

**TC Annex**  
**Country: Peru**

**Program Name and Number: PE-T1140 – Strengthening the Science, Technology and Innovation Policies of Peru.**  
**Operational Input to PE-L1068 Innovation Program for Competitiveness**

<b>Date</b>	June 22, 2010
<b>Relationship to Loan</b>	PE-L1068 Innovation Program for Competitiveness
<b>Project Team</b>	Juan Carlos Navarro, team leader (SCL/SCT), Claudia Suaznabar (ICF/CFM), Carlos Guaipatin (SCL/SCT), Pablo Angelelli (SCL/SCT), Paola Arrunategui (COF/CPE), Javier Jimenez (LEG/SGO) y Sandra Ortega (SCL/SCT).
<b>Responsible Division</b>	SCL/SCT
<b>Executing Agency</b>	IDB
<b>Unit of Disbursement Responsibility</b>	SCL/SCT
<b>Objective</b>	The objective of this Operational Input activity is to support the development of PE-L1068, which aims to strengthen the national innovation system in Peru.
<b>Description</b>	Peru started its IDB-funded Science and Technology Program I in 2006, and is currently negotiating a second operation for the sector aiming its continuation in key areas of intervention. This Operational Input activity seeks to support the development of this loan. The new loan focuses on private sector innovation, technological transfer, encouragement of new technological businesses, improvements in human capital formation for science and technology, and strengthening of research institutions. The Bank and the Ministry of Economy and Finance (MEF) agreed that the IDB will be responsible for the contracting of consulting services necessary to carry out a series of studies that will provide the necessary assessments for the design of the loan operation. The objective of the studies is to provide a diagnostic of the main obstacles to innovation in Peru.

<b>Activities</b>	The TC will finance the following activities
	<p><b><u>1. Activity 1:</u></b></p> <p>Review of the Science, Technology and Innovation (STI) policies of Peru: To strengthen the national innovation system and create a streamlined vision, it is necessary to review its main elements. This will allow the country to evaluate decisions in light of best international practices. The component will have two products: (i) a review of the Science, Technology and Innovation policies, following the OECD approach; and (ii) a review and evaluation of the CITES experience (Centros de Innovación Tecnológica).</p>
	<p><b><u>2. Activity 2:</u></b></p> <p>Support to the preparation of the new loan operation in STI (PE-L1068). This activity will help the Government of Peru in the design of specific interventions, the preparation of the assessments and analyses required for the approval of the operation, and other necessary studies to complement the loan preparation.</p>
	<p><b><u>3. Activity 3:</u></b></p> <p>Policy dialogue and public dissemination: This activity will finance public events, workshops and seminars specifically targeted to create broad agreement on the national level, regarding investments in STI.</p>
<b>Expected outputs</b>	<ol style="list-style-type: none"> <li>1. Detailed, high-quality review of the STI policies, following the OECD approach</li> <li>2. Review and evaluation of the CITES experience.</li> <li>3. At least three specific interventions designed.</li> <li>4. At least one workshop for general awareness raising among the public.</li> </ol>
<b>Expected Outcome</b>	<ol style="list-style-type: none"> <li>1. The necessary preparatory products for the new loan, PE-L1062, such as studies and assessments</li> <li>2. Increased capacity in the counterpart to design and implement the new</li> </ol>

	project. 3. An increased awareness of the importance of STI investments among the general public.
<b>Timeline</b>	July 1, 2010 – January 1, 2011
<b>Estimated Administrative Budget of execution by year of the execution</b>	Specify consulting, travel or other expenses
<b>Budget</b>	Activity 1: \$ 250,000 – consultancies, travel Activity 2: \$30,000 – consultancies, travel Activity 3: \$20,000 – workshops, consultancies, travel, awareness materials
<b>Procurement/contracting plan</b>	Consultants will be hired by the Bank in accordance with its policies and procedures.
<b>Conditions for disbursements</b>	(if any)
<b>Revolving Fund</b>	0
<b>Evaluation</b>	The project team will undertake the evaluation of the products resulting from this OI.
<b>Reports</b>	Consultants are required to submit a timeline at the signature of contract, a mid-term report, and the final study or assessment as a final report.
<b>Audits</b>	0
<b>Terms of Reference</b>	Attached.