizations, Church officials, journalists, and others. Among those included in these meetings were Vice Minister of Health Alejandro Aguinaga; Congresswomen Beatriz Merino and Lourdes Flores; Celeste Cambria of the feminist organization Flora Tristan; Susana Galdos of the feminist organization Manuela Ramos; Cardinal Augusto Vargas and other officials of the Catholic Bishops Conference of Peru; Dr.

Max Cardenas, Dean of the Colegio Medico del Peru; Susan Brems, chief of the office of Health, Population, and Nutrition in AID's Lima mission; Michael R. Jordan of Proyecto 2000, a health care management project funded by AID which works closely with the Ministry of Health; Dr. Luis Solari, a critic of the government's family planning program who works closely with the Conference of Bishops; and Julia Maria Urrunaga, an investigative reporter with El Comercio.

On Tuesday, January 20, I traveled to Piura, a city in Peru's northern coastal region, to meet with several people who had complained of abuses in the government program. I was accompanied by Susan Brems of AID; Sheila Peters, Deputy Political Counselor at the U.S. Embassy in Lima; and Lucy Lopez, a Peruvian obstetrician/gynecologist who is employed by AID. The meetings in and around Piura had been arranged at my request by Dr. Solari. (Because Dr. Solari had had a similar request from a delegation consisting of David Morrison of Population Research International and Daniel Zeidler of Alianza para la Familia --- organizations have been critical of international population-control programs --- both the official U.S. delegation and the PRI/AF delegation were invited to these meetings. Contrary to an assertion that appeared in the Lima newspaper El Sol, the PRI and AF representatives were not members of the United States Congressional staff delegation.)

On Wednesday, January 21, I traveled with Ms. Peters and Dr. Brems to the city of Chiclayo, about 100 miles to the south of Piura. We spent the day in briefings on MaxSalud, an AID-funded health care pilot project, and in touring clinics operated by MaxSalud.

On the morning of Thursday, January 22, we returned to Lima. On Thursday, Friday, and Saturday I conducted further interviews with representatives of non-governmental organizations, U.S. and Peruvian government officials, and others. Among those included in these meetings were Congresswoman Luz Salgado, President of the Women's Commission in the Congress; Jorge Santistevan, the Defensor del Pueblo (Ombudsman) for the Government of Peru, and attorney Rocio Villanueva, who works on women's rights issues for the Defensoria del Pueblo; Susana Villaran, Carlos Basambrio, and Ernesto de la Jara, Instituto de Defensa Legal; Ricardo Soberon of the Comision Andina de Juristas; Sofia Macher, Executive Director of the Coordinadora de Derechos Humanos; Congressmen Arturo Salazar and Rafael Rey; Jose Belaunde, a prominent critic of the population program; Mario Rios, director of CARITAS, the Catholic Church's relief agency and an AID Food for Peace grantee; Josephine Gilman, director of PRISMA, the non-governmental organization that administers a large AID Food for Peace grant in co-operation with the government's PANFAR program; AID officials who administer the Food for Peace program; Jose Belaunde, a prominent critic of the population program; and Dr. Carlos Santamaria, who was an assistant to then-Minister of Health Eduardo Yong Motta during in 1995 and 1996, the period during which the sterilization campaigns were initiated. On Saturday I also visited the office of ReproSalud, an AID-funded women's health project operated by the Manuela Ramos women's organization and funded by AID.

On Sunday, January 25, I returned to Washington.

BACKGROUND

Peru is a heavily Roman Catholic country with one of the lowest per-capita incomes in the Western Hemisphere. Its population density is also relatively low: 19.5 persons per square kilometer, compared to 27.8 for the United States, 12.9 for Argentina, 42.7 for Ecuador, and 238.2 for Haiti.

Until 1995, the family planning program operated by the Government of Peru was not a particularly high priority among that government's health programs. Sterilization was illegal except when necessary to preserve health.

In July 1995 President Alberto Fujimori announced that family planning would be a major priority for the government. Shortly thereafter, the Congress legalized sterilization as a method of family planning.

In spring and summer of 1996 government health workers began to conduct sterilization campaigns --- often styled "Festivales de Ligadura;" (Ligation Fairs) and, to a lesser extent, "Festivales de Vasectomias" (Vasectomy Fairs) --- primarily in areas that were poor and/or rural. Reports began to appear shortly thereafter of sterilizations without consent or without informed consent. These reports initially emanated primarily from the Catholic Church and from conservative opposition members of Congress, although there were some press reports in 1996. During 1997 reports of involuntary sterilizations and related abuses were also made by the Coordinadora de Derechos Humanos and by the woman's organization Flora Tristan.

Critics of the government program allege that sterilizations are performed pursuant to prescribed national and regional goals rather than to patient demand; that women, particularly those who are extremely poor and/or illiterate, are often pressured into undergoing tubal ligations; that these women are not given adequate information about the risks and disadvantages of the surgery or about the availability of alternative methods of family planning; that women are not encouraged to take time to make a considered decision about whether they want an operation that is permanent and likely to be irreversible; and that the surgery is often performed in substandard facilities, with resulting medical complications. There have also been reports that consent to sterilization has been imposed as a condition of receipt of food in government-operated food programs, including programs supported by the United States, and that health workers in some locations have been paid a bonus for each woman they persuade to undergo sterilization.

OBSERVATIONS

Among those with whom I spoke during my visit to Peru were the following:

- A woman who claimed to have been sterilized without her consent during a Caesarean delivery. Her baby died during the delivery, and she has attempted without success to

find a doctor who will undertake to reverse the effects of the tubal ligation. The government doctor maintained that he had discovered during the Caesarean that a tubal ligation was necessary because the woman had a tumor, and also because she had two previous Caesarian deliveries. She claims, however, that the growth the doctor discovered was not cancerous, that she had no previous Caesarean deliveries, and that in any event there was no need to perform a tubal ligation during the delivery rather than wait for her to decide whether she wished to undergo such an operation.

- The mother, husband, and brother of a woman who died during a tubal ligation. This woman had agreed to the operation, but her family members claim that she agreed after being urged to do so by nurses who did not inform her of the risks of the operation. The mother reported that her daughter had been led to believe she could go out dancing on the night of the operation.
- The husband and sister of another woman who died during a tubal ligation. These people are agricultural workers who appear to be extremely poor. The husband believes his wife did not consent to the operation, although he concedes he cannot be certain of this because he was not at home on the day it happened. He says the nurses came to their home on a number of occasions to try to persuade his wife to have a tubal ligation, but that she consistently told him she did not want the operation because she was afraid to undergo surgery. When he came home one evening, his wife was not at home. He was told she had gone to the "medical post" (a rural primary health care center) for an operation. He learned a few hours later that she had died during the operation. Her sister said the nurses came "day and night, day and night, day and night" to urge her to undergo the operation.
- Several other people, neighbors of the people described above, who had not been pre-selected for interviews but who were curious about our presence and who agreed to tell what they knew about the "sterilization campaigns." These people reported that they or their family members had also been approached during the campaigns by nurses and/or other government workers who urged them to accept sterilization. Several of these people claimed to know of cases in which food had been traded for consent to sterilization.

Because I was only in Peru for a few days, I necessarily gathered much of my information from people who did not claim to have been personally involved in alleged abuses, but who had themselves attempted to investigate such claims. These people included journalists, human rights investigators, health workers, and representatives of non-governmental organizations from across the philosophical spectrum. Among the accounts I received in this way are the following:

- Several doctors and other health workers at various levels of the government health system reported to various of my informants that it is well known that every hospital

and medical post has a particular quota of sterilizations to perform, and that each responsible official knows what his or her quota is. Some of these workers reported that the quotas are then subdivided among individual doctors and health workers.

- A regional health official reported receiving periodic telephone calls from Dr. Yong Motta, the former Minister of Health who now serves as President Fujimori's principal health policy advisor, asking, "Como van las metas?" (How are the goals going?)
- Two local health officials reported that poorly-paid health workers were paid a bonus for each woman they persuaded to consent to a tubal ligation.
- One health worker reported that during 1997 he was assigned a personal quota of four women. He met this quota during the first two campaigns of the year, but during a subsequent campaign his boss asked him how many additional women he had convinced. He responded that he had identified four, but that none of them was yet entirely convinced. The boss suggested to the worker that they go together to the women's houses, along with some female health workers. The presence of the female health workers had the opposite of the intended effect, because on previous these workers had insulted the women. The boss suggested they offer the women food in exchange for consent to sterilization. (It was not clear to this worker where the food was to be obtained. Although the worker did offer food, none of these four women ultimately consented to be sterilized.)
- An official of a human rights organization which has not been involved in investigating these allegations --- and with whom I had requested to meet on matters unrelated to the family planning program --- reported a recent conversation with a close friend who is an obstetrician/gynecologist at a government hospital. This doctor reports that he is required to keep a record of the number of sterilizations he performs and report this number periodically to his superior. He is not required to keep such records with respect to any other procedure. This doctor says everyone knows "off the record" that the hospital is expected to perform a certain number of sterilizations.
- One woman claimed her malnourished child was a participant in a "targeted feeding" program conducted by PANFAR, the government food distribution program funded by AID through PRISMA. After several months she was told that her child could not continue in the program unless she agreed to have a tubal ligation. She thereupon discontinued her child's participation in the program.
- Another woman claimed she was recruited by health workers going door-to-door for another food distribution program called "PRO-DIA." (According to AID workers, this program no longer exists.) When she showed up to participate in the program, she was told that she would be given one portion of food, but could not receive further food unless she agreed to a tubal ligation.

- Most of the people from whom I received these reports made clear that they personally had no objection to tubal ligations so long as the patient's consent is genuinely free informed. Several of these people mentioned that in the course of their investigations they had talked to women (in one case "many" women) who were satisfied with their operations. Even in these cases, however, the investigators believed that few if any women had been thoroughly counseled in the risks and disadvantages of the operation. Rather, the campaigns consisted almost exclusively of health workers strongly advocating the operation. Women who agreed (or, perhaps more accurately, who did not refuse) were sometimes taken to medical posts the same day for tubal ligations.
- David Morrison of PRI met with Dr. Yong Motta, the President's health advisor, the day after I left Peru. According to notes Mr. Morrison took during the interview, Dr. Yong Motta defended the practice of going house to house to persuade women to undergo sterilization, because "if the Ministry of Health did not do the campaign house to house people would not come." Asked whether there was a need for health workers to "go back to the houses time and time again," Dr. Yong Motta "replied with a long discussion of a hypothetical male patient with a hernia. A man might not want to get the hernia operation for any number of reasons But, Yong Motta said, it was a doctor's responsibility to convince the patient into doing what was best and having the operation. It's exactly the same with ligation, he said. Women in Peru have many children."
- "Why were women being pulled off [Depo-Provera] and sterilized? Depo costs too much, [Yong Motta] says. In addition, . . . a woman might forget to come in for her shot or might not want to."
- "Of course the campaign had targets [Success is measured, Dr. Yong Motta said,] through many methods, numbers of acceptors versus non-acceptors I asked if the ministry recognized the danger that the targets set to evaluate the policy at the policy-making level might be understood as targets for sterilization at the local level and he replied that this was quite possible but that the campaign had been a success."

These accounts are consistent with similar accounts reported by, among others, the Coordinadora de Derechos Humanos (an "umbrella organization" representing several dozen human rights organizations), and the feminist group Flora Tristan, and the Defensoria del Pueblo (Ombudsman):

- In May 1997 the Coordinadora reported that

the national population polic[ies] . . . have on many occasions
 resulted in the imposition of methods of sterilization

(The relevant excerpt from the report of the Coordinadora de Derechos Humanos is attached to this report as Appendix A.)

- In December 1997 a report by Giulia Tamayo, an attorney/investigator for Flora Tristan, reported that health workers had been paid a bonus of up to 30 soles (about 10 dollars) for each woman sterilized; that in some cases sterilizations had been performed on women without their consent; that in other cases the consent of extremely poor women had been induced by offers of food; that poor women had also been bullied and humiliated into giving their consent; that women were not given information about the risks of the operation, or about the availability of other methods of contraception; that operations were sometimes performed in substandard conditions, resulting in medical complications at rates far higher than the norm; and that these abuses resulted from the imposition of national goals with respect to the number of women who were to be sterilized: "We discovered that the government, independent of any real demand for any one kind of contraception, came up with a number of women who should be subjected to tubal ligations during 1997. These were called 'metas' (goals) and were, supposedly, the best way to combat poverty." (The Flora Tristan report has not yet been published. A newspaper interview with Ms. Tamayo announcing the results of the investigation is attached to this report as Appendix B.)
- On January 26, 1998, the day after I returned from my visit to Peru, the Defensoria del Pueblo announced the results of its investigation: the imposition of national goals which were "more compulsive than programmatic" had resulted in "the absence of guarantees of free decision"; in "compulsive tendencies in the application of the [family planning] program; in "campaigns devoted exclusively to tubal ligation and, to a lesser extent, to vasectomy"; to failure to give women the appropriate medical information and to allow an appropriate waiting time prior to the operation; and to the absence of post-operative medical care. (The report of the Defensoria del Pueblo is attached to this report as Appendix C.)

The official position of the Ministry of Health is that any numbers promulgated by the government have been mere "programmatic" or "referential" numbers (cifras referenciales) rather than goals or quotas; that the government does not favor or "privilege" sterilization over any other method of contraception; and that the alleged abuses will be investigated and punished in due course. This position was announced by Minister of Health Marino Costa Bauer in a speech to Congress on January 16, 1998.

During my visit I met with only two Peruvians who agreed with the government's position. One was the Vice Minister of Health and the other was the President of the Women's Commission in the Congress. The Vice Minister also denied that there had been any campaigns or "festivals" during 1997 devoted exclusively to tubal ligation. I have, however, seen extensive documentation, including photographs, of such festivals well into late 1997, and

the report of the Defensoria specifically mentions a sterilization campaign in August 1997. After the Defensoria report was issued on January 26, the Vice Minister was quoted in the Lima press to the effect that the problems mentioned in the report may have existed in some locations in the past, but that such problems no longer exist.

There was a consensus among the other Peruvians with whom I spoke, spanning the spectrum from church officials to "mainstream" human rights advocates to leaders of feminist organizations:

- That the government had announced "metas" (goals or quotas), not "cifras referenciales" (programmatic numbers).
- That these goals emanated from a very high level in the central government.
- That health officials, doctors, and other health workers would generally feel an obligation to meet these goals and would fear that their contracts would not be renewed if they failed to do so.
- That other abuses --- such as lack of informed consent, pressure to consent, bonuses per woman sterilized, and trading food for consent --- were probably not mandated by the central government but were the natural outcome of the mandate that the goals must be met.

This consensus is consistent with the impressions I gathered from my interviews, with press accounts, and with the reports of the Coordinadora, of Flora Tristan, and of the Defensoria del Pueblo.

THE ROLE OF THE UNITED STATES

There are persistent rumors in Latin America and throughout the Third World, especially but not exclusively among conservative Catholics, that "family planning" programs are in fact "population control" programs conducted under pressure from the United States, the World Bank, and/or the International Monetary Fund. I encountered these rumors in Peru. In particular, conservative critics of the government program noted that then-Under Secretary of State Tim Wirth, a strong advocate of global population stabilization, visited Peru and met with President Fujimori a few months before the sterilization campaigns began.

Peruvian government officials also appear to have portrayed the United States as a sort of silent partner in the sterilization campaigns: In September 1997 a news account quoted Miriam Schenone, Minister for the Promotion of Women and Human Development, as defending the campaigns partly by reference to AID's assistance to the Government of Peru in connection with "voluntary surgical contraception" (i.e., sterilizations). According to David Morrison's

notes of his interview with Dr. Yong Motta, the latter stated that "USAID is disqualified from objecting because they have been helping in the family planning program from the first."

Some other Peruvians, particularly those who would consider themselves feminists, believe that President Fujimori's decision to make family planning a national priority was primarily due to the influence of a particular cabinet member who is both a feminist and an expert on international trade and investment. In this account, President Fujimori was urged to take on the family planning issue on the ground that it was both the right thing to do and a move that would enhance his international reputation.

It was not possible during my seven-day visit to Peru to gather evidence sufficient to confirm or refute any of these accounts of the origins of the government policy. It does appear that since shortly after the onset of the sterilization campaigns, AID has made efforts to distance itself from these campaigns. Unfortunately, these efforts took place almost exclusively within the "health care community" consisting of the Government of Peru, donors, and a few non-governmental organizations. The campaigns themselves --- along with U.S. support for family planning and food distribution programs operated by the same government entities that have been involved in the campaigns --- have been widely publicized. AID's efforts have therefore been insufficient to dispel a public impression that the United States remains a supporter of the Government's "family planning program" in its entirety.

a) AID Office of Population, Health, and Nutrition

Until the late 1980s, and perhaps even until the early 1990s, U.S. policy in Peru could more accurately be described as one of support for population control than for family planning. AID's strategic objective for the program was defined as "stabilizing world population"; church officials and women's organizations alike complained that in this period the AID program had a strong bias toward "definitive" methods of birth control --- primarily the insertion of intra-uterine devices (IUDs) --- and against "temporary" methods including natural family planning methods (rhythm/calendar/Billings/lactation), condoms, and vaginal contraceptives.

By the mid-1990s AID had shifted its focus somewhat. Population assistance to the Government of Peru now consists primarily of the provision of "temporary" contraceptives; support for the printing of literature on a wide range of contraceptive methods which includes tubal ligations and vasectomies but also includes natural family planning and other "temporary" methods; and training of health workers, which includes training in techniques but also in counseling and other "quality of care" concerns. (According to AID, the health care management assistance program known as Proyecto 2000, which provides substantial direct assistance to the government, has little to do with population or family planning --- although this program is operated primarily by Pathfinder International, which until recently was devoted exclusively to population control.)

AID has also shifted some of its funding from the government to independent programs such as ReproSalud --- one of whose principal objectives is to learn from poor women themselves what they believe their health care needs to be and to advocate corresponding changes in the range of services provided by the Peruvian government --- and MaxSalud, which appears to be a well-balanced health program which contains a family planning component but does not unduly emphasize this component. (The "integrated health care" approach to which AID is shifting in Peru and other countries does raise important questions about the need for careful and accurate allocation of spending among population, child survival, and other health accounts, particularly where Congress has mandated floors and/or ceilings for the amounts to be spent in such accounts, but that question is beyond the scope of this report.)

According to Ms. Brems, AID's reaction to the campaigns began in July 1996 when AID sent a "specialized team to observe one of the first health fairs and report deficiencies." Soon thereafter, AID took a number of steps including the following:

- "Segregated our assistance to ensure no support went to the campaigns." AID continued, however, to provide the Peruvian government with assistance for temporary methods of contraception, as well as assistance for what AID characterizes as "improvements in quality." This latter term apparently includes such items as literature on family planning methods (including but not limited to tubal ligation and vasectomy) as well as training (including a relatively small component that included training in sterilization techniques).
- In conversations with Peruvian government policy makers, urged "an end to targets and associated improvements in quality of care," and "mobilized other donors" to do the same.
- Repeatedly attempted to persuade the government to co-operate a "user satisfaction study" involving interviews with women who have been sterilized or have received other family planning services from the Government of Peru. The government has not yet agreed to co-operate in this study.
- In response to the Minister Schenone's remarks (quoted above) with respect to alleged AID participation in the sterilization program, wrote a letter to the Minister making clear that although AID had provided assistance for "voluntary surgical contraception," "we have not participated and do not participate in assisting the campaigns of voluntary surgical contraception that have taken place since June 1996."
- Finally, on January 6, 1998, wrote a letter to the Minister of Health stating that "our desire to collaborate in the area of family planning is based on the free, voluntary and informed choice of contraceptives . . . not in the pursuit of quantitative targets by method for a particular service provider or group of service providers, especially where tubal ligation and vasectomy are concerned." The letter went on to state that "we need

to be able to count on the following as soon as possible": (1) the initiation of the user satisfaction study; (2) "[c]onfirmation that the Family Planning Program in 1998 will not be characterized by the imposition on particular service providers or groups of providers of quotas, targets or 'referential figures'"; and (3) "[e]vidence of the operational and monitoring steps being taken by the MoH to ensure informed consent and protection of rights in the Family Planning Program." (The letter from AID Director Donald Boyd to Minister of Health Costa Bauer is attached to this report as Appendix D.)

b) Food for Peace

The Food for Peace program in Peru consists of about \$55 million per year in food assistance. Of this amount, \$24 million worth of food is distributed through four grantees: CARITAS, a non-governmental organization affiliated with the Catholic Church; the Adventist Development and Relief Agency (ADRA); CARE; and PRISMA, a non-government organization that distributes food through the Peruvian government's PANFAR program. The remaining \$31 million worth of the Food for Peace money is "monetized": that is, the food is sold and the money is used to pay for various administrative and program expenses, including the costs incurred by the four grantees in operating their programs.

Until FY 1995, CARITAS was the largest Food for Peace grantee in Peru, and PRISMA was the smallest. In every subsequent fiscal year, CARITAS and the other two grantees have had their food grant substantially reduced. During this same period, the amount of food distributed through PRISMA/PANFAR has been increased. In FY 1995 CARITAS received \$12.2 million worth of food for direct distribution, and PRISMA received \$6.4 million. In FY 1998 CARITAS will receive only \$5.5 million --- a 55% reduction --- and PRISMA will receive \$7.5 million. AID attributes this decline to CARITAS's inability to meet certain technical requirements of the Food for Peace program in some regions in which it formerly operated. (Over this same three-year period, the amount of food directly distributed has declined substantially while the "monetized" amount has increased from \$10.3 million to \$30.6 million. The four grantees receive roughly equal amounts of "monetization" assistance.)

The PRISMA/PANFAR program has been the focus of allegations that food distribution to poor women and their children has been conditioned on consent to sterilization. In the face of these allegations, the AID officials who manage the Food for Peace program seem to have made far less vigorous efforts to distance their program from the sterilization campaigns than the efforts made by the Office of Health, Population, and Nutrition. This is disturbing, especially in light of several important facts:

- The PRISMA/PANFAR program, unlike targeted feeding programs managed by other Food for Peace grantees in Peru, contains a family planning component. Women are required to attend a lecture on various family planning methods as a condition of "graduation" from the program.

- The PRISMA/PANFAR program is conducted through the same Ministry of Health medical posts at which the sterilization campaigns are conducted. In smaller posts, the same person may be charged with administering PANFAR and running the sterilization campaigns.

AID officials rely on four assertions to support their view that the alleged abuses are unlikely to be happening:

- Such abuses would be against the rules of the PRISMA/PANFAR program. This is true. The training manual for PRISMA/PANFAR workers, of which Ms. Gilman of PRISMA has provided me with a copy, makes clear that women should be counseled with respect to all family planning methods and should be advised of the risks and disadvantages of all methods including sterilization. Unfortunately, there is no guarantee that all workers will follow the rules. Indeed, the Ministry of Health's own manual provides much the same guidance to its workers about the need for informed consent. It seems quite clear, however, that many health workers have disregarded this guidance in the effort to meet the government-imposed goals. It is far from clear that a government worker who was willing to disregard the Ministry of Health manual would nevertheless feel bound to observe the PRISMA manual.
- In April 1997, when the PRISMA grant was renewed for FY 1998 --- and after food-for-sterilization allegations had already surfaced --- AID imposed a condition that PRISMA do a study of its clients to ensure that quality-of-care standards were being met. Remarkably, however, instead of requiring the study (and any appropriate modifications in procedures in response to problems brought to light by the study) as a precondition of the 1998 grant, AID did not even require PRISMA to begin the study until February 1998.
- AID officials also assert that if there were abuses in the PRISMA/PANFAR food program, representatives of CARITAS --- which has offices throughout Peru, and which has been critical of the sterilization campaigns --- surely would have told them. This ignores the fact that CARITAS and PRISMA/PANFAR tend to operate their programs in different localities. It also puts an unfair burden on CARITAS, whose collegial relationship with PRISMA and whose grantee relationship to AID would make the role of whistle-blower an awkward one.
- Finally, PRISMA did a study during 1997 which surveyed 55,673 of its client and showed a minimal change (from 9.2% to 9.5%) in the number who had been sterilized between entry into the program and "graduation." To cite this study as an assurance that the alleged abuses have not occurred, however, is to misunderstand the allegations: no one has claimed that all or even most PANFAR food recipients have been required to accept sterilization as a condition of the program, but only that this has happened on

a number of occasions. No one asserts that the Ministry of Health (much less PRISMA) has issued a directive ordering that food be traded for consent. Even severe critics of the government program believe that the food-for-consent incidents have been initiated at the local or regional level as a way to meet the government-imposed goals. This would not be at all inconsistent with PRISMA's finding that a relatively small number of its 55,000 clients agreed to be sterilized after entry into the program. **If even one woman agreed to be sterilized only because of a threat to withhold U.S.-supplied food from her malnourished child, this should be regarded as a major scandal requiring immediate corrective action.**

The January 6, 1998 letter to the Ministry of Health, quoted above in the discussion of actions taken by the Office of Health, Population, and Nutrition, also discusses the PANFAR allegations and implies that United States support of PANFAR will be discontinued if "operational and monitoring steps" are not taken to ensure informed consent and protection of rights in the government family planning program.

RECOMMENDATIONS

At the outset, it is important to emphasize that the Government of Peru is a government with which the United States has a friendly relationship and wishes to continue to enjoy such a relationship. The governments of the United States and of Peru co-operate on a number of important projects, including projects administered by the Ministry of Health. None of the recommendations in this report should be taken as a general criticism of the Government of Peru or of activities of the Ministry of Health unrelated to the family planning program. One of the obligations imposed by friendship, however, is honesty. As Director Boyd of AID pointed out in his January 6 letter to the Minister of Health, the United States can neither support nor allow itself to be seen as supporting a program that imposes goals or targets for the number of women who should be sterilized. Accordingly, in addition to the steps already taken, AID should take the following steps to dissociate itself from the sterilization campaigns and related violations of women's rights:

- **Discontinue all direct monetary assistance to Government of Peru family planning programs until it is clear that the sterilization goals and related abuses have stopped and will not resume. Even though money provided by AID may be earmarked for particular activities which might be unobjectionable in and of themselves, direct financial subsidies of an entity redound to the benefit of all activities of that entity in several ways:**

First, money is fungible; giving money for one purpose frees up money to be used for other purposes.

Second, substantial subsidies enable the entity to build infrastructure and develop expertise, with consequent free-rider effects on formally unfunded activities.

Third, entities that are enriched and empowered are thereby emboldened. Institutions that derive wealth and prestige from foreign sources are free to take political risks that would otherwise be impossible. In the case of some aid recipients this freedom from political accountability may be a good thing, but in the case of the Peruvian family planning program --- which was raised from a pup by the United States and other foreign and international donors, and which now appears unrepentant in the face of widespread public criticism of its sterilization campaigns --- it has worked badly.

Finally, continued United States subsidies of the government's family planning program are likely to be taken as a sign that our attitude toward the sterilization campaigns is one of relatively mild disapproval rather than of abhorrence. This is the wrong message to send to the government itself, to the Peruvian public, and especially to victims and their families.

- **Discontinue in-kind assistance unless it is clear that such assistance will not assist or facilitate, either directly or indirectly, the sterilization campaigns or related abuses.** The United States continues to provide substantial in-kind assistance to the Ministry of Health for its family planning program. This assistance includes training; research; development of health care management, financing, and delivery systems; and the provision of printed materials and of contraceptive devices. Each component of this assistance must be examined to see whether it has been used, even indirectly, to assist in the sterilization campaigns or in other abuses, or whether it might be so used. As with financial assistance, AID must also evaluate in-kind assistance in light of the possibility that by bearing a substantial part of the cost of "harmless" aspects of the government's program, we both associate the United States with the program in its entirety and allow more of the government's own resources to be spent on the parts of the program to which we object.

To take the clearest example, training in sterilization techniques should not be provided to employees of an institution that is credibly accused of conducting an ongoing campaign in which women have been sterilized without their informed consent. AID suggests that the continuation of such training even after the initiation of sterilization campaigns in June 1996 may have been justified by our desire to ensure that medical personnel trained in

sterilization techniques were also trained in "quality of care," including informed consent. This is closely analogous to the argument that we should provide training to military and/or police forces that engage in widespread human rights violations, so long as this training includes a "human rights component." In each case, the argument works only if the top leadership of the entity receiving the assistance is determined to end the abuses. If not, it is likely that the technical skills we give our trainees will be used in ways that are starkly inconsistent with our objectives.

Infrastructure support such as research and development of management, financing, and delivery systems should be presumed to contribute to all activities of the entity receiving the support unless it is clear that such assistance can and will be segregated from the activities with which the United States does not wish to be associated. Although AID indicates that it took steps in 1996 to "segregate" our assistance to the government to ensure that none of our aid assisted the sterilization campaigns, such "segregation" would appear to be difficult or impossible in the case of support for infrastructure. AID should consider contracting for an independent audit of any such programs to ensure that the "segregation" has been effective, especially if it wishes to continue providing such assistance.)

