

Integrated Country Strategy

PERU

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1. Chief of Mission Priorities

Peru's political environment remains tense and moderately unstable for the foreseeable future. Congress' impeachment and removal from office of former President Castillo in December 2022, and the subsequent nationwide civil unrest following it, created an unpredictable operating environment. However, the widespread unrest ended in February 2022, turnover in senior government officials has slowed, and Peru's leaders and institutions are willing partners. Barring any political, social, economic, legal, or natural disaster crises, these positive trends should allow the Mission to make further progress on U.S. national security priorities.

The COVID-19 pandemic and its effects exposed deep structural challenges in the health, economic, political, and social structures of Peru. The country registered 2.3 million cases and more than 200,000 deaths due to the pandemic. Adding to the government's challenges, Venezuelan migrants in Peru increased to 1.57 million in 2022, up from 1.32 million at the end of 2021, with Peru now hosting 22 percent of Venezuelan migrants and refugees worldwide. Prior to the COVID-19 pandemic, Peru made sustained gains in traditional economic and development areas; however, legacy challenges threaten Peru's continued success in these areas. Reforms and economic stimulus efforts have not remedied Peru's historical social and economic inequalities and pervasive corruption. The country struggles to diversify its extractive-dependent economy and extend the benefits of historic economic growth to rural and disadvantaged populations, accentuating a longstanding divide between Lima and other regions. Transnational criminal organizations (TCOs) engage in an array of illicit activities by exploiting weak institutions and lack of state presence in remote areas. This further challenges Peru's political leadership to deliver public services and economic development more effectively.

Since emerging in 2001 from a long battle against domestic terrorism and a decade of authoritarian rule, Peru has made strides in democratic and economic development. Trade with the United States has more than doubled under the U.S.-Peru Trade Promotion Agreement, which entered into force in 2009 and generates a U.S. surplus, and Peru embraced

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a greater leadership role on issues of regional and global importance. However, the contentious 2021 Peruvian presidential elections aggravated latent domestic societal cleavages. Mission Peru pursues opportunities to expand cooperation based on shared values with the Peruvian administration, other branches and levels of government, the opposition, and civil society and the private sector.

The United States encourages a Peru that supports democratic principles regionally and globally, stands as a strong partner in combating TCOs and addressing climate change, and generates broad-based prosperity internally as a foundation for stability. To this end, the U.S. Mission to Peru prioritizes four goals to guide our diplomatic, programmatic, and technical engagement over the 2022-2026 period covered in this strategy.

First, we will strengthen our mutually beneficial economic, educational, and cultural ties. Peru is a key trading partner and destination for U.S. investment beneficial to the people of both countries. As competition for economic partnership grows in the region, we need to redouble efforts to confirm the United States as the preferred and trusted international partner for Peru. This includes properly resourcing and arraying our public outreach, educational exchanges, and cultural engagement platforms to expand promotion of the advantages of close partnership (including a vibrant economic relationship) with the United States.

Second, the United States will partner with Peru to create a more secure and equitable country and region and combat criminal and security threats before they reach U.S. borders. We will help build Peru's institutional capacity to reduce the influence of TCOs, strengthen the rule of law, increase resistance to malign foreign influence, and respond to threats posed by terrorist and violent extremist organizations. The modernization of Peru's security forces and justice institutions is an essential component of Peru's capacity to not only increase local and regional security, but also improve security and access to justice for the Peruvians, and approximately 30,000 U.S. citizens present in Peru at any given time. A lack of state presence in many remote areas and pervasive corruption allow space for TCOs to operate multiple billion-dollar illicit industries, from production of illicit drugs to illegal logging and mining, human trafficking,

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wildlife trafficking, and counterfeit currency. The Mission will build upon existing military-to-military cooperation and strengthen information sharing that protects the U.S. homeland.

