

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PERU

**PROGRAM TO ENHANCE SOCIAL POLICIES PROTECTING
THE VULNERABLE POPULATION IN PERU**

(PE-L1262)

LOAN PROPOSAL

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ABBREVIATIONS

DGTP	Office of the Public Treasury
EsSALUD	Social Health Insurance
ESTP	Technical and production-oriented higher education
ETP	Technical and production-oriented education
ILO	International Labour Organization
INFORHUS	National Registry of Health Care Personnel
IPRESS	Institutional health care provider
LIBOR	London Interbank Offered Rate
MTPE	Ministry of Labor and Job Promotion
PNESTP	National Policy for Technical and Production-oriented Higher Education
PPoR-RVcM	Performance-based Budgeting Program for Reducing Violence against Women
PRONABEC	National Scholarship and Student Loan Program
SNEJ	Specialized National Justice System for Protection and Enforcement in Cases of Violence Against Women and Domestic Violence
SUNAFIL	Office of the Superintendent of Labor Market Oversight

PROGRAM SUMMARY

PERU PROGRAM TO ENHANCE SOCIAL POLICIES PROTECTING THE VULNERABLE POPULATION IN PERU (PE-L1262)

Financial Terms and Conditions				
Borrower			Flexible Financing Facility ^(a)	
Republic of Peru			Amortization period:	20 years
Executing agency			Drawdown period:	3 years
Ministry of Economy and Finance, through the Office of the Public Treasury			Grace period:	(b)
Source	Amount (US\$)	%	Interest rate:	LIBOR-based
IDB (Ordinary Capital):	600 million	100	Front-end fee:	50 basis points
			Commitment fee:	(c)
			Inspection and supervision fee:	(c)
Total:	600 million	100	Weighted average life:	12.75 years
			Approval currency:	United States dollar
Program at a Glance				
<p>Program objective/description: The general objective is to more effectively protect vulnerable persons through social policies targeting labor markets, public health care services, technical and production-oriented higher education, and prevention of and response to violence against women. The specific objectives are to improve: (i) access to insurance against loss of income; (ii) access to public health services; (iii) equitable access to technical higher education; and (iv) the quality of services to prevent and respond to violence against women.</p> <p>This is the first of two operations under the modality of a programmatic policy-based loan consisting of two independent but technically linked loan operations using the deferred drawdown option.</p>				
<p>Special contractual conditions precedent to the first disbursement of the financing: The disbursement of proceeds from the Bank’s financing, to be made at the borrower’s request, will be subject to the fulfillment of the policy reform commitments described in the program components and as set forth in the policy matrix (Annex II) and policy letter, as well as the fulfillment of other conditions established in the loan contract (see paragraph 3.3).</p>				
<p>Exceptions to Bank policies: None.</p>				
Strategic Alignment				
Challenges: ^(d)		SI <input checked="" type="checkbox"/>	PI <input checked="" type="checkbox"/>	EI <input type="checkbox"/>
Crosscutting themes: ^(e)		GE <input checked="" type="checkbox"/> and DI <input type="checkbox"/>	CC <input type="checkbox"/> and ES <input type="checkbox"/>	IC <input checked="" type="checkbox"/>

^(a) Under the terms of the Flexible Financing Facility (document FN-655-1), the borrower has the option of requesting changes to the amortization schedule, as well as currency, interest rate, and commodity conversions. The Bank will take operational and risk management considerations into account when reviewing such requests.

^(b) Under the flexible repayment options of the Flexible Financing Facility, changes to the grace period are permitted provided that they do not entail any extension of the original weighted average life of the loan or the last payment date as documented in the loan contract.

^(c) The commitment fee and inspection and supervision fee will be established periodically by the Board of Executive Directors as part of its review of the Bank's lending charges, in accordance with the applicable policies.

^(d) SI (Social Inclusion and Equality); PI (Productivity and Innovation); and EI (Economic Integration).

^(e) GD (Gender Equality) and DI (Diversity); CC (Climate Change) and ES (Environmental Sustainability); and IC (Institutional Capacity and Rule of Law).

I. PROGRAM DESCRIPTION AND RESULTS MONITORING

A. Background, problem addressed, and rationale

- 1.1 **Peru's economy has performed well over the past 20 years.** Between 2002 and 2013, and between 2014 and 2019, gross domestic product (GDP) averaged 6.1% and 3.1% annual growth, respectively. This growth, combined with targeted social policies, helped lower the poverty rate from 37.3% to 20.2%, and the extreme poverty rate from 10.9% to 2.9%, between 2008 and 2019 [1].¹
- 1.2 **The actions of the Peruvian government notwithstanding [2], the COVID-19 pandemic led to an economic recession and a reversal of social progress.** In 2020, the disruption of international trade and the implementation of measures to contain the virus caused a virtually unprecedented economic recession: GDP dropped 11.1% [3]. Social indicators also took a hit. For instance, with regard to employment in the Lima metropolitan area, the number of employed persons in the economically active population shrank by 641,800, and unemployment doubled to 15% [4]. The poverty rate, meanwhile, reportedly rose to 30%, a figure comparable to that of 2010 [5].
- 1.3 **Peru's economic performance and the economic measures implemented by the government² have weakened the country's fiscal position.** Fiscal revenues shrank 17.3% in real terms in 2020 as economic activity decreased and the government granted tax relief. Public expenditure, meanwhile, rose 12.5% in real terms in 2020 due to fiscal measures aimed at responding to the emergency and covering deficiencies in public services. As a result, the fiscal deficit widened from 1.6% to 8.9% of GDP, and public debt rose from 26.8% to 35% of GDP.
- 1.4 **The social impact of the pandemic was exacerbated by structural constraints on social policies.** This operation targets people in the first and second income quintiles who may be further vulnerable as women experiencing (or at risk of experiencing) gender violence, and/or due to their (low) level of schooling, ethnic or racial background, disability status, and/or vulnerability to future crises or disasters. These people are considered the vulnerable population.
- 1.5 This program aims to improve social policies for the vulnerable population in four priority areas: labor markets; health; higher education; and violence against women. The Bank has been supporting Peru in these areas for a number of years and has extensive technical and operational knowledge to that end. The social policies in question are subject to a number of structural constraints, including:
 1. **Limited access to social insurance against loss of income**
- 1.6 The crisis revealed a lack of protection against loss of income, due to:³
 - a. **A high rate of informality, resulting in limited access to mechanisms for protection against loss of income (MPLI).** The social insurance system is designed to protect wage-earners in the formal sector, but only a minority of

¹ The number in brackets refers to the numbered item listed in the bibliography in [optional link 1](#).