Printed materials should be evaluated according to their content and the likely circumstances of their ultimate use. For instance, the provision of a pamphlet to the Ministry of Health which dealt exclusively with a method of contraception other than sterilization would not appear likely to assist the sterilization campaigns --- unless the pamphlet concentrated mainly on the disadvantages of the other method and could be used in tandem with another pamphlet emphasizing the advantages of sterilization. Similarly, **training unrelated to sterilization and provision of temporary methods of contraception** must be evaluated according to the likelihood that they will assist or support, directly or indirectly, the unacceptable aspects of the government programs. AID has argued that if we stopped supplying the government with temporary contraceptives, the main effect might be to cause the government program to rely even more heavily on sterilization. This is a question of fact to be resolved in light of the answers to such questions as the extent to which the government already "privileges" sterilization over other methods, whether demand for these other methods could be met by non-governmental

organizations working independently of the government, and the resource-freeing and implied-endorsement effects of continuing our family planning partnership with the Ministry of Health. (It should also be recalled that some of the problems with the government program appear to extend beyond sterilization. The Defensoria del Pueblo found that the government had announced "goals" to the effect that specified percentages of Peruvian women in certain categories should use contraceptive methods that were "modern, sure, and effective" by the year 2000. This term appears to include not only sterilization but also IUDs, injectable contraceptives, and perhaps pills, and to exclude rhythm and perhaps condoms and vaginal tablets.)

- **Discontinue public expressions of support for the government family planning program that could easily be misconstrued as expressions of support for the campaigns.** For instance, in only a few days in Lima and three other locations in Peru, I saw several billboards promoting family planning --- all emblazoned with the logo of the Ministry of Health side by side with that of AID. Although the textual content of these billboards was spare and not inherently objectionable --- their ubiquity and their joint sponsorship send a message of solidarity that is inconsistent with our fundamental objection to the government's flagship family planning project. (For instance, on the road to the village of La Quinta, perhaps five minutes' drive from the place where we met the family of the woman who died after the nurses came "day and night" to persuade her to accept sterilization, was an AID/Ministry of Health/CARE billboard with two "smiley faces" announcing "Planning the Family We Live Happily.") The removal of the AID logo from these billboards would send a strong and salutary message that we have serious differences with the government program.
- **Publicly dissociate the United States from the sterilization campaigns, goals, and associated abuses.** The public disclosure of the January 6, 1998, letter to the Minister of Health, which AID has authorized me to attach to this report, will be helpful. The letter, however, objects to quotas, targets or "referential figures" only when they are imposed "on particular service providers or groups of providers." This qualification is conspicuous, and appears to imply that a national quota, target or "referential figure" for the number of women to be sterilized might be acceptable. As the Defensoria del Pueblo report makes clear, however, even goals stated in national terms rather than explicitly imposed on particular hospitals or medical workers have been "more compulsory than programmatic." These goals also clearly have the effect of privileging one method of birth control over other methods. The effect on the individual medical worker or hospital director, although not as forceful as a particular quota imposed on him or her personally, is still likely to be a strong message that sterilizations are the order of the day. AID should make clear that it cannot participate in any program which imposes goals, targets, and "referential figures" for the number of women who

should be sterilized or subjected to other procedures, whether these goals are imposed at the national, regional, or local level.

Discontinue the use of words and actions that lend themselves to the accusation that AID itself still favors "population control" over "family planning." For the last several years AID has been careful to refer to its programs around the world as providing "family planning" rather than "population control." Although these two terms can be used to describe programs that provide identical services and have similar effects, the distinction is an important one. A genuine "family planning" program would provide information and services to people who need and want these services. A "population control" program would regard the satisfaction of user demand not as an end itself but as a means to reduce or stabilize the size of the population. The central problem with the Peruvian sterilization campaigns and similar programs around the world is that they reflect a deeper concern about population size than they about the needs, desires, and rights of individuals and families. I was generally impressed by the emphasis the AID Office of Population, Health, and Nutrition in Lima seemed to put on meeting reproductive health needs as perceived by clients themselves. For instance, Peru is the first AID mission I have visited whose programs appear to give more than lip service to helping couples who prefer natural family planning methods to use these methods effectively. Similarly, when poor women surveyed by the AID-funded ReproSalud project indicated (to the surprise of the surveyors) that they cared more about receiving treatment for vaginal infections than about family planning, the project shifted its emphasis. It is therefore disconcerting to find indications that AID, even in Peru, clings to vestiges of the "population control" ideology which long dominated our population assistance programs (and which still appears to dominate in some other missions and programs):

In the overview of AID programs in Peru supplied by AID's Washington headquarters, "Stabilizing World Population Growth" is defined as the primary goal of our population assistance programs.

Some AID documents in Peru, as elsewhere, use the increase in the rate of "contraceptive acceptance" as an index of the success of family planning programs. While such an after-the-fact evaluation is several steps removed from the Peruvian government's practice of assigning quotas for a particular method to particular service providers, it endangers our standing to criticize such practices. If what we really care about is empowering women and their families, then only the measure of success is how many women were given objective, non-directive information about the options available to them and then were able to use the services they freely chose. If there was no

resulting increase in contraceptive use, but if this result was the outcome of a process of free and informed decision making, then the program should be judged a success. The Defensoria del Pueblo report made a similar point in recommending that the only permissible "goal" for the Peruvian program would be that 100% of the women in Peru receive information about all methods of family planning.

Another index of the primacy of the philosophy of population control over that of family planning is the "privileging" of methods deemed "definitive" (such as sterilization and IUDs) over other methods of family planning. One gratuitous and irritating example of such privileging is the relentless use of the boosterish nicknames "voluntary surgical contraception" and its abbreviation, "VSC." If "sterilization" --- the English word most widely used outside the "population community" to describe these procedures --- is deemed pejorative, then AID should refer to "tubal ligations" and "vasectomies." Instead, AID and the rest of the "population community" privilege sterilization by referring to it by means of a political slogan, whereas every other method is called by a technical name or a simple descriptive term. It is particularly awkward that AID, in letters whose whole purpose was to make the point to Peruvian government officials that campaigns and goals might have the effect of rendering these procedures insufficiently voluntary, nevertheless referred consistently to goals and campaigns for "voluntary surgical contraception." (The equivalent terms in Spanish, "anticoncepcion quirurgica voluntaria (AQV)," "esterilizacion," "ligadura de trompas," and "vasectomia," have roughly the same connotations as their respective English translations.)

Similarly, some of the literature provided to clients/patients at AID-supported clinics appears to understate the risks and disadvantages of sterilization while emphasizing the risks and disadvantages of other methods, particularly the rhythm/calendar method. At the MaxSalud clinic in Chiclayo --- which appeared generally to be a model of balanced and demand-driven medical care --- I was shown a cartoon book on tubal ligation that could generally be summed up by its last frame, which features two elegant-looking couples raising a toast at dinner with the legend, "Thank you for your advice. If it wasn't for you I would still be worried." In contrast, the largest type in the cartoon book on the rhythm method is devoted to warning the client that this "is not a

very secure method" and that it might be best to combine it with the use of a condom. (Ms. Brems assures me that AID is phasing out these booklets in favor of others that are more balanced. As of last month, however, the old ones were apparently still being distributed to clients. The new ones are an improvement but could easily be improved further.)

- **In choosing non-governmental organizations as grantees or contractors, use only those who are genuinely devoted to providing "family planning" rather than "population control" and who have no inclination to participate in objectionable programs.** As noted, some AID grantees/contractors in Peru seem genuinely committed to providing non-directive information and demand-driven reproductive health services. This may well be the case with all AID grantees and contractors. I could not help but notice, however, the involvement of two organizations in a number of AID projects.

Pathfinder International, whose headquarters is in the United States, has been a vigorous advocate of family planning as a means to the end of world population control. Over the years Pathfinder has shown a strong preference for "definitive" methods including sterilization. It was Pathfinder that conducted the three training sessions in tubal ligation for government medical workers that took place between June 1996 (the first government sterilization campaign) and December 1997. Pathfinder also appears to be the "managing partner" among the co-operating agencies in Proyecto 2000. Although, according to Ms. Brems, this is a health care management project that has little to do with family planning, Mr. Jordan of Proyecto 2000 told me that he had wanted to assist in some of the early sterilization festivals but had been asked by Ms. Brems not to do so. This was a good outcome, but if Proyecto 2000 was not supposed to be involved in family planning in the first place, it is difficult to understand why the issue of assisting in the campaigns ever came up.

PRISMA (or "A.B. PRISMA") is described as a Peruvian non-governmental organization. (Its director, Ms. Gilman, appears to be an American.) It administers the PANFAR food program, described above, in co-operation with the Ministry of Health, and is also a grantee on several health and population projects, including the "Coverage with Quality and Contraceptive Management" program ("public sector support," \$2,400,000 over 5 years), the "ALCANCE" program ("to increase the use of

family planning (i.e., contraception) and other reproductive health interventions among high-risk populations of Peru," \$8 million over 6 years), and an even larger contraceptive distribution project. One of the goals of the "Coverage with Quality" project is to "foster a heightened public/private partnership between the MoH and PRISMA." PRISMA appears to work closely with the Ministry in family planning projects as well as in its food distribution projects.

The level of comfort found in the assurance that most of our population assistance goes not to the Ministry of Health but to non-governmental organizations is reduced considerably by the pervasive involvement in AID's family planning projects of a prominent international population-control organization and a local entity whose activities seem to be intertwined with those of the government. In determining whether AID grantees and contractors that work with the Ministry on family planning projects have provided assistance (either intentional or inadvertent) to the sterilization campaigns, AID may want to rely on an independent audit. Such an audit might determine, of course, that these organizations have been scrupulous in keeping their personnel and other resources from assisting the sterilization campaigns or other objectionable activities --- but such a finding would be far more reassuring if it were the result of an audit rather than of self-certification.

- **Discontinue the distribution of food through government "medical posts" or in cooperation with entities closely associated with the sterilization campaign.** AID should contract for an immediate independent audit to determine whether U.S.-supplied food has been diverted through the PANFAR program. In any event, the growth of a program co-administered by the Ministry of Health --- often in the very medical posts at which the sterilization campaigns are conducted and in which food-for-sterilization offers have been alleged --- at the expense of other Food for Peace programs during the last three years is disturbing. If such co-location were the only way we could get food to malnourished children, then the risks might be worth it. But this is not the case. CARITAS has a country-wide network with the capacity to administer food distribution programs in many locations in which AID has not seen fit to fund the organization. CARE and ADRA might also be able to take up some of the slack. Or perhaps PRISMA (assuming an audit reveals no improper activity on its part) could manage part or all of its current program without relying on PANFAR. In addition to determining whether any PANFAR food has been improperly used, AID should conduct a similar investigation with respect to any U.S. food supplied to Peruvian government programs through the World Food Program and/or other international or multilateral institutions.
- **Avoid Misallocating the Burden of Proof.** Some AID officials with whom I have discussed this controversy take the position that the burden is on someone else --- perhaps on the United States Congress, or perhaps on Peruvian critics of the family

planning program --- to come forward with proof beyond a reasonable doubt that U.S. aid has already been put to some improper use before AID should even consider discontinuing or reallocating such aid. This sort of thinking, applied to U.S. assistance projects around the world, is virtually guaranteed to get us into the business of funding human rights violators and then to keep the funds flowing even after the violations have come to light. The right way to look at this problem is to begin by recognizing our affirmative obligation to ensure that our foreign assistance does no harm. This obligation entails vigorous monitoring and quick response as soon as it appears that one of our grantees or contractors might be engaging in inappropriate activities --- not a wait-and-see attitude even after the grantee or contractor has shown a propensity for activities with which the United States should not be associated. It is dangerous to assume that an entity will break all the rules except those governing its AID grant.

- **Consult with a broader spectrum of voices within Peru on family planning needs and concerns.** The first reports of abuses in the sterilization program appear to have come from Church officials. Some Peruvians who are now quite critical of the sterilization campaigns admitted to me that at first they discounted the reports of abuses because of the Church's opposition to most forms of contraception. Similar tendencies appear to exist within AID, at least in Washington: after my return from Peru, I described to an AID official here a videotaped interview that Mr. Morrison of PRI had conducted with a woman who claimed to have been the victim of an abuse in the sterilization program. Her response was to dismiss the source: she told me she had talked to PRI, and that "they are opposed to all contraception except natural family planning." It seemed odd that this would have any bearing on whether she wanted to hear the evidence PRI claimed to have about the abuses in Peru, but she seemed to have heard enough. While I encountered no such attitude on the part of the AID people in Lima, neither did I encounter any evidence of serious and sustained efforts to communicate across ideological fault lines. On the question of the abuses in the sterilization campaigns, the feminist organizations (and AID grantees) Manuela Ramos and Flora Tristan appear to be in substantial agreement with the Bishops' Conference and other social-conservative critics of the government program, yet there seems to be little co-operation and substantial distrust on both sides. Perhaps AID can encourage communication and co-operation, in part by bringing Church officials and other social conservatives into the circle of consultation on family planning issues. It would be particularly helpful to persuade such people that AID is determined to respect the choices of couples who, for religious or other reasons, choose to use natural family planning methods or no method at all, and to consult with them on the development of materials that reflect this determination.
- **Notify Congressional oversight committees of problems as soon as they appear.** AID could have had the benefit of the suggestions contained in this report (assuming any of them are regarded as beneficial) 18 months ago if it had notified its Congressional oversight committees of the problems in the Peruvian family planning

program, and of its strategy for dealing with these problems, as soon as the problems surfaced. I am informed that the AID mission in Lima did keep its superiors in Washington posted as events unfolded, yet somehow this information did not find its way to the Senate Foreign Relations Committee, to the House International Relations Committee, or to the Appropriations Committees. This problem is not unique to Peru: when the Chairman of AID's House oversight subcommittee for population programs attempted to investigate similar allegations of forced sterilizations in Mexico in 1996, and when I visited Mexico City a few months later to continue this investigation, our AID representative seemed primarily interested in assuring us that "that doesn't happen here." It now appears, according to reports described in the State Department's 1997 Country Report on Human Rights Practices for Mexico, that she may have been mistaken. AID will be provided with a copy of this report, and should consider it a standing request that the Subcommittee on International Operations and Human Rights be informed of any reports AID may have or receive of coercion, lack of informed consent, or other abuses anywhere in the world.

INFORME

Appendix A.

INFORME SOBRE LA SITUACIÓN DE LOS DERECHOS ECONÓMICOS SOCIALES Y CULTURALES EN EL PERÚ

Presentado por la Mesa de Trabajo sobre Derechos Económicos, Sociales y Culturales de la Coordinadora Nacional de Derechos Humanos del Perú

Artículo 1º

Los derechos de los pueblos indígenas, en tanto derechos colectivos, están íntimamente relacionados con la libre determinación a la que se refiere este artículo primero. El Perú posee una realidad cultural y lingüística sumamente heterogénea, pluricultural y multilingüe, manifestada en la coexistencia de 72 etnias, poblaciones con cultura y lengua propias. De éstas, siete se ubican en la región andina y 65 en el área amazónica, estando agrupadas en 14 familias lingüísticas diferentes, las cuales son denominadas indistintamente, indígenas, comunidades campesinas -en el Ande -y, comunidades nativas- en la Amazonia.

El Gobierno Peruano ha ratificado el Convenio N° 169 de la OIT. La Constitución de 1993 reconoce el derecho a la identidad étnica y al uso del idioma materno (art 2, inc. 19, art. 48), a la educación bilingüe (art. 17), al reconocimiento y autonomía de sus Comunidades -incluyendo la propiedad de sus tierras- (art. 89) y al ejercicio del derecho consuetudinario (art. 149). Otros instrumentos legales precisan el ejercicio de estos derechos, en particular el relacionado con la propiedad de las tierras con aptitud para el cultivo y/o la ganadería; estableciendo un régimen de cesión en uso para las tierras con aptitud forestal. Sin embargo, con la aprobación de la Ley 26505 (Ley de Tierras), se han vulnerado seriamente varios de estos derechos.

La Constitución de 1993 no incluyó la referir: a la inembargabilidad e inalienabilidad de las tierras comunales indígenas, la Ley mencionada las suprimió (art. 11). Sometió al Código Procesal Civil (art. 6) los conflictos suscitados entre las comunidades indígenas y los particulares, pasando por encima de la interculturalidad jurídica. El procedimiento vigente para la titulación de las tierras comunales indígenas es largo y reiterativo. A esto se suma el Decreto Legislativo N° 838, (15 de agosto de 1996), por el que el Estado concede titulaciones gratuitas en la selva, para indígenas y no indígenas, que se encuentren en áreas de economía deprimida o afectadas por la violencia, sin garantizar que realmente se favorezca a las comunidades nativas. En los últimos cinco años se han otorgado más de 2,000 títulos individuales frente a seis títulos otorgados a comunidades nativas en toda la selva.

El artículo 10 de dicha Ley vulnera la autonomía comunal al establecer que *«las comunidades campesinas y las comunidades nativas deberán regularizar su organización comunal de acuerdo con los preceptos constitucionales y la presente ley»*. Así mismo establece una distinción artificial entre comuneros poseionarios y comuneros no poseionarios, contraviniendo además el artículo 103 de la Constitución, que establece que *«pueden expedirse leyes espe-*

El tratamiento jurídico sobre salud sexual es insuficiente. A pesar que existen diversas normas e incluso un Plan Nacional de Lucha contra el SIDA y otras enfermedades de transmisión sexual, el número de afectados es alto y en crecimiento. Hasta agosto de 1996 se habían reportado 4,586 casos de SIDA, calculandose el total de portadores entre cincuenta y setenta mil. Las personas dedicadas al comercio sexual clandestino que se encuentran más expuestas a contraer estas enfermedades son hostigadas por los gobiernos municipales y la policía en vez de ser informadas y asesoradas para prevenir y cuidar su salud.

La Constitución (artículo 6°) establece que la política nacional de población tiene como objetivo difundir y promover la maternidad y paternidad responsables. Reconoce el derecho de las familias y de las personas a decidir. Sin embargo, en muchas ocasiones estas políticas han devenido en la imposición de métodos de esterilización, lo que ha sido denunciado repetidas veces en los meses recientes. Los programas del Gobierno no vinculan la salud reproductiva con condiciones globales de vida y salud, y excluye de sus postulados los derechos reproductivos de las mujeres.

La tasa de mortalidad materna a nivel nacional asciende a 280 por cada 100,000 partos. En las mujeres sin ningún nivel de educación, las muertes maternas son diez veces más que en aquellas que tienen educación superior. La mortalidad aumenta en mujeres con varios hijos, solas y de mayor edad. De cada diez muertes una es de mujeres entre 15 y 19 años. Las causas directas de esta mortalidad son: hemorragias, aborto, infección e hipertensión. Mientras que la atención prenatal y natal es alta en las ciudades, en el campo sólo el 15.2% de partos son atendidos por profesionales.

Se estima que el 15% de los embarazos pueden terminar en aborto espontáneo (alrededor de noventa mil) a los que se sumarian doscientos setenta mil abortos inducidos. El aborto es la segunda causa de muerte materna. Más de la mitad de abortos inducidos en Perú tiene complicaciones, pero sólo uno de cada cinco recurre a un servicio de salud. El Perú es uno de los países con mayor incidencia de abortos provocados (5.19 abortos por cada cien mujeres en edad fértil).

La tasa de mortalidad infantil se ha reducido de 52 por cada mil nacidos vivos (1992) a 48 por cada mil (1996). Sin embargo, la brecha entre provincias es alta: en el Callao la tasa se sitúa en 21 por mil, en Huancavelica es de 102 por mil. Las infecciones respiratorias agudas representan la primera causa de mortalidad, enfermedades diarreicas agudas son la segunda causa importante.

Artículos 13° y 14°

El artículo 13° del Pacto debe interpretarse teniendo como una referencia importante la Declaración Mundial sobre Educación para Todos de 1990. Allí se pone el énfasis, más que en la cobertura, en la satisfacción de las necesidades básicas de aprendizaje: herramientas del aprendizaje, contenidos teóricos, prácticos y éticos.

Los niveles de escolaridad han aumentado como lógica consecuencia de la expansión de cobertura. Entre 6 y 14 años, el 86.15% asiste a la escuela, entre 12 y 19 años sólo el 52.4%. En términos absolutos más de un millón de niños, niñas y adolescentes no asisten a la escuela. El promedio de estudios, en los mayores de 15 años, es de 7.7 años. Sobreviven, sin embargo las diferencias regionales, muy marcadas entre las mujeres: en Lima, las adolescentes mayores de 15 años han cursado 9.3 grados -como promedio-, en Huancaveli-

Programa de planificación familiar del gobierno atenta contra los DDHH, afirma organización feminista Flora Tristán

Agentes de salud reciben hasta 30 soles por mujer esterilizada

Por Adriana León
Fotos José Loo

A principios de 1996, el departamento de investigación de la organización feminista Flora Tristán puso en marcha un proyecto para evaluar los casos de violencia y abuso sexual que venían sucediendo en algunos centros de salud de todo el país. Sin embargo, el proyecto cambió de rumbo cuando Giulia Tamayo, abogada de Flora Tristán, descubrió en el camino de su investigación que el programa de planificación familiar establecido por el gobierno en 1995 registraba irregularidades sumamente graves. Las llamadas metas para esterilizar a un número determinado de mujeres en todo el Perú, la falta de información sobre los diversos métodos anticonceptivos, la esterilización a cambio de viveres y las amenazas por parte de los agentes de salud hacia las mujeres de bajos recursos para obligarlas a ligarse las trompas, fueron sólo algunas de las irregularidades que Flora Tristán descubrió y que hoy nos cuentan con detalles.

¿Cómo descubrió las irregularidades en el proyecto de planificación familiar del gobierno?

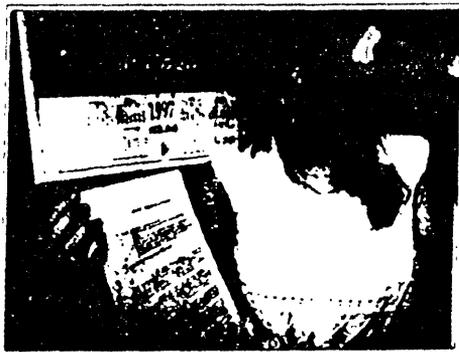
-Lo primero que nos llamó la atención fue la presencia de las llamadas metas. Durante nuestra investigación fuimos descubriendo que el gobierno independientemente de la demanda real por un tipo de anticonceptivo, formuló un número de candidatas para ser sometidas a la ligadura de trompas durante 1997. A esto le llamaron metas y son, supuestamente, el método más oportuno para combatir la pobreza.

¿En qué sectores descubrieron estas irregularidades?

-La población objetivo es una población vulnerable porque está ubicada en estratos de pobreza extrema, sectores rurales y urbano marginales donde las personas tienen niveles educativos muy bajos. En Lima, descubrimos casos en el Hospital María Auxiliadora y



Una de las primeras denuncias que La Republica recogió fue en la comunidad de Cajacay, en Ancash.



Giulia Tamayo, abogada de Flora Tristán, muestra documentalmente las irregularidades que el gobierno comete en su programa de Planificación familiar establecida en 1995.



La población vulnerable a la esterilización está ubicada en estratos de pobreza extrema, sectores rurales y urbano marginales como en Puno, Huancayo, etc.

la zona periférica de la ciudad, y en los departamentos de Puno, Huancayo, Huancabamba, Ayacucho y toda la zona del Altiplano.

¿Cómo se hace para cumplir con las metas?

-Detectamos que a los agentes de salud se les estimula con 15 a 30 soles por mujer esterilizada. Otro de los elementos son los mensajes de desinformación, por ejemplo, el Estado ya no proveerá de métodos anticonceptivos distintos a las ligaduras o se dice a la población que este método es el único seguro.

¿Cómo se convoca a las mujeres?

-Por campañas en las cuales se les ofrece traslado gratuito, inter cambio de viveres o la clásica promesa de que van a ser atendidas gratuitamente de por vida a cambio de la esterilización. Es por esto que podemos hablar de una inducción, porque la voluntad está medida por algún tipo de beneficio aunque el Estado quiera disfrazarlo como una facilidad.

¿Qué métodos se usan para convencer a las mujeres?

-En zonas rurales captamos la modalidad de persecución de parte de los agentes de salud. Pero además, el trato que se da a las mujeres incluye la humillación, se les dice ignorantes y se les amenaza con que si no aceptan ser operadas la próxima vez no se les atenderá en el centro de salud.

-Para temas de referencia

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a una violación de los derechos humanos?

—Por supuesto que sí. Por ejemplo, cuando fuimos a la ciudad de Huancabamba, en Piura, detectamos once casos (el 6% de la población de mujeres operadas sin su autorización. En materia de derechos humanos, lo importante no es la tendencia y es por eso que si existe un 6% de usuarias que no han sido consultadas, entonces se está hablando de una grave violación de los derechos humanos.

—El programa de planificación familiar del gobierno no respeta las normas de información?

—No. Primero que la consejera no media un tiempo para que la usuaria sea informada y luego tome la decisión. Segundo, como los agentes de salud están siendo presionados para cumplir las metas, obviamente que no informan detalladamente de los otros métodos para planificar la familia. Si bien muchas parejas están al tanto de lo que significa una política de planificación, la opinión del médico juega un rol muy importante porque su palabra es la que vale.

—¿Es cierto que las mujeres que son sometidas a una ligadura de trompas no cuentan con los cuidados pertinentes en los centros de salud?

—Lamentablemente es cierto. Si bien la ligadura de trompas es una operación muy sencilla, los agentes de salud no cumplen, por ejemplo, con lo que se llama el riesgo quirúrgico, pese a que muchas de ellas son intervenidas con anestesia general. El estándar mundial de complicaciones por impericia médica es de 0.5%, en el caso de Huancabamba, las complicaciones son de 2.56%. Esto deja claro que los que están realizando este tipo de operaciones o no son debidamente calificados o en la intervención con este tipo de usuarias hay un estado muy discriminatorio de no importantes ni la salud ni el cuerpo de estas mujeres.

—¿Está de acuerdo con las

Hay persecución en zonas rurales y el trato que se da a las mujeres incluye la humillación

políticas de planificación familiar?

—La concepción de Flora Tristán es que las mujeres deben tener la más alta gama de métodos anticonceptivos para poder elegir el que más les convenga, incluyendo la opción de la anticoncepción quirúrgica voluntaria (AQV). Nosotros creemos, a diferencia de otras posiciones radicales, que las parejas tienen todo el derecho de planificar a su familia. Sin embargo, lo que no vamos a permitir es que el gobierno, en su afán de dumi-

nir la pobreza, decida aprovecharse de la población ignorante para esterilizarla. Eso, acá y en cualquier lugar del mundo, es una clara violación de los derechos fundamentales de las personas.

—¿Qué tendría que pasar para evitar este tipo de violencia?

—Es necesario que el Ministerio de Salud cuente con un mecanismo interno para recoger las quejas de las usuarias, atenderlas y repararlas en el caso de que haya sido una situación de

peligro contra la salud de las personas. En estos momentos no existen estos mecanismos administrativos. Hemos notado por parte del ministerio una falta de transparencia con todo lo que respecta al tema de planificación familiar. El asunto de las metas el ministerio lo niega en cuantificación. Sin embargo, se le podría comprobar con mis propios ojos que en el caso de hospitales rurales, en las vitrinas están pegadas las metas programadas y metaejecutadas. En Arequipa, por ejemplo, se han programado 590 AQV para el año 97, y así en todo el Perú.

—¿En México sucede lo mismo?

—En México las metas las llaman cuotas y si bien la política es la misma, ellos nos sacan ventaja porque el gobierno mexicano acepta la existencia de las cuotas y eso hace que se generen debates. Acá como en muchos otros temas el gobierno ha decidido actuar por lo bajo, ocultando todo tipo de información y diciendo que lo que está pasando en realidad no está pasando. Parece una locura pero es así.

—¿Qué plantea su institución?

—Nosotras estamos luchando para que se anulen las metas para que así se respete la libre opción de las mujeres y para tal situación tienen que haber mecanismos que lo garanticen. Un mecanismo de intervención inmediata debe estar dentro del propio centro de salud, debe por lo tanto dejarse atrás esta especie de complejidad y silencio que encubre una situación peligrosa.

—¿Existen denuncias de las personas que han sido sometidas a esta intervención sin su autorización?

—No, ese es el gran problema. Las usuarias todavía no consideran esto como una violación a sus derechos. Además, ya te podrás imaginar a una mujer que hubiese obviamente que lo único que va a conseguir es que se burlen de ellas y las lastimen. No existe ningún tipo de información sobre dónde acudir o qué hacer en estos casos. En el Perú, la idea del consentimiento informado no está consolidada.

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Casos de muerte que han sido archivados

Además de las denuncias recogidas por La República en la comunidad de Cajacay, en Ancash, nuestro diario tuvo acceso a tres casos de mujeres que murieron luego de ser sometidas al AQV y un caso de gravedad. Aunque las denuncias se hicieron por los familiares, hasta el momento no se ha resuelto ninguno de estos casos.

- El 21 de abril de 1997, la señora Reynalda Batellius Aguilar fue sometida a un bloqueo tubárico en el Hospital de Apoyo de Huamanga, en Ayacucho. Un día después, el 22 de abril de 1997, falleció en el mismo nosocomio a causa de un shock séptico. El parte médico resalta que la muerte fue producto de peritonitis generalizada, perforación víscera hueca y bloqueo tubárico lateral. El caso nunca fue investigado.