Our third goal reflects our commitment to helping Peru become a global leader in advancing climate ambitions and environmental sustainability. Peru's management of its environmental challenges has global consequences. Sixty percent of Peru's territory lies within the Amazon, representing 13 percent of the total Amazonian basin. Deforestation in Peru's Amazon due to land use-change (conversion of primary forests for other purposes) and illegal logging represents the country's largest source of greenhouse gas emissions. Peru is also increasingly susceptible to droughts, which disproportionately impact Peru's poor, rural, and indigenous populations, and whose food security often depends upon climate conditions. U.S. support helps Peru's institutions, private sector, and civil society address these existential challenges.

Finally, we are committed to helping Peru strengthen inclusive democratic governance at home and abroad. Reinforcing these shared principles and mutual interests will strengthen the bilateral partnership, promote a more just society based on the rule of law, and provide an example for the region. Our partnership with Peru on combating trafficking in persons, child labor, gender-based violence, threats against indigenous communities, support to Afro-Peruvians, and discrimination against LGBTQI+ citizens, as well as the Mission's support for anti-corruption efforts and migrant regularization all advance the inclusion of all people in Peru.

Implementing this strategy requires a Whole-of-Mission approach. It is predicated on a workplace that values equity, diversity, inclusion, and the health and safety of all its team members. Our workplace also requires the human resources necessary to implement this strategy. Mission Peru will continue to appeal for support and work creatively to ensure we are adequately resourced to advance our goals and activities on behalf of the American people. This strategy is also built on an essential partnership with the host country, helping to ensure Mission Peru can provide to U.S. citizens in Peru the highest quality of emergency and routine services possible. This includes our strong commitment to strengthen U.S. border security while facilitating legitimate travel through timely passport services and efficient visa processing.

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Each section and 20 agencies of Mission Peru has its own unique role to advance our ICS goals. To encourage cross-sectoral and interagency coordination, we have instituted working groups, drawing on the resident expertise of both locally employed staff and U.S. team members from across the Embassy. These working groups help periodically review progress and recommend adjustments toward meeting our goals and advancement of the ICS Action Plans.

We are committed to working with a diverse array of partners to realize this vision. Partnering with Peru's private sector, indigenous communities, civil society, and every level of government, we are dedicated to help Peru, as a value-based, democratic partner of the United States, emerge from the COVID-19 pandemic more resilient and able to face the challenges ahead.

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2. Mission Strategic Framework

Mission Goal 1: The United States and Peru strengthen mutually beneficial economic, educational, and cultural ties.

- Mission Objective 1.1: Peru achieved more inclusive and sustainable economic growth, improving the business climate for U.S. trade and investment. (Incorporates USAID CDCS DO1)
- Mission Objective 1.2: Enhanced USG public outreach, educational linkages, and cultural engagement built an understanding of U.S. values and strengthened Peruvians' views of the United States as a trusted and preferred partner.
- Mission Objective 1.3: Peru progressed in closing its infrastructure gap.

Mission Goal 2: Peru partners with the United States to create a more secure and equitable country and region.

- Mission Objective 2.1: Strengthened bilateral partnerships and enhanced Peruvian capacity deter transnational, regional, and internal threats and their networks and infrastructure.
- Mission Objective 2.2: Improved anti-corruption, police, and justice sector capacity strengthen Peru's citizen security and rule of law throughout the nation.

Mission Goal 3: Peru is a global leader in advancing climate ambitions and environmental sustainability.

- Mission Objective 3.1: Enhanced institutional capacities supported Peru to reach its climate ambition. (Incorporates USAID CDCS DO3)
- Mission Objective 3.2: Strengthened governance capabilities enabled Peru to address environmental crimes, manage natural resources, and thereby mitigate human health and security threats.

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Mission Goal 4: Peru strengthens inclusive democratic governance at home and abroad.

 Mission Objective 4.1: Peru consistently protected and promoted democratic institutions and governance, leading to increased transparency and democratic stability, greater access to justice, and expanded civic engagement. (Incorporates USAID CDCS DO 2)

- **Mission Objective 4.2:** Protections and inclusive opportunities expanded for youth, women, gender and other minorities, indigenous and Afro-Peruvian populations, people with disabilities, and other historically marginalized populations.
- Mission Objective 4.3: Through Embassy cooperation and engagement, Peru advanced democratic norms, increasingly allied with the United States in multilateral fora, and resisted anti-democratic initiatives by autocratic actors.