² The government implemented a set of economic measures equivalent to 20.3% of GDP, consisting of tax relief measures (2.6% of GDP), public expenditure measures (4.6% of GDP), liquidity injections through sovereign-guaranteed loans (10.8% of GDP), and measures for availability of private savings (2.3% of GDP).

³ See [optional link 2](#) for more details.

workers meet this condition. In 2019, 46% of the economically active population were wage-earners, and 62% of all wage-earners were in the informal sector. In all, 73% of the economically active population worked in the informal sector. The leading causes of informality include: (i) high costs of formally hiring vulnerable persons, which account for 70% of the average formal-sector wage, and Peru is one of three countries with the highest nonwage costs in the region [6]; (ii) low oversight capacity of the Office of the Superintendent of Labor Oversight (SUNAFIL).⁴ Only 61% of inspection orders are completed within the legally mandated time period, and in 2019, only 42,873 out of an estimated 2 million businesses were inspected [7]. This is due in part to insufficient mapping, a lack of fully optimized processes for efficient use of resources, and insufficient use of technology for expanding coverage and boosting efficiency [7]; and (iii) low workforce productivity: Peru's productivity rate is only 18% of that of the United States [8], primarily because workers lack the skills (both technical and social/emotional) needed in the productive sector [7].

- b. **Mechanisms for protection against loss of income are insufficient and provide limited protection to vulnerable persons.** Informality is compounded by a high degree of labor market instability, thus increasing the risk of loss of income.⁵ In 2019, 46% of wage-earners had held their jobs for less than one year [9].⁶ Most Peruvians lack protection in the event these risks materialize. The two mechanisms for protection against loss of income now in place, i.e. compensation for time of service⁷ and severance pay,⁸ are designed to protect wage-earners in the formal sector, and they provide limited protection to beneficiaries.⁹ There is no effective insurance mechanism that incorporates the principles of modern unemployment insurance featuring solidarity and integration with active labor market policies [9]. Moreover, the Trabaja Perú program, which supports vulnerable people experiencing a temporary loss of income, experienced the following constraints in 2019: (i) ineffective targeting: its target population consisted of all unemployed or underemployed people; (ii) limited coverage: it only served 37,114 people; (iii) a lack of coordination with other levels of government: it operated in a centralized manner; and (iv) a lack of coordination with active labor market policies.

2. Limited access to public health services

- 1.7 The health care system has a high nominal coverage rate, but its coverage in terms of services and finances is low. In 2019, for instance, 40% of children under 36 months were not fully vaccinated,¹⁰ and 55% of chronic patients did not seek

⁴ Oversight can help reduce informality [6].

⁵ The high degree of labor market instability is explained in [optional link 2](#).

⁶ IDB. [Database: Labor Markets and Social Security Information System](#).

⁷ These are individual accounts in which workers accumulate savings through worker and employer contributions. A worker who becomes unemployed may draw on this account.

⁸ An amount of money that an employer must pay an employee at the time of separation from employment.

⁹ The amount of this compensation is tied to time of service, rather than length of unemployment. CTS provides greater protection to workers who have higher capacity to save and who tend to be at lower risk of becoming unemployed.

¹⁰ Demographic and Family Health Survey, 2019.

health care, for reasons that included delays in care.¹¹ Also, 52% of patients with some type of illness paid out of pocket.¹² Health insurance is provided primarily through two public insurance programs: Comprehensive Health Insurance, provided by the Ministry of Health, and Social Health Insurance (EsSalud). Comprehensive Health Insurance covers more than 65% of the population, and 60% of its beneficiaries are people living in poverty or extreme poverty [10]. EsSalud is for formal-sector workers. Each of these insurance programs has its own mechanisms for financing, provision of care, and eligibility determination, resulting in a disjointed, piecemeal system that hinders the provision of comprehensive care and adversely impacts the work of health care providers. The reasons for this are as follows:¹³

- a. **The sector's legal and regulatory framework does not ensure effective coverage with financial protection.** This is partly because: (i) the Essential Health Insurance Plan (PEAS) is limited, in that it covers only 65% of the population's disease burden and fails to address the increase in chronic illness [12]. Moreover, inadequate financing makes it difficult for the Essential Health Insurance Plan to cover all its beneficiaries. For example, Comprehensive Health Insurance provides only an estimated 57% of the financing needed to cover its beneficiaries [13]; (ii) the flow of financing between Comprehensive Health Insurance and institutional health care providers (IPRESSs) is disjointed and limits Comprehensive Health Insurance procurement and negotiation capacity [14]. It also adversely affects the IPRESSs' capacity to provide comprehensive care with financial protection [15]; (iii) coverage of high-cost services is limited. The Intangible Solidarity-based Health Fund (FISSAL) of the Comprehensive Health Insurance is underfunded [16], resulting in higher out-of-pocket expenses and a waiting list for care. For example, 40% of patients needing dialysis were unable to obtain treatment [17]. The other funds finance a number of high-cost services by breaking up the financing into segments, thus limiting the system's capacity to address catastrophic illness; and (iv) primary care services (Ministry of Health and EsSalud) do not provide comprehensive or timely care, thus limiting the ability to meet beneficiaries' needs. For example, the average lead time for a health care appointment is 79 hours (National Household Survey, 2020). The service portfolio is not suited to the population's epidemiological profile. For instance, 41% of all insurable conditions under the current Essential Health Insurance Plan relate solely to maternal-child health.¹⁴ In addition, available services vary from one IPRESS to another: each determines which services it will offer in accordance with its capacity, and a lack of coordination contributes to a lack of access and resolution capacity.¹⁵

¹¹ National Household Survey (ENAH0), 2019.

¹² National Household Survey, 2019.

¹³ Another determining factor is the low level of public expenditure on health care: 3% of GDP, which trails neighboring countries such as Argentina (6.6%), Chile (5.4%), Colombia (5.3%), and Brazil (4%), as well as the average among the countries of the Organisation for Economic Co-operation and Development (6.6%). See [11].

¹⁴ Supreme Decree 016-2009.

¹⁵ Another reason for the low response capacity is that a physician is not required to be present for primary care visits at all health care facilities (Ministerial Resolution 076-2014).