- La señora Ema García Palacín, de 28 años, fue sometida a una histerectomía general en el Hospital de apoyo de Recuay, en Ancash, el 25 de septiembre de 1996. Tres días después fue internada en el Hospital de Emergencia de Huaraz a causa de una infección intestinal. El 28 de octubre del mismo año fue dada de alta. Su esposo manifestó a los medios de prensa de Huaraz que el caso fue puesto a disposición del Poder Judicial por lo ocurrido a su esposa. Un año después, el caso sigue archivado.

- El 22 de julio de 1997, Josefina Vásquez Rivera, de 30 años, se sometió a un AQV en el puesto de salud de Paimas, provincia de Ayabaca, en Piura. Josefina fue la sexta de ocho mujeres que la tarde del 22 de julio se some-

tieron a dicha intervención en la campaña de planificación familiar realizada por la subregión Luciano Castillo Corona. La madrugada del 23, Manuel Portocarrero Prieto, esposo de Josefina, fue informado por el médico jefe del centro de salud, Dr. Evaristo Becker, que su esposa había sufrido un paro cardio respiratorio.

El 20 de diciembre de 1996, la señora Magna Morales Canduelas, de 34 años, fue sometida a una intervención quirúrgica de ligadura de trompas en el Hospital Rural de Tocache. El 1 de enero de 1997 falleció en el mismo hospital a causa de meningitis. Pedro Mendoza Huertas, esposo de la víctima, solicitó a los médicos del hospital de Tocache la autopsia respectiva. Hasta el momento no se le ha concedido el pedido y el caso ha sido archivado en el Poder Judicial hasta que se realice la autopsia.

"Debe respetarse la libre opción de las mujeres, para lo cual deben existir mecanismos que lo garanticen".



Appendix C.**Resolución Defensorial N° 01- 98**

Lima, 26 de enero de 1998

VISTO.

El informe final de la investigación sobre la aplicación de la anticoncepción quirúrgica voluntaria, elaborado por la doctora Rocío Villanueva Flores, Defensora Especializada en los Derechos de la Mujer de la Defensoría del Pueblo, a partir de las quejas presentadas y de las intervenciones de oficio que la institución ha llevado a cabo en esta materia desde el 24 de junio de 1997 al 15 de enero de 1998.

CONSIDERANDO.

Primero: competencia de la Defensoría del Pueblo en el ámbito de los derechos fundamentales y constitucionales de la persona y de la comunidad.

En cumplimiento del mandato constitucional de defender los derechos fundamentales y constitucionales de la persona y de la comunidad, así como de supervisar el cumplimiento de los deberes de la administración estatal, la Defensoría del Pueblo enmarca los resultados de la referida investigación en el ámbito general del artículo 1° de la Constitución que prevé que la defensa de la persona humana y el respeto a su dignidad constituyen el fin supremo de la sociedad y del Estado. En particular, la actuación defensorial se sustenta en los artículos 2° incisos 1), 2) y 3), 6° y 7° de la Carta Fundamental que reconocen los derechos a la vida, a la integridad personal, a la igualdad, a la libertad de conciencia y de religión, a la salud, así como la facultad de decidir en torno a cuándo y cuántos hijos tener. Destaca, finalmente, el concepto contenido en el literal a), del inciso 24 del artículo 2° de la Constitución que consagra el principio de que "nadie está obligado a hacer lo que la ley no manda, ni impedido de hacer lo que ella no prohíbe".

En consecuencia, conforme lo establece el artículo 162° de la Constitución y lo desarrolla la Ley Orgánica de la Defensoría del Pueblo N° 26520, corresponde verificar si la aplicación de la anticoncepción quirúrgica voluntaria se lleva a cabo respetando a cabalidad tales derechos y en el ejercicio diligente de los deberes de función de las autoridades, funcionarios y servidores de la administración estatal

Segundo: Relación con los instrumentos internacionales en materia de Derechos Humanos.

Tratándose de normas relativas a los derechos fundamentales y constitucionales, corresponde -en virtud del artículo 55° y de la Cuarta Disposición Final y Transitoria de la Constitución- hacer referencia a los artículos 4°, 5°, 7°, 12° y 24° de la Convención Americana sobre Derechos Humanos, que protegen los derechos a la vida, a la integridad, a la libertad personal, a la libertad de conciencia y religión, así como a la igualdad

Es del caso destacar que, el artículo 1° de la citada convención, dispone que los Estados Parte se comprometen a respetar los derechos y libertades reconocidos en ella y a garantizar su libre y pleno ejercicio a toda persona sujeta a su jurisdicción.

En este contexto, es pertinente mencionar la Convención sobre la Eliminación de todas las Formas de Discriminación contra la Mujer, que establece que los Estados Parte asegurarán en condiciones de igualdad entre hombres y mujeres, "los mismos derechos a decidir libre y responsablemente el número de sus hijos y el intervalo entre los nacimientos y a tener acceso a la información, la educación y los medios que les permitan ejercer estos derechos".

Tercero: actuación defensorial circunscrita a las actividades de anticoncepción quirúrgica.

En cumplimiento de sus funciones la Defensoría del Pueblo tomó conocimiento de casos de mujeres estenizadas sin el debido consentimiento en el marco de los programas de planificación familiar, y realizó las investigaciones correspondientes llegando a la conclusión de que, en los nueve casos, que involucran a otras tantas mujeres -cuyos nombres no se consignan en protección del derecho a la intimidad reconocido en el artículo 2°, inciso 7) de la Constitución- sustentados en el informe referido en la introducción de la presente Resolución, se ha incumplido con los requisitos establecidos en el Manual de Normas y Procedimientos para las Actividades de Anticoncepción Quirúrgica Voluntaria (AQV) y se ha vulnerado derechos fundamentales. En este último campo, en especial, el derecho a decidir libremente; pero también el derecho a actuar de

conformidad con los dictados de la propia conciencia y de la religión, con afectación adicional del derecho a la integridad personal, a la salud y en última instancia a la vida. Lo anterior, merece la mayor consideración de la Defensoría del Pueblo aunque se sustente en un número reducido de casos.

Efectivamente, según cifras proporcionadas por el Ministro de Salud, los anticonceptivos más usados por las mujeres del Perú en el marco de los programas de su sector son: los inyectables (336,502 personas), las píldoras (231,813), el dispositivo intrauterino (186,946) y la anticoncepción quirúrgica voluntaria (110,186). Según la Encuesta Demográfica y de Salud Familiar 1996, este último es el tercer método de preferencia de potenciales usuarias. De allí que las conclusiones referidas a la anticoncepción quirúrgica voluntaria deben merecer la mayor preocupación por parte de la administración estatal, de las autoridades jurisdiccionales y fiscalizadoras así como de la opinión pública, debido al carácter irreversible del anticonceptivo que afecta de manera determinante la vida reproductiva de las personas.

Las intervenciones quirúrgicas son, además, objetadas por sectores importantes de la vida nacional desde el punto de vista religioso y cultural. Y, por añadidura, la trascendencia de los derechos fundamentales involucrados y de las políticas públicas que pueden afectarlos, hace ineludible la intervención defensorial para reclamar del Estado una diligencia extrema en la aplicación del Programa de Salud Reproductiva y Planificación Familiar 1996-2000, en especial de los métodos anticonceptivos definitivos. Así lo demanda, no solamente las prácticas de buen gobierno que deben caracterizar a la administración del Estado, sino el deber de autoridades y funcionarios de permitir el libre y pleno ejercicio de los derechos humanos de todos los peruanos y peruanas sin distinción.

Cuarto: régimen legal sobre planificación familiar en el Perú.

Además de las normas constitucionales y de los tratados internacionales antes mencionados, son de aplicación en esta investigación:

El Decreto Legislativo N° 346, Ley de Política Nacional de Población, de 5 de julio de 1985, que establece en el artículo 1° inciso 2) que dicha norma legal tiene por objetivo promover y asegurar la decisión libre, informada y responsable de las personas y las parejas sobre el número y espaciamiento de los nacimientos;

Ley N° 25530, de 8 de setiembre de 1995, que modificó la Ley de Política Nacional de Población excluyendo sólo al aborto como método de planificación familiar;

La Ley N° 26842, Ley General de Salud, de 15 de julio de 1997, que establece que toda persona tiene derecho a elegir libremente el método anticonceptivo de su preferencia, incluyendo los métodos naturales;

La Resolución Ministerial N° 071-96 SA/DM de 17 de agosto de 1995, que dispone que el Ministerio de Salud, las Regiones y Subregiones de Salud, deberán suministrar, en forma totalmente gratuita, la más amplia gama de métodos anticonceptivos, a fin de asegurar a las personas su libre e informada elección;

La Resolución Ministerial N° 071-96- SA/DM, de 06 de febrero de 1996, que aprueba el Programa de Salud Reproductiva y Planificación Familiar 1996-2000

Resolución Directoral N° 001-DGSP de 29 de febrero de 1996, que señala que para acceder a los métodos anticonceptivos quirúrgicos no es necesaria la autorización del cónyuge, conviviente o pareja, y

El Manual de Normas y Procedimientos para Actividades de Anticoncepción Quirúrgica Voluntaria (AQV), elaborado por la Dirección del Programa Nacional de Planificación Nacional del Ministerio de Salud, que regula los lineamientos y normas técnicas para la realización de tal intervención quirúrgica.

Quinto: consideración sobre los derechos reproductivos, la libertad individual y la libertad de conciencia.

El artículo 6° de la Constitución reconoce el derecho de las personas y familias a decidir cuándo y cuántos hijos tener, estableciendo que el Estado debe asegurar los programas de educación y la información adecuados, así como el acceso a los medios que no afecten la vida o la salud de las personas. No está en cuestión, en consecuencia, el derecho de mujeres y hombres a elegir los métodos de planificación familiar que consideren más adecuados, incluyendo la anticoncepción quirúrgica voluntaria, en cumplimiento del Decreto Legislativo N° 346, Ley de Política Nacional de

Población, y de la Ley N° 25530, que excluye únicamente al aborto como método de planificación familiar.

Sin embargo, el ejercicio de los derechos reproductivos de las personas se traduce en actos de naturaleza individual, que afectan su vida íntima y que por lo tanto deben ser respetuosos de la autonomía del individuo y de la libertad de conciencia y de religión, así como de las consideraciones culturales del caso. De aquí que la labor desarrollada por las Comisiones de Salud y de la Mujer, Desarrollo Humano y el Deporte del Congreso de la República, unida a la intervención de la Iglesia Católica, de distinguidas personalidades y de los medios de comunicación hayan planteado una voz de alerta en favor del respeto a la decisión libre y consciente de los usuarios y usuarias del programa de planificación familiar, en particular, de aquellos métodos irreversibles.

En este contexto el derecho a la libertad de elección requiere que las personas sean informadas sobre todos los métodos legales de planificación familiar, incluyendo sus beneficios y riesgos, tengan acceso gratuito a ellos, y cuenten con las suficientes garantías para poder emplearlos o rechazarlos. Así lo demanda en esta delicada materia la concepción constitucional de respeto a la dignidad de la persona, recogida en el artículo 1° de la Carta Política.

Sexto: problemas detectados en la aplicación de la anticoncepción quirúrgica voluntaria

La investigación permite concluir, además, que en los casos investigados la aplicación de la anticoncepción quirúrgica ha presentado problemas principalmente originados en:

a) Falta de garantías para la libre elección.

La consejería previa prevista teóricamente en el Manual ha sido insuficiente pues en los casos bajo estudio no se ha informado sobre todos los métodos anticonceptivos. Tampoco ha habido un plazo razonable entre la fecha en que la mujer consiente y el día de la intervención quirúrgica, poniendo en duda la posibilidad de reflexionar serenamente en torno a la decisión de optar por un método irreversible o por otros temporales a disposición de la población. Por último, se ha recibido versiones sobre el ofrecimiento de estímulos en alimentos a cambio de la intervención quirúrgica.

b) Tendencia compulsiva en la aplicación del programa

La prioridad otorgada a los programas de planificación familiar, unida al sistema de metas en su ejecución, permite concluir que se dan las condiciones como para que se desarrolle una tendencia compulsiva en los ejecutores del programa que puede ser percibida como coercitiva, lo que afecta la libre elección de las personas a quienes no se les daría la opción entre someterse al programa o no hacerlo y, en el primer caso entre adoptar un método irreversible o utilizar alguno de los otros no definitivos;

c) Campañas destinadas exclusivamente a la ligadura de trompas y, en menor medida, a la vasectomía

Estas campañas han privilegiado el uso de los métodos definitivos en desmedro de los temporales, poniendo en peligro el derecho a la libertad de opción de las personas. Durante la investigación la Defensoría del Pueblo obtuvo fotografías de campañas de ligaduras de trompas y vasectomía -en algún caso llamadas festival- llevadas a cabo en:

Julcán (Julcán, La Libertad) 12 y 13 de setiembre de 1996

Yanaoca (Cusco, Cusco) 24 al 29 de mayo de 1996

San Lorenzo (Alto Amazonas, Loreto) octubre 1996

Huancasancos (Huancasancos, Ayacucho) 10 y 11 de julio de 1996

La Esperanza (Trujillo, La Libertad), 17 de agosto de 1997

Yanacocha (Coronel Portillo, Ucayali) 4 al 9 de mayo

San Ramón (Chanchamayo, Junín).

d) Metas establecidas como cantidades de mujeres que necesariamente deben utilizar determinados métodos anticonceptivos.

Resultan especialmente preocupantes las siguientes que se encuentran previstas en el Programa de Salud Reproductiva y Planificación Familiar 1996-2000.

Lograr que el 100% de las pacientes con atención institucional de parto o aborto egresen iniciando algún método anticonceptivo seguro luego de haber tenido consejería individual.

Alcanzar una cobertura de métodos anticonceptivos modernos, seguros y eficaces no menor al 50% de las mujeres en edad fértil, y al 70% de las mujeres en edad fértil en unión

Alcanzar una cobertura de métodos anticonceptivos modernos, seguros y eficaces no menor al 60% de las mujeres adolescentes unidas.

Estas metas referidas solamente a mujeres, redactadas además en un lenguaje más compulsivo que programático, vulneran el derecho a la igualdad y pueden afectar seriamente los derechos a la libre opción, así como a la libertad de conciencia y de religión; y

e) Falta de seguimiento posterior a la intervención quirúrgica.

Si bien las campañas de ligadura de trompas se han hecho casa por casa, no siempre los ejecutores del programa han regresado al domicilio de las usuarias que han sido objeto de la investigación defensoral para garantizar un adecuado seguimiento y así prevenir complicaciones posteriores

Séptimo: deber de cooperación

De acuerdo con el artículo 161º de la Constitución, y los artículos 16º y 17º de la Ley Nº 26520, los órganos públicos están obligados a colaborar con la Defensoría del Pueblo cuando ésta lo requiera. En cumplimiento de este deber, en el transcurso de la investigación defensoral se logró que el Director de Programas Sociales y del Programa Nacional de Planificación Familiar informara, mediante Oficio Nº 1267-97-DGSP-DPS-PF de 17 de setiembre de 1997, que el Ministerio de Salud había dispuesto que el Programa de Planificación Familiar asuma la totalidad de los costos de las complicaciones que se pudieran presentar después de toda intervención de ligadura de trompas, que incluyen costos de traslado, medicamentos y de ser necesario una nueva intervención quirúrgica.

Octavo: requerimiento a los funcionarios y entidades de la administración estatal.

Corresponde en consecuencia, plantear los requerimientos necesarios al interior de la Defensoría del Pueblo y a las correspondientes autoridades, funcionarios y servidores de la administración estatal, a efecto de garantizar el respeto a los derechos fundamentales y constitucionales involucrados en los programas de planificación familiar, especialmente en la promoción y ejecución de acciones de anticoncepción quirúrgica voluntaria.

SE RESUELVE

Artículo primero - ENCOMENDAR a la Defensora Especializada en los Derechos de la Mujer, que mantenga un sistema de vigilancia y seguimiento especial de las quejas y denuncias sobre la afectación del derecho a la libre elección en el marco del Programa de Salud Reproductiva y Planificación Familiar, 1996-2000 mediante fórmulas de

a) SUPERVISIÓN PREFERENTE del cumplimiento de los deberes de función de las autoridades, funcionarios y servidores responsables de la ejecución de tal programa;

b) SEGUIMIENTO ANTE LAS INSTANCIAS ADMINISTRATIVAS Y JURISDICCIONALES de las investigaciones correspondientes de los casos detectados en el transcurso de la investigación u otros que se presenten en el futuro en los que se haya afectado derechos constitucionales y fundamentales de las personas que deciden someterse o no someterse a programas de planificación familiar; y

c) COOPERACIÓN con organizaciones no gubernamentales, colegios profesionales, asociaciones religiosas, así como con la Iglesia Católica y los medios de comunicación que faciliten la acción de fiscalización social en favor del ejercicio libre y consciente de los derechos reproductivos consagrados en la Constitución.

Artículo segundo.- ENMARCAR dicho sistema de vigilancia y seguimiento en la tutela de los derechos fundamentales y en la supervisión de la administración estatal en relación a los siguientes principios:

a) el ACCESO de las personas A TODOS LOS MÉTODOS de planificación familiar autorizados por la ley, sin que el Estado privilegie ninguno de ellos, en cumplimiento del artículo 6° de la Constitución.

b) la INFORMACIÓN brindada en torno a los beneficios y riesgos de cada uno de ellos, así como a las GARANTÍAS para una DECISIÓN MEDITADA en los casos de adopción de métodos quirúrgicos irreversibles, en virtud de lo dispuesto en el artículo 2°, incisos 1) y 24), literal a) de la Constitución;

c) la posibilidad de ADOPTAR o RECHAZAR los métodos de planificación familiar, en ejercicio irrestricto del derecho a la libertad de conciencia y de religión que la Constitución garantiza en el inciso 3) del artículo 2°.

Artículo Tercero. - APROBAR el documento final de la investigación titulada "Informe sobre la aplicación de la anticoncepción quirúrgica voluntaria: los casos investigados por la Defensoría del Pueblo" y disponer su difusión entre los funcionarios e instituciones del Estado competentes

Artículo Cuarto. - PROPONER a la Dirección de Planificación Familiar del Ministerio de Salud, que el Manual de Normas y Procedimientos para Actividades de Anticoncepción Quirúrgica Voluntaria (AQV) sea modificado a fin de:

a) Exigir como requisito para someterse a la anticoncepción quirúrgica voluntaria, ser mayor de edad, y dar prioridad a las personas después que hayan tenido cuando menos dos hijos;

b) Establecer claramente que la consejería previa a la anticoncepción quirúrgica voluntaria sea llevada a cabo en dos sesiones distintas, como mínimo; y

c) Fijar un plazo razonable entre la fecha en que se firma la autorización y el día en que se lleva a cabo la intervención quirúrgica, que permita la reflexión y el ejercicio consciente de la libre elección, salvo en los casos de necesidad comprobada por haberse practicado cesáreas sucesivas con antenatalidad.

Artículo Quinto. - RECOMENDAR al Ministro de Salud:

a) SUSTITUIR las campañas destinadas exclusivamente a promover la ligadura de trompas y la vasectomía por otras que difundan la planificación familiar en general -sin privilegiar ningún método- a fin de garantizar el derecho de toda persona a elegir el método anticonceptivo de su preferencia, de acuerdo con lo dispuesto en los artículos 6° de la Constitución y 6° de la Ley N° 26842.

b) REFORMULAR las metas de los programas reemplazando las actualmente establecidas -como por ejemplo la cantidad de personas que deben ser captadas- por otras de carácter programático basadas en estimaciones de la demanda de cada uno de los métodos anticonceptivos, con explícita cobertura a hombres y mujeres;

c) MODIFICAR el logro general del programa expresado en que el 100% de las pacientes con atención institucional de parto o aborto egresen iniciando algún método anticonceptivo seguro por otro logro en el que se establezca que dicho porcentaje debe egresar habiendo sido debidamente informado de todos los métodos de planificación familiar;

d) ADOPTAR nuevas metas cuantitativas en términos de cobertura de información sobre todos los métodos de planificación familiar, tanto para hombres cuanto para mujeres; y

e) ESTABLECER en el presupuesto del sector o del Programa Nacional de Planificación Familiar los recursos necesarios para indemnizar a las personas -o a los familiares de ser el caso- que hubieran sido esterilizadas sin su consentimiento, sufriendo complicaciones o fallecido como consecuencia de intervenciones que no hubieran cumplido con los estándares de calidad aceptados en los procedimientos y prácticas institucionales y profesionales, en atención a lo dispuesto en los artículos 2° y 4° de la Ley N° 26842.

Artículo Sexto. - FORMULAR al Ministro de Salud y a los responsables del Programa Nacional de Planificación Familiar los siguientes RECORDATORIOS DE SUS DEBERES LEGALES, de conformidad con lo dispuesto por el artículo 26° de la Ley N° 26520, Ley Orgánica de la Defensoría del Pueblo:

a) VIGILAR que las personas usuarias de los servicios de planificación familiar sean adecuadamente informadas de todos y cada uno de los métodos, incluyendo los naturales, según lo establecido en el artículo 6° de la Ley N° 26842; y sobre la posibilidad de adoptarlos o

rechazarlos en virtud de lo dispuesto por el artículo 2º, incisos 1) y 24), literal a),

b) **RESGUARDAR** la libre elección de las personas, sancionando la entrega de cualquier tipo de bienes o servicios, como estímulo para el uso de métodos anticonceptivos, en cumplimiento de lo dispuesto por el artículo 26º del Decreto Legislativo Nº 346,

c) **ESTABLECER** que se entregue por escrito las instrucciones pre y post operatorias, y garantizar un adecuado seguimiento a las personas que optan por los métodos definitivos, incluyendo visitas domiciliarias, de conformidad con lo dispuesto en los Capítulos 2º y 7º del Manual de Normas y Procedimientos para Actividades de Anticoncepción Quirúrgica Voluntaria;

d) **DISPONER** las investigaciones correspondientes y **SANCIONAR** a los funcionarios y servidores públicos que no hayan cumplido las disposiciones del Manual de Normas y Procedimientos para Actividades de Anticoncepción Quirúrgica Voluntaria, ni observado la legislación vigente en esta materia, de acuerdo con lo establecido en el artículo 21º del Decreto Legislativo Nº 276.

e) **GARANTIZAR** que todos los centros de salud del país cuenten la más amplia gama de métodos anticonceptivos, de conformidad con el artículo 2º de la Resolución Ministerial Nº 572-95- SA/DM; y

f) **INFORMAR** a todos los centros de salud del país que el Programa de Planificación Familiar asumirá gratuitamente la totalidad de los costos de las complicaciones que pudieran presentar las personas usuarias después de la intervención quirúrgica, los mismos que incluyen los costos de traslado, medicamentos e intervención quirúrgica, de ser necesario.

Artículo séptimo. - **EXHORTAR** a los representantes del Ministerio Público y del Poder Judicial para que investiguen adecuadamente las causas de la muerte de las mujeres que fueron sometidas a una intervención de ligadura de trompas, las razones de las complicaciones sufridas después de la intervención quirúrgica, y los casos de esterilización involuntaria, siempre que se presuma la existencia de un delito

Artículo octavo. - **RECORDAR** a los funcionarios del Ministerio de Salud, de las Regiones y Subregiones de Salud, que en virtud del deber de cooperación establecido en el artículo 161º de la Constitución, y en los artículos 16º y 17º de la Ley Nº 26520, están obligados a proporcionar la información que requiera la Defensoría del Pueblo, incluyendo las historias clínicas de las usuarias

Artículo noveno. - **URGIR** al Director de Programas Sociales y del Programa de Planificación Familiar del Ministerio de Salud, para que en cumplimiento del artículo 161º de la Constitución y de los artículos 16º y 17º de la Ley 26520, Ley Orgánica de la Defensoría del Pueblo, remita la información solicitada por nuestra institución mediante el Oficio Nº 202-97-DP-DA de 04 de noviembre de 1997, referida a:

El número de hombres y mujeres, por separado, que se han acogido al Programa de Planificación Familiar;

Las edades de tales personas.

Porcentajes de los métodos anticonceptivos elegidos, y

Provincias en las que estas personas han sido atendidas

Artículo décimo. - **RECORDAR** a los profesionales, técnicos y auxiliares, encargados de ejecutar el Programa de Salud Reproductiva y Planificación Familiar, que de acuerdo con el artículo 36º de la Ley Nº 26842, son responsables por los daños y perjuicios que ocasionen al paciente por el ejercicio negligente, imprudente e impeno de sus actividades

Artículo undécimo. - **INVOCAR** a la Comisión de la Mujer, Desarrollo Humano y Deporte y a la Comisión de Salud del Congreso de la República, para que de conformidad con lo establecido en el artículo 112º de la Constitución, y en los artículos 2º y 5º del Reglamento del Congreso de la República, continúe llevando a cabo una permanente fiscalización del cumplimiento de la legislación vigente en materia de planificación familiar y a la Defensora Especializada en los Derechos de la Mujer la coordinación correspondiente

Artículo duodécimo. - **EXHORTAR** a las personas y organizaciones de la sociedad civil que conozcan casos en los que se haya esterilizado a mujeres sin su consentimiento, sin contar con información suficiente, a cambio de alimentos, o en los que la intervención quirúrgica haya

presentado complicaciones, a que presenten su queja ante la Defensoría del Pueblo para llevar a cabo la investigación correspondiente de conformidad con la presente Resolución

Artículo décimo tercero - REMITIR el informe a que hace referencia el artículo 3º de la presente Resolución a:

Señor Presidente de la República

Señor Presidente de la Corte Suprema de la República

Señor Presidente del Consejo de Ministros

Señor Ministro de Salud

Señora Ministra de Promoción de la Mujer del Desarrollo Humano

Señor Presidente de la Comisión de Salud del Congreso de la República

Señor Presidente de la Comisión de Derechos Humanos y Pacificación del Congreso de la República

Señora Presidenta de la Comisión de la Mujer, Desarrollo Humano y Deporte del Congreso de la República.

Señor Fiscal de la Nación

Señora Presidenta de la Comisión Ejecutiva del Ministerio Público.

Señor Vice-Ministro de Justicia

Señora Presidenta del Instituto Peruano de Seguridad Social.

Señor Director de Programa de Servicios Sociales y Planificación Familiar del Ministerio de Salud

Señores Directores Regionales de Salud.

Artículo décimo cuarto.- INCLUIR la presente Resolución Defensorial en el informe anual al Congreso de la República, conforme lo establece el Artículo 27º de la Ley Nº 26520, Ley Orgánica de la Defensoría del Pueblo

Regístrese, comuníquese y publíquese.

JORGE SANTISTEVAN DE NORIEGA

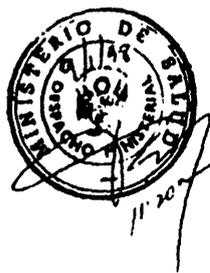
Defensor del Pueblo

Appendix D.

AGENCIA PARA
EL DESARROLLO
INTERNACIONAL

6 de enero de 1998

Dr. Marino Costa Bauer
Ministro de Estado en el
Despacho de Salud
Ministerio de Salud
Av. Salaverry s/n
Jesús María, Lima



De mi mayor consideración:

Nos dirigimos a usted dando continuidad al diálogo permanente y provechoso entre nuestras instituciones. En esta ocasión nos referimos a las noticias aparecidas en las últimas semanas en dos diarios de circulación nacional acerca de denuncias de hechos lamentables ocurridos supuestamente durante la ejecución de algunas actividades del Programa de Planificación Familiar del Ministerio de Salud. En algunas de estas noticias se hace alusión al PANFAR (Programa de Alimentación y Nutrición a Familias en Alto Riesgo), el cual es financiado por USAID.

El PANFAR, como bien expresó el Sr. Vice Ministro de Salud en una entrevista con la prensa, es un programa estrechamente focalizado dirigido a aliviar el riesgo extremo de desnutrición de niños y madres en el plazo de seis meses, y no debería tener ninguna relación con las actividades a que aluden las noticias en mención.

Así como el PANFAR, otros importantes proyectos entre el Ministerio de Salud y USAID, tales como el Proyecto 2000, PASARE (Programa de Apoyo en Salud Reproductiva), Cobertura con Calidad, Administración Logística de Anticonceptivos, Ayuda ContraSIDA y VIGIA, entre los más importantes, han sido diseñados y aprobados específicamente para brindar apoyo a las personas de mayor necesidad, respetando y promoviendo sus derechos.

Por este motivo y ante las circunstancias mencionadas anteriormente, Sr. Ministro, queremos reiterar que, como es de su conocimiento, nuestro deseo de colaboración en el campo de Planificación Familiar está basado en la elección libre, voluntaria e informada de métodos anticonceptivos ofrecidos dentro de una amplia gama de oferta que satisfaga las intenciones reproductivas de las personas y brindados dentro de un marco de calidad, y no en obtener metas cuantitativas por método y por proveedor o grupo de proveedores, especialmente si se

LARRABURE Y UNANUE 110, LIMA 1
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trata de la ligadura de trompas y la vasectomía. Por consiguiente, la elección hecha en estas circunstancias no debería supeditarse a ninguna condicionalidad de participación o exclusión de otro servicio.