Management Objective: Recruit and equip a diverse, inclusive, and dynamic workforce with modern and secure tools and infrastructure to support resilience and ingenuity in operations.

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3. Mission Goals and Objectives

Mission Goal 1: The United States and Peru strengthen mutually beneficial economic, educational, and cultural ties.

Description: Based on decades of close commercial ties and buttressed by a comprehensive bilateral trade agreement, Peru is a key trading partner and destination for U.S. investment that is beneficial to the people of both countries. As competition for economic partnership grows in the region, we need to redouble efforts to confirm the U.S. position as the preferred and trusted international partner for Peru. This initiative means embracing our strengths in public outreach, educational exchanges, and cultural engagement to promote the advantages of close partnership with America, including a vibrant economic relationship. The leading factors that hinder Peru's economic development – corruption, persistent social and economic inequalities, lack of infrastructure, and pressure on natural resources – create conditions that hinder U.S. business development and pose potential threats to both Peruvian and U.S. security. To address these issues, we work closely with Peru on alternative economic development, governance, labor, and resource-protection, thereby improving the business climate in the short run and helping resolve longer-term economic, environmental, and security challenges.

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Objective 1.1: Peru achieved more inclusive and sustainable economic growth, improving the business climate for U.S. trade and investment.

- Justification: Peru continues to be a dynamic, like-minded economic, commercial, and development partner. We work closely through private sector, civil society, and bilateral channels to promote U.S. investment and trade with Peru, to advance inclusive economic growth, and to support Peru's efforts to move past an uneven middle-income economic status. Recognizing, however, the continued appeal of some populist measures with the potential for non-compliance with international and bilateral commitments, we prioritize efforts to advocate alongside local partners for economic, environmental, labor, and other policy reforms in support of U.S. interests. Our efforts include providing technical assistance to help Peru meet commitments and address difficult issues related to illegal mining, fair labor standards, and alternative and small business development. With a focus on expanding economic opportunity for Peru's vulnerable populations, we help reduce inequality and dissatisfaction that destabilize communities. Through trade missions and other mechanisms, we will continue to link U.S. businesses with opportunities in Peru.
- Linkages: State USAID JSP objectives 2.1 and 2.2, and State WHA-USAID LAC JRS
 objectives 4.1, 4.2, 4.3, and 6.3. National Strategy on Gender Equity and Equality. USAID
 CDCS Development Objective 1.
- Risks: Failure to achieve this objective will create conditions that hinder U.S. business

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Objective 1.2: Enhanced USG public outreach, educational linkages, and cultural engagement built an understanding of U.S. values and strengthened Peruvians' view of the United States as a trusted and preferred partner.

- Justification: The United States enjoys close educational and cultural partnerships with Peruvian people and institutions. To strengthen these relationships, we promote new linkages, as well as dialogue and exchange opportunities at the individual and organizational levels. By promoting study in the United States and English language learning opportunities for young Peruvians, we seek to gain new allies with an appreciation for U.S. values and a desire to create closer ties between our two countries. United States government-funded student and professional exchanges build the capacity of future leaders to create a mutually prosperous future for the American and Peruvian people. Public outreach through traditional and social media underscores our shared values and highlights the benefits of close socioeconomic ties with the United States.
- Linkages: State USAID JSP objective 1.5; State WHA-USAID LAC JRS Goal 6 and
 Objective 4.4. National Strategy on Gender Equity and Equality.
- Risks: Failure to achieve this objective will undermine the United States' status as a reliable partner of choice, reducing our ability to partner with the Peruvian government and society on issues of national security. To mitigate this risk, we must leverage public outreach through traditional and social media to highlight the benefits of close socioeconomic ties, foster receptivity to U.S. leadership and values, and strengthen bilateral cooperation and partnerships. To achieve this, PAS Lima requires adequate funding and staffing to sustainably continue its cadence of social media content, news monitoring, and travel and grant logistics. Otherwise, the Mission jeopardizes relationships and thought leadership among key audiences across the spectrum of interagency stakeholders.