- b. **Provision of remote health services is insufficient.** Seventy percent of IPRESSs are not part of the National Telehealth Network.¹⁶ This is because: (i) 50% of public health care facilities lack adequate connectivity and infrastructure; and (ii) over 60% of health care personnel lack the knowledge necessary to utilize telehealth.¹⁷
- 3. **Low and unequal access to technical and production-oriented higher education (ESTP¹⁸)**
- 1.8 Only 3 out of every 10 high school graduates move on to ESTP,¹⁹ and only 2 of every 10 students from low-income households enroll in ESTP, compared to 5 of 10 from higher-income households. The reasons for this are as follows:
 - a. **Lack of an institutional framework to increase equitable access to ESTP and foster continuity in educational pathways.** The government began to reform ESTP in 2015,²⁰ but a regulatory framework is needed to align ESTP institutions so that policies are geared toward enhancing access in an equitable manner. In addition, mechanisms are needed to allow students to move between educational modalities and levels, and to allow people outside the education system to return to school.²¹
 - b. **Low coverage of public education and financial aid programs.** Only 29% of ESTP students attend public schools,²² despite high demand for public schooling. Indeed, fewer than 20% of the students applying to public universities are admitted. Alternatively, private institutions are less selective but are not affordable for all students.²³ Financial aid is available to talented individuals in the vulnerable population through the National Scholarship and Student Loan Program (PRONABEC), but its budget and coverage are limited: less than 10% of the budget allocation for the Ministry of Education (MINEDU) goes to PRONABEC,²⁴ and only 5% of eligible students receive aid.²⁵
 - c. **A lack of basic conditions for access to online education.** Students lack their own computer equipment,^{26, 27} and Internet access is limited, especially in rural areas: while 40.1% of households had Internet access, the percentage in rural areas is only 5.9% [19]. Moreover, ESTP institutions lack minimum

¹⁶ This network consists of Ministry of Health care facilities that offer the [four pillars of telehealth](#): telemedicine; online training; online information, education, and communication; and online management.

¹⁷ Background note 084-2021-DITEL-DIGTEL.

¹⁸ Consisting of universities, technical schools and institutes, teacher-training schools and institutes, artistic training schools, and technical and production-oriented education (ETP) centers.

¹⁹ Average observed between 2014 and 2018, using the National Household Survey. ETP students are not included.

²⁰ Laws 30,220 and 30,512.

²¹ This would make it easier for 13 million workers with no higher education to continue their schooling, move up to higher levels, or receive certification in their competencies.

²² School Census, Ministry of Education, 2019.

²³ Financial barriers are one of the factors behind differences in access to higher education [18] [19].

²⁴ Only 8% of the Ministry of Education's total 2021 budget is allocated for PRONABEC.

²⁵ Some 57,000 eligible students—i.e. students performing well academically and living in poverty or extreme poverty—responded to the 2019 call for applications.

²⁶ At eight public universities, more than 80% of students lack access to computer equipment [20]. See [optional link 4](#).

²⁷ More than 85% of students and 49% of instructors at 104 public teacher-training institutes lack computer equipment and Internet access at home [21].

conditions for online or hybrid education. For example, 65% of public universities reported little or no experience in online education [20] [21].

4. High rates of violence against women

- 1.9 Prior to the COVID-19 pandemic, 57.7% of women had experienced some form of intimate partner violence at some point in their lives (National Demographic and Health Survey (ENDES), 2019), and this violence apparently increased in 2020: calls to the hotline (Line 100) rose 48% between April and July [23].²⁸ The high rate of violence against women is due in part to:²⁹

- a. **Ineffective services for preventing and responding to violence against women.** These services are adversely impacted by: (i) low levels of investment in prevention programs, along with an incomplete legal framework for guiding prevention-oriented investment and insufficient evidence on effective preventive interventions [24]. For example, preventive interventions accounted for only 20.3% of the 2020 budget for the Aurora Program³⁰ of the Ministry for Women and Vulnerable Populations (MIMP), compared to 79.7% for response-oriented interventions; and (ii) low quality and insufficient coordination of specialized services for cases involving violence against women, which hinders efforts to contain the aftermath of such violence and prevent revictimization.³¹ All three central government entities that serve women survivors, i.e. the Women's Emergency Centers (CEMs) of the Ministry for Women and Vulnerable Populations,³² the Specialized National Justice System for Protection and Enforcement in Cases of Violence Against Women and Domestic Violence (SNEJ),³³ and the Peruvian National Police,³⁴ face challenges in their efforts to improve services (Women's Emergency Centers and Peruvian National Police), expand coverage (SNEJ), and enhance interagency coordination [28] [29].

- 1.10 **Government strategy for improving social policies.** The government has been working to address constraints on these policies and provide better protection of vulnerable persons to:

²⁸ While this increase may signal that calls to Line 100 have been in lieu of in-person visits, there is international evidence that the pandemic led to an increase in violence against women [22] [25].

²⁹ Violence against women has multiple determinants at multiple levels of aggregation: individual, household, community, society [26] [27].

³⁰ This program aims to design and execute actions and policies geared toward services, prevention, and support for people involved in incidents of domestic and sexual violence.

³¹ In 2018, the National Police reported that it had received 222,234 reports of domestic violence, and the Women's Emergency Centers handled 95,317 cases in 2017 ([National Observatory of Violence against Women and Domestic Violence](#)). For more details, see the annex on violence against women.

³² The Women's Emergency Centers provide legal advice, legal defense work, social services, and psychological counseling. There are 413 Women's Emergency Centers in all, with at least one in each province.

³³ Consisting of the judicial branch, the Public Prosecutor's Office, the Peruvian National Police, the Ministry of Justice and Human Rights, and the Ministry for Women and Vulnerable Populations. Its coverage of judicial districts is incomplete but gradually expanding.

³⁴ According to the 2019 Demographic and Family Health Survey, 77.6% of women who experience violence seek assistance at a police station. Police personnel need more training to effectively serve and protect victims, as well as protocols to help them enforce protection measures [30] [31] [32].