Esta intención de colaboración ha sido manifestada a su persona y a otras altas autoridades del Ministerio de Salud y de otras entidades del Gobierno del Perú en múltiples oportunidades desde julio de 1996, momento en que se intensificaron las actividades del Programa de Planificación Familiar, con especial énfasis en anticoncepción quirúrgica voluntaria (AQV). Como ya le hemos expresado en varias ocasiones, nuestra inquietud con metas de AQV radica en que la transmisión vertical de expectativas de esta índole abre la posibilidad de todo tipo de distorsión en la sagrada relación entre proveedor y usuario/a. Por este motivo, los proyectos financiados por USAID se han abstenido de participar en campañas de AQV.

Al mismo tiempo, no hemos escatimado ocasión para respaldar con redoblada fe sus iniciativas dirigidas a mejorar la calidad de los servicios. El Proyecto Cobertura con Calidad y la Investigación sobre Satisfacción de Usuarías son dos de los más recientes esfuerzos en este sentido.

Estamos seguros que usted comparte nuestra opinión de que es necesario investigar inmediatamente cualquier denuncia que ponga en riesgo los importantes programas que se están implementando. Por consiguiente, USAID ha comunicado a las agencias cooperantes de nuestro programa de apoyo alimentario que deberían redoblar su eficaz y permanente monitoreo, a fin de investigar de manera agresiva cualquier denuncia hecha contra el programa. Confiamos que el intercambio de información que podamos obtener de nuestras respectivas investigaciones redunde en beneficio de estos importantes programas.

No obstante, en vista de la importancia primordial de este asunto, para proseguir con el apoyo técnico y financiero de USAID al Programa de Planificación Familiar del Ministerio de Salud en el año calendario 1998 (es decir, las actividades conocidas como PASARE, Cobertura con Calidad y Administración Logística de Anticonceptivos), necesitamos contar con lo siguiente a la brevedad posible, de manera de asegurar que los servicios sean brindados con los estándares requeridos de calidad y respeto a los derechos de las usuarias:

1. El inicio de la Investigación sobre Satisfacción de Usuarías que venimos coordinando con su Despacho desde junio de este año, en por lo menos tres regiones/sub-regiones de salud.
2. Confirmación de que el Programa de Planificación Familiar en el año 1998 no se va a caracterizar por cuotas, metas o "cifras referenciales" transmitidas a proveedores o grupos de proveedores, especialmente en lo que atañe a ligaduras de trompas y vasectomías.

2/23/98 CAP Announcements



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Paquete	Transmisión por Fax 7871	FECHA DATE	FECHA DE FAX (1 OF 2)
REMITENTE	Silvestre Bora	DESTINATARIO	P. W. Cooper
CONTENIDO	AID	ORIGINADO	Ministerio de Salud
DEPARTAMENTO		TELÉFONO	423337
FAX	1337034	FAX	4226177

Lima, February 23, 1998

SA DM-0168/98

MR. MARCK SCHNEIDER
Assistant Administrator of
USAID for Latin America and the Caribbean

The statement that will be presented by Mr. Carlos Eduardo Aramburu tomorrow at the meeting of the Committee of U.S. Congress is the official position of the Government of Peru in respect of the Family Planning National Program.

Mr. Aramburu has been named as the official speaker of the Ministry of Health of Peru at this meeting.

Sincerely yours,



MARINO COSTA BAUER
Minister of Health

GOVERNMENT OF PERU
MINISTRY OF HEALTH

STATEMENT ON THE REPRODUCTIVE HEALTH PROGRAM
FEBRUARY 1998-02-23

The Ministry of Health of the Republic of Peru would like to inform opinion leaders, authorities, the media and the general public of the National Reproductive Health Program (NRHP) over which several criticisms and inaccurate versions have circulated both in the national and international press since December 1997.

Neither the National Population Law of 1985 (approved by all political sectors of Congress under a different government) nor the norms and procedures of the National Reproductive Health Program of January 1996 permit or condone any imposition, coercion or donation of any kind of goods or services in exchange for the acceptance of any contraceptive method.

Over 2.3 million married women in Peru use some form of contraception. The main contraceptive methods used are periodic abstinence or withdrawal (33% of current users); 12.4% use injectables; 9.6% rely on oral contraceptives; 18.7% use IUDs; and 15.1% have chosen a tubal ligation or a vasectomy.

The official family planning program seeks to ensure informed access to ALL methods for poor women so that they also have the same advantages that more educated women have had for many years. Among married women with college education, 75.4% use a contraceptive method; among married women with no education, only 38.3% use a family planning method.

Voluntary surgical contraception (both tubal ligations and vasectomies) was approved by the Peruvian Congress in 1995 as an official family planning method, as is the case in the majority of developed and developing countries.

The mean age of women in Peru at the time of sterilization is 32 and 87.5% of them have 3 or more children. Sixty-nine percent of married women of reproductive age in Peru want no more children, and among those with no education, this proportion rises to 82.5%.

Of the more than 100,000 tubal ligations and vasectomies performed in the public sector in 1997, the Ombudsman has reported only nine cases of either lack of full informed consent or deaths due to poor quality of health care. This represents less than .008% of all surgical contraception procedures in 1997 --in contrast to allegations of mass sterilization. The Ministry of Health is conducting a full investigation of these nine cases and others reported in the press.

A Committee has been created by the Ministry of Health to investigate the cases of alleged abuse includes representatives from the OB-GYN Medical Association, the Physicians College, the main Medical School in Peru (Cayetano Heredia) and a representative from the Ministry of Health. Their findings will be carefully reviewed and appropriate action will be taken.

In addition, the Government of Peru is implementing the following changes in an effort to improve the overall quality of the National Reproductive Health Program:

- Every patient requesting a tubal ligation or a vasectomy will undergo one counseling session on the full range of contraceptive choices and a second session on possible complications and the irreversible nature of surgical contraception as well as pre-op and post-operative care.
- After the second counselling session for surgical contraception, there will be a 72-hour waiting period to allow the prospective user to carefully consider all options.
- Tubal ligation and vasectomy will only be provided in hospitals and health centers that are certified as meeting the standards for those types of operations.
- The Ministry of Health has submitted a request to the Finance Ministry to provide compensation for those individuals or families where there is legal evidence of malpractice or lack of informed consent.
- There will be no provider targets for tubal ligation or vasectomy or any other family planning method nor any method-specific targets at the regional or local levels.
- The national family planning norms require that all methods be made available and no one method will be advocated over another.
- A new monitoring and supervision system will be implemented and carried out by a team of highly qualified professionals.

The Government of Peru through the Ministry of Health reiterates its commitment to provide individuals and couples with the information and services they need to meet their reproductive choices. The Government would also like to acknowledge its gratitude to international organizations for their continued support in promoting women's reproductive rights and health.

- 3 Evidencia de las medidas operativas y de monitoreo que el MINSA está tomando para asegurar el consentimiento informado y la protección de derechos en el Programa de Planificación Familiar.

Por lo arriba expuesto, mucho apreciaremos su atención especial para que se tome acción en estos puntos a la brevedad posible, en beneficio del Programa de Planificación Familiar

Es propicia la ocasión para expresar nuestro cordial saludo y desearle un feliz año 1998.

Atentamente,



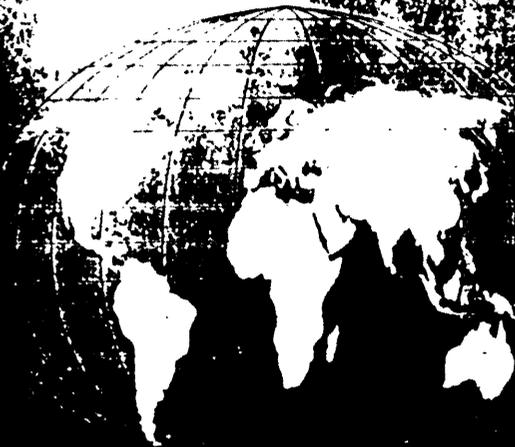
Donald W. Boyd, Jr.
Director

Report of Audit

Performance Audits

AUDIT OF USAID/PERU'S MANAGEMENT OF NON-EMERGENCY TITLE II FOOD AID PROGRAMS

Report No. 9-527-96-007
September 20, 1996



OFFICE OF INSPECTOR GENERAL
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

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Performance Audits

**AUDIT OF USAID/PERU's MANAGEMENT OF
NON-EMERGENCY TITLE II FOOD AID PROGRAMS**

**Report No. 9-527-96-007
September 20, 1996**

EXECUTIVE SUMMARY

The Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), as amended, is the statutory authority for the Title II Food for Peace Program. The Title II program in Peru was designed to address the food security needs of the extremely poor--about 18 percent of the country's 23 million people in 1994. As a result of a new Food Security Strategy for Peru, a reduction in terrorism, and USAID's new Food Aid and Food Security Policy Paper, USAID/Peru's food aid programs were refocused during fiscal year 1996 and generally redirected to Peru's Sierra region where the majority of the extremely poor live.

The Division of Performance Audits audited USAID/Peru's management of non-emergency Title II food aid as part of a worldwide audit requested by USAID/Washington's Bureau for Humanitarian Response. The Bureau's basic concern was whether food aid programs in the field are well managed and adequately staffed. To address this concern, we determined whether (1) the Mission and its private voluntary organization (PVO) cooperating sponsors had an adequate management structure to ensure that food aid is targeted to the most needy people, (2) the structure ensured that the aid reached the intended beneficiaries, and (3) the Mission had progressed toward achieving the intended results of food aid activities.

The following summarizes the results of our audit:

- USAID/Peru and the cooperating sponsors did not yet have an adequate management structure to ensure that the food aid is targeted to the most food-needy people. The Mission was in the process of implementing such a structure. However, improvements could be made in implementing and monitoring the programs to better target the food aid (page 5). Further, the cooperating sponsors followed divergent policies for how long to continue beneficiaries in nutrition programs and significant efficiencies could be achieved by following the practices of the most efficient sponsor (page 11).
- Although our limited tests did not detect any major food losses from certain weaknesses in the management structure, improvements were needed to better ensure that the food aid--the food, monetization proceeds and program income--is not stolen or wasted, and to administer the aid more efficiently. For instance, USAID/Peru and the cooperating sponsors needed to increase their oversight over

the food activities (page 16). The cooperating sponsors were inconsistent in controlling the food through their financial accounting records and in subjecting the accountability for the food to financial audit (page 20). Significant efficiencies could be achieved by standardizing the size of food rations for similar activities and beneficiaries (page 23). Similarly, the efficiency and impact of the program could be improved by establishing work standards for food-for-work activities, giving food rations in proportion to the work done and limiting beneficiaries to the minimum needed (page 29). With respect to the monetization program, the cooperating sponsors needed to collaborate to obtain the best prices for transporting food and shift as much of the cost as possible to other sources of funds (page 33). Further inconsistencies existed between the amounts of food that cooperating sponsors requested and the amounts that their program documents indicated was needed (page 36). Finally, there was an opportunity to save funds by having the cooperating sponsors apply for an exemption from Peru's 18 percent value-added tax on the food aid (page 38).

It was too early to measure the results of the cooperating sponsors' recently approved fiscal year 1996 programs, which constituted a major reorientation from their earlier programs. Also, late in the audit the Mission decided to change the integration of its food aid activities within its strategic framework. The framework it was following during the audit had a number of shortcomings which need to be remedied in the new integration: (1) the cooperating sponsors were not aware of the specifics contained in the Mission's framework; (2) the Mission lacked a documented analysis to support the plausibility of accomplishing higher level targets based on achieving lower level targets; (3) the intermediate result indicators were more process- than impact-oriented; (4) the strategic framework's baselines were not well supported; and (5) the targets did not agree with the cooperating sponsors' program documents (page 40). Further, the cooperating sponsors' systems to manage for results had various weaknesses regarding the support, collection, review and reporting of information on program progress and impact (page 44). Finally, although the Mission expected to phase out food aid activities in Peru over the next several years, it had not explicitly defined the indicators, targets and timeframes for doing so (page 47).

While agreeing with most of the report's findings and recommendations, USAID/Peru officials disagreed with our conclusion that the Mission and cooperating sponsors did not yet have an adequate management structure to ensure food aid is targeted to the most needy people and they requested

that several recommendations be eliminated. Appendix II contains the complete text of the Mission's comments. We considered the Mission's comments and separate comments received from the Mission's four PVO Title II cooperating sponsors in preparing this final report. An evaluation of management's comments on specific findings is included in the report following each finding.

Office of the Inspector General
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INTRODUCTION

Background

The Agricultural Trade Development and Assistance Act of 1954 (more commonly referred to as Public Law 480), as amended, is the statutory authority for the Title II Food for Peace Program. The intent of the legislation is to promote food security in the developing world through humanitarian and developmental uses of food assistance. Food security is satisfied when a nation's people have sufficient food to meet their dietary needs for a productive and healthy life. USAID is responsible for implementing food aid programs under Titles II and III of the Act.

At the beginning of the 1990s Peru was at an economic low point. Inflation rose to 7600 percent and per capita income levels fell to the levels of the 1950s. The ranks of the poor swelled and consumption per capita by the poorest 20 percent of the population declined by 60 percent. On top of this was an ongoing terrorist threat which kept Peru's countryside and some of its most economically disadvantaged zones in conditions of civil strife.

By one estimate, in 1990 the amount of food per person per day that was available for consumption in Peru was 1837 calories compared to the standard of 2300 calories used as one of the cutoff points for eligibility under the Title III program. A survey in 1992 showed that for Peru's children under five years of age the rate of global malnutrition (inadequate weight for age) was 10.8 percent, the rate of acute malnutrition (inadequate weight for height) was 1.4 percent, and the rate of chronic malnutrition (inadequate height for age) was 36.5 percent. While conditions have improved, in 1994, about 18 percent of Peru's population of about 23 million still lived in extreme poverty--too poor to afford a basic food basket meeting international requirements for energy and protein. An estimated 806,000 of these extremely poor people were children under five years of age.

For the fiscal year 1992-1996 period, the amount of Title II food aid received or authorized for Peru was as follows¹:

FY 92	FY 93	FY 94	FY 95	FY 96
\$68.8	\$68.6	\$73.1	\$46.2	\$51.0
142.3MT	151.2MT	146.9MT	138.8MT	89.5MT

¹ dollar amounts in millions, metric tons (MT) in thousands

Four private voluntary organizations (PVOs) implemented the above food aid programs: ADRA/OFASA, CARE, Caritas del Peru and PRISMA².

The cooperating sponsors' programs were considerably refocused in fiscal year 1996 as a result of two documents: (1) a December 1994 Food Security Strategy for Peru sponsored by USAID/Peru which led to a greater emphasis on moving food aid programs to the more needy areas of the country, and (2) USAID's new Food Aid and Food Security Policy Paper issued February 1995. The Policy Paper affords highest priority to food aid programs seeking to: (1) increase agricultural productivity, particularly for small farmers and the poor; and (2) improve household nutrition, especially of poor children and mothers.

¹ Not reflected in the table are other U.S. food assistance not included in the scope of our audit. These other sources included Title II supported food aid activities of the World Food Program, USAID's Title III program and the U. S. Department of Agriculture's Section 416 program. The source of the data in this table and in the table on page 3 comes from USAID's P.L. 480 Title II FY 1996 Approved Quantities report. This data was not audited.

² The full names of the four PVO cooperating sponsors are as follows:

(1) ADRA/OFASA - Adventist Development and Relief Agency/Obra Filantrópica y Asistencia Social Adventista. In English, the acronym OFASA translates roughly as philanthropic work and Adventist social assistance. ADRA/OFASA is the Adventist Development & Relief Agency International's local affiliate in Peru.

(2) CARE - Cooperative for American Relief Everywhere, Inc.

(3) Caritas del Peru - Caritas is roughly the Peruvian equivalent of the U.S. organization Catholic Relief Services and/or Catholic Charities.

(4) PRISMA - Asociación Beneficencia PRISMA. PRISMA stands for Proyectos en Informática Salud Medicina y Agricultura. In English this would roughly translate to Beneficial Association, Projects in Medical Health Information and Agriculture.

Presently, ADRA, CARE and Caritas conduct both food-for-work and nutrition projects, while PRISMA specializes in nutrition projects. A major portion of the overall commodity amounts is sold (monetized) when it reaches Peru to generate cash for the cooperating sponsors' administrative expenses, in country transportation of commodities, and for local purchase of food commodities for certain subprograms. The table below shows a breakdown of the cooperating sponsors' approved fiscal year 1996 programs*:

Program	ADRA	CARE	Caritas	PRISMA
Food-for-Work	\$2.9	\$3.4	\$5.9	-
Nutrition	\$2.9	\$5.8	\$5.0	\$5.9
Monetization	\$3.4	\$7.3	\$4.4	\$4.2

*dollar amounts in millions

For fiscal years 1990 to 1995, food aid varied between 80 and 45 percent of USAID/Peru's overall assistance program. To manage its Title II food aid program, the Mission assigned one U.S. direct hire Food for Peace Officer and two foreign national technical supervisors.

Audit Objectives

The Division of Performance Audits audited USAID/Peru's non-emergency Title II food aid programs as part of a worldwide audit of such programs. The worldwide audit was requested by USAID/Washington's Bureau for Humanitarian Response which basically wanted to know whether the programs are adequately managed and, if not, whether the problems are due to inadequate staffing. The specific audit objectives were:

- Did USAID/Peru, together with its cooperating sponsors, have an adequate management structure to ensure that food aid is targeted to the most needy people?
- Did USAID/Peru, together with its cooperating sponsors, have an adequate management structure to ensure that food aid reaches the intended beneficiaries?
- Has USAID/Peru progressed toward achieving the results of food aid activities as intended in Mission and cooperating sponsor planning documents?

<p style="text-align: center;">REPORT OF AUDIT FINDINGS</p>
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Did USAID/Peru, together with its cooperating sponsors, have an adequate management structure to ensure that food aid is targeted to the most needy people?

USAID/Peru and the cooperating sponsors did not yet have an adequate management structure to ensure that food aid is targeted to the most needy people. However, the Mission was in the process of implementing such a management structure.

Basically, the structure was to have the cooperating sponsors consider nationwide statistics on poverty and malnutrition in locating their projects and to select beneficiaries within the communities served based on their indicated need. Additionally, the Mission planned to monitor where its food aid programs were located. While the concept was good, it was only partially implemented at the time of the audit and the Mission was still deciding on how best to proceed. In a related matter, the review also noted there was a wide variation among the cooperating sponsors regarding how long beneficiaries remained in their nutrition programs before being graduated.

There has been a substantial improvement in the targeting of the Mission's food aid programs in the last year or two. In past years, the cooperating sponsors were allowed to pursue programs with less restrictive geographical and beneficiary targeting criteria than presently. A reduction in terrorist activity together with the Mission-supported Food Security Plan for Peru have led to a general redirection of food resources to the more needy Sierra region of Peru. Also, the Agency's new Food Aid and Food Security Policy Paper's emphasis to focus food aid on the most needy, and on agricultural production and household nutrition, resulted in closing some food programs. For example, preschool feeding programs were dropped, and support to community kitchen operations servicing the general public was directed to be phased out.

Also, in formulating their new program proposals for the fiscal year 1996-2000 period, the cooperating sponsors adopted procedures to identify geographical areas of need and, for their nutrition programs, specified need-based criteria for selecting individual beneficiaries. Further, the Mission coordinated its food aid program with the Government of Peru and other donors, although not on a detailed level, and the Mission had begun compiling recent census information on child malnutrition rates and unsatisfied basic needs for the purpose of monitoring the cooperating sponsors' geographical targeting.

The actions taken by the Mission to assure food aid is targeted to the most food-needy people are positive. However, we did note two areas where improvements could be made.

Geographical Targeting Procedures Could Be Strengthened

Public Law 480 and Agency policy support programming food aid resources to address the greatest needs in terms of hunger and malnutrition. Cooperating sponsors did not always locate their food aid projects in the areas of greatest need and in some instances operated in close proximity to each other or the food aid projects of other organizations. The Mission was not monitoring the cooperating sponsors' targeting practices because it was not yet organized to do so and was still considering alternate approaches. As a result, the Mission had reduced assurance that its food aid program was targeted optimally.

Recommendation No. 1: We recommend that USAID/Peru:

- 1.1 monitor on an annual basis whether each cooperating sponsor has followed a reasonable process and followed the Mission's direction in selecting the communities within which they will conduct USAID-supported food aid projects;
- 1.2 expand the Mission's database of district-level information on rates of child malnutrition and unsatisfied basic needs to include child malnutrition rates by individual community, provide the database to the cooperating sponsors to guide them in their community selection process, and use it to monitor whether cooperating sponsors select the most food-needy communities. Also include in the database the community locations of the cooperating sponsors' food aid projects and, to the extent practical, the locations of food aid interventions of the Government of Peru and other donors; and

1.3 during the Mission's field visits, evaluate whether the cooperating sponsors have followed their approved program criteria for selecting food aid program beneficiaries.

Among the multiple purposes of Title II assistance is to combat malnutrition and hunger. Public Law 480 states that to ensure agricultural commodities made available under Title II are used effectively and in the areas of greatest need, organizations through which such commodities are distributed shall assess and take into account nutritional and other needs of the beneficiary groups. Also, USAID's Food Aid and Food Security Policy Paper states that for all types of food aid programs USAID will allocate resources and manage programs to increase the impact U.S. food aid has in reducing hunger.

There are two censuses that the Mission usually refers to in the geographical targeting of its food aid program. The first is a Ministry of Education census sponsored by UNICEF of the malnutrition status of first graders throughout Peru. The UNICEF study includes statistics both at the district level and at the level of individual schools within communities. It therefore could be used in decisions to target specific communities for food aid projects.

The second census is of unsatisfied basic needs (necesidades basicas insatisfechas - NBI) which serves as a proxy to identify poverty levels. Extreme poverty is considered to relate directly to being food insecure. The NBI ratings, which are available by district, did not correlate well with the degree of malnutrition indicated by the UNICEF census. For this reason, we used the UNICEF statistics to assess whether food aid projects were located in the most food-needy areas.

During fiscal year 1995, the Mission worked with the cooperating sponsors to reorient their programs in line with the Food Aid and Food Security Policy Paper's emphasis that food aid be given to the most needy and the Food Security Strategy for Peru that emphasized the Sierra region. As part of this process, the cooperating sponsors indicated in their program proposals that they would consider the UNICEF and NBI censuses in determining where to locate their food aid projects.

However, while these were positive accomplishments on the Mission's part, we found the Mission had not yet followed through to ensure that the cooperating sponsors were locating their projects in the most food-needy communities in their operating areas. Specifically, we noted that:

- a. Certain cooperating sponsors did not consider malnutrition information in locating communities for their food-for-work projects. Also, although malnutrition information was considered for nutrition projects, for certain cooperating sponsors it was referred to only in a very general way and had no effect on where they chose to locate their operations. For instance, personnel at the Cusco regional office of ADRA stated they had considered the UNICEF information at the province level (the next level above districts) but it did not drive the decision on which provinces they would operate in. They stated their choice to operate in the area immediately surrounding their regional office was mainly based on ease of access and operating cost.
- b. The Mission did not monitor the cooperating sponsors' community selection process nor, for that matter, did it have information to assess whether the most food-needy communities had been selected.

It did not have information on which communities the cooperating sponsors had located their food aid projects in. However, it requested the cooperating sponsors to submit an annual workplan for fiscal year 1996 including information on which districts the sponsors were working in.

It did not have information on the rates of child malnutrition within communities. It compiled information from the UNICEF census on the child malnutrition rates of Peru's districts, but not for individual communities.

- c. The Mission had no information on where the food aid projects of other donors or the Government of Peru were located, so it was in no position to assess whether there might be a duplication of coverage between USAID and non-USAID supported projects. It did meet with some of the donors periodically but those meetings did not provide information on specific project locations.

In our field visits, using as a guide the district level information from the UNICEF census compiled by the Mission, we noted instances where projects were located in some of the relatively less needy districts. Also, we noted certain instances where the cooperating sponsors were operating projects in close proximity to each other, and instances where the

cooperating sponsors and the Government of Peru's main food agency were in the same community. (See Appendix III for examples.)

We attribute the above conditions to the fact that the Mission was in the first year of a major reorientation of its food aid program and was still deciding how best to manage the targeting of food aid. For instance, the Mission was reticent to direct the cooperating sponsors to use a given set of information or follow a set procedure for selecting communities to have food aid projects. The rationale was that the cooperating sponsors, being closer to the beneficiary level, have a better idea of where the needs are and other operational considerations.

While we do not disagree with the above rationale, we see a need for the Mission to guide and monitor the overall process so as to encourage the cooperating sponsors to move their operations to the most needy geographical areas.

As an alternative to monitoring cooperating sponsors' geographical targeting practices, the Mission's Food for Peace Officer proposed monitoring instead whether the cooperating sponsors were following their approved program criteria for selecting beneficiaries. His argument was that the location of the project was not as important as the selection of the beneficiaries. As long as the beneficiary is part of that relatively small subgroup of Peru's total population that the food aid program is directed at then, by virtue of the size of the food aid program, the Mission considers that it will have a significant impact.

We had no basis to evaluate whether the Mission's food aid program would meet its program results targets if the food aid was given to beneficiaries throughout the country without a scheme to concentrate the resources in a particular region. However, we note that the Mission's results framework at the time of the audit in March 1996 held the Mission responsible for achieving reductions in child malnutrition rates in Peru's Sierra region. Therefore, not directing all the food aid resources there would reduce the potential for achieving maximum impact.

We believe that the Mission needs to do something more than just monitoring whether the cooperating sponsors are following their beneficiary selection criteria. To start with, the Mission was not even monitoring the sponsors' compliance with their own beneficiary selection criteria. Second, certain cooperating sponsors did not use malnutrition data for selecting beneficiaries for their food-for-work programs. Third, only one of the cooperating sponsors had validated its beneficiary selection criteria to prove that its program was directed at the right people.

Further, monitoring whether the sponsors follow the approved selection criteria for beneficiaries would not highlight situations where there is a potential duplication or an over concentration of program coverage in one area at the expense of not meeting more critical needs elsewhere.

We also believe that locating projects in more food-needy communities does have the potential to result in greater impacts. For instance, assuming equal population sizes, a community with a 75 percent child malnutrition rate would have a greater food aid need than a community with a 45 percent rate. Logically, locating a project in the community with the higher rate would have greater potential for reducing hunger. This is particularly true for food-for-work projects directed at increasing agricultural production.

In order to maximize the impact on reducing hunger, the Mission should assure that its food aid resources are, to the extent practical, directed to the most severe food need locations. The present system established by the Mission to target food aid resources needs to be tightened considerably to assure the most food-needy areas and beneficiaries are targeted. Part of the Mission's system to achieve this end should include tracking the locations of the Mission's and other organizations' food aid projects to avoid duplication or over concentration of coverage.

Management Comments and Our Evaluation

The Mission stated that it believes it and the cooperating sponsors have a management structure that ensures food aid is targeted to the most needy people. While agreeing with part 1.4 of the recommendation, the Mission stated that parts 1.1, 1.2 and 1.3 should be eliminated because of serious shortcomings with geographical targeting mechanisms. (Note: Based on the Mission's comments to the draft report we eliminated the original recommendation for part 1.1 and have renumbered the other parts of the recommendation correspondingly. Hence the recommendation in this report contains only three subparts.)

The Mission's preferred alternative is to require the cooperating sponsors to adopt beneficiary selection criteria to ensure that beneficiaries are "extremely poor", "food insecure", malnourished, or at risk of malnourishment and then give the cooperating sponsors flexibility on where to locate their projects taking into account cost, the cooperating sponsors' technical, logistical or institutional advantages, and where a critical mass of needy beneficiaries justify a presence.

The Mission further stated that, by and large, the cooperating sponsors avoid operations in areas where other food aid institutions are operating, but that this criteria should and will be made an explicit selection criterion for Title II projects.

Lastly, the Mission stated that its new strategic plan no longer contains a performance indicator to reduce malnutrition in the Sierra region of Peru, so that indicator cannot be used as an argument for concentrating resources in the Sierra.

As stated in the audit finding, the auditors are aware that the Mission's preferred alternative is to simply monitor whether the cooperating sponsors are following their beneficiary selection criteria. However, there are certain shortcomings with simply following such an approach.

Notwithstanding the Mission's statement that, by and large, the cooperating sponsors avoid operations in areas where other food aid institutions are operating, the Mission did not have a means for monitoring whether this was actually the case. Should, as it appears to be the case, the Mission abandon its approach of compiling information centrally on the locations of the cooperating sponsors' food aid projects and to the extent practical the locations of food aid interventions of the Government of Peru and other donors, then an alternative mechanism would be needed for monitoring potential duplication.

A possible alternative mechanism would be to require the regional offices of the cooperating sponsors to contact other food aid organizations in their regions to determine the specific locations of their projects. The regional offices could document their efforts and results and this documentation could be reviewed and considered during Mission field visits.

The Mission's preferred alternative also suggests that the Mission is not trying to show an impact for any particular regional area within Peru and that it is not concerned about whether available food aid is spread equitably across a given geographic area to address overall needs. If this is the case, then there certainly could be a savings in logistics costs if the Title II food aid program was retracted back to the major cities around Peru's ports where the food aid is brought in. We doubt, however, whether such a strategy would be acceptable to either the Mission or USAID/Washington's Food for Peace Office, since the emphasis in the 1995 round of cooperating sponsor program approvals for Peru was to reorient the programs to the rural Sierra region of the country. We believe the Mission needs to make very clear what it's trying to accomplish and then try to do that as cost effectively as possible.