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Objective 1.3: Peru progressed in closing its infrastructure gap.

- Justification: Peru's National Plan for infrastructure and competitiveness identifies the need for more than \$91 billion of infrastructure spending over the next 20 years. While Peru has long suffered from infrastructure gaps in transportation and logistics, the COVID-19 pandemic revealed significant deficiencies in the country's national healthcare system. Through USG-sponsored infrastructure programs, currently the Partnership for Global Infrastructure and Investment (PGII), we have an opportunity to support Peru's infrastructure development efforts while also emphasizing the importance of key U.S. policy priorities of climate, health security, and widespread access to technology. By working closely with Peru to advance its infrastructure projects through PGII, we provide direct opportunities for U.S. businesses and help create a transparent business environment more conducive to investment and growth.
- Linkages: State USAID JSP objective 2.1; State WHA-USAID LAC JRS objectives 4.1, 4.2,
 4.3, and 5.1. National Strategy on Gender Equity and Equality
- Risks: Failure to achieve this objective would leave Peru vulnerable to predatory practices of malign actors which undermine the security and integrity of Peruvian infrastructure, invite corruption through opaque contracting methods, as well as hindering Peru's progress in closing its infrastructure gap, thereby negatively impacting Peru's economic growth and government provision of services. It also decreases opportunities for U.S. businesses and decentralizes the importance of climate, health security, and equitable access to technology. To mitigate these risks, we will leverage civil society and private sector relationships, technical assistance, and PGII initiative opportunities to support Peru's infrastructure development efforts while also emphasizing the importance of key U.S. priorities of climate, health security, and widespread access to technology.

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Mission Goal 2: Peru partners with the United States to create a more secure and equitable country and region.

Description: The 2022 U.S. National Security Strategic Guidance identifies addressing the root causes of human insecurity, including criminal violence and corruption, as priorities in the Western Hemisphere and highlights the need to deter and prevent adversaries from directly threatening the United States and our allies. The modernization of Peru's security forces and justice institutions is an essential component of Peru's capacity to deter and respond to security threats including those posed by autocratic actors, terrorist and violent extremist organizations, and man-made and natural disasters. Peru, as the second largest producer of cocaine and cultivator of coca in the world, remains at the center of the fight against TCOs, who perpetuate criminal violence in Peru and across the hemisphere. Embassy Lima's three-pronged strategy of eradication, interdiction, and alternative development has achieved limited success inspired the Peruvian state to take a majority stake in funding the fight against TCOs. The problem is complex, however, and TCOs continue to evolve and adapt. They have expanded into the multi-billion-dollar ventures of illegal gold mining, trafficking in persons, illegal logging, counterfeiting and piracy, and wildlife trafficking. Local and national-level corruption help facilitate these illicit activities and undermine democratic institutions. To help Peru overcome these challenges, the United States government continues to build on commitments Peru has made to combat corruption, professionalize security services, and increase transparency. These efforts not only increase local and regional security, but also improve security and access to justice for the approximately 30,000 U.S. citizens present in Peru at any given time. Our efforts in Peru help to effectively manage transnational threats before they reach U.S. borders and thereby negatively impact U.S. citizens and businesses at home and abroad.

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Objective 2.1: Strengthened bilateral partnerships and enhanced Peruvian capacity deter transnational, regional, and internal threats to their networks and infrastructure.