1. Improve access to social insurance against loss of income

- 1.11 With a view to promoting formal employment: (i) the Ministry of Labor and Job Promotion (MTPE) plans to implement a wage subsidy policy³⁵ in 2021 to reduce the cost of hiring vulnerable persons, which should benefit some 343,000 individuals. This intervention will need to be monitored and evaluated to ensure its effectiveness; (ii) with the Bank's support, SUNAFIL has begun its digitalization process:³⁶ it completed the development of its enterprise architecture,³⁷ which will start with digitalization of the inspection process. This process needs to be completed; and (iii) the MTPE has created the Empléate job training program³⁸ to improve the skills of vulnerable persons in the economically active population and help them enter the workforce, as part of its active labor market policies. To improve program design, and with the Bank's support, two job training pilot initiatives are being implemented. The first, in collaboration with Cisco, will provide scholarships for training in social/emotional, technical, and digital competencies for adults. The second will provide a set of basic and technical skills to unemployed young people. Both pilot initiatives will be evaluated to yield evidence that will help improve the Empléate program.
- 1.12 In order to improve the mechanisms for protection against loss of income: (i) with support from the International Labour Organization (ILO), the European Union, and the Bank, the government has been preparing an unemployment insurance program that will feature solidarity and integration with active labor market policies. Once this program is ready, the government will need to publicize its contents and approve it; and (ii) in 2020, as part of the crisis response, the MTPE strengthened Trabaja Perú, increased its coverage eightfold (benefiting 284,549 people), and improved its targeting: it is now aimed at adults living in poverty or extreme poverty, and/or partly or fully impacted by an emergency or natural disaster; and it sought greater coordination with regional governments. To continue its strengthening process, the program needs a countercyclical mechanism to enable it to automatically expand in the event of an emergency,³⁹ and it needs to be linked to the services provided by the Employment Center.⁴⁰

2. Improve access to public health services

- 1.13 With the aim of enhancing the regulatory framework: (i) the government has been making progress toward universal health coverage. The Essential Health Insurance Plan⁴¹ has been undergoing updates in order to cover a greater number of health conditions and align it to the epidemiological profile of the population; (ii) the Ministry of Health is considering four efficient mechanisms to pay for services provided by

³⁵ The evidence indicates that these policies can effectively help vulnerable groups enter the workforce [33] [34] and, in times of crisis, protect workers who are at risk of losing their jobs or have lost their jobs [35].

³⁶ The digital transformation of inspection helps to optimize processes while increasing the effectiveness and scope of oversight efforts [36].

³⁷ Enterprise architecture defines and represents the organization's business processes and technological systems, how they are interrelated, and the extent to which processes and systems are shared by different parts of the organization. See [The EABOK Consortium | built by the ea community](#).

³⁸ The evidence indicates that these policies are effective [37] and can be implemented during periods of crisis and economic recovery [35].

³⁹ These programs can play a key role in times of crisis by safeguarding the living standards of the most vulnerable population [35].

⁴⁰ Ministerio de Trabajo y Promoción del Empleo. [Centro de Empleo](#).

⁴¹ [Emergency Decree 017-2019](#).

the Comprehensive Health Insurance to the IPRESSs.⁴² To this end, progressive regulatory adjustments are needed to identify the services to be included in the mechanisms and calculation methods in order to enable implementation; (iii) a proposal to create a solidarity fund is being prepared to finance pharmaceutical products, medical devices, and procedures for high-cost services for health insurance beneficiaries. Over the medium term, resources are to be migrated to a single fund and distributed equitably among institutional health insurance fund managers;⁴³ and (iv) efforts to promote the exchange of benefits are being pursued through the signing of agreements that will enable beneficiaries to obtain care at any network location, regardless of membership status. This will require greater coordination and integration between integrated health networks. However, implementation of the service exchange remains limited: the transfer of Comprehensive Health Insurance resources to EsSalud via service exchange was less than 1% in 2016 [39]. To improve in this area, the two entities are preparing a list of prioritized health services and medical and health procedures.

- 1.14 With the aim of expanding the delivery of remote health services: the Ministry of Health has enhanced the regulatory framework for telehealth by establishing general guidelines for implementation and development as a service delivery strategy to expand access to health care.⁴⁴ This cleared the way for actions to promote the use of these guidelines, such as developing a health care information system known as “Teleatiendo”; and online telehealth courses. As a result, the number of telemedicine appointments rose from 3,000 to over 2 million in 2020. To continue expanding coverage, further progress is needed in listing health care personnel in the application of the National Registry of Health Care Personnel known as INFORHUS and the IPRESSs, which will provide care via telemedicine; as well as in developing the competencies of health care professionals.

3. Improve access to ESTP

- 1.15 To develop an institutional framework: In August 2020, the Ministry of Education, with the Bank’s support, approved the national ESTP policy (PNESTP) applicable through 2030. The PNESTP aims to increase equitable access to ESTP and allow for continuity in educational pathways. This policy identifies six priority objectives⁴⁵ to guide policies of all ESTP institutions. The pending challenge is to identify actions to implement the policy while ensuring its objectives are met. The government, with the Bank’s support, has also been developing a National Qualifications Framework.⁴⁶ In 2019, the Ministry of Education formed the Multisector Task Force⁴⁷ to propose a model for the National Qualifications Framework (structure and regulatory framework for creating the National Qualifications Framework), which was

⁴² [Supreme Decree 006-2020](#). Evidence indicates that certain payment mechanisms enhance system integration, effective and comprehensive health care with financial protection, and universal health coverage [38].

⁴³ Experience indicates that this would help achieve effective financial coverage of high-cost services [13].

⁴⁴ Supreme Decree 005-2021/SA, Framework Law 30,421 on Telehealth, and Legislative Decree 1,490.

⁴⁵ To increase equitable access to ESTP; to strengthen comprehensive student training; to enhance instructor performance; to strengthen the quality of institutions; to strengthen ESTP governance and the Ministry of Education’s lead role; and to mobilize resources for institutions with a view to enhancing quality.

⁴⁶ National qualifications frameworks can be effective in coordinating training across educational levels and job training venues, thereby promoting lifelong learning [40] [41].

⁴⁷ Ministerial resolutions 429-2019-MINEDU and 089-2020-MINEDU.

applicable through June 2020. Its applicability was extended in January 2021,⁴⁸ which is significant because multisector work efforts are needed for the National Qualifications Framework if it is to ensure the ability to move between educational pathways. The country will need to continue these efforts, coordinate processes to account for previously acquired knowledge, and ensure broad use of the National Qualifications Framework.