Given that cooperating sponsors are required to establish baselines on community malnutrition rates for their food aid projects, we have eliminated that part of the recommendation (the original part 1.1) that the Mission direct the cooperating sponsors to use malnutrition information at the community level as available in the UNICEF study in their processes of selecting communities within which to operate.

Also, if the Mission proposes an alternative to establishing a central database as a methodology for monitoring whether cooperating sponsors have located their projects to avoid duplication of effort, such alternative methodology would be acceptable for addressing part 1.2 of the recommendation (previously part 1.3).

However, we believe there is a need for the Mission to monitor the cooperating sponsors practices for locating their projects. Hence, part 1.1 of the recommendation (previously part 1.2) is retained.

**Wide Variations in the Graduation
Rate Efficiencies of Nutrition Programs**

USAID's goal is to use food aid resources effectively and efficiently. One cooperating sponsor had a very effective nutrition program with well-defined graduation criteria and targets that could serve as a model of the graduation rates achievable under nutrition programs. The other three cooperating sponsors had not precisely defined the total set of activities and changes they were trying to accomplish and the end point a beneficiary should reach to be graduated from a project, i.e. rations discontinued. Nor had they set percentage graduation targets to drive the efficiency and effectiveness of their programs. The emphasis of these cooperating sponsors was more relief- than development-oriented and they had different program approaches and philosophies. Providing food rations to beneficiaries longer than necessary converts the programs from development back to relief or, worse, dependence. The resources could be used to address the development needs of other beneficiaries. For instance, two cooperating sponsors could save commodities costing about \$2.5 million annually by following the model.

Recommendation No. 2: We recommend that USAID/Peru perform the following:

- 2.1 require the cooperating sponsors to precisely define graduation criteria and timeframes for their nutrition programs and establish management information systems**

and policies and procedures to assure beneficiaries are graduated once they reach that level;

- 2.2 require the cooperating sponsors to set percentage graduation rate targets that the Mission can use to directly assess the efficiency of the four programs, and have the cooperating sponsors report their accomplishments against these targets semiannually;
- 2.3 once the cooperating sponsors have precisely defined the activities involved in their nutrition interventions and the end point to be reached to graduate beneficiaries, and set their graduation rate targets, the Mission should compare the various nutrition programs to identify significant differences which reduce the graduation rate efficiency relative to the rates achieved under the most efficient program and work with the cooperating sponsors to improve their graduation rate efficiency; and
- 2.4 determine whether the alternative approaches to conducting the nutrition programs found to be relatively less efficient can be justified based on objective evidence of their superior effectiveness. If not, support to the less efficient programs should be reduced.

USAID's food policy paper states that the Agency's and cooperating sponsors' goal must be the effective and efficient use of food aid resources. Also, the Mission's proposed strategic plan included an intermediate result indicator and target for the graduation rate from the cooperating sponsors' nutrition programs. The graduation rate is defined as the rate the beneficiaries have fulfilled the necessary criteria (e.g. nutritional recuperation, etc.) and leave the program. This indicator is extremely important as it is one of the few that indicates progress in program coverage.

One cooperating sponsor had a very effective nutrition program (PRISMA's Program of Feeding and Nutrition to the High Risk Family - PANFAR) that could serve as a model of the graduation rates achievable under nutrition programs.

The PANFAR program, implemented through Government of Peru health posts, has the following graduation criteria: children have not been acutely malnourished in the last three months, children have completed their vaccination schedules, pregnant mothers are receiving pre-natal care.

mothers have received family planning counseling or are using a modern contraceptive method, and mothers have attended at least three education workshops. PRISMA considers that the basic needs to be addressed by nutrition programs are considered in the PANFAR program--the initial nutritional recuperation, the medical inputs such as vaccinations, and the training of the mothers on health, nutrition, family planning, etc.

Despite establishing impact targets and indicators for their overall nutrition programs, the other three cooperating sponsors had not precisely defined the total set of activities and changes they were trying to accomplish and the end point a beneficiary should reach to graduate from a project, i.e. rations discontinued. These cooperating sponsors additionally had not developed (or modified) their management information systems to the extent needed to allow their headquarters to monitor compliance with the graduation policy. Also, they had not set percentage graduation targets to drive the efficiency and effectiveness of their programs. Details on several of the cooperating sponsors' nutrition programs follow:

Programs directed at the family level:

PRISMA's PANFAR program

45 percent graduation rate target in six months. (Actual graduation rate reported for fiscal year 1995 was 40 percent after six months.) If all the graduation criteria are not met, the families can stay another six months. The graduation criteria are defined. (This program is the model because it uses a smaller ration size and takes a shorter period of time to achieve this result.)

PRISMA's Happy Community (Kustavllu) program

65 percent graduation rate target in six months. (Actual graduation rate reported for fiscal year 1995 was 53 percent after six months.) Although only acutely malnourished children enter the program, the graduation criteria are the same as PANFAR. (This program is not the model since it uses double the ration size of the PANFAR program. However, it does have superior results in a short period of time.)

Caritas' Mother-Child program

No graduation rate targets or detailed definition of what constitutes the completion of the planned program. Expectation is that families will remain in the program a minimum of one year and a maximum of two years.

ADRA's Infant Nutrition program

No graduation rate targets or detailed definition of what constitutes the completion of the planned program. Plan is to keep the beneficiaries in the program for 20 months. Nutritional rehabilitation of the children and training of the mothers is completed much sooner. Ration size is one of the largest, on a par with PRISMA's Kusiyllu program.

Programs directed at the individual child level:CARE Nutritional Improvement subproject

No graduation rate targets or detailed definition of what constitutes the completion of the planned program. CARE indicated that it intended to follow the PANFAR model.

Caritas' Children-at-Risk program

No graduation rate targets or detailed definition of what constitutes the completion of the planned program. Expectation is an average of one year. Child is supposed to be graduated when nutritionally recuperated, but Caritas did not have this policy in writing and did not enforce this policy.

Three of the four cooperating sponsors had not established precise graduation criteria and targets for their nutrition programs because the programs' emphasis was more relief- than development-oriented. Also, the different cooperating sponsors had different program approaches and philosophies. For instance, the main reason ADRA's projects last so long was that it attempts to create a self-sustaining entity to continue the work of the project after support is discontinued. However, ADRA did not provide evidence that it had been successful in establishing such self-sustaining entities or that they were even needed considering that Peru's established health post structure operates the PANFAR program in some of the same areas where ADRA also operates. Also, ADRA did not have evidence that the establishment of such entities required continuing rations to beneficiaries beyond the point of their nutritional rehabilitation.

While different approaches and philosophies can be supported as long as objective evidence can be obtained to show that they are comparatively as cost effective as the model program, providing food rations to beneficiaries beyond the point of nutritional recuperation and completion of planned training converts the programs from development back to relief or, worse, dependence. The resources could be used to address the development needs of other beneficiaries. For instance, if Caritas and ADRA used the PANFAR model and had a similar graduation rate of 40 percent after six

months. their programs would save commodities costing approximately \$2.5 million annually.

Management Comments and Our Evaluation

Even though the Mission stated that Recommendation No. 2 (parts 2.1, 2.2, 2.3 and 2.4) regarding graduation criteria and timeframes should be eliminated, its comments indicate that it has taken action to implement the recommendations. Its new performance and monitoring plan will use a series of more revealing indicators, across the four cooperating sponsors, to monitor the effectiveness of program coverage. When these minimum "graduation" indicators are met, the cooperating sponsors will cease food rations to beneficiaries. Moreover, variations in the percentages between cooperating sponsors will indicate "efficiency" or the opposite, and the need to modify or improve sponsor interventions.

We consider that the Mission's planned actions satisfy the intent of the recommendation.

Did USAID/Peru, together with its cooperating sponsors, have an adequate management structure to ensure that food aid reaches the intended beneficiaries?

For the items tested, the Mission and cooperating sponsors had management structures in place to ensure that food aid reaches the intended beneficiaries. However, our review was too limited to provide reasonable assurance that no major losses are occurring throughout the total program.

The Mission's management structure involved reviews of cooperating sponsor reporting, field visits, and a contracted 100 percent financial review of the cooperating sponsors' monetization expenditures. The cooperating sponsors had detailed operations and accounting systems. A paper trail of documentation was generated as commodities and cash moved through these systems from their receipt to their final expenditure. Supervision was an essential part of the cooperating sponsors' management structure, including regional office reporting to headquarters, headquarters' supervisory visits to regional offices and project sites, and regional office oversight of individual project sites.

While the design of the management structures was generally sound, various areas needed improvement. Chief among them was the adequacy

of Mission and cooperating sponsor management oversight over the food aid programs. Additionally, there were a number of opportunities to increase the efficiency of the programs and save money. The problems and opportunities are detailed below.

Management Oversight Should be Strengthened

USAID policies and Regulation 11 require missions and cooperating sponsors to manage all aspects of Title II programs in their respective countries. As noted throughout this report, there were multiple areas where management oversight could be improved. Inadequacies at the Mission, cooperating sponsor headquarters and regional levels included the frequency and scope of supervisory visits, commodity and monetization funds management, and review of reported information for accuracy and completeness. The deficiencies may be partially the result of limited personnel and resources at the Mission as well as at the cooperating sponsors. Adequate management oversight at all levels is needed to assure food aid resources are adequately controlled and directed in the most effective and efficient manner.

Recommendation No. 3: We recommend that USAID/Peru:

- 3.1 establish a plan on the minimum cycle of Mission supervisory visit coverage of the functional areas within the cooperating sponsors' headquarters and all of the cooperating sponsors' field offices. This plan should specify the areas to be covered during such visits and require documentation of the proper functioning of the sponsors' systems for controlling commodities, monetization funds and program income, and for managing for results;**
- 3.2 monitor and assess the adequacy of the field supervisions by the cooperating sponsors' headquarters. As part of this monitoring, the Mission should routinely obtain copies and review the cooperating sponsors' trip reports and evaluations, and documentation of follow up done by the cooperating sponsors to assure noted problem areas have been corrected;**
- 3.3 stop the practice of reviewing monetization expenditures on a 100 percent basis. Instead, contract with a firm or firms to perform a risk assessment to determine which types of transactions are more susceptible to fraud**

considering the functioning of each cooperating sponsor's internal control systems, and have the firms propose a reduced level of surveillance following sampling procedures. The savings from not reviewing every transaction should be used to either increase the depth of review in areas assessed to have higher risk or make other monitoring improvements; and

- 3.4 discuss with USAID/Washington's Food for Peace Office and the cooperating sponsors the possibility of using monetization funds to contract for additional staff within the Mission and cooperating sponsors to oversee the programs.

Handbook 9, Chapter 6³ states that USAID missions have the responsibility for U.S. Government oversight of Title II programs in-country, and must submit a Food Aid Management Plan before any Title II programs will be approved. The Mission's July 1995 Food Aid Management Plan specified its many responsibilities, including reviewing cooperating sponsors' program proposals, tracking commodity shipments and arrivals, and monitoring the cooperating sponsors' management of commodities and use of sales proceeds.

Also, USAID Regulation 11 states that cooperating sponsors shall provide adequate supervisory personnel for the efficient operation of the program, including personnel to (1) plan, organize, implement, control, and evaluate programs involving distribution of commodities or use of monetized proceeds and program income, (2) make warehouse inspections, physical inventories, and end-use checks of food or funds, and (3) review books and records maintained by recipient agencies that receive monetized proceeds and/or program income.

The Mission and cooperating sponsor management systems provided the necessary oversight in certain respects. At the Mission level, the Food for Development Division performed the above-mentioned responsibilities to the extent possible given its limited staff. In addition, the Controller's Office conducted reviews of the cooperating sponsors' administrative and financial systems, and also reviewed audit reports. Also, the cooperating sponsors' headquarters and regional offices adequately managed the programs in many respects. Nevertheless, the audit discovered certain

³ As of May 1996, BHR/FFP had not finished incorporating Handbook 9 into the new Automated Directives System.

problems in the management structures at the Mission level and the cooperating sponsor headquarters and regional levels as follows:

Mission Oversight of Cooperating Sponsors

- Mission staffing to manage food aid programs was relatively speaking less than the staffing assigned to non-food aid projects. Each of the cooperating sponsors' food aid programs involved \$9-16 million per year and was fairly complex and sprawling. Mission staffing directly overseeing these programs was the Food for Peace Officer, and two foreign national staff who oversaw two programs each. Previously, there were four foreign national staff in this area, one for each cooperating sponsor, which would be more reasonable. Other Mission technical offices had separate foreign national staff supervising projects of smaller dollar value. Considering the tight constraints on the Mission's operating expense funds, this report does not include a recommendation to increase staff. However, that would obviously be desirable.
- The Mission needed to make more field visits and have more contact time with cooperating sponsor headquarters. The two foreign nationals and the Food for Peace Officer made a total of 12 field trips during fiscal year 1995 to supervise the food aid program. Given that there are thousands of individual food project sites in most of Peru's 25 departments and many of the nearly 1,800 districts, the number of supervisory visits made was not enough. For example, our audit field visits to two Caritas diocese offices identified numerous problems and the Mission's foreign national supervisor for that cooperating sponsor said he had not visited either location since they had established their food aid programs. The Mission did not have a written plan specifying the minimum cycle of supervisory visit coverage of all the cooperating sponsor field offices, nor a workplan for reviewing the various aspects of the programs when performing such visits.
- During the past several years, the Mission and cooperating sponsors contracted with a local accounting firm to do a financial review of the support for all expenditures of monetization funds. These reviews, paid with monetization funds, consisted of examining such documentation as purchase requests and invoices. Reviewing all expenditures no matter how small (sometimes less than \$1) and no matter what

the level of risk, was not an efficient use of this control function and raised the cost of this review, which for fiscal year 1996 was initially projected to cost \$264,000.

Cooperating Sponsor Headquarters Oversight of Regional Offices and Regional Offices Monitoring of End Use and Results

- Cooperating sponsor headquarters in some cases needed to: (1) make more supervisory visits, (2) improve their monitoring to ensure that problems noted during field visits were corrected, (3) ensure that they had adequate staffing in the field, and (4) analyze information and reports being submitted by the field.
- Cooperating sponsors' regional offices in some cases needed to: (1) perform end-use checks to ensure that the intended beneficiaries received the correct food rations, and (2) ensure that projects were progressing satisfactorily.

(For examples see Appendix IV.)

The above deficiencies, as well as other problem areas discussed throughout this report, to some degree may be the result of limited personnel and resources at the Mission as well as at the cooperating sponsors. However, the Mission and cooperating sponsors can make some improvements without increasing staffs, and monetization funds might be used to contract for further monitoring support.

In addition to monitoring to assure that commodities and monetization funds are protected and reach the intended beneficiaries, close management attention is needed to assure resources are used as efficiently as possible and results are maximized.

Management Comments and Our Evaluation

The Mission found Recommendation No. 3 to be acceptable except for part 3.3 to stop the practice of reviewing monetization expenditures on a 100 percent basis. The Mission stated that part 3.3 should be eliminated.

The Mission listed a number of points why it felt a continued 100 percent review was justified—the cost relative to the amount of funds being controlled was relatively minor, the same degree of review is done on the Mission's non food aid projects, the Mission uses the information to monitor whether a cooperating sponsor's expenditures exceed the approved

budget by more than 10 percent, the Mission relies upon the review when certifying that the cooperating sponsors are accounting fully for monetization proceeds, not much additional work is required to do the review on a 100 percent basis versus a sample, and the review serves to verify the documentation necessary for the recuperation of sales tax from the Government of Peru.

The intent of the recommendation in this case is to save costs without undermining the positive control aspects that the Mission uses the financial review for. In this light, we expect the Mission to obtain and evaluate proposals for a risk-based surveillance scheme, and regarding the points mentioned to assess what, if anything, would be lost under such a scheme versus what would be gained in terms of reduced costs.

If, after obtaining the information on the tradeoffs, the Mission determines that the lost benefits outweigh the costs, we would be agreeable to maintaining the 100 percent financial review. However, please note that reviews are normally done on a sample basis and that the objectives of the control benefits mentioned above appear as though they could be met without reviewing every transaction.

**Controls over Commodities Could be Improved
by Inclusion in the Accounting Records**

Accounting principles applicable to Title II programs call for including the value of commodities in the financial statements and hence controlling commodities through a cooperating sponsor's financial accounting records. Nevertheless, three of the four cooperating sponsors controlled food commodities only through specialized logistics systems. As a result, there was a lack of cross checking of information between departments that would lead to better controls. Also, the value of the food commodities was not properly included in two of the cooperating sponsors' financial statements and therefore the commodities would not be subjected to the required financial audits. Inadequate controls over commodities leave open the potential for loss of commodities without detection.

Recommendation No. 4: We recommend that USAID/Peru:

- 4.1 require cooperating sponsors to control Title II commodities through their accounting records and prepare a separate commodity accountability statement as part of their financial statements;**

- 4.2 coordinate with the four cooperating sponsors to develop procedures and select appropriate software programs for the valuation of the commodities; and
- 4.3 require that audits of the cooperating sponsors include a separate opinion on the commodity accountability statement for their Title II programs in Peru with related reports on the internal controls over commodities and compliance with laws and regulations.

USAID Regulation 11 requires cooperating sponsors to have audits of their Title II food aid programs in accordance with OMB Circular A-133. Financial auditors doing A-133 audits are required to determine whether the financial statements of the institution being audited are presented fairly in accordance with Generally Accepted Accounting Principles (GAAP). Regulation 11 also permits cooperating sponsors to use for their Title II food commodity accounting Generally Accepted Commodity Accounting Principles (GACAP) developed by an association of cooperating sponsors. GACAP states that in terms of accounting the cooperating sponsor shall treat commodities in the same manner as other financial resources.

Further, the Guidelines for Financial Audits Contracted by Foreign Recipients, dated March 1993, and issued by USAID's Office of the Inspector General, directs contracted financial auditors to determine whether any commodities directly procured by USAID are unaccounted for and/or have not been used for their intended purposes in accordance with the agreements. If so, the cost of such commodities should be questioned.

Only one of the four cooperating sponsors (CARE) controlled food commodities through its financial accounting records. The other three (ADRA, Caritas and PRISMA) controlled their food commodities only through the records of their food or logistics departments. Further, only CARE and PRISMA included the value of their commodities in their financial statements, while ADRA included partial information and Caritas none.

ADRA partially included the value of the commodities in its financial statements by including it in its revenue and expense statement, but not as an asset in its balance sheet. Apart from its financial statements, ADRA prepared a commodity accountability statement using commodity value information provided by the Mission.

The reason for ADRA, Caritas and PRISMA not controlling the value of commodities through their financial accounting records was that doing so

would require a greater level of effort and possibly additional staff. Instead of controlling both the number of units and the value of commodities through the financial accounting records, these cooperating sponsors established systems which control only the units.

Caritas also stated that its independent financial auditor interpreted certain standard accounting practices as not requiring the inclusion of commodities in Caritas' financial accounting records because the commodities were meant to be immediately transferred to other entities. However, the entities to which the commodities were transferred were diocese Caritas offices, and consequently there was no transfer of control or responsibility from Caritas as an overall organization.

As a result of not controlling commodities through their financial accounting records, the cooperating sponsors did not establish a separation of duties between their accounting and food/logistics departments which would strengthen controls over the accountability for the commodities by creating internal cross checks between the departments. Further, since certain cooperating sponsors did not fully incorporate the value of the commodities in their financial statements, the commodities would not have been subjected to the full range of financial audit procedures.

Inadequate controls over commodities leave open the potential for loss of commodities without detection. While the audit did not identify material losses of commodities, with distribution systems as massive and extensive as those of the cooperating sponsors, it would be prudent to maintain financial accounting control over the commodities to a reasonable level within the distribution chain and to subject the accountability for commodities to financial audit.

We believe that financial accounting control over commodities should extend to the regional warehouse level or such lower level from which the commodities are transferred to the beneficiary communities. Existing control systems over commodity quantities should also remain in place to provide evidence that the commodities reached the approved beneficiaries.

The accountability of the Title II commodities would be increased if the financial auditors were required to include a separate opinion on a cooperating sponsor's commodity accountability statement for the Title II commodities in Peru, with associated reports on the internal control system over commodities, and on whether they are managed in accordance with laws and regulations. Since the cooperating sponsors will be doing OMB Circular A-133 audits in any case, such audits, or audits separately required by the Mission for compelling reasons, are a potential vehicle for

the Mission to improve its monitoring of commodity accountability in view of the Mission's limited staff available for monitoring.

Discussions with Mission Controller personnel identified potential problems resulting from the inclusion of the value of commodities in the balance sheets of the cooperating sponsors. Essentially, they considered that there would be a change in the capital structure of a cooperating sponsor and this would require complicated and unnecessary filing requirements with the Government of Peru.

We are not aware of what sorts of problems the two cooperating sponsors who already include the value of the commodities in their balance sheets face in this regard. Mission Controller personnel indicated that this potential problem can be avoided by using financial statement footnotes to disclose the value of the commodities. Under this presentation the Mission could still require the cooperating sponsors to include audited commodity accountability statements to support such footnotes.

For the cooperating sponsors that are not presently controlling Title II commodities through their financial records, additional effort will be needed. In order to minimize costs and standardize procedures, the four cooperating sponsors and the Mission should collaborate in the selection of appropriate software programs and development of accounting procedures.

Management Comments and Our Evaluation

The Mission stated that it found Recommendation No. 4 to be acceptable, thus indicating that it agrees to take the recommended actions.

Ration Sizes on Similar Programs Varied Substantially

It is Agency policy to use food aid resources efficiently and effectively. The food ration sizes used by the four cooperating sponsors varied substantially although the beneficiaries served and the activities done were basically the same. Increasing the ration size did not necessarily lead to greater results. The varying ration sizes were largely the result of the different program approaches used by the cooperating sponsors as well as using different information bases and assumptions in the calculation of the appropriate size. If all the cooperating sponsors adopted the more efficient ration sizes used by certain cooperating sponsors, about \$6.2 million worth of commodities would be freed up annually which could be applied to achieve greater program impact.

Recommendation No. 5: We recommend that USAID/Peru: -

- 5.1 form a joint committee of the cooperating sponsors to do a comparative analysis of the energy value of the rations used by each of them in their various programs;
- 5.2 require the cooperating sponsors to use a ration size, in terms of energy value, comparable to the most efficient interventions used by the various cooperating sponsors; and
- 5.3 require cooperating sponsors to include in their program documents the justifications for their ration sizes. Such information should be presented in a standard format to facilitate comparative analyses across programs and should include information on the beneficiaries' nutritional requirements and their normal food consumption without food aid.

The Food Aid and Food Security Policy Paper states that USAID's goal—and that of the PVO cooperating sponsors—must be the effective and efficient use of food aid resources. The Commodities Reference Guide suggests procedures for determining the ration sizes on various types of food aid projects. The basic guidance is that the ration chosen should be appropriate for helping the project reach its objectives. Among the information normally considered in determining the appropriate ration size are the nutritional requirements of the intended beneficiaries and their normal consumption levels without food aid.

We reviewed the ration sizes used by the cooperating sponsors on their food-for-work and nutrition programs directed at the family level and noted significant differences as shown below⁴:

The ration sizes used by the different cooperating sponsors are shown in terms of their nutritional energy value to make them directly comparable. The ration sizes in terms of weight were as follows:

Food-for-work, per day of work:

CARE - 1.65 kgs.
 Caritas-regular - 4.0 kgs.
 Caritas-jungle - 4.9 kgs.
 ADRA - 5.5 kgs

Nutrition program aimed at family, monthly ration:

Caritas-regular - 11.5 kgs.
 Caritas-jungle - 32.3 kgs.
 PRISMA-PANFAR - 12.5 kgs.
 PRISMA-Kustayllu - 25 kgs.

Food-for-work ration, per day of work:**CARE - 7,095 kcals⁵****Caritas-regular - 15,570 kcals****Caritas-jungle - 12,709 kcals****ADRA - 22,331 kcals****Nutrition program aimed at the family, monthly ration:****Caritas Mother-Child program, regular - 43,140 kcals****Caritas Mother-Child program, Jungle - 83,880 kcals****PRISMA High Risk Family (PANFAR) program - 55,260 kcals****PRISMA Happy Community (Kuslayllu) program
- 110,520 kcals****ADRA Infant Nutrition program- 105,211 kcals****The reasons for the differences were as follows:****Food-for-work programs**

For food-for-work programs, the basic difference was the number of days each cooperating sponsor expected beneficiaries to work to earn enough rations to satisfy their nutritional needs. CARE based its ration size on what it found was sufficient to get people to work. Each person who worked got a ration commensurate with the work done that day. If more than one family member worked, each member received a separate ration. The ration for each worker met most of the nutritional requirements for a whole family, but only for that day. Beneficiaries could earn more rations by doing more work i.e. getting more done.

ADRA and Caritas on the other hand provided rations for their food-for-work projects as if they were nutrition projects. That is, the ration needed

ADRA - 25 kgs.

⁵ Kcals stands for kilocalories (or in laymen's terms calories). It is used to express the energy value of food.

for adequate nutrition of a family for a month was the main premise for the ration size. Thereafter, there was the expectation that the head of household of a family would work a certain number of days per month to earn the ration. However, there was confusion within the cooperating sponsors about just how many days and how long each day people were expected to work to earn the ration. Also, rations were not given based on actual work progress. The food-for-work figures above for ADRA and Caritas are adjusted to a daily basis based upon the number of days beneficiaries worked⁶.

We considered CARE's program philosophy to be superior because it was tied to getting the work done and a greater amount of work was required vis-a-vis the other cooperating sponsors for a given level of rations. Although CARE was more demanding, its beneficiaries could still earn sufficient rations to make up their nutrition shortfalls by having more than one member of a family work or by working more days.

Nutrition programs

The reasons for the differences in the nutrition programs were related to program design and differing assumptions on beneficiaries' other food sources. ADRA, Caritas and PRISMA considered the beneficiaries' regular consumption levels without food aid in determining their ration sizes, CARE did not. Although all the cooperating sponsors dealt with the same general population of beneficiaries, they used different sources of information and therefore had differing assumptions on the beneficiaries' regular consumption levels. We believe the cooperating sponsors should use the same information if they are dealing with the same beneficiary populations.

An even more significant reason for the larger ration sizes used in some cooperating sponsors' nutrition programs was program design. For instance, except for ADRA, all the cooperating sponsors' nutrition programs shown above assumed the beneficiaries to be a mother and two children under five years of age. ADRA's program assumed a mother, father, and

⁶ Information on days actually being worked under the Caritas and ADRA programs was based on limited field review, reviewing records in the field where they existed. Where such records did not exist the review was based on interviews, and the reliability of the information is correspondingly reduced. For example, in Caritas' jungle program, for the single location visited, the local technical supervisor stated that the people worked 11 days during the month preceding our visit. This contrasts to the four days per month we were told people worked under Caritas' regular program, which covers the rest of the country. It is as a result of the presumed greater number of days worked that the Caritas-jungle food-for-work monthly ration is shown to be relatively efficient on a per-workday basis.

three children, which led to a significantly higher base nutritional requirement compared to the others. And on top of that, ADRA's ration was increased about 24 percent to provide for various allowances intended to assure that the target children would recuperate their nutritional status quickly. Despite a ration size designed to ensure the target children recuperate quickly, the entire family remains in the program for 20 months. ADRA's program design appeared very inefficient compared to the others (See the comparison at pages 13 and 14).

PRISMA's Kusiayllu program similarly has a large ration size compared to most of the other nutrition programs. The program, which is directed only at the most severely malnourished children, originally used the smaller ration size of PRISMA's PANFAR program, but the children's rate of recovery was less than PANFAR's. Therefore, PRISMA doubled the ration. The Kusiayllu program now has the highest graduation rate of any of the cooperating sponsors' nutrition programs (53 percent per six month period compared to 40 percent for the PANFAR program).

Caritas' jungle program had the third largest ration in terms of energy value. The reason was that the ration calculation assumed a low level of consumption from the beneficiaries' normal food sources. Also, the nutritional requirement used in the calculation of the ration was for three adults rather than a mother and two children. Caritas did this for ease of program administration, that is, it used a standard ration size per person and provided that amount regardless of whether the person was a child or an adult. Using a ration sufficient for two adults rather than three would make the Caritas jungle ration more comparable to the rations used in Caritas' regular program.

The use of more resources than necessary to accomplish a given level of results is inefficient. Requiring the cooperating sponsors to be competitive from an efficiency standpoint would free up resources that could be applied to achieve greater program impact. For instance, there does not appear to be any significant difference between the beneficiaries served by three of the above nutrition programs—ADRA, Caritas, and the PRISMA-PANFAR program. Of these programs, PRISMA's PANFAR program has demonstrated the best results in terms of graduation rates. Therefore, the ration size used by the PANFAR program should be sufficient for any of those programs to achieve the same level of results. If Caritas' jungle program and ADRA's program were to use rations sizes with an energy equivalence to the PANFAR ration, then Caritas jungle program could expand by 52 percent and ADRA by 90 percent.

Similarly, for food-for-work projects, if Caritas and ADRA adopted the energy equivalent of CARE's ration size, then Caritas could expand its regular program by about 120 percent and its jungle program by about 80 percent. ADRA could expand its program by 215 percent.

Using the more efficient ration sizes mentioned above for the Caritas and ADRA programs in fiscal year 1996 would have resulted in savings of \$6.2 million, which could be used to serve more people.