- Justification: By strengthening bilateral partnerships and promoting interagency interconnectivity with Peruvian security and justice institutions, we enhance Peruvian capacity to deter transnational, regional, and internal threats to their infrastructure. The modernization and strengthening of Peru's partnerships and interagency processes are essential components of Peru's capacity to deter and respond to security threats. The Mission continues to help build that capacity and assist Peru's security institutions in modernizing their infrastructure and processes for intra-governmental and fluid bilateral communication through the training and professionalization of security forces. We work to empower security forces to deter, prevent, and safely dispose of dangerous military ordnance, increase numbers of women in their ranks at all grades and in various specialties, and train and deploy for multilateral peacekeeping operations.
- Linkages: This objective contributes to State-USAID JSP Objective 1.4; JRS Objective 5.2;
 State WHA JSP Objectives 3.3 and 3.4; Interim U.S. National Security Strategic Guidance;
 U.S. Strategy on Countering Corruption; and National Strategy on Gender Equity and Equality.
- Risks: Risks if this objective is not achieved include a less secure Peru without the capability to deter transnational, regional, and internal threats, and an inability to address domestic threats such as criminal violence and deploy forces in support of civil authorities during natural disasters. Risks also include the inability to prevent and/or defend against the disruption of American interests, challenges to regional stability, and the weakening of fragile democracies in the region and worldwide.

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Objective 2.2: Improved anti-corruption, police, and justice sector capacity strengthen Peru's citizen security and rule of law throughout the nation.

- Justification: By strengthening Peruvian security and justice institutions and promoting good leadership practices within those entities, we enhance security and enable enhanced protection of U.S. citizens in Peru. The safety, security, and provision of aid to U.S. citizens are a top Mission priority. Mission Peru supports the Peruvian government in addressing challenges to security and rule of law, including TCOs, through criminal justice, civil sector, and law enforcement professionalization; the creation of adequate legal and regulatory regimes; the consolidation of the accusatory legal system; and the expansion of an effective state presence in remote areas. We work to improve implementation of anti-corruption controls and increase the capacity of the Peruvian justice system to sanction corruption. U.S. counternarcotics efforts continue to focus on strengthening the Peruvian government's institutional capacity to successfully implement its national counternarcotics strategy of eradication, interdiction, and alternative development. TCOs generate billions in revenue from drug trafficking, illegal gold mining, illegal logging, counterfeiting and piracy, and wildlife trafficking. TCOs involved in these activities often launder their proceeds through the United States, where it harms our legitimate businesses and exploits our financial system. Peru is also the top producer of counterfeit currency in the world, with \$16 million of counterfeit currency seized by police in FY 2020.
- Linkages: State-USAID JSP Objectives 1.4, 2.4, and 3.3.; State WHA-USAID LAC JRS
 Objectives 1.2, 1.3, 3.1, 3.2, 3.3, and 3.4; Interim U.S. National Security Strategic
 Guidance; and National Strategy on Gender Equity and Equality.
- Risks: Failure to achieve this objective will leave Peruvian security and justice
 institutions vulnerable to the corrosive effects of corruption and malign influence and
 with a limited ability to effectively combat domestic, regional, and international security
 threats. This increases the risk of criminal organizations and malign foreign actors
 exploiting a lack of state presence in rural areas. This threatens the safety and security

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of Americans in Peru, as well as the U.S. homeland, since these actors operate across political borders. We will mitigate this risk by leveraging technical assistance, capacity building, and mentoring to increase Peruvian capacity to combat security risks and strengthen the rule of law.

Mission Goal 3: Peru is a global leader in advancing climate ambition and environmental sustainability.

Description: Peru is a key partner in addressing international priorities such as conserving the Amazon Rainforest and addressing climate change, as well as combating environmental crimes. The global community is uniting more purposefully behind climate priorities and the Western Hemisphere is enhancing efforts to tackle persistent issues such as the flow of illegal gold and destructive mining, wildlife trafficking, illegal timber harvesting, illegal, unreported and unregulated fishing, water security, and the rights of environmental defenders. The United States will support Peruvian institutional and governance capabilities to meet these shared security, health, and environmental challenges. To address institutional capacity and governance needs, the United States will work closely with Peru to deepen competencies in natural resources management, investigating and prosecuting environmental crimes, promoting transparency and accountability, and mitigating the human health and security threats caused by impunity. The United States will also support Peru as it builds its institutional capacity to oversee, manage, and enhance its own climate and environment activities and ambition.