- 1.16 To increase the coverage of public education and financial aid programs: the government allocated resources in its 2021 budget law to increase admissions at public universities. However, a plan is needed to expand on this initiative in view of educational needs while ensuring the relevance and quality of the additional admissions. Meanwhile, the Ministry of Education has created the “scholarship-credit,”⁴⁹ a new instrument that will help increase the coverage of PRONABEC beneficiaries. Coverage needs to be further expanded, and financing options need to be made available to all those who need financing.
- 1.17 With a view to ensuring access to online education, the government provided short-term solutions in 2020 so that students and instructors at ESTP institutions had Internet access for a period of months. For example, measures were taken to enable public universities to secure Internet services for vulnerable students and educators.⁵⁰ In addition, loan 4555/OC-PE has provided support to 52 universities and 342 public institutes to improve educators’ digital skills in order to develop remote teaching processes. To make progress in this area, Internet access for all instructors and students must be ensured; and a strategy is needed to ensure the continuity of these efforts and to pursue digital transformation processes for quality online and/or hybrid education.

4. Reduce violence against women

- 1.18 With a view to improving the delivery of services for preventing and responding to violence against women, in 2020, the government, with the Bank’s support, developed a conceptual framework for prevention of violence against women, which is key because it defines what prevention is, explains why investing in it is important, lays the foundation for prevention efforts;⁵¹ and it transferred budget allocations to finance the Performance-based Budgeting Program for Reducing Violence Against Women (PPoR-RVcM),⁵² which demonstrates a commitment to guiding investments in prevention and response toward effective interventions. A national prevention strategy is needed to formalize the government’s commitment to significant investment in prevention and to strengthen monitoring of the aforementioned budgeting program. In terms of response, efforts are being carried out to expand the coverage of services by adding Women’s Emergency Centers, opening these centers in police stations (which makes it possible to extend the centers’ service hours), and strengthening service coordination through creation and gradual implementation of the SNEJ. To further improve these services, care protocols need to be developed for the Women’s Emergency Centers and for the enforcement of

⁴⁸ Ministerial Resolution 037-2021-MINEDU.

⁴⁹ New regulations for Law 29,837. Supreme Decree 018-2020-MINEDU.

⁵⁰ Legislative Decree 1,465 and Emergency Decree 107-2020.

⁵¹ Prevention activities should be aimed partly at changing social norms and individual attitudes that condone violence against women (see [optional link 4](#) for more details on social norms).

⁵² The PPoR-RVcM, the first initiative of its kind in the region, allocates resources for preventing and responding to violence against women on the basis of evidence of the effectiveness of interventions.

protective measures by the Peruvian National Police, and the competencies of police officers for responding to violence against women need to be strengthened.

- 1.19 **Rationale for, and summary of, the proposed reforms.** The policy actions of the first operation, in addition to prioritizing short-term actions to protect vulnerable persons during the crisis, focuses on approving regulatory reforms, developing and/or initiating the implementation of policy measures to address structural aspects that will, over the medium term: (i) improve access to insurance against loss of income; (ii) improve access to public health care services; (iii) improve equitable access to ESTP; and (iv) reduce violence against women. The indicative actions for a second operation are aimed at encouraging implementation, strengthening, and/or continuity of these structural reforms. Together, the two loans are aimed at strengthening social policies to more effectively protect vulnerable persons. First, it supports greater and improved access to the social insurance system with measures aimed at helping workers enter the formal workforce, as well as complementing and enhancing mechanisms for protection against loss of income (unemployment insurance). Second, it aims to make progress toward universal health coverage through more effective coordination between public providers and through effective management instruments. It also supports the expanded use of telehealth. Third, it supports the ESTP reforms by promoting a long-term strategy and policies to help more people gain access to ESTP, thereby reducing inequities and fostering lifelong education. Fourth, it supports efforts to reduce violence against women by prioritizing prevention through a national policy titled “Strategic Guidelines for the Prevention of Violence Against Women” and results-based prevention programs. It also supports efforts to improve services for victims of violence against women.
- 1.20 The reforms promoted by this operation mark the beginning of an ambitious agenda to reform prominent social policies. Peru will need to continue strengthening these policies over the medium and long terms. First, it needs to increase its efforts to reduce informality by drafting modern labor laws to encourage formal hiring and by accelerating efforts to strengthen SUNAFIL and active labor market policies. It also needs to improve its social insurance system by decoupling it from employment status and approving unemployment insurance. Complementary measures to encourage businesses to join the formal sector are needed as well. Second, the country needs to expand coverage of the Essential Health Insurance Plan and implement reforms conducive to universal health coverage in view of institutional challenges (e.g., expanding public expenditure and consolidating financing). Third, it will need to identify actions to implement the PNESTP while ensuring that objectives are met. This will require implementation plans detailing interventions to be carried out for each educational alternative. Fourth, it will need to increase its resources for prevention of violence against women, continue generating evidence on the effectiveness of investments, execute a National Prevention Strategy, and increase coverage of the SNEJ. It will also need to improve the referral and counterreferral of cases between Women’s Emergency Centers and other service-providing entities, as well as to strengthen the Peruvian National Police in matters related to violence against women (e.g. strengthening the Family Divisions).
- 1.21 **Lessons learned and sector knowledge.** This operation has been designed in view of the results of a collaboration between the Bank and Peru on social programs. The experience gained in executing loans and technical cooperation operations

related to the operation's objectives should be noted, as should the completion of studies providing sector-specific knowledge. For example:

- 1.22 **Labor policies.** The Bank's support for the digitalization of labor-related entities in a number of countries (1882/OC-CH, ATN/OC-14763-PR, and ATN/OC-16825-RG) has been shown to lead to improvements in institutional management. Component 2, therefore, promotes the digitalization of SUNAFIL as a way of strengthening it. The Bank has also generated knowledge on job training programs [42] and policies to mitigate the loss of income [35], which points to the need for training in technical and social/emotional skills, as well as the relevance of programs for temporary employment, wage subsidies, and job training during periods of crisis and/or economic recovery. This knowledge has guided the selection and development of other measures to encourage formal employment. The Bank also conducted a study on mechanisms for protection against loss of income in Andean countries with a view toward linking unemployment insurance to active labor market policies [9], and this recommendation is reflected in measure 3.1.1.
- 1.23 **Health policies.** Through the CRITERIA Network,⁵³ the Bank has experience in designing health benefit plans. Honduras's experience in adopting management tools and financial incentives to strengthen health plans (operation ATN/OC-17426-HO) has assisted in the development of the new Essential Health Insurance Plan and in the strengthening of the exchange of primary care services (Component 3). The lessons learned from the Dominican Republic's disaster fund for a prioritized group of conditions (operation ATN/OC-15703-DR)—e.g. the need to adopt prioritization criteria to select which services will be covered—have guided measures on payment mechanisms and the creation of a fund for high-cost services. Lessons learned from an operation to strengthen telehealth in Argentina (operation ATN/OC-5032-AR) have also guided the measure to expand the use of telehealth. Loan 4726/OC-PE, currently in execution in Peru, aims to strengthen primary care. These lessons have provided guidance on measures related to the regulatory framework for expansion of coverage.
- 1.24 **ESTP policies.** The Bank's operational experience and track record of analytical work in ESTP and skill development have benefited the design of Component 4. In Peru, support is being provided for the ESTP reform process and to design the PNESTP (loan 4555/OC-PE and operation ATN/OC-16325-PE). Measures for the PNESTP under Component 4 are a continuation of this support. Measures related to the National Qualifications Framework incorporate lessons learned from the support provided to Chile's National Qualifications Framework (loan 3539/OC-CH) on the importance of cross-sector coordination bodies to help the National Qualifications Framework fulfill its objectives, as well as the importance of starting out by identifying criteria that reflect previous lessons learned. The Bank has also conducted studies on barriers to, and policies for, equitable access to ESTP [19] and has provided support to PRONABEC to identify barriers to access faced by low-income students and propose actions to overcome these barriers. This has helped to prioritize PRONABEC's scholarship programs and design new operational rules to create new financing modalities and ease requirements to better serve vulnerable populations (measure 7.1.2). Lastly, the measures to provide basic connectivity for

⁵³ An IDB initiative to help countries in the region generate knowledge and exchange best practices on prioritization and efficient management of public expenditure on health.

students and instructors are guided by the Bank's assistance for digital transformation processes in multiple countries (operations ATN/OC-16379-RG and ATN/OC-17659-BR).

- 1.25 **Policies related to violence against women.** The Bank has provided support to the Peruvian government in learning about good practices related to violence prevention, and the need for a national prevention plan and for evidence on what works has been identified [43]. The Bank has learned lessons from citizen security operations in other countries as well. The measures under Component 5 to promote the National Prevention Strategy and effective prevention services are based on these practices and lessons. Measures to strengthen the Women's Emergency Centers and the SNEJ are based on the monitoring mechanism of the Belém do Pará Convention for eradicating violence against women, which emphasizes the importance of improved access to and administration of justice [44], as well as the importance of care protocols. The Bank is supporting the Interior Ministry through loan 4873/OC-PE to improve prevention services, which has helped to identify the need for the Peruvian National Police to have an integrated protocol for protecting victims of violence against women. The lessons learned from executing loan 2745/BL-HO have been taken into account as well, as they reveal the importance of reforms in police training (measures 9.16 and 9.17).
- 1.26 **Complementarity with other operations.** This operation is complemented by a number of technical cooperation operations and investment loans currently in execution targeting labor markets, health, education, and violence against women. The technical cooperation operations are supporting the Peruvian government in designing and/or supplementing policy measures, while the investment loans are helping to implement them, thereby contributing to their sustainability. Specifically, the operation is being coordinated with: (i) operation ATN/OC-18426-PE (for US\$242,00, approved in December 2020), which aims to enhance access to, and the quality of, social services; (ii) operation ATN/OC-17684-PE (for US\$200,000, approved in November 2019), aimed at making oversight of the labor market more effective; (iii) operation ATN/OC-18051-PE (for US\$250,000, approved in June 2020), aimed at strengthening digital governance of the health sector, the use of electronic medical records, and telehealth; and (iv) loan 3486/OC-RG and operation ATN/CF-18365-RG (for US\$650,000 and US\$935,000, approved in October 2019 and November 2020, respectively), aimed at financing innovations in the prevention of violence against women and generating evidence on effective interventions. It is also complemented by the following: (i) operation 4726/OC-PE (for US\$125 million, approved in December 2018), aimed at enhancing access to timely, efficient, and high-quality primary health care services; (ii) loan 4555/OC-PE (for US\$200 million, approved in July 2018), aimed at providing students with access to institutions that provide effective, relevant, and high-quality educational services to make students more productive and help them enter the formal workforce; and (iii) loan 3547/OC-PE (for US\$38.9 million, approved in September 2015) aimed at strengthening the Job Center (see [optional link 3](#)).

- 1.27 **Coordination with other donors.** The Bank is coordinating with the ILO to design an unemployment protection system.⁵⁴ As part of this coordination, a technical team (including representatives of the ILO, the Bank, and the MTPE) meets weekly to work on this proposal. Efforts are also being coordinated with the Spanish Agency for International Development Cooperation (AECID) to support the Ministry for Women and Vulnerable Populations in developing and implementing the national strategy to prevent violence against women and the PPoR-RVcM, and the two entities meet regularly for this purpose.
- 1.28 **Strategic alignment.** The program is consistent with the Update to the Institutional Strategy (document AB-3190-2) and is strategically aligned with the development objectives of: (i) social inclusion and equality, by promoting inclusive services in the labor, health, and education sectors; and (ii) productivity and innovation, by promoting improvements in policies for technical higher education. It is also aligned with the crosscutting areas of gender equality, by promoting improvements in policies related to violence against women; and institutional capacity and rule of law, by promoting improved efficiency in labor market oversight. The program will also contribute to the Corporate Results Framework 2020-2023 (document GN-2727-12) through the indicators of beneficiaries of employment support initiatives and countries with strengthened gender equality and diversity policy frameworks. The program is aligned with the IDB Group country strategy with Peru 2017-2021 (document GN-2889) under the strategic objectives of: (i) supporting formalization of the economy; (ii) improving public management; (iii) improving access to and the quality of health services; and (iv) improving citizen security; as well as with the Update to the Gender Action Plan for Operations 2020-2021 (document GN-2531-19). Lastly, the program is consistent with the following sector framework documents of the Bank: (i) the Labor Sector Framework Document (document GN-2741-7), as it promotes policy measures to increase formality and social security; (ii) the Health and Nutrition Sector Framework Document (document GN-2735-9), as it strengthens instruments to expand access with financial protection, thereby contributing to universal coverage; (iii) the Skills Development Sector Framework Document (document GN-3012-3), as it reduces inequities in access to higher education and strengthens policies to ensure continuity in educational pathways for relevant skills throughout life; and (iv) the Gender and Diversity Sector Framework Document (document GN-2800-8), as it identifies and finances effective approaches for preventing and responding to violence against women (see paragraph 1.35). The program is included in Annex III of the 2021 Operational Program (document GN-3034).
- 1.29 **Gender and diversity as crosscutting themes.** This operation is aligned with the area of gender through Component 5, which aims to reduce violence against women. The themes of gender and diversity are also included in Component 2 through actions to assess the inclusion of people with disabilities in training