Management Comments and Our Evaluation

The Mission found Recommendation No. 5, parts 5.1 and 5.3 to be acceptable but stated that part 5.2, regarding requiring the cooperating sponsors to use comparable ration sizes, should be eliminated.

Regarding part 5.2, the Mission found as too simplistic the audit logic that if one cooperating sponsor could achieve an acceptable level of results with a given ration size, then the others could also. It also noted that the "jury is out" on which ration size is the most efficient because "efficiency" is ill-defined. For instance, it noted CARE's food-for-work ration size is very "efficient" in getting the work done at a competitive rate, but in geographic areas with caloric deficiencies there might be justification for hybrid food-for-work/direct feeding program projects. Further, it stated that the "efficiency" and "effectiveness" of ration sizes can only be evaluated after measurements of impact and results are available. However, the Mission stated that, among other certifications, the cooperating sponsors now must certify that their rations are as standardized as possible.

While we agree that the "jury is still out" regarding the most efficient ration size until all the various situations are studied (as recommended in part 5.1), there appear to be clear opportunities for greater efficiencies. If one cooperating sponsor is able to accomplish a superior result with a given ration size, the challenge is for the others to match that performance. This transformation would probably have to take place gradually because the different cooperating sponsors have grown accustomed to a certain level of rations.

CARE's ration size and approach to food-for-work projects clearly appears to be the most efficient. The example offered by the Mission is not necessarily different from the situation faced by CARE. In a food deficit area CARE's beneficiaries could do more work to earn more food.

The Mission needs to exert continuing pressure to bring up the efficiency level of less efficient cooperating sponsors. Part 5.2 of Recommendation No. 5 is retained.

Some Cooperating Sponsors Should Develop More Ambitious Work Standards and Give Rations Based on Work Actually Accomplished

USAID policy states that the Agency's goal and that of the cooperating sponsors must be the effective and efficient use of food aid resources. Of the three cooperating sponsors that had food-for-work projects, only two used formal written work standards to estimate the number of days work involved in a project, and only one gave out rations based on the work actually accomplished. Also, one sponsor's work standards were significantly more ambitious than the other. These differences occurred because no comparative analysis had been done of the work standards used by the cooperating sponsors and other organizations. Also, the sponsors did not have the same efficiency approach i.e. giving out rations in direct proportion to the amount of work actually accomplished. Using the most ambitious work standards, giving rations in direct proportion to work done, and limiting beneficiaries to the minimum needed would increase program efficiency and thereby permit increasing results for a given level of commodities.

Recommendation No. 6: We recommend that USAID/Peru:

- 6.1 coordinate with the three cooperating sponsors doing food-for-work projects to analyze and compare their existing work standards and methodologies used in establishing their work standards and additionally review the work standards used by the World Food Program and any other organizations the Mission may be aware of that use such standards in their food-for-work projects;**
- 6.2 once the different work standards and methodologies have been analyzed, direct the cooperating sponsors to establish or revise their food-for-work standards to raise the expected level of the work to be accomplished per workday along the lines of the highest efficiency levels noted for the organizations analyzed. The work standards should be detailed to the subtask level;**
- 6.3 direct ADRA to discontinue the practice of providing rations for work activities that the beneficiaries would**

otherwise be doing in the absence of ADRA's food-for-work projects;

- 6.4 direct ADRA and Caritas to give rations for food-for-work projects based on the amount earned i.e. based on the work standards and measurement of the amount of work actually accomplished. The cooperating sponsors could follow the system used by CARE in this respect; and
- 6.5 direct its cooperating sponsors that have food-for-work projects to provide the necessary training to their field level individuals responsible for properly applying the work standards to determine the amount of food earned.

The Food Aid and Food Security Policy Paper states that USAID's goal and that of the cooperating sponsors must be the effective and efficient use of food aid resources.

ADRA, Caritas and CARE had food-for-work projects covering a range of activities such as irrigation canals, agricultural production, soil conservation, reforestation and road work. Only CARE and Caritas used formal written work standards to estimate the number of days of work involved in a project, and only CARE gave out rations based on the work actually accomplished. Also, CARE's work standards were significantly more ambitious than those used by Caritas. ADRA did not have written work standards or use such standards in determining beneficiary levels. Although the World Food Program was not included in the audit, for comparison purposes we also reviewed the food-for-work standards used by that organization.⁷ Details follow:

CARE

CARE's system was the best in that the amount of food given to the beneficiaries was based on work done. For example, CARE established a work standard for slow-formation terracing, a soil conservation activity, of .04 workdays per square meter. Therefore, with CARE's food-for-work ration of 1.85 kilograms per workday, if farmers completed 200 square meters of slow-formation terraces, they would earn a total of 14.8 kilograms of food (200 square meters x .04 workdays per square meter x 1.85 kilograms per workday).

⁷ The food-for-work work standards used by the World Food Program were very good in terms of defining work expectations by project subtasks, and thus, the Mission and cooperating sponsors could benefit from reviewing them.

In comparing some of the work standards used by CARE, Caritas and the World Food Program, CARE's standards were the most ambitious (see Table at Appendix V). However, CARE's standards were not always being adhered to in the field because some of the CARE and Ministry of Agriculture regional individuals responsible for monitoring the amount of work accomplished and calculating the amount of food earned did not fully understand this system. In addition, CARE did not have standards for the various subtasks for certain types of projects (e.g. road work).

Caritas

Caritas had work standards which it used for estimating the number of workdays involved in a project. Nevertheless, having used the standards to set the number of workers on a project, it gave out food based on the programmed number of workers rather than the actual work accomplished.

Also, Caritas headquarters did not review the reasonableness of the regional (diocese) offices' estimates of the number of workers needed for projects and for similar projects in different regions there were wide variations in the estimated number of workers needed. Further, the headquarters was unable to explain the assumptions used in applying the work standards but stated that the technical personnel in the field knew what the assumptions were. However, the field offices in some cases improperly applied or did not use the standards.

Although Caritas had many more types of food-for-work projects than CARE, we did a comparison of the work standards for similar projects and noted that Caritas' standards were much less ambitious than CARE's (Appendix V). For example, while CARE used a standard of .04 workdays to perform a square meter of slow-formation terracing, Caritas used a standard of .0833 workdays, more than twice the time for apparently the same work.

ADRA

ADRA did not have written work standards. It did not even limit beneficiary levels to the minimum needed to accomplish the work activity.

For example, one food-for-work project consisted of 184 community members that did not have jobs outside their community. The

project concept was to increase agricultural production by demonstrating to the community on small demonstration plots how much production increase they could obtain on their own plots by following proper agriculture techniques and using improved seeds, fertilizer and pesticides. However, 184 workers were not needed to tend to the demonstration plots. Therefore, the workers received rations for doing work, such as maintaining irrigation ditches and community roads, that they would have done anyway in the absence of the project. And even in those activities no work standards were applied. Rather, ADRA allowed its individual technical supervisors in the field to judge what was a reasonable amount of work per day for each beneficiary.

ADRA should establish food-for-work beneficiary levels at the minimum numbers needed to accomplish the activities that directly lead to the expected productivity increases from the project and should not give food for work that the community is doing anyway in the absence of the project.

The above differences in the cooperating sponsors' food-for-work projects occurred because no comparative analysis had been done of the work standards used by the cooperating sponsors or by other organizations. Also, Caritas and ADRA did not have the same efficiency approach as CARE, i.e. giving out rations in direct proportion to the amount of work actually accomplished.

Using the most ambitious work standards, giving rations in direct proportion to work done, and limiting beneficiaries to the minimum needed would increase program efficiency and thereby permit increasing results for a given level of commodities. For instance, if the worker productivity expectations for ADRA and Caritas are half those of CARE, then if they raised their standards and expectations to CARE's level, they could double their food-for-work activities with the same level of commodities. ADRA and Caritas' food-for-work budgets for fiscal year 1996 were \$8.8 million.

Also, CARE's system of supplying rations based on work actually accomplished would overcome various problems noted for the other cooperating sponsors. These problems include overestimating the number of beneficiaries needed to do a project and keeping a set number of beneficiaries within a project for the length of the project even though the work requirements were known to vary considerably over time.

Management Comments and Our Evaluation

The Mission stated it found Recommendation No. 6 to be acceptable, thus indicating that it agrees to take the recommended actions.

In-Country Transportation Costs Can Be Reduced

USAID aspires to use commercially reasonable practices in purchasing goods and services and promotes the effective and efficient use of food aid resources. The cooperating sponsors did not share their cost data for contracted transportation from the port of entry to their regional warehouses. Also, some cooperating sponsors required beneficiaries to pay for the transportation costs from their regional warehouses to the beneficiaries' communities while others did not. The Mission did not monitor transportation services closely. Consequently, opportunities to negotiate lower rates and pass costs on to other parties were lost.

Recommendation No. 7: We recommend that USAID/Peru:

- 7.1 establish a joint cooperating sponsor committee, with Mission representation, to share information on the rates the cooperating sponsors have been able to negotiate with their transport agents to move Title II commodities, and to coordinate efforts to negotiate for the best rates; and
- 7.2 require Caritas to establish and implement a transparent system for procuring transport services with Title II monetization funds. This system should include procedures for: a competitive bidding system based on price quotes from a reasonable number of firms; appropriate consideration and weight given to qualifications and experience of firms; an independent, committee-based proposal review process; and a contract file system which documents selection decisions.
- 7.3 require all the cooperating sponsors to adopt a policy requiring beneficiaries or the host government to pay for the costs of transportation from the regional warehouse (or temporary subregional storage location) to the beneficiary communities.

The Food Aid and Food Security Policy Paper states that USAID's goal—and that of the cooperating sponsors—must be the effective and efficient use of food aid resources. In addition, USAID Regulation 11. requires cooperating

sponsors to use commercially reasonable practices in purchasing goods and services with monetized proceeds or program income.

Each cooperating sponsor used Title II monetization funds to move food commodities from the port to its central and regional warehouses. While each followed a competitive bidding process to contract for such transportation, they did not share their cost data, which varied significantly (see Appendix VI).

One cooperating sponsor, Caritas, did not have bids on file for all the trucking companies it used; and in some cases, for those companies that it did have bids on file. It paid more than the bid price. In addition, Caritas usually received cash "donations" from the trucking companies it does business with which tied to the individual shipments of the commodities. Caritas believed the "donations" were completely legitimate, independent of the Title II program and available for its own purposes. These "donations" could alternatively be viewed as price reductions which should be credited to the Title II monetization account.

Regarding secondary transportation, that is, transport of the commodities from a regional warehouse (or subregional locations in the case of CARE) to the beneficiary communities, different practices were followed by the cooperating sponsors. CARE required the beneficiaries to pay for these costs. ADRA and Caritas sometimes required the beneficiaries to pay these costs. For PRISMA, these costs were usually paid by the Government of Peru's Ministry of Health or with monetization proceeds.

The above situations existed because the Mission did not monitor the cooperating sponsors' transportation practices and cost closely. A comparative analysis had not been done of the various cooperating sponsors' in-country transportation costs and their policies regarding who should pay for the costs of transportation from the regional warehouses to the beneficiaries.

If all the cooperating sponsors collaborated to obtain the lowest rates quoted to any cooperating sponsor, there would be significant cost savings. For instance, price differences for the same routes for different cooperating sponsors ranged from 4 percent to as high as 165 percent. A 10 percent savings from the budgeted transportation costs of \$3.3 million for the four cooperating sponsors for fiscal year 1996 would amount to \$330,000.

Additionally, if the cooperating sponsors establish a joint committee, with Mission representation, to share information and negotiate for the best rates, then the process would be transparent. This would likely resolve

what we consider to be an appearance problem regarding the "donations received by Caritas.

Having beneficiaries or Government of Peru partners pay for the costs of secondary transportation is another potential way to conserve Title II monetization funds. Since CARE and, in many cases, ADRA, Caritas and PRISMA had either the beneficiaries or the Government of Peru pay for such costs, it appears feasible to establish this practice as the policy for all the cooperating sponsors.

Management Comments and Our Evaluation

The Mission accepted Recommendation No. 7, part 7.1 and requested that we include a further recommendation to ensure that the contracting procedures used by Caritas del Peru are transparent and competitive. The Mission stated that part 7.2 of the recommendation (now part 7.3; regarding host government and beneficiary payments of secondary transportation costs, should be eliminated.

We have added a new part 7.2 to the recommendation as requested by the Mission.

Regarding the part of the recommendation to require cooperating sponsors to adopt a policy that beneficiaries or the Government of Peru (GOP) pay for secondary transportation costs. The Mission stated that the GOP does in fact support transport in some cases. However, requiring additional outlays from the GOP would be "impolitic". USAID/Peru also expressed the concern that this could impose a constraint on sponsor programs if the GOP does not or cannot cover transportation costs. Furthermore, the Mission believes the recommendation that beneficiaries cover the transport costs does not consider the beneficiaries' ability to pay.

We agree with the Mission that there would be situations where it would not be practical or feasible to require beneficiaries or the host government to pay for secondary transport costs. However, the cooperating sponsors could adopt policies to, as a general rule, have the beneficiaries or host government pay, but allow exceptions in specific situations where it would not be practical or feasible. We therefore consider part 7.3 of the recommendation to be reasonable and practical and it is retained.

**Commodity Requests Did Not Reconcile
with Program Planning Documents**

USAID Regulation 11 requires cooperating sponsors to submit an annual commodity request estimating the quantities required for each program. In reviewing the cooperating sponsors' approved commodity requests for fiscal year 1996, we found that (1) the requested levels did not agree with the amounts indicated as needed in their program documents, and (2) the program documents in some cases did not contain the information needed to validate the levels requested. The above problems occurred because the Mission did not require the cooperating sponsors to support their commodity requests with a reconciliation to their program documents. As a result, USAID approved 2,386 metric tons of food, with an estimated cost of \$761,000, more than the cooperating sponsors' program requirements justified.

Recommendation No. 8: We recommend that USAID/Peru require each of its cooperating sponsors to:

- 8.1** support each annual commodity request submitted to the Mission with a reconciliation to its program documents. These reconciliations should show the amounts for each subprogram and include separate line items for the promoters of each subprogram; and
- 8.2** include in its program documents an annual breakout of number of beneficiaries and promoters for each subprogram.

USAID Regulation 11 requires cooperating sponsors to submit an annual commodity request estimating the quantities required for each program. The commodity request, when approved by USAID, sets the amount of commodities authorized for a cooperating sponsor's country program.

In reviewing the cooperating sponsors' approved commodity request for fiscal year 1996, we found that (1) the levels requested exceeded the levels indicated as needed in the cooperating sponsors' program proposals and annual workplans by a total of 104,611 beneficiaries and 2,386 metric tons (see Appendix VII), and (2) the commodity requests and program documents were difficult to reconcile because of differences in format and the presentation of counts between the two and lack of information in the program documents needed to do such reconciliations. The following is illustrative:

CARE - Since CARE's program proposal did not include breakouts by fiscal year of its planned number of beneficiaries under each program, no reconciliation between the program proposal and the commodity request could be done.

As an alternative procedure, we compared the commodity request with the annual workplan that CARE provided to the Mission and noted certain differences. While the June 1995 version of the commodity request (which was ultimately approved) agreed in total with the annual workplan, the number of beneficiaries included in each program was significantly different. There was no difference in total tonnage required because the increases in one program were traded off against decreases in the other program.

ADRA - The approved commodity request included 12,316 metric tons of food commodities for the infant nutrition and agriculture income generation programs. The amount required in the program proposal for these programs was only 11,870 metric tons. The difference of 446 metric tons equates to 3.8 percent. ADRA stated that the Mission instructed it to include a provision for emergency beneficiaries.

Caritas - The approved commodity request overstated the number of food-for-work beneficiaries as indicated in the program proposal by about 50,000. As a result of this overstatement, USAID approved 1,945 metric tons more of food commodities than were required to execute the program described in the proposal. Caritas did not know when the error occurred but believed the commodity request became out of synch with the program proposal sometime during the process of modifying the proposal prior to its submission to Washington.

PRISMA - The program proposal showed 75,000 families in the High Risk Family (PANFAR) program and 3,000 in the Happy Community (Kusiyilu) program, whereas the approved commodity request showed 73,166 for High Risk Family program (2.4 percent less) and 3,900 for the Happy Community program (30 percent more).

The above problems occurred because the Mission did not require the cooperating sponsors to support their annual commodity requests with a reconciliation to their program documents.

As a result, USAID approved 2,386 metric tons of food, with an estimated cost of \$761,000, more than the cooperating sponsors' program requirements justified. Excess resources potentially would be more at risk of being misappropriated since they are not for any particular project and

there would be no beneficiaries expecting to receive them. Also, missions should not request more commodities than needed due to worldwide limitations in the amount of Title II resources.

Management Comments and Our Evaluation

The Mission stated that it found Recommendation No. 8 to be acceptable, thus indicating that it agrees to take the recommended actions.

Value-Added Tax Exemption

One of USAID's goals is the effective and efficient use of food aid resources. The Government of Peru (GOP) has a value-added tax of 18 percent. In prior years, one of the four cooperating sponsors received an exemption from this tax; the other three did not. Because of recent changes in certain Peruvian laws, the opportunity now exists for all the cooperating sponsors to be exempt from the tax. However, the Mission did not closely monitor the process to see if the cooperating sponsors submitted the required information to the GOP. The savings from a value-added tax refund would be about \$2.1 million for fiscal year 1996.

Recommendation No. 9: We recommend that USAID/Peru:

- 9.1 ensure that all four cooperating sponsors have submitted the necessary documentation to the appropriate ministry of the Government of Peru to obtain a refund of value-added taxes. Specifically, verify that cooperating sponsors:
 - (a) register themselves with the Ministry of the Presidency's Executive Secretariat for International Technical Cooperation, and
 - (b) register their new Title II programs with and submit their fiscal year 1996 budgets to either the Ministry of the Presidency's Executive Secretariat for International Technical Cooperation (for ADRA, Caritas and PRISMA) or the Ministry of Foreign Affairs (for CARE); and
- 9.2 require the cooperating sponsors to account for program expenses net of the value-added tax by recording the tax paid as a receivable from the Government of Peru.

The Food Aid and Food Security Policy Paper states that USAID's goal—and that of the cooperating sponsors—must be the effective and efficient use of food aid resources.

The 18 percent value-added tax is a general sales tax of the Government of Peru (GOP). All providers of services (e.g. hotels, transport agents, etc.) are required to collect this tax and remit the collections to the GOP. If an exemption from the tax is granted, the procedure would be to pay the tax at the time of purchase, with the GOP refunding the amount paid annually. In prior years, CARE received an exemption from the tax because CARE is an "offshore" or foreign PVO. The other three cooperating sponsors could not receive an exemption from the tax because they were indigenous PVOs⁹.

In 1993 and 1994, the GOP enacted three pieces of legislation affecting the value-added tax for indigenous cooperating sponsors. As a result, starting with their fiscal year 1996 programs it will be possible for all four cooperating sponsors to receive value-added tax exemptions/refunds for their current Title II program expenses providing appropriate application is made.

Based on discussions with Mission Controller's Office personnel and review of the laws, there are three requirements: (1) each sponsor must register with Peru's Ministry of the Presidency, (2) each sponsor must register its current Title II program, in the present case, its fiscal year 1996-2000 program as described in its program proposal, with either the Ministry of the Presidency, for the cooperating sponsors registered as indigenous PVOs, or with the Ministry of Foreign Affairs, for the cooperating sponsors registered as foreign PVOs, and (3) each cooperating sponsor must submit its current year budget to either the Ministry of the Presidency, if it is an indigenous PVO, or to the Ministry of Foreign Affairs, if it is a foreign PVO.

It is our understanding that at least two of the four cooperating sponsors had applied for exemption from the value-added tax as of the end of February 1996. Although the Mission has generally encouraged its grantees to apply for a tax exemption, the Mission did not have information on whether all four had applied.

Considering the potential refund amounts, the Mission should ensure that all the cooperating sponsors have made appropriate application for

⁹ While ADRA is a U.S. PVO, its affiliate in Peru is registered as an indigenous PVO under the name ADRA/OFASA. Therefore, in the past ADRA/OFASA was unable to apply for an exemption from value-added taxes under the procedures followed by CARE.

exemption from this tax and have submitted the necessary documentation to support their eligibility. Furthermore, it should instruct the cooperating sponsors on a simple and consistent method of recording the potential recovery of taxes paid. The Controller's Office suggested that purchases be recorded with a debit to the appropriate expense and to a receivable from the GOP for the amount of the tax. The offsetting credit would be to accounts payable or cash.

The savings from refunds of the value-added tax would be substantial. The fiscal year 1996 commodities approved for monetization for the four cooperating sponsors is about \$19.3 million. If one subtracts the \$7.5 million budgeted for salaries, the difference of approximately \$11.8 million would be subject to the tax. Therefore, the approximate value of the refund for the fiscal year 1996 program would be about \$2.1 million.

Management Comments and Our Evaluation

The Mission stated that it found Recommendation No. 9 to be acceptable, thus indicating that it agrees to take the recommended actions.

Has USAID/Peru progressed toward achieving the results of food aid activities as intended in Mission and cooperating sponsor planning documents?

While at the time of our audit it was too early to measure results for the recently approved fiscal year 1996 food aid program, which constituted a major reorientation from the earlier program, the Mission was progressing in terms of assuring the execution of the cooperating sponsors' new programs and its strategic framework was designed to reflect the expected results from those programs.

However, the framework the Mission was following needed certain improvements. Also, the cooperating sponsors needed to improve their management information systems to accurately report progress and impact. Finally, although the Mission expects to phase out food aid activities in Peru over the next few years, it had not explicitly defined and quantified the parameters it considered would need to be reached before ending food aid.

Improvements Needed in Food Aid Framework

USAID directives require missions to develop strategic plans that will measure performance for all programs, including food aid programs.

Moreover, Agency policy is to focus Title II programs on improving household nutrition and increasing agricultural productivity. Although the Mission was following a proposed strategic framework for food aid directed to the Agency's priority focus areas, certain improvements were needed to make the framework more useful in measuring and reporting results. Specifically: (1) the cooperating sponsor individuals responsible for collecting and reporting information on their food aid programs were not aware of the framework's indicators or their definitions, (2) the plausibility of accomplishing the targets for strategic level indicators was not supported by a specific documented analysis, (3) the intermediate result indicators were more process- than impact-oriented, (4) the intermediate result baselines were not well supported, and (5) the targets did not reconcile to the cooperating sponsors' approved program documents. These problems were the result of the difficulty faced by the Mission of simultaneously implementing both the Agency's new expectations on managing for results and the new food aid policy. Unless USAID/Peru takes action to ensure that the problem areas noted above do not carry over into the framework ultimately adopted by the Mission, it will be unable to accurately assess the progress and impact of its food aid programs.

Recommendation No. 10: We recommend that USAID/Peru:

- 10.1 decide on how food aid will be integrated into the Mission's strategic framework. As part of this process, the Mission should meet with the cooperating sponsors and attempt to reach consensus on the indicators, targets, and methods of data collection;**
- 10.2 include in its strategic framework intermediate results and performance indicators that will explicitly measure progress and impact of its food aid programs on household nutrition and agricultural productivity;**
- 10.3 document its analysis of the expected effects of its food aid program at the strategic objective level, and make adjustments to the strategic framework as warranted; and**
- 10.4 with the assistance of the cooperating sponsors, develop new baseline information consistent with the indicator definitions, and develop new annual targets consistent with the cooperating sponsors' approved programs.**

Based on such legislation as the Government Performance and Results Act of 1993, the Agency issued guidance to missions on developing strategic

plans that will measure performance for all programs, including food aid programs. Additionally, the Agency's Food Aid and Food Security Policy Paper prioritizes the focus of Title II programs on improving household nutrition, especially in children and mothers, and on alleviating the causes of hunger, especially by increasing agricultural productivity.

In April 1995, as part of its Fiscal Year 1996-1997 Action Plan, USAID/Peru proposed a separate strategic objective for food aid to improve the food security of Peru's extremely poor. However, the proposal was not approved by Washington. The Mission explained that there was no disagreement with the details of what it was proposing below the strategic objective level, but that in the Washington review process some considered that achieving food security was beyond the Mission's manageable interest. As a result, the Mission was directed to consider the review comments and Agency policy in deciding whether to present a separate food security strategic objective in the following year.

At the start of the audit, the Mission indicated that it was considering proposing a strategic objective for food security to Washington again. Near the end of our review, however, the Mission stated it had decided to include food-aid activities under a reformulated strategic objective for economic growth which it had begun working on and would be presenting to Washington.

We considered that the framework for the proposed strategic objective for food security which was presented in the Mission's Fiscal Year 1996-1997 Action Plan was an improvement over the framework used previously. Nevertheless, there were a number of areas where the proposed strategic framework needed to be improved to make it more useful in measuring and reporting results.

First, the personnel at the cooperating sponsor organizations that were responsible for implementing the managing for results systems were not aware of the specifics of the Mission's framework. These individuals had not seen the proposed strategic framework, including the various intermediate result indicators and definitions. Such a situation can lead to confusion as well as inconsistent reporting of results across the cooperating sponsors.

Second, there was no documented analysis to support the plausibility of accomplishing the targets for strategic objective level indicators based on achieving the intermediate result targets and other assumptions. For instance, one strategic objective indicator was daily per capita food availability for the whole country. However, the increases expected were

much greater than could be accounted for simply on the amount of food aid delivered and there was no analysis to support the feasibility of achieving the strategic level target.

Third, the intermediate result indicators were more process- than impact-oriented. That is, the indicators measured such things as the number of extremely poor households adopting improved technology and hectareage under intensified management rather than changes in agricultural productivity and production.

Fourth, the intermediate result baselines in the Mission's strategic framework were not well supported. The baselines were largely taken from the cooperating sponsors' fiscal year 1994 annual reports. These reports did not include consistent statistics across all cooperating sponsors nor was their information necessarily directly comparable to the fiscal year 1996 programs they were being used as a baseline for.

Fifth, the intermediate results targets in most cases did not reconcile to the cooperating sponsors' approved program documents. For several fiscal year 1996 targets the cooperating sponsor program documents projected much better results, e.g. the target for number of high risk children participating in Title II nutritional programs was 60,000 while the cooperating sponsors' program documents reflected on the order of 250,000.

(See Appendix VIII for a detailed analysis of the last two problem areas.)

We attribute the above problems to the difficulty faced by Mission food aid staff of simultaneously implementing both the Agency's new expectations on managing for results and USAID's new Food Aid and Food Security Policy Paper. Also, the Mission needed to spend more time with the cooperating sponsors to fully bring them into the process of formulating the Mission's plan.

Even though the Mission was considering a different integration of food aid into its strategic framework, Mission officials stated that the cooperating sponsors' food aid programs will continue as they have before, and most of the indicators, targets and timeframes will remain the same. Therefore, the observations noted above remain valid and need to be addressed by the Mission.

In summary, unless USAID/Peru corrects the problem areas noted above in the final framework, the Mission will be unable to accurately assess the progress and impact of its food aid programs.

Management Comments and Our Evaluation

The Mission stated that it found Recommendation No. 10 to be acceptable, thus indicating that it agrees to take the recommended actions.

The Cooperating Sponsors' Management Information Systems Need Improvement

USAID Regulation 11 requires cooperating sponsors to maintain information systems for collecting data on the progress and impact of their programs and to periodically report this data to USAID. The cooperating sponsors' management information systems had weaknesses in the areas of support, collection, review and reporting of information on program progress and impact. These weaknesses occurred because the managing for results systems of the cooperating sponsors were still evolving and controls over the accuracy and completeness of information were weak. More effort was needed to resolve the noted problem areas to ensure complete and reliable reporting on the results of food aid programs.

Recommendation No. 11: We recommend that USAID/Peru:

- 11.1 finalize its work with the cooperating sponsors to implement management information systems that will include targets for all the intermediate result indicators to be tracked by the Mission, and will report reliable information on the progress toward the targets;**
- 11.2 obtain evidence from the cooperating sponsors that their programs' numerical goals for agricultural productivity improvements and reduction in malnutrition are analytically supportable from the detail of the projects they intend to support, and, further, that the expected results of the various types of projects are supported with research or other information showing those expectations are reasonable;**
- 11.3 require the cooperating sponsors to provide plans of action informing the Mission when they intend to complete the collection of baseline information for their projects and indicating whether such baseline information will be for each project or some broader basis, e.g. for a microbasin;**
- 11.4 ensure that the headquarters of each cooperating sponsor establishes procedures to check the reliability and**

timeliness of the data reported by their regional units and host country counterparts;

- 11.5 require each cooperating sponsor to develop operating guidelines to ensure that their regional offices maintain the detailed documentation supporting individual food aid projects; and**
- 11.6 based on a risk assessment and resource constraints, develop a system that the Mission will follow for periodically verifying the results information reported by the cooperating sponsors.**

USAID Regulation 11 requires cooperating sponsors to maintain information systems for collecting data on the progress and impact of their programs and to periodically report this data to USAID. In addition, the Mission's strategic plan stated the Mission would obtain data on the achievement of its intermediate result targets from the cooperating sponsors.