Objective 3.1: Enhanced institutional capacities supported Peru to reach its climate ambition.

• Justification: More than 60 percent of Peru is within the Amazon Rainforest, and much of this territory is at risk of deforestation due to timber extraction (both legal and illegal), illegal mining, unsustainable agricultural practices, and production of illicit crops. Peru has taken proactive steps to address illegal timber harvest through partnerships with the United States government and implementation of the timber annex to the

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existing Peru Free Trade Agreement (PTPA). Peru is also becoming a regional leader in the development and rehabilitation of natural infrastructure to increase water security and address climate change. We work with Peruvian institutions to build technical capacity, strengthen environmental regulations, and strengthen oversight and enforcement. Through direct partnership between United States government agencies, Peruvian counterparts, and other donors and civil society, we support the development and implementation of Peru's Nationally Determined Contributions (NDC) to reduce greenhouse gas emissions.

- Linkages: State USAID JSP objective 1.2; State WHA JSP objectives 5.1, 5.2, 5.3, 5.4; JRS Objective 5.1, 5.2, and 5.3; National Strategy on Gender Equity and Equality; President Biden's Executive Order on <u>Tackling the Climate Crisis at Home and Abroad</u> (January 2021); the <u>United States International Climate Finance Plan</u> (April 2021); and Embassy Lima's Interagency Climate Strategy.
- Risks: The Peruvian government has committed to reducing emissions and meeting climate goals, but these ambitions rely upon support financial and technical from external partners. Political instability since 2020 has negatively impacted Peru's efforts to meet its climate goals. Upholding the Nationally Determined Contributions (NDC) relies on the functioning of the High-Level Commission on Climate Change (CANCC) which is vulnerable to political instability. The CANCC is a Prime Minister-led secretariat of federal, regional, and substantive experts that works under the Ministry of Environment to propose climate change adaptation and mitigation measures within the framework of the Paris Agreement. The CANCC submits reports to the United Nations Framework Convention on Climate Change, prepares greenhouse gas emission projections, and proposes progressive increases in the ambition of the NDCs. To mitigate these risks, Post will continue to support the Peruvian government by finding relevant partners, participating in intergovernmental working groups, and applying diplomatic and development tools that support climate goals.

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Objective 3.2: Strengthened governance capabilities enabled Peru to address environmental crimes, manage natural resources, and thereby mitigate human health and security threats.

- Justification: The United States has a deep history of partnership with the Government of Peru, regional governments, indigenous organizations, universities, and civil society to promote shared values of environmental conservation and sustainable economic development. By building on this history to strengthen governmental institutions to effectively manage natural resources, the USG promotes locally-owned solutions and continues to strengthen linkages between Peruvian and USG agencies. USG funded conservation programs in Peru also address issues of global concern such as destruction of the Amazon Rainforest and combating the corrosive effects of environmental crimes, such as wildlife trafficking, illegally harvested timber, and illegal gold mining, all of which are connected to organized crime.
- Linkages: State USAID JSP objective 1.2; State WHA JSP objectives 5.1, 5.2, 5.3, 5.4; JRS Objective 1.1 and 5.4; National Strategy on Gender Equity and Equality; President Biden's Executive Order on <u>Tackling the Climate Crisis at Home and Abroad</u> (January 2021); Interim U.S. National Security Strategic Guidance; the <u>United States International Climate Finance Plan</u> (April 2021); the PREPARE plan; and Embassy Lima's Interagency Climate Strategy.
- Risks: Political instability since 2020 has decreased Peruvian government continuity and ability to implement and maintain consistent enforcement while building capacities and rooting out corruption. Failure to achieve this objective further risks the future of the Amazon and efforts to combat climate change. To mitigate these risks, we will encourage efforts to strengthen local forest governance, support indigenous communities to conserve and protect natural resources, combat illegal timber and gold mining, promote climate-smart agriculture and energy alternatives, and support conservation and more effective natural resource management.