⁵⁴ In August 2020, the ILO approved a European Union-financed project to help the MTPE develop a comprehensive social protection system in order to address unemployment in Peru among workers in the formal and informal sectors. Since then, the ILO has, *inter alia*, been mapping international approaches, analyzing Peru's regulatory framework, analyzing challenges in coverage and protection in current programs, and it has begun to develop a proposal for unemployment insurance for wage-earners in the formal sector. At the MTPE's request, and in agreement with the ILO, the Bank joined this project in January 2021.

programs and ensure the participation of women in temporary job programs (see [optional link 5](#)).

B. Objectives, components, and cost

- 1.30 The general objective is to more effectively protect vulnerable persons through social policies targeting labor markets, public health care services, technical and production-oriented higher education (ESTP), and prevention of and response to violence against women. The specific objectives are to improve: (i) access to insurance against loss of income; (ii) access to public health services; (iii) equitable access to ESTP; and (iv) the quality of services to prevent and respond to violence against women.
- 1.31 **Component 1: Macroeconomic stability.** This component aims to maintain a macroeconomic environment that is conducive to fiscal sustainability, as described in the policy matrix (Annex II) and [policy letter](#).
- 1.32 **Component 2: Improve access to insurance against loss of income.** This component aims to help increase participation on the formal-sector workforce and enhance social insurance. To this end, policy actions will be designed to:
- a. **Improve entry into the formal workforce**, by promoting programs for integration into the formal workforce and more effective oversight of the labor market. The first operation of the series calls for the MTPE to begin implementing a wage subsidy to facilitate the formal hiring of vulnerable persons (measure 2.1.1). It also calls for SUNAFIL to have an enterprise architecture and for it to have begun to digitalize its inspection activities (measure 2.1.2). It also is premised on the MTPE's two job training pilot initiatives as part of efforts to improve the Empléate program (measure 2.1.3). The indicative policy actions for a second operation are that the MTPE will have begun its evaluation of the wage subsidy (measure 2.2.1); that SUNAFIL will have completed, on the basis of its enterprise architecture, the digitalization process of its inspection activities (measure 2.2.2); and that the MTPE will have improved the design of the Empléate program on the basis of the job training pilot initiatives (measure 2.2.3).
 - b. **Improve mechanisms for protection against loss of income**, by promoting unemployment insurance and an improved Trabaja Perú program. The first operation calls for the MTPE to have begun to develop a technical proposal for unemployment insurance that is tied to PAMLs (measure 3.1.1) and to have expanded Trabaja Perú to address the crisis, including the establishment of targeting criteria and coordination with regional governments (measure 3.1.2). The indicative policy actions for a second operation are that the MTPE will have approved the technical proposal for unemployment insurance (measure 3.2.1) and improved the design of Trabaja Perú by linking it with the Job Center and adding a countercyclical mechanism (measure 3.2.2).
- 1.33 **Component 3: Improve access to public health services.** This component aims to expand health insurance with increased financial protection, as well as the use of telehealth. Policy actions will aim to:
- a. **Strengthen the sector's regulatory framework to ensure effective coverage**, by promoting improvements in order to progress toward universal

health coverage and provide financial protection. The first operation calls for the Ministry of Health to have submitted the technical proposal to update the Essential Health Insurance Plan and the proposed regulatory document for its approval (measure 4.1.1a); and for the Ministry to have approved: the mechanisms for paying health care providers (measure 4.1.1b); and health care services and medical and health procedures prioritized by the Essential Health Insurance Plan,⁵⁵ as part of the exchange of services and integrated health networks for primary care (measure 4.1.1c). It also calls for a proposal to be submitted that would create a fund for covering high-cost events (measure 4.1.2) and the development of a proposed executive resolution creating a temporary multisector commission to develop a technical proposal that would consolidate the national health system (measure 4.1.3). The indicative policy actions for a second operation are: establishment of the model for financing payments to health service providers within the framework of the integrated health networks (measure 4.2.1); and submittal of a bill to the Peruvian Congress that would create the fund for covering high-cost events (measure 4.2.2). It also includes the formation of a multisector commission to develop a proposal to consolidate the health system (measure 4.2.3a); and the submittal of this proposal to the Congress (measure 4.2.3b).

- b. **Expand the use of telehealth**, by fostering minimal conditions for such an expansion. The first operation will support approval of a registry of personnel in INFORHUS to provide care via telemedicine; a list of IPRESSs providing such services; and a staff training plan for the use of telehealth (measure 5.1.1). The indicative policy action for a second operation is expansion of the “Teleatiendo” system in public IPRESSs of the regional and metropolitan health authorities across the country (measure 5.2.1).

1.34 **Component 4: Improve equitable access to ESTP.** The aim of this component is to institute a long-term strategy and short-term policies that would expand equitable access to ESTP, allow for the continuity of educational pathways, and ensure continuity in educational services. The corresponding policy actions will aim to:

- a. **Develop an institutional framework to increase equitable access to ESTP and allow for continuity in educational pathways**, by promoting development of the PNESTP and the National Qualifications Framework. The first operation calls for the Ministry of Education to have approved the PNESTP with the reform strategy and specific guidelines to increase equitable access to ESTP and success indicators for 2030 (measure 6.1.1); and to have reactivated the Multisector Working Group to propose a model for the National Qualifications Framework (measure 6.1.2). The indicative policy actions for a second operation are that the Ministry of Education will have approved at least one plan for implementing the PNESTP that would identify specific actions for the fulfillment of objectives (measure 6.2.1); that the Multisector Working Group will have received the approved National Qualifications Framework proposal (measure 6.2.2a); and that criteria will have been established to recognize previous studies and learning experiences (measure 6.2.2b).

⁵⁵ Prioritized for the emergency caused by the COVID-19 pandemic.