The cooperating sponsors' management information systems had weaknesses in the areas of support, collection, review and reporting of information on program progress and impact. There were instances where information was not readily available for review, was not collected at all, or was submitted without controls to ensure its accuracy and completeness. Also, various aspects of the structure for managing for results were not in place or not well thought out. Some examples follow:

- (1) Several cooperating sponsors could not explain their basis for projecting that the overall agricultural productivity goals in their program proposals would be reached. Cooperating sponsors did not have standards on impacts expected from the various types of projects.
- (2) The cooperating sponsors did not have baseline data for their food-for-work projects.
- (3) Progress reported under food-for-work projects was often unreliable for some cooperating sponsors, which makes reported progress towards program impacts unreliable. For example, reported progress on projects for a regional office at one cooperating sponsor was based on the programmed level of work rather than the actual, and it did not correlate consistently with the indicated number of beneficiaries. Headquarters personnel mentioned that in their

reporting of progress to USAID/Peru they compiled information received from their regional offices without verifying its reasonableness or accuracy.

(4) One cooperating sponsor's fiscal year 1995 progress report to the Mission contained very little or no data for 9 of the 29 regions having nutrition programs. This situation occurred because the host country entities involved in the program did not report the information and the cooperating sponsor did not check the reliability of the information reported. Therefore, data such as the graduation rate, percentage of families receiving training, and the percentage of families receiving all rations was not available for these regions.

(5) One cooperating sponsor did not maintain complete records of project activities in its regional offices. Most of the detailed records were held by field supervisors and therefore such records were not readily available for review.

We attributed many of the above problems to the fact that cooperating sponsors until recently have not been challenged to document program impact. Therefore, their reporting systems are still weak in this area, although they are strengthening their systems to meet the demands.

Other more specific reasons were that the Mission had been working with the cooperating sponsors to implement a computerized information system, called SISEPAD, which would sum up the impacts of the thousands of individual food aid projects. But, the integration and implementation of the SISEPAD was still in the preliminary stages. In some cases because the cooperating sponsors' existing information systems did not yet produce the data required to determine progress and outputs. Furthermore, officials from one cooperating sponsor mentioned that because the SISEPAD system was developed before an analysis of each cooperating sponsor's needs was done and before all cooperating sponsors agreed on the performance indicators to use, they were not sure if the system would work. These officials also mentioned that the SISEPAD system seemed too involved and complex to implement and that it might be better to make any adjustments needed to the cooperating sponsor's existing information system rather than go ahead with the implementation of the SISEPAD system.

Also, as mentioned in the previous finding in this section, cooperating sponsor personnel were not aware of which intermediate result indicators the Mission selected for its strategic framework. Therefore, they did not know what information needed to be collected and reported to the Mission.

Finally, the Mission did not verify the accuracy of the data reported by the cooperating sponsors.

Without improvements in the cooperating sponsors' management information systems, the cooperating sponsors and thus the Mission will be unable to accurately assess and report on the progress and impact of the food aid programs in Peru.

Management Comments and Our Evaluation

The Mission stated that it found Recommendation No. 11 to be acceptable, thus indicating that it agrees to take the recommended actions.

Develop Indicators, Targets and Timeframes for the Potential Phaseout of Food Aid Activities

USAID/Peru indicated in certain planning documents that it expects to phase out its food activities by the year 2000 or 2001. However, the Mission had not explicitly defined and quantified the parameters it considers would need to be reached to discontinue food aid. This situation happened because the Mission had been concentrating its attention on addressing the food security problems in Peru rather than developing a quantified vision of the end point which when reached should lead to the phaseout of the food aid program. Without establishing indicators, targets and timeframes for the phaseout of food activities, USAID/Peru will not have an objective measure to judge when its food aid activities should be curtailed in Peru. USAID/Peru may also miss the opportunity to take the actions necessary that would allow it to discontinue food aid activities.

Recommendation No. 12: We recommend that USAID/Peru:

- 12.1 coordinate with the cooperating sponsors in establishing indicators, targets and timeframes for the phaseout of food aid activities in Peru; and**
- 12.2 incorporate these indicators, targets and timeframes in the Mission's strategic plan so that progress towards phaseout can be monitored and measured.**

In USAID/Peru's Fiscal Year 1997 Budget Planning Document, dated June 1995, the Mission states that it will withdraw the bulk of its food aid at the end of fiscal year 2001 and that local partners will assume the responsibility for addressing ongoing and emergency food security concerns. In addition, in response to a Department of Agriculture (USDA)

Economic Research Service report, dated October 1995, titled "Food Aid Needs and Availabilities, Projections for 2005", the Mission stated that it expects that Peru will not need food aid after the year 2000 as its economic condition continues to improve. The USDA study used the approach of analyzing Peru's combined food production and its assumed import capability based on assumed economic growth rates.

Further, the Mission's described its general strategy of how to achieve food security in its Fiscal Year 1996-1997 Action Plan. The Action Plan stated for the strategy to be effective, it assumed that Peru's overall economic growth would absorb segments of its extremely poor populations. In this way, the targeted food aid programs would reach a strategically more important segment of the remaining disadvantaged groups.

The strategy assumed that Peru's reliance on donor food assistance would diminish if: the Government of Peru's economic policies and outward growth strategy are maintained over a 5-8 year time frame; there is success in targeting a greater level of social and economic investments to extremely poor zones; and social, economic and financial institutions develop and offer reliable support services to a larger portion of the general population. The Action Plan also set targets for the Government of Peru's social expenditures as a percentage of gross domestic product.

The Action Plan also detailed some general measures the Mission considered clearly manifest food insecurity in Peru, i.e. 18.3 percent of the population is extremely poor and there are low levels of per capita caloric availability and high incidence of chronic malnutrition.

Although the Mission envisioned the potential phaseout of food aid activities in the near future, and had adequately described its general vision of how to achieve food security, it had not explicitly defined and quantified the parameters it considered would need to be reached to discontinue food aid. In addition, the Mission did not explicitly include phaseout indicators, targets and timeframes in its strategic plan. The reason for this was that the Mission had concentrated its attention on defining the nature of the food security problem and was pursuing different tracks under multiple strategic objectives to address that problem. Since the expected success in solving the food security problem was some time off, the Mission had not yet taken the time to develop an explicit phaseout plan.

The types of improvements the Mission believed are necessary to solve the food security problem in Peru are adequately defined in its Fiscal Year 1996-1997 Action Plan, so a practical approach would be to simply specify targets and timeframes for those things. Also, in tune with the USDA

methodology, targets should include measures of economic growth and the country's financial ability to import food to satisfy its food needs.

The Mission should also use planned periodic censuses of malnutrition rates of first graders nationwide. This information can be used as a proxy for child malnutrition rates in individual communities which will allow monitoring whether pockets of unaddressed needs continue to exist.

Since the above-mentioned Mission budget document indicates that the bulk of the food aid program will be discontinued around fiscal year 2001, the Mission also needs to establish interim targets which would measure the public and private sector institutions' progress and capabilities to address food security concerns.

Without establishing indicators, targets and timeframes for the phaseout of food activities, the Mission will not have an objective measure to judge when its food aid activities should be curtailed in Peru. The Mission may also miss the opportunity to take the actions necessary which would allow it to discontinue food aid activities.

Management Comments and Our Evaluation

USAID/Peru stated that Recommendation No. 12, regarding phaseout targets, indicators, and timeframes, should be eliminated. The Mission stated that this recommendation should be directed towards USAID/Washington offices responsible for the food aid programming and approvals. Specifically, USAID/Peru stated that (1) "phaseout" of food aid is not a specific objective of the Mission, nor is it mandated by USAID/Washington, or any other authority, (2) the 1996 Farm Bill prohibits USAID from denying cooperating sponsor requests for commodities either because the activity is in a country where USAID does not have a presence or where P.L. 480 assistance is not a part of USAID's development plan, and (3) the role of the Mission in food aid programming decisions is limited.

As stated in the finding, the Mission has already reflected the phaseout of food aid in its budget documents and responded to a USDA analysis that it expects food aid to Peru will not be needed beyond the next few years. If the Mission does not establish a phaseout plan, including indicators, targets and timeframes, it will not have an objective measure to judge when food aid activities should be curtailed in Peru and may not take the actions necessary to permit an orderly phaseout of food aid. Furthermore, without a plan which monitors the host country's progress and capabilities to address food security concerns, the Mission may not ensure that the

necessary actions are taken to sustain the food aid activities in the event Title II food aid is discontinued in Peru.

We acknowledge that USAID/Washington offices have the final authority to program food aid. However, the Mission has the best knowledge of the food security problems for Peru so one expects that USAID/Washington would defer to the Mission's judgment on the conditions to be met so that Peru can handle its food security problems on its own. We will also consider addressing a similar finding to USAID/Washington in our audit of the Office of Food for Peace, but this does not negate the need for the recommendation to USAID/Peru.

SCOPE AND METHODOLOGY

Scope

We audited USAID/Peru's non-emergency Title II food aid programs implemented through private voluntary organizations (PVOs) and non governmental organizations in accordance with generally accepted government auditing standards. Our fieldwork was conducted from October 1995 through March 1996 and was performed at USAID/Peru and the Mission's four PVO cooperating sponsors: ADRA, CARE, Caritas and PRISMA (see page 2). For fiscal year 1996, these four cooperating sponsors were authorized to receive 89,500 metric tons of Title II food commodities valued at \$51.0 million.

Our audit was limited to the operations and management of Title II program activities of the Mission and the four cooperating sponsors noted above and focused on program activities that occurred primarily in fiscal year 1996. The review of the cooperating sponsors' practices for targeting food aid to geographical areas was done on a limited judgmental sample basis. Also, we did not audit specific dollar amounts of commodities or monetized funds. The extent of our work was too limited to provide reasonable assurance that the Mission's targeting principles for food aid were being met and that no major losses were occurring.

Although there are many documents and guidelines for the management of Title II programs, we conducted our audit primarily utilizing the following three: (1) USAID Regulation 11 (May 7, 1992), (2) USAID Food Aid and Food Security Policy Paper (February 27, 1995), and (3) the program proposals of the four cooperating sponsors for fiscal years 1996-2001.

Methodology**Audit Objective No. 1**

To determine if food aid was targeted to the most needy people, we performed analyses of demographic survey information gathered by independent sources. We then reviewed the cooperating sponsors' program documents and activities to evaluate their strategies, the appropriateness of intervention locations and the method of beneficiary selection. We also reviewed the Mission-sponsored Food Security Strategy for Peru and the Mission's strategic framework related to food aid.

Additionally, we reviewed the cooperating sponsors' support for their selected ration sizes, number of beneficiaries to be served, and criteria for beneficiary graduation. We also assessed what information the Mission had on the locations of the Government of Peru's and other donors' food aid projects.

Audit Objective No. 2

To determine if food aid reached the intended beneficiaries, we reviewed and tested the internal control systems of the four cooperating sponsors. To obtain an understanding of the internal controls, we reviewed operations manuals, interviewed responsible personnel, and performed limited testing. We analyzed the controls over commodities, monetized funds, and program income. In performing our review we were alert to opportunities to improve the efficiency and effectiveness of the programs.

The interviews and tests were performed at the headquarters offices of the four cooperating sponsors located in Lima, Peru as well as some of their regional offices located in other cities within Peru. We also made site visits to several of the project locations in rural parts of the country.

Audit Objective No. 3

To determine the progress toward achieving intended results, we reviewed the Mission's strategic framework for food aid and certain aspects of the cooperating sponsors' program documents and reporting systems. Specifically we reviewed baseline information, assessed the methods of data collection and tested the accuracy of reported information.

MANAGEMENT COMMENTS



MEMORANDUM

DATE: September 16, 1996

TO: Henry Barrett, Acting Director, IO/A/PA

FROM: Donald Boyd, Acting Director, USAID/Peru

SUBJECT: Audit of USAID/Peru's Management of Non-Emergency Title II Food Aid Programs

REFERENCE: Draft Audit Report dated August 8, 1996

Per your request, please find attached USAID/Peru's comments on the draft report on USAID/Peru's management of Title II food aid programs. In previous correspondence from the Mission, comments on the draft report from the four cooperating sponsor agencies were forwarded to you.

The comments contain editorial suggestions, additional background information, clarifications of Mission and cooperating sponsor actions that may have been overlooked by the auditors, and discussions of recommendations that the Mission feels need to be modified.

Of the 12 recommendations made regarding program management, the Mission suggests that several be eliminated. It makes comments, and/or suggests changes, in full or in part, to several others.

We look forward to reviewing the corrected version of the audit report.

Thank you and your staff for all the efforts devoted towards improving the management of the Title II program in Peru.

cc:
BHR/FFP, JPaz-Castillo

Clearance:
HWing, ORD_id_____
TFallon,CONT_id_____
JLombardo,A/D/DIR_id_____

ATTACHMENT: USAID/PERU COMMENTS ON IG/A/PA AUDIT OF PERU TITLE II, 9/13/96

1. Recommendation Nos. 1.1, 1.2, 1.3 should be eliminated because of serious shortcomings with geographical targeting mechanisms and the preferred alternative mechanism proposed by the Mission. The audit finding that the Mission did not yet have an adequate management structure to ensure that the food aid is targeted to the most food-needy people should be eliminated.

The conclusion made in the audit that "USAID/Peru did not yet have an adequate management structure to ensure that food aid is targeted to the most needy people" largely is based on the argument that more strict geographic targeting will ensure that the "most needy" will receive food aid. The argument follows that if the Mission and its Title II cooperating sponsors were to target food aid to the communities having the highest rates of chronic malnutrition and unsatisfied basic needs, the potential for impact would be increased.

The Mission and its cooperating sponsors feel that there are serious shortcomings in this argument. Even if the strictest geographic targeting were utilized, and the most desperately poor and badly nourished communities were selected, the effectiveness in reaching the "most needy" still would depend upon mechanisms for individual beneficiary selection, or mechanisms for limiting the participation of relatively well-off beneficiaries in those communities.

Second, strict geographic targeting may not be the most cost effective way of achieving results. Given the cost and difficulty of moving food and providing services to extremely needy yet isolated communities, it might make better economic sense to work with the neediest individuals in relatively more accessible communities. For example, although rates of "extreme poverty" in Lima are estimated at a relatively low 10 percent, this needy population is estimated at several hundred thousand. The cost of reaching several hundred thousand beneficiaries in isolated communities with lower population densities obviously would be higher. With higher beneficiary costs and fewer beneficiaries in the program, the program's potential impact will be reduced.

Third, effectiveness in reaching the neediest beneficiaries may be more a function of what kinds of projects are executed, rather than

the geographic selection mechanisms employed. The Title II focus on interventions related to childhood nutrition and agricultural production effectively limit the opportunity for the general population to participate in food aid programs, especially urban populations.

The management structure being implemented by the Mission in conjunction with its cooperating sponsors ensures that the most needy Peruvians participate in and benefit from Title II programs through a combination of mechanisms indicated above. The structure requires recipients to be "extremely poor", "food insecure", malnourished, or at risk of becoming malnourished. All the cooperating sponsors are adopting beneficiary selection criteria, for both nutrition and food-for-work beneficiaries, that reflect the need for better food availability, access, and utilization, consistent with Title II policies.

While geographic targeting information is available for the programming of sponsor activities, it is not viewed as an end in itself. Cooperating sponsors have the flexibility to program resources where they have technical, logistical or institutional advantages, and where a critical mass of needy beneficiaries justify a presence. By and large, the sponsors avoid operations in areas where other food aid institutions are operating and could result in unnecessary duplication. This criteria should and will be made an explicit selection criterion for Title II projects.

The Mission and its cooperating sponsors also are implementing the policy of limiting project interventions to those related to nutrition and agricultural production. A large, general canteen feeding program for urban slums and shanty towns, greatly expanded in the early 1990's when the Peruvian economy was going through a severe restructuring, is being terminated. Generalized food-for-work activities also are being terminated in lieu of those that contribute to the infrastructural base for agricultural production and marketing.

In 1996, the first year of a new multiyear program period, there is a requirement that the cooperating sponsors establish, at a minimum, baseline impact indicators for malnutrition, agricultural production, and unsatisfied basic needs. In addition, sponsors have adopted common "process" indicators for measuring the progress, and coverage of sponsor activities. Baselines are established in assisted

communities, so that there is an explicit link between the activities of the cooperating sponsors and the results.

In summary, the Mission and its cooperating sponsors have a management structure that ensures that food aid is targeted to the most needy people. This structure is based on beneficiary selection criteria, flexibility in selecting target zones, and compliance with Title II policies regarding the types of project interventions and monitoring for results. This structure effectively eliminates general, broad, diffuse, or otherwise non-targeted food assistance, and ensures a focused targeting that is consistent with USAID food aid policies.

One additional point of clarification: The statement made in the last paragraph of page 9, that states "we had no basis to evaluate whether the Mission's food aid program would meet its targets if the food aid was given to beneficiaries throughout the country without a scheme to concentrate the resources in a particular region" should be reconsidered. Common sense and experience tells us that the most appropriate basis on which to evaluate whether a program reaches the most needy is not geographic criteria, but rather beneficiary criteria, as explained above. In addition, the Mission's new strategic and performance measurement plans no longer contain the indicator for malnutrition in the Sierra region of Peru. The indicator therefore can not be used as the argument for concentrating resources in the Sierra.

2. Recommendation No. 1.4 - Acceptable

3. Recommendation No. 2, regarding "graduation" criteria and timeframes should be eliminated. The Performance and Monitoring Plans for each Title II program have established indicators for monitoring and measuring Title II cooperating sponsor effectiveness in achieving results with the target population. The cooperating sponsor programs also include time limits for food aid benefits.

In the monitoring and performance plans of the Title II cooperating sponsors, as well as the plan of the Mission, "graduation" defined as nutritional recuperation of no longer appears as a "process" indicator. The flaw inherent in this indicator is that most programs can achieve this quite rapidly and directly with the sole use of food. Recuperation rates are close to 100 percent.

The new plan will use a series of more revealing indicators, commonly measured across the four cooperating sponsor programs, to monitor effectiveness of program coverage. These are:

recuperation and maintenance of normal weight for age over the latest three-month period; percentages of children with complete vaccinations by the age of one year; percentage of mothers completing the sponsor's cycle of nutrition and health training. Cooperating sponsors will cease food rations to beneficiaries when these minimum "graduation" indicators are met. Moreover, variations in the percentages between cooperating sponsors will indicate "efficiency" or the opposite, and the need to modify or improve sponsor interventions.

Regarding the subject of "graduation", it should be noted that in the years prior to the audit, no "graduation" criteria were in effect, much less discussed. In fact, there were many cases of open-ended programs, lasting several years, which may have contributed to food aid dependency. The management structure now limits participation in food aid programs to a maximum of two years, and incorporates the further limiting features of ending food rations to beneficiaries when specific criteria are met.

4. Recommendation Nos. 3.1, 3.2, and 3.4 - Acceptable.

5. Recommendation No. 3.3, regarding stopping the review of monetization expenditures, should be eliminated.

USAID/Peru disagrees with this recommendation to discontinue the full review of monetization transactions for the following reasons.

First, the size of the program and the amount of resources spent merit this relatively minor expense for independently controlling expenditures. The actual cost of \$187,565 (not \$264,000 as cited in the report) is relatively minor when compared to the over \$20,000,000 that annually are spent under the monetization program.

Second, the independent review provides the same degree of oversight that other USAID projects receive. Under other USAID projects, the project officer is required to review the expenditures against a pre-approved budget, and provide administrative clearance. Later, voucher examiners review expenditures against the budget. In lieu of a project officer and voucher examiner for each program, a firm is hired to do this function.

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Third, it further ensures USAID that Regulation 11 requirements regarding budget modifications and approvals are followed. Expenditures that exceed budget line items by 10 percent must be approved by USAID.

Fourth, it enables USAID/Peru to certify that the cooperating sponsors are accounting fully for the use of monetization proceeds.

Fifth, it does not imply much additional work for the firm if the documentation for the transactions is in order. The cost of the review can actually fall if the cooperating sponsors have their expenditure documentation in order, as they should.

Sixth, the process serves as a means to verify the documentation necessary for recuperation of the sales tax. The review process actually assists the cooperating sponsor.

6. Recommendation Nos. 4.1, 4.2, and 4.3 - Acceptable.

7. Recommendation Nos. 5.1 and 5.3 - Acceptable.

8. Recommendation No. 5.2, regarding requiring the cooperating sponsors to use comparable ration sizes, should be eliminated.

The audit report should not imply nor create misleading or quite possibly inaccurate expectations of savings resulting from the adoption of more efficient ration sizes. The implication of this statement is that millions of dollars could be cut from the program without a negative effect. This is not true, for it follows a simplistic logic. One might just as easily argue that one can save 50 percent of the resources by reducing all rations by half; when reducing the rations may reduce program participation, nutritional recuperation, and may not be advisable given the particular beneficiary conditions. This mistake is repeated in discussions on potential food-for-work savings (p. 29) and transport savings (p. 31).

"Requiring" the cooperating sponsors to adopt the same ration size is inappropriate. First of all, the jury is out on which ration size is most efficient - CARE Ninos, PRISMA Panfar, PRISMA Kusayllu, CARE FFW, CARITAS Jungle FFW, because "efficiency" is ill-defined. CARE's FFW ration clearly is designed to offer a food wage for work, and is very "efficient" in getting the work done at a competitive rate. However, in areas where there are serious caloric deficiencies, there

may be efficiencies and justification in providing a family ration that adequately supplements caloric intake, while productive FFW infrastructure is being constructed, rehabilitated, etc. (something of a hybrid FFW/direct feeding program). Since reductions in chronic malnutrition is the ultimate impact indicator for both FFW and direct feeding programs, there would seem to be a rationale for different ration sizes, depending on the nutritional and socio-economic status of the beneficiaries, and the type of project implemented. "Efficiency" and "effectiveness" of ration sizes can only be evaluated after measurements of impact and results are available. In conclusion, not all project costs can be standardized due to different implementational conditions.

We would agree that all assumptions, formulas, work rates, justifications for ration sizes, etc. need to be declared and followed. We also would agree that no food for work should be provided for work that would ordinarily be done in the absence of food. However, the Mission has gone even further by requiring certification from its cooperating sponsors that: a) food for work should not discourage other employment, i.e., that it should be valued sufficiently below the going wage rates in the locales; b) that it be used only temporarily, i.e. that time limits be placed on food aid benefits; and c) that rations of the cooperating sponsors be standardized as much as possible.

9. Recommendation Nos. 6.1, 6.2, 6.3, 6.4, and 6.5 - Acceptable.

10. Recommendation No. 7.1 - Acceptable.

11. Recommendation No. 7.2, regarding host government and beneficiary payments of transportation costs, should be eliminated.

Neither USAID nor the cooperating sponsors can "require" the government or the beneficiaries to assume additional transport costs for several reasons. First, the GOP does in fact support transport where the program is directly related to one of its own programs, has been adopted as a "de facto" GOP program, or there exists an explicit agreement to support transport costs. Second, requiring the GOP to make additional outlays is impolitic, especially since the Title II donation is made to the cooperating sponsors, and not the GOP. Requiring the GOP to cover transport costs also would place a potential constraint on the independence of the sponsor programs. What happens if the GOP does not or cannot cover transportation costs? Furthermore, the recommendation that beneficiaries cover the

transport costs is made without consideration of the ability to pay. Given the fact that the targeted program beneficiary is classified as "extremely poor", the Mission and the cooperating sponsors cannot require the beneficiaries to pay. Lastly, there is no statutory or Regulation 11 requirement that the cooperating sponsor programs obtain financial commitments from the host government.

- 12. Recommendation No. 7 should include an explicit recommendation that CARITAS establish and implement a transparent system for procuring transport services with Title II proceeds.**

This system should include procedures for: a competitive bidding system based on price quotes from a reasonable number of firms; appropriate consideration and weight given to qualifications and experience of firms; an independent, committee-based proposal review process; and a contract file system which documents selection decisions. In addition to the joint cooperating sponsor committee on transport rates (7.1), the Mission believes that a "transparent" and "competitive" transport procurement system for CARITAS will eliminate concerns over "contributions" received by CARITAS from transport contractors.

- 13. Recommendation Nos. 8, 9, 10, and 11 - acceptable.**

- 14. Recommendation No. 12, regarding phase-out targets, indicators, and timeframes, should be eliminated. Phase-out recommendations should be directed towards AID/W offices responsible for the food aid programming and approvals.**

First, the "phase out" of food aid is not a specific objective of the Mission, nor is it mandated by USAID/W, or any other authority. The audit recommendation is made without regard to any official policy, mandate, or requirement, and plays on USAID/Peru's interest and good will in objectively evaluating the role of food aid as a development resource. The recommendation turns what should be seen as a positive initiative into an unwarranted criticism.

USAID/Peru has gone beyond what is required to define the conditions that it considers necessary for higher degrees of food security and a future reduction in food aid: ability to finance food imports; more resources programmed for social sector needs; higher levels of investment in needy areas; greater control and capabilities in the targeting of GOP resources; and improvements in the overall

levels of malnutrition and poverty. It considers the ongoing food aid program, among other development efforts, as a critical contributor towards the realization of these conditions, and hopes to demonstrate that these conditions are indeed plausible for the country as a whole because they can be satisfied on a program level, by cooperating sponsor agencies with Title II resources. At the end of the current five-year program period (year 2000), the program should be judged on its own achievements in the areas of nutrition and production. Any decision to continue supporting food aid activities in Peru should take into account these achievements, the food security conditions that exist in the country at that time, the feasibility of any proposal, and the probability of food security related results.

Second, the 1996 Farm Bill prohibits USAID from denying requests for commodities either because the activity is in a country where USAID does not have a presence or where PL 480 assistance is not a part of USAID's development plan. Even if USAID were to take the position that food security conditions in Peru did not warrant additional food aid, and methodically presented indicators to support such a position, it cannot deny requests for commodities that could, in theory, be based on compelling support of their own, and need not have the support of the Mission to be considered.

Third, the role of the Mission in food aid programming decisions is limited. Its role includes the following: analyze, review, and concur with cooperating sponsor food aid proposals, storage and disincentive analyses, budgets, commodity requests, and work plans; certify systems for financial and commodity accountability; coordinate the activities of the cooperating sponsors with other Mission sponsored activities and other donors; oversee and monitor compliance with approved plans and food aid policies; report to the Mission and USAID/W regarding program problems, issues, performance and results. AID/W, and specifically BHR, in conjunction with the regional bureaus, ultimately is responsible for food aid programming decisions and approvals. The recommendation mistakenly places responsibility for establishing indicators, criteria for "graduation" from food aid, and targets for phasing out food aid with the Mission. Rather, this responsibility might more appropriately be placed with AID/W. Recommendation No. 12 should be directed toward AID/W in a separate report; not toward the Mission.

EXAMPLES OF PROJECTS LOCATED IN RELATIVELY LESS NEEDY DISTRICTS OR OPERATING IN CLOSE PROXIMITY TO EACH OTHER

Projects located in relatively less needy districts:

- All of the 60 child nutrition projects of ADRA's Cusco regional office were operating in the following districts with the indicated percentage child malnutrition rates: Cusco - 37.7, San Jeronimo - 55.5, and San Sebastian - 45.5. These districts were not in the rural Sierra. Rather, they are on the outskirts of the city of Cusco. The malnutrition rates generally were on the low end of the need spectrum within the department of Cusco, although ADRA stated that the local health posts had estimated the child malnutrition rates for the selected communities to range from 50 to 68 percent. Similarly, we noted that ADRA's Huancayo regional office had some of its nutrition projects around the city of Huancayo in the districts of Huancayo, San Jeronimo, and El Tambo, which relatively speaking had less severe child malnutrition rates (44.8 to 48.6 percent) compared to districts away from the city. The majority of the remaining projects for ADRA-Huancayo were in districts having child malnutrition rates of 60 percent or more, although there were projects in certain districts with low percentage rates i.e. Matahuasi - 47.0, Mito - 32.4, and Chambara - 20.0.
- Most of the projects of the Caritas Huancayo diocese were planned in districts with malnutrition rates in excess of 60 percent. However, there were a number of projects in districts indicated to be, relatively speaking, near the low end of the need spectrum e.g. Chambara - 20.0 percent, La Oroya - 35.5 percent, Concepcion - 43.2 percent, and Huay-Huay - 38.8 percent.
- CARE's program documents showed that 28 percent of CARE's food-for-work project locations were in districts with malnutrition rates below 60 percent and seven percent were located in districts with rates less than 50 percent.
- CARE's program documents also showed that it continued nutrition programs in Lima in districts which for the most part were in the 20 percent malnutrition rate range. The department of Lima is one of a handful of departments in the country rated as having the lowest average malnutrition rates. Further, the Mission provided us with

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information that all the cooperating sponsors continue with food aid projects in Lima, although at a reduced level from previous years.

Food aid projects operating in close proximity to each other:

- For the Caritas Huancayo diocese, the Santa Rosa de Lima child feeding center supported by Title II also ran a kitchen for the community supported by PRONAA, the Government of Peru's main food aid agency. The kitchen provided one meal per day, 20 days per month, to some 260 children (most of the children in the community), including the children participating in the Caritas project. We understand that Caritas was going to discontinue Title II support to that community in 1996.
- ADRA-Cusco child nutrition projects were in some cases located in the general vicinity of PRISMA, PRONAA and Caritas projects. For instance, PRISMA's PANFAR program was operating in the same districts as ADRA, and within walking distance to the two ADRA nutrition projects that we visited, according to the ADRA beneficiaries.
- For CARE, in the Trujillo area, for one of three community kitchens visited, there were other food aid programs (Caritas and PRISMA) operating within several blocks. A Government of Peru representative told us that there could possibly be a few individuals receiving rations under more than one of the food aid programs. The other two kitchens did not have other food aid kitchens in the immediate neighborhood, but relatively near.