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Mission Goal 4: Peru strengthens inclusive democratic governance at home and abroad.

Description: Mission Peru's strategic goal of promoting an inclusive and democratic government and Peru's advancement of democratic norms at home and abroad will strengthen the bilateral partnership by reinforcing shared values and principles and mutual interests. Peru has played a positive role in this regard in the region and encouraging those efforts will help shape a hemisphere that is receptive to U.S. leadership and values, consistent with the Joint Regional Strategy. Peruvian government support for negotiations to achieve a peaceful resolution to the political crisis in Venezuela and the advancement of free and fair elections can promote democratic governance in the region. Peru also generously hosts an estimated 1.32 million displaced Venezuelans and in 2021 announced regularization programs so that migrants and refugees can achieve greater socio-economic integration in Peru. Our partnership with Peru on combating trafficking in persons and child labor, as well as the Mission's support for migrant regularization, combatting gender-based violence, threats against indigenous communities, and discrimination against LGBTQI+ citizens, advance the inclusion of all people in Peru can provide an example for the region. These goals link to the Interim United States National Security Strategy Guidance of realizing and defending and protecting human rights and addressing discrimination, inequity, and marginalization in all its forms, as well as the U.S. Strategy on Countering Corruption.

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Objective 4.1: Peru consistently protected and promoted democratic institutions and governance, leading to increased transparency and democratic stability, greater access to justice, and expanded civic engagement.

- Justification: Corruption remains an acute concern in Peru. It undermines faith in
 government, hinders economic growth, wastes public resources, subverts justice,
 exacerbates inequalities, distorts policy, and deprives citizens of basic services. By
 countering corruption and supporting transparent governance and public spending, we
 help Peru ensure that public resources are devoted to meeting citizens' needs and
 strengthening Peru's democracy.
 - Mission Peru helps the Peruvian government to achieve its commitments to combat corruption, improve financial and administrative management, and increase transparency in public procurement generally and with a specific focus on the revenue from extractive industries. We seek opportunities to foster ethical conduct and expand political support for anti-corruption reforms. We also promote anti-corruption actors' freedom of expression and bolster the ability of civil society, media, and the private sector to push for accountability.
- Linkages: State USAID JSP objective 3.1, 3.2, 3.3; JRS Objective 3.1; State WHA-USAID LAC JRS objective 1.1, 1.2, and 1.3; National Strategy on Gender Equity and Equality; the December 2021 <u>United States Strategy on Countering Corruption</u>. USAID CDCS Development Objective 2.
- Risks: Failure to reduce corruption degrades Peru's business environment, subverts economic opportunity, and exacerbates inequalities. It can contribute to human rights abuses, foster criminality, drive migration, and accelerate environmental destruction. As a fundamental threat to the rule of law in Peru, corruption hollows out institutions, erodes public trust, and fuels popular cynicism toward elected officials. To mitigate these risks, we will provide specialized technical assistance on elements of Peru's own National Integrity and Anti-Corruption Plan to improve the control and supervision systems at national and sub-national levels. This assistance is complemented by other

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donors and multilateral organizations, such as Organization for Economic Co-operation and Development (OECD) and the Extractive Industries Transparency Initiative (EITI) international secretariat. Mindful that change requires consistent public pressure and political will, we also support civil society and the private sector to more effectively advocate for reforms and to provide critical oversight functions.

Objective 4.2: Protections and inclusive opportunities expanded for youth, women and gender minorities, Indigenous and Afro-Peruvian populations, people with disabilities, and other historically marginalized populations.