**EXAMPLES OF MONITORING PROBLEMS NOTED DURING OUR WORK
AT COOPERATING SPONSORS**

- Caritas headquarters reported information to the Mission on planned beneficiary levels for projects and progress on food-for-work projects based on information being reported to it by the Caritas diocese organizations. However, headquarters personnel stated they did not review the information for reasonableness and disclaimed responsibility for its accuracy. During our field visits, we noted various problems with the information. For example, the project information being reported to the Mission in an annual workplan for the Iquitos diocese bore little resemblance to the project plan that Iquitos showed us during our field visit. We also noted big variations in beneficiary levels from diocese to diocese on like projects (e.g. two kilometer long irrigation canals) and found inflated beneficiary estimates for certain projects.
- Commodity control problems were identified at some of the regional warehouses maintained by the cooperating sponsors and host-country entities (i.e. lack of segregation of duties, quantity differences between stock cards and our physical counts, lack of stock cards, inadequate storage facilities, etc.).

For example, during our visit to ADRA's regional warehouse in Huancayo, we noted a lack of segregation of duties in that the person in charge of the warehouse also accounts for the commodities. Moreover, the warehouse was not large enough to store all the commodities. Alternative warehouse space in a larger warehousing area was obtained. The site did not have walls, and there were other clients who used the warehouse and would have access to USAID commodities. Therefore, security was compromised.

- The Huancayo diocese office of Caritas was giving commodities to certain unauthorized projects. The unauthorized projects were missing a code identifying the distribution center, so Caritas' headquarters should have been able to detect them had they been checking the diocese reporting, which they admitted they had not.
- Although ADRA's goal was for headquarters personnel in Lima to visit regional offices once each quarter, this was not happening. There were no visits to agricultural projects in 1995 because all attention

was on the preparation of ADRA's new program proposal. For the infant nutrition program, the nutritionist made only one visit to three regional offices in 1995.

- At Caritas-Iquitos, we noted that the ration being followed had been changed from the level specified in Caritas' approved program without obtaining approval from Caritas headquarters. Further, we noted that the beneficiary levels in all the communities served had been adjusted upward from the approved program. According to Caritas-Iquitos, the reason for this was that it had purchased the commodities at a lower price than estimated in its budget so it bought a greater amount of commodities and was distributing them to the communities it was supporting.
- Adequate staffing at the regional level was sometimes lacking. For example, PRISMA's program coordinator for the Junin and Huancavelica departments was responsible for: (1) supervising and making site visits to 230 health establishments in these two departments, (2) performing physical inventories at 14 regional warehouses twice a year, and (3) assisting in training, among other duties. Because of her workload, she was only able to visit about 35 percent of the health posts in 1995. In visiting some of these health posts, problems were noted in the implementation of the programs such as incorrectly applying the graduation criteria.
- PRISMA's fiscal year 1995 progress report to the Mission contained very little or no data for 9 of the 29 regions (31 percent) having nutrition programs. Therefore, data such as the graduation rate, percentage of families receiving family planning counseling and other training, and the percentage of families receiving all rations was not available for these regions.
- Caritas-Iquitos did not maintain a kardex system for all the commodities in its warehouse (purchased with funds from multiple donors). A kardex was established only for USAID-funded commodities but in the second year of the USAID program, which kardex showed negative balances for various commodities as of the end of fiscal year 1995. [Note that negative physical inventory balances are not possible.] Before reviewing the kardex records, we had done a walk through of the warehouse and were shown stacks of commodities that Iquitos personnel stated were purchased with USAID funds. When questioned to explain why the kardex reflected negative balances while actual balances remained, Iquitos personnel

stated that they had been mistaken and the commodities were not purchased with USAID funds after all. The Iquitos warehouseman also indicated that he did not have complete records on issues from the warehouse. As a result, it did not appear that the USAID-funded commodities over the life of the program could be fully accounted for.

- The monetization funds transferred to PRISMA's regional program coordinators to conduct regional activities were in the coordinators' personal savings accounts rather than in the name of the cooperating sponsor. Further, the cooperating sponsor headquarters did not receive bank statements for monitoring purposes. The accounts should be in the name of the cooperating sponsor and PRISMA's director should name the individuals authorized to withdraw from the accounts.
- Regional offices for CARE Peru did not maintain separate accounts for the monetization funds received from headquarters. [USAID Regulation 11 states that monetization proceeds should be deposited in a special interest-bearing account.] Instead, the funds were commingled with funds from other sources. As a result, it was not possible to determine whether the monetization funds were used for approved purposes. For example, in reviewing the bank reconciliation for the bank account of the Cajamarca regional office along with monetization advances given to CARE-Cajamarca and the reported monetization expenditures for the months of July and August 1995, it appeared that monetization funds were used for unapproved purposes. The excess amount of monetization advances to expenditures for July and August were 3,458 and 16,805 Peruvian Soles, respectively, when the ending adjusted bank balances were zero. Also, the CARE regional accounts were not interest-bearing.
- USAID monetization funds at Caritas-Iquitos were commingled with European Community funds in a savings account. From this savings account and another checking account maintained solely for USAID funds, transfers were being made to and from other donors' accounts and in a few cases to and from undetermined accounts. The General Secretary for Caritas-Iquitos explained this was due to making loans between accounts. We told the General Secretary she would have to cease the practice and additionally develop a record to show the loans between accounts together with supporting documentation and cumulative amounts loaned and repaid to date. Several months before our visit, Caritas headquarters had done a supervision visit and noted some of the same problems and sent a

letter to the diocese urging it to correct the problems. However, there was no follow-up to ensure the problems were corrected.

- Caritas-Iquitos was not performing bank reconciliations. We suggested to the Secretary General that she have her accountant do monthly bank reconciliations on at least the three checking accounts corresponding to her major donors. Reconciliations of the other accounts could be done periodically depending on the movements within those accounts.
- Under CARE Peru's food-for-work program, the two regional offices visited were not correctly using the work standards as set by headquarters. Therefore, the workers received more food than they should have received.
- Statistics on the number of beneficiaries receiving food rations were sometimes based on programmed levels as opposed to the actual number of beneficiaries receiving food rations. For example, the statistics provided by CARE on the number of beneficiaries fed under its community kitchens project were based on the number of food rations given to the community kitchens rather than the number of beneficiaries fed rations. There were sometimes wide fluctuations between the number of rations programmed versus actual rations prepared. Caritas similarly reported programmed levels of beneficiaries when rations were often shared with additional beneficiaries that entered a project after the approved beneficiary levels had been set.
- Under one of ADRA's food-for-work projects, beneficiaries were getting rations for doing work maintaining the community's irrigation canals and roads. These were things that they would have been doing anyway, so we question the need for giving rations for these activities. Further, there was no expectation that such work would result in an increase in agricultural production.
- Until about April 1995, Caritas-Huancayo food-for-work projects were not adequately supervised as evidenced by the diocese finding 21 projects that were not progressing satisfactorily. Caritas-Huancayo said it was withholding further rations on these projects until the problems were resolved.
- At the two ADRA's regional offices visited, detailed information on each project was held by the project's technical supervisor away from

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the regional office. The files were disorganized and missing in many cases. This makes a review based on documentation as opposed to interview nearly impossible. This is a weak link in being able to monitor the operations and results of ADRA's projects. The regional offices should maintain the files with supervisors working with copies in the field.

- Not all Caritas diocese offices were using the standard accounting systems developed by Caritas headquarters. All were using the liquidation system (required by the headquarters to receive funds). However, only an estimated 30 to 40 percent were using the treasury system, and about 60 percent used the standard accounting system. Further, the dioceses participating in Caritas' jungle program were not required to follow Caritas' standard systems for control of commodities and for project planning.

**DIFFERENCES IN THE COOPERATING SPONSORS'
COMMODITY REQUESTS AND THEIR PROGRAM DOCUMENTS**

COOPERATING SPONSOR/ PROGRAM	COMMODITY REQUEST		PROGRAM DOCUMENT		COMMODITY REQUEST MORE (LESS) THAN PROGRAM DOCUMENT	
	NO. OF BENEFICIARIES	METRIC TONS	NO. OF BENEFICIARIES	METRIC TONS	NO. OF BENEFICIARIES	METRIC TONS
CARE PERU						
--NUTRITION PROGRAM	111,520	5,647	45,900	4,621	65,620	1,026
--FOOD-FOR-WORK PROGRAM	54,950	4,352	75,000	5,378	(20,050)	(1,026)
ADRA						
--TOTAL PROGRAM	195,750	12,316	186,408	11,870	9,342	446
CARITAS						
--FOOD-FOR-WORK PROGRAM	349,300	13,402	298,367	11,457	50,933	1,945
PRISMA						
--PANFAR PROGRAM	73,166	10,975	75,000	11,250	(1,834)	(275)
--KUSIAYLLU PROGRAM	3,900	1,170	3,000	900	900	270
TOTAL					104,611	2,386

SOURCE: fiscal year 1996 approved annual estimate of requirements and program documents (i.e., approved program proposals and annual workplans).

**EXAMPLES OF DIFFERENCES IN TRANSPORTATION RATES
OBTAINED BY THE COOPERATING SPONSORS ON LIKE ROUTES**

FROM	TO	ADRA	PERCENT FROM LOW	CARITAS	PERCENT FROM LOW	CARE	PERCENT FROM LOW	PRISMA	PERCENT FROM LOW
Callao	Lima	17	31%	15	15%	19	46%	13	LOW
Lima	Ayacucho	158	32%	150	25%	120	LOW	167	39%
Lima	Huancayo	80	100%	42	5%	74	85%	40	LOW
Lima	Pampas	120	22%	98	LOW	-	-	125	28%
Lima	Huancavaleca	-	-	98	LOW	105	6%	129	32%
Lima	Huaraz	-	-	52	LOW	72	38%	59	13%
Matarani	Cusco	94	LOW	172	83%	-	-	169	80%
Matarani	Arequipa	23	10%	28	33%	-	-	21	LOW
Matarani	Moquegua	42	LOW	65	55%	-	-	-	-
Matarani	Juliaca	65	LOW	172	165%	-	-	-	-
Salaverry	Chiclayo	45	105%	50	127%	-	-	-	-
Salaverry	Piura	60	25%	56	17%	48	LOW	22	LOW
Salaverry	Tumbes	89	48%	81	35%	-	-	60	LOW

METHOD OF CALCULATION: The lowest rate for each line or route is labeled "LOW".
The percentages represent the amount a rate exceeds the LOW rate.

- NOTE:**
- Rates are in Peruvian soles per metric ton and do not include IGV tax of 18%.
 - A dash (-) indicates the absence of the route or a predetermined rate.
 - Shipments originating in Callao or Lima were considered the same origin.
 - If there was more than one rate for a route, the lowest rate was used.
 - Caritas rates from Salaverry are actually shipped from Lima.
 - CARE rates were listed in U.S. dollars and were converted to soles (\$1.00 = 2.3 soles).
 - PRISMA rates are from 1996 cost, 1996 budget, or 1995 cost information; in that order.

APPENDIX V

EXAMPLES OF DIFFERENT PRODUCTIVITY EXPECTATIONS, FOOD-FOR-WORK STANDARDS USED BY CARE, CARITAS AND THE WORLD FOOD PROGRAM

ACTIVITY	CARE		CARITAS		WORLD FOOD PROGRAM	
	NUMBER OF WORKDAYS	UNIT OF MEASURE	NUMBER OF WORKDAYS	UNIT OF MEASURE	NUMBER OF WORKDAYS	UNIT OF MEASURE
SOIL CONSERVATION:						
SLOW-FORMATION TERRACES			(SEE NOTE 1)			
--WITH ROCKS, 20% SLOPE	400	Hectare (HA.)	833	HA.	600	HA.
--WITH ROCKS, 30% SLOPE	400	HA.	833	HA.	800	HA.
--WITH ROCKS, 40% SLOPE	400	HA.	833	HA.	1000	HA.
BARRIERS	0.5	Meter	1	Meter	ACTIVITY NOT LISTED	
RESTORATION OF INCA TERRACES	500	HA.	833	HA.	600	HA.
INFILTRATION DITCHES	250	HA.	833	HA.	200	HA.
REFORESTATION:						
PLANTING (NOTE 2)	100 to 170	1,000 plants	(SEE NOTE 3)		112 to 211	1,000 plants
ROAD WORK:						
REHABILITATION OF ROADS	400 to 600	Kilometer (KM.)	(SEE NOTE 3)		520 to 1,085	KM.

NOTE 1: For some of the activities below, Caritas' work standards included estimates combining linear, area and volume measurements. In these cases we used only the area standard. While this leads to an understatement of the number of workdays compared to what it should be, we used the number nonetheless as a conservative estimate of workdays needed using Caritas' standards.

NOTE 2: The planting of trees involves many sub-tasks including the clearing and preparation of the area, transporting the plants, digging the holes, and the actual planting. The data listed is the total workdays for all the sub-tasks.

NOTE 3: We were unable to determine the total standard because not all sub-tasks were listed. However, many of the sub-tasks listed by Caritas have the same work standards as the World Food Program.

Mission Food Security Objective Proposed in FY 1996-1997 Action Plan**ANALYSIS OF SUPPORT FOR BASELINES
AND
ANALYSIS OF WHETHER MISSION'S
FY 1996 INTERMEDIATE RESULTS TARGETS
ARE SUPPORTED BY COOPERATING SPONSORS'
APPROVED PROGRAM DOCUMENTS****Strategic objective 3: Improved Food Security of the Extremely Poor****Strategic objective level indicators:****Indicator No. 1: Rates of chronic malnutrition in children (height for age more than two standard deviations below NCHS standard) in extremely poor departments****Unit:** Percent of children in "Sierra" region of Peru**Source:** Encuesta Demografica y de Salud Familiar 1991/1992 (Demographic and Health Survey)**Baseline:** 1992, 51.6 percent in the Sierra Region of Peru**Baseline Supported ?:** Yes, 51.6 percent for children in the Sierra less than five years old**Indicator No. 2: Rates of global malnutrition in children (weight for age more than two standard deviations below NCHS standard) in extremely poor departments****Unit:** Percent of children in "Sierra" region of Peru**Source:** Encuesta Demografica y de Salud Familiar 1991/1992 (Demographic and Health Survey)**Baseline:** 1992, 14.6 percent in the Sierra Region of Peru**Baseline**

Supported ?: Yes, 14.6 percent for children in the Sierra less than 6 years old

Indicator No. 3: Per capita food availability in Peru

Unit: Calories per day

Source: FAO/Ministry of Agriculture 1991/96

Baseline: 1991, 1829 calories per day

Baseline

Supported ?: Yes, but not directly from the cited source and it's a three-year average rather than a figure only for 1991.

The 1829 per capita calories per day figure comes from statistics included in the Agency's 1994 World Food Day Report. Specifically Annex B of that report shows the three-year average for 1990-1992 and was compiled by USAID's Economic and Social Data Service (ESDS) in 1994. The ESDS used a data base from the Food and Agricultural Organization (FAO) in coming up with the figure.

Various sources of per capita food availability in Peru showed different numbers. We did not determine what information sources and adjustments were used by either the FAO or ESDS.

A note is that the FAO information isn't available until a year or two after the fact. Therefore, when the Mission gets to the end of the period and needs to demonstrate that the targets were met, the information may not be available from the cited source.

Indicator No. 4: Primary education rates for men and women (6 years and older) in extremely poor areas.

Note: The baseline for this indicator and its intermediate result indicators were not included in the audit since they relate to a program implemented by the World Food Program.

Intermediate result indicators:**Intermediate result No. 1: Nutritional rehabilitation of children under five in program households****Indicator No. 1: Number of high risk children participating in Title II nutritional programs****Definition:** High risk is defined by a set of socio-economic, physical and biological characteristics (e.g. employment, education level, presence of malnourished children, incidence of diarrhea/respiratory infections, births spacing, number of children in family) which indicate presence or high risk of malnutrition in children under 36 months old.**Unit:** Children aged 0-5 years**Source:** PVO project records**Baseline:** 1994, 218,000**Baseline****Supported ?:** Not the specific number. Mission supplied a range of numbers which it took out of the cooperating sponsors' 1994 annual reports as follows:

CARE	3,953
Caritas	111,276 or 429,465
ADRA	12,535 or 43,197
PRISMA	<u>107,244</u> or <u>119,716</u> or <u>162,783</u>
	<u>235,008</u> <u>596,331</u> <u>639,398</u>

Planned target for FY 1996: 60,000**Planned target supported by program documents ?:****No.** The cooperating sponsors' FY 1996 program documentation indicates the following:

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ADRA	30,600				
Caritas	33,615	children at risk			
	45,303	mother child			
		CARE	16,400		
PRISMA	120,000	PANFAR			
			2,875	Kusiallyu	
Total			248,793*		

- Caritas' program proposal did not include a breakout of the child beneficiaries under its jungle program so this total does not include these children.

Indicator No. 2: Rate of graduation of high-risk children from program with positive growth tendencies

Definition: Proportion of children entering program who demonstrate positive growth and compliance with health milestones within 6-20 month participation limits

Unit: Percent

Source: PVO project records

Baseline: 1994, 36 percent

Baseline

Supported ?: No. The supporting information shows that PRISMA had a graduation rate of 37 percent over a six-month period for its PANFAR program and a 56 percent graduation rate over a six-month period for its Kusiallyu program. Note that the Kusiallyu program is very small compared to the numbers in the PANFAR program. The graduation rate would be much higher if the percentage was calculated using how many people left the program within one year after entering versus the graduation experience in the last six months. The Mission framework is asking for a percentage over a one-year period but for its baseline it's using a percentage over a six-month period.

The other cooperating sponsors did not report graduation rates, although for all of them, one way or

another, people leave the program and thus might be considered to be graduated.

Caritas reported a 27 percent recuperation rate (children recovering from malnourished to a normal status). However, Caritas did not "graduate" people from the program in the sense that if the children were nutritionally recuperated and their mothers had received the planned training then rations would be discontinued. Instead Caritas projects usually lasted a year, maintaining the beneficiaries in the project throughout that time regardless of the child's nutritional status.

ADRA's projects lasted 20 months and, like Caritas, all the beneficiaries were kept in the project the whole time and dropped at the end.

CARE's MENU program was intending to follow the PRISMA's model but was just beginning at the time of the audit and not well thought out yet. CARE's NINOS project provided training to mothers over an 18-month period, after which the mothers were to leave the program.

Mission comment: Rate of 36 percent is a conservative estimate.

Auditor comment: The actual rate apparently was something other than 36 percent on an annual basis.

Planned target for FY 1996: 50 percent

Planned target supported by program documents ?:

No. The Mission's rationale for setting the FY 1996 target was not specified.

PRISMA's fiscal year 1995 accomplishments (six-month period) for its PANFAR and Kusiallyu programs were 40 and 53 percent, respectively. PANFAR, being the

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much larger program, would tend to drive the combined number to the low 40s. Of course, this analysis is aside from matters discussed previously, i.e. PRISMA's percentages would be higher on an annual basis, and the other cooperating sponsors programs need to be factored in.

Intermediate result No. 2: Increased incomes available for food consumption in extremely poor households

Indicator No. 1: Number of extremely poor households adopting improved technology

Definition: Farmer households adopting new practices (improved seed, inputs, etc.) on individual holdings

Unit: Cumulative number of farmers

Source: PVO project records

Baseline: 1994, 59,688

Baseline Supported ?: No. The information provided by the Mission from the cooperating sponsors' 1994 annual reports to support the above figure was as follows:

CARE	24,033
Caritas	39,296
ADRA	<u>371</u>
	<u>63,700</u>

CARE's number is the total number of families benefited by the Altura program, CARE's only food-for-work program. The types of activities the benefiting families were involved in was soil conservation, agroforestry systems, reforestation, and crop production on improved soils. It's not clear that all (or any) of these activities strictly meet the definition for the indicator.

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Caritas' number comes from a subset of its food-for-work activities, specifically from Caritas' Program of Support to the Production of Food. The number is the families involved in planting campaigns. The number is a subset of the 162,830 families involved in all of Caritas' food-for-work program in that year. Based on the 58 percent that the number of hours spent on agricultural projects was to the total number of hours on all food-for-work projects, to be consistent with the number used for CARE, the number used for Caritas would be more like 58 percent times 162,830 = 94,441. However, as with the number used for CARE, it is not clear that all (or any) of these activities strictly meet the definition for the indicator.

ADRA's number is the number of hectares reported by ADRA as being under agricultural production through what it termed Family Agricultural Unit of Production. ADRA's intervention involves the beneficiaries adopting new technologies. However the indicator calls for a count of the number of farmers—not hectares.

Mission comment to auditors: The baseline of 59,688 is a conservative calculation that shows the relative size and extent of the program in 1994.

Auditor observation: The Mission is attempting to draw baseline information out of statistics that may not have met the indicator definition.

Planned target for FY 1996: 15,000

Planned target supported by program documents ?:

No. ADRA is the only cooperating sponsor whose program documents include a direct measure of this indicator. ADRA plans for 14,483 families to adopt new agricultural technology starting in FY 1996.

PRISMA's CEATS program also is planning to provide agricultural inputs, i.e., seeds, fertilizer, and pesticides in the form of

credits to 552 families during FY 1996 to allow those families to improve their agricultural production and therefore increase their incomes.

The program documents for both CARE and Caritas do not specifically discuss a number that corresponds to the Mission's indicator. However, as noted previously, one would expect that some of the participants in both CARE's and Caritas' agricultural programs to adopt improved technologies on their own land. For FY 1996, CARE is planning 38,250 participants in its Altura program and Caritas is planning 51,200 participants in its agriculturally oriented food-for-work programs. Therefore, the number of participants who adopt improved technology on their own holdings likely will greatly exceed the Mission's targets.

The Mission needs to come to a consensus on what results should be reported under this indicator, and the cooperating sponsors need to collect the information and state within their program documents their targets.

Indicator No. 2: Hectareage under intensified management

Definition: Hectareage under intensified management through program intervention (e.g., irrigation, improved seeds, improved technology).

Unit: Hectares

Source: PVO project records

Baseline: 1994, 19,917

Baseline

Supported?: Not the specific number. The Mission provided the following information from the cooperating sponsors' 1994 annual reports to support the baseline:

CARE	7,477
Caritas	10,631 or 18,828
ADRA	<u>371</u>
	<u>18,479</u> or <u>26,676</u>

CARE's number is the total number of hectares in the Altura program. The types of interventions were soil conservation, agroforestry systems, reforestation, and crop production on improved soils.

Caritas' number is the number of hectares involved in the 93/94 (18,828) or 94/95 (10,631) planting campaign under Caritas' Program of Support to the Production of Food. These numbers do not include other interventions beyond the planting campaigns. Caritas had other food-for-work projects whose effects would lead to more hectares under intensified management. For instance, Caritas reported 513 irrigation infrastructure projects which, if they were new construction, would place additional hectares under irrigation. This isn't counted. Also, there were other projects such as 124 soil conservation projects, 162 reforestation projects, 382 community livestock projects and 9 fish farms which would not have been counted in the planting campaigns but would have placed hectareage under intensified management.

The number of hectares used for ADRA was its agricultural production under what it termed Family Agricultural Unit of Production. In addition to those hectares, ADRA also had 224 hectares planted in demonstrative plots, and completed work of three kilometers of canals which, if new construction, would have brought more hectares under intensified management.

Mission comment to auditors: Baseline is conservative estimate.

Auditor observation: The Mission pulled some numbers together to support the baseline but it's not clear that the numbers used were consistent from sponsor to sponsor.

Also, this example demonstrates the need to spend some time with the cooperating sponsors sorting through the different project interventions to decide what should be counted and what should not.

Planned target for FY 1996: 10,000 hectares

Planned target supported by program documents ?:

No. Just part of the planned interventions for Caritas in FY 1996 exceed the planned target. When CARE and ADRA are considered the numbers should be higher. The problem, as explained previously, is reaching a common understanding on what should be counted under this indicator.

Caritas' approved program proposal shows 7,335 hectares with improved irrigation and 3,390 hectares protected by soil conservation practices, and this does not include all of Caritas' interventions.

ADRA's approved program proposal shows 1,645 hectares under various types of improved management. The proposal also shows 160 kilometers of irrigation canals constructed. We did not determine whether ADRA's hectareage figures included land brought into production as a result of new irrigation canals.

PRISMA's CEATS program plans to put 690 hectares under intensified management during FY 1996.

We requested that CARE provide a number for its program, but CARE personnel stated

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that they did not know what the indicator means. As noted previously, the CARE figures supplied to the auditors to support the Mission's baseline include the total hectarage from CARE's Altura program. To be consistent the hectarage under the Altura program would also need to be included.

Indicator No. 3: Number of microenterprises assisted in extremely poor areas

Definition: Non-farm economic activities confined to individuals or groups of less than 10 persons in program areas, which have received technical assistance, training or credit in the reference year.

Unit: Number of women- and men-led enterprises

Source: PVO project records

Baseline: 1994, 2,091

Baseline Supported ?: Not the specific number. The Mission provided the following information from the cooperating sponsors' 1994 annual reports to support the baseline:

ADRA	739	739
CARE	<u>1,740</u> or <u>1,992</u>	<u>2,479</u> or <u>2,731</u>

The number used for ADRA is what ADRA reported as production units established as microenterprises. ADRA also reported another number (188) as microenterprises established, which, if it is something separate, is not included in the ADRA count.

The two alternative numbers used for CARE refer to two separate CARE projects and therefore appear as though they should be added together rather than used as alternatives. The 1,740 figure is for CARE's Women's Income Generation Project, while the 1,992 figure is from its Small Enterprise Development Project.

Mission comment to auditors: The Mission acknowledged that the baseline should be higher.

Auditor observation: The baseline should be higher than the Mission reported. From this and other examples, it appears that the Mission came up with baseline figures without knowing whether the information it was using fully met the indicator definition and whether it was complete. It would have been better to have had the cooperating sponsors provide the information from their records after the Mission explained the indicator definition and discussed with the cooperating sponsors the various project situations to decide what should be included in the counts.

Planned target for FY 1996: 2,000 microenterprises assisted

Planned target supported by program documents ?:

No. CARE's program documents indicate that the owners of 19,100 microenterprises in total under the MIFA, Mujer, and Ingreso programs, will receive technical assistance, training or credit over a five-year period (average 3,820 per year). (CARE's approved program proposal did not give an annual breakout.) So depending upon how this indicator is intended to be interpreted, and the number to receive such assistance in FY 1996, CARE's interventions alone might exceed the planned target.

Caritas' PROGEIN program supports income generation projects, which for the most part involved with the processing and trading of agricultural products, as opposed to growing the products. The auditors do not know whether the "non-farm" aspect of the indicator definition was meant to exclude such enterprises, or whether "non-farm" simply was meant to exclude enterprises which actually produce the crops. We did

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not determine how many projects and microenterprises were involved in the PROGEIN program. However, rations for 5,645 families were planned for FY 1996.

PRISMA's PASA program was planning to assist 7,200 non-farm microenterprises over five years (1,440 per year average.)

Indicator No. 4: Rate of loan/revolving fund repayment (male/female)

Definition: Proportion of loans made in farm and non-farm credit schemes not in arrears in reference year.

Unit: Percent

Source: PVO project records

Baseline: 1994, 62 percent

Baseline Supported ?: No. No support was provided for the baseline figure other than the Mission's statement that CARE's annual report indicates that their Women's Income Generation Project had a default rate of five percent.

Further, ADRA used revolving fund loans in both its agricultural and microenterprise interventions, and the experience on these programs was not taken into account.

Mission comment to auditors: 62 percent is a very conservative estimate

Auditor observation: Since the baseline's purpose is to measure the extent of subsequent improvements, setting the baseline low overstates the extent of subsequent improvements, if any. In the present case, if the baseline is a 95 percent repayment rate, then the Mission's planned target of 80 percent for FY 1996 would be worse performance than the baseline. Also, the interventions of other cooperating

sponsors were not taken into account in setting the baseline.

Planned target for FY 1996: 80 percent repayment rate

Planned target supported by program documents ?:

No. CARE's repayment rate of 95 percent under its Women's Income Generation Project already exceeds the FY 1996 target (as well as the end of project target of 90 percent). PRISMA's CEATS and PASA programs are also expecting a 95 percent or better repayment rate. The approved program proposal for ADRA did not specify the planned repayment rates, but we are not aware that there are any significant problems.

Indicator No. 5: Food-for-work temporary employment

Definition: Number of food-for-work participants during reference year

Unit: Number of persons

Source: PVO project records

Baseline: 1994, 209,098

Baseline

Supported ?: Not the specific number. The cooperating sponsors' annual reports for 1994 indicated the following number of food-for-work participants:

CARE	24,033
ADRA	43,437
Caritas	<u>162,830</u>
	<u>230,300</u>

Auditor observation: The auditors do not know the basis for the Mission's count.

Planned target for FY 1996: 120,000 work participants

**Planned target supported
by program documents ?:**

Yes. The program documents for CARE, Caritas and ADRA indicated the planned number of food-for-work participants for FY 1998 will be 122,223. This is not a significant difference from the Mission's planned target.