- Justification: Strengthening Peru's civil society, building capacity for NGOs, and
 engaging government interlocutors is vital to institutionalizing Peru's democracy and its
 respect for human rights. Democratic norms are strengthened with the inclusion of all
 segments of society, including vulnerable and underserved populations.
- Linkages: State USAID JSP objectives 3.1 and 3.2; State WHA-USAID LAC JRS objectives 1.1, 2.1, 2.2. 3.1; and National Strategy on Gender Equity and Equality.
- Risks: If this objective is not met, vulnerable groups risk becoming increasingly marginalized and violators of human rights go unpunished and are emboldened to continue such behavior. This negatively impacts the Peruvian economy, as marginalization prevents these groups from meaningfully participating in the licit economy, allows environmental destruction to continue, and undermines the human rights of these marginalized groups. To mitigate these risks, we will leverage diplomatic engagement with government partners and public engagement to raise awareness and spur action, as well as by increasing assistance to vulnerable and underserved populations.

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Objective 4.3: Through Embassy cooperation and engagement, Peru advanced democratic norms, increasingly allied with the United States in multilateral fora, and resisted anti-democratic initiatives by autocratic actors.

- Justification: The United States stands for democratic norms and fundamental freedoms which empower citizens around the world. These democratic norms and freedoms are increasingly under threat by autocratic actors who use economic coercion, disinformation, and force to further their interests. Mission Peru encourages the Peruvian government to defend democratic norms regionally and globally, including in international organizations and multilateral fora. Likewise, Mission Peru assists the Peruvian government in resisting anti-democratic initiatives domestically and scrutinizing foreign investments and government purchase contracts for human rights and national security concerns. Leveraging the momentum created by President Biden's 2021 Summit for Democracy and the United States-hosted Summit of the Americas in 2022, Mission Peru partners with Peru to defend and promote the democratic norms and freedoms fundamental to inclusive growth and prosperity.
- **Linkages:** State USAID JSP objectives; State WHA-USAID LAC JRS objectives 1.1, 3.3, and 6.2; National Strategy on Gender Equity and Equality.
- Risks: Failing to achieve this objective could result in an erosion of democratic values in Peru that would threaten the freedom of millions of people and could spread to other countries in the region. Likewise, Peru's failure to resist antidemocratic initiatives by autocratic actors, either in multilateral fora or domestically, could harm U.S. national interests and limit the ability of the United States to defend the rights and fundamental freedoms of people around the world. To mitigate these risks, we will leverage diplomatic engagement, commercial advocacy, public messaging, and capacity building to increase Peru's regional and international support for democratic norms, and strengthen resilience to anti-democratic initiatives by autocratic actors.

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4. Management Objective

Management Objective 1: Recruit and equip a diverse, inclusive, and dynamic workforce with modern and secure tools and infrastructure to support resilience and ingenuity in operations.

Justification: The overall success of Mission Peru rests on the foundation of a fully equipped, trained, and dynamic workforce with safe and secure facilities. Mission Peru's ICS goals demand a diverse, strong, and agile management support platform. Over the past decades, resources for management support functions have not kept pace with Mission growth; Embassy Lima's ratio of customers to service providers stands at more than 46 to 1, the highest in the region and one of the three highest in the world. The average ratio at similarly sized Missions is 32 to 1. Under ordinary operations, Post receives a high number of official visits, which demand considerable support, further straining the service platform. Without a well-resourced management support platform, we are unable to adequately support expanding human resource requirements needed to advance the strategic goals articulated above. Meanwhile, Post infrastructure has exceeded its operational life, and an aggressive preventive maintenance program is required to maintain operations. Post continues to seek and implement all possible internal efficiencies, but per our most recent Mission Resource Request, still requires additional human and financial support to ensure continued accomplishment of Mission goals and adequate support to our people. Applying the principles of the Department's Collaborative Management Initiative (CMI), Mission Peru established a Client Service Center to address Mission members' support requirements and enable the Management Section to improve performance and efficiency by measuring its activities against uniform service standards and other metrics. This innovation eliminates non-value-added steps and processes and redirect limited resources to where they are most needed.

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- **Linkages:** Management directly supports every aspect of the ICS, the JRS, and all Mission goals and objectives.
- **Risks:** Failure to properly resource the Management section, and other elements across the Embassy, directly limits the scope of support available to accomplish ICS goals.

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