- b. **Increase coverage of public education and financial aid programs**, by promoting an increase in admissions at public universities and increasing the number of PRONABEC beneficiaries. The first operation calls for the Ministry of Education to have developed a technical standard setting forth a structured plan to expand available jobs in public universities (measure 7.1.1); and to have approved new rules on scholarships and student loans so that schooling may be wholly or partly financed through a combination of scholarships and student loans, which will help increase the beneficiary population of PRONABEC (measure 7.1.2). The indicative policy actions for a second operation are that the Ministry of Education will have provided budgetary resources and guidance to public universities in order to expand the availability of public education (measure 7.2.1).
 - c. **Ensure access to online education**, by promoting access to the Internet and to online education. The first operation calls for the Ministry of Education to have approved the targeting criteria for providing Internet access to vulnerable students and instructors of public universities for online education (measure 8.1.1). The indicative policy actions for a second operation are that the Ministry of Education will have developed a technical standard that includes, as part of the basic quality conditions for educational institutions, the amendments to Law 30,512, promoting the development of online and/or hybrid education (measure 8.2.1).
- 1.35 **Component 5: Reducing violence against women.** This component aims to improve services for preventing and responding to violence against women. The corresponding policy actions will aim to:
- a. **Improve service delivery of the National System for Preventing and Responding to Cases of Violence Against Women**, by promoting improvements in quality and coordination of these services. The first operation calls for the Ministry for Women and Vulnerable Populations to have approved the National Prevention Strategy (measure 9.1.1), which provides a framework for prevention efforts, and for the government to have approved transfers of budget allocations to the PPPoR-RVcM (measure 9.1.2). Also, to improve services, it calls for the Ministry for Women and Vulnerable Populations to have approved the care protocol of the Women's Emergency Centers (measure 9.1.3) and to have made progress in implementing the SNEJ in five judicial districts (measure 9.1.4). It further calls for the Interior Ministry to have developed an integrated protocol for enforcing protection measures for women who are victims of violence (measure 9.1.5); to have developed a proposed job description for members of the Peruvian National Police who will be responding to instances of violence against women (measure 9.1.6); and to have developed an online course for police officers on violence against women (measure 9.1.7). The indicative policy actions for a second operation are that the Ministry for Women and Vulnerable Populations will have begun to implement the National Prevention Strategy (measure 9.2.1); that the Aurora Program will have a monitoring system for all three prevention services of the PPPoR-RcVM (measure 9.2.2); and that the care protocol for the Women's Emergency Centers will have been implemented (measure 9.2.3). In addition, the SNEJ will have been implemented in three additional judicial districts (measure 9.2.4), and the Interior Ministry will have implemented the integrated

protocol (measure 9.2.5); approved the police curriculum in accordance with the job description (measure 9.2.6); and conducted an impact evaluation of the online course (measure 9.2.7).

- 1.36 **Beneficiaries.** The beneficiaries are vulnerable persons (see paragraph 1.4) who will have greater access to suitable social programs. In addition to improving social equity, this will help vulnerable persons to be more protected from future crises and, therefore, less likely to fall into poverty as a result. Specifically, vulnerable persons will have access to greater opportunities to enter the workforce and better mechanisms for protection against loss of income; access to a health system that is better integrated and provides greater coverage; access to more equitable ESTP; and better services for preventing and responding to violence against women. As this is a multisector program, different types of low-income beneficiaries have been identified. Component 2 will provide improved social insurance to more than 6 million beneficiaries in the economically active population, as well as a wage subsidy to directly support the entry of 343,000 people into the workforce. Component 3 is expected to improve access to public health services, benefiting some 12 million people. Component 4 will benefit at least 80,000 low-income ESTP students, and the National Qualifications Framework will benefit the 13 million workers that never entered ESTP. Component 5 will benefit more than 3 million women who are at risk of experiencing violence each year.

C. Key results indicators

- 1.37 **Results.** Fulfillment of the first specific objective will be evaluated according to the number of formal-sector workers whose wages are subsidized by the “Subsidies for the Recovery of Formal Employment” program; the number of persons trained in advanced digital skills and social/emotional skills; and the number of young people trained in technical and social/emotional skills. Fulfillment of the second specific objective will be evaluated according to the percentage of the disease burden covered by the Essential Health Insurance Plan; the percentage of the population whose out-of-pocket health care expenses exceed 10% of total household income; and the number of health care professionals providing services through telemedicine. Fulfillment of the third specific objective will be evaluated according to the number of students enrolled in public universities in the Ministry of Education’s priority areas; the percentage of young people (in the first and second income quintiles) enrolled in ESTP; and the number of public university instructors receiving Internet services. Fulfillment of the fourth specific objective will be evaluated according to the percentage of Women’s Emergency Center personnel trained and certified in the new care protocol; and the number of police officers in the Family Division whose professional competencies are aligned with the applicable job description.
- 1.38 **Economic analysis.** On the basis of the recommendations of the Office of Evaluation and Oversight (OVE) in its 2011 review of the evaluability of Bank projects⁵⁶ and the review of evaluation standards and practices for policy-based loans by the Evaluation Cooperation Group (ECG) (consisting of the independent

⁵⁶ Document RE-397-1: “Currently, the economic analysis section is computed as the maximum between the cost-benefit analysis and the cost-effectiveness analysis. However, these analyses cannot be applied to policy-based loans.”

evaluation offices of multilateral development banks)⁵⁷ as described in paragraph 1.3 of document GN-2489-5 (Review of the Development Effectiveness Matrix for Sovereign and Non-sovereign Guaranteed Operations), which state that an analysis of efficiency in the use of financial resources need not be included,⁵⁸ it was determined that an economic analysis would not be performed for this type of loan, and the Bank's Board of Executive Directors was notified to this effect. Therefore, no economic analysis is included in this loan operation, nor does such an analysis figure into the evaluability score of the applicable development effectiveness matrix.

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

- 2.1 This policy-based loan operation is structured using the programmatic modality in order to provide better protection for vulnerable persons. This loan operation is the first of two independently financed but interlinked operations, in accordance with the document Policy-based Loans: Guidelines for Preparation and Implementation (document CS-3633-2). The programmatic modality was selected because: (i) it fosters ongoing policy dialogue with government authorities on the protection of vulnerable persons, which is a multisector concern; and (ii) it facilitates monitoring of the strategy for implementing reforms, as some of them are complex in terms of implementation and are long-term in nature, requiring intensive coordination between public agencies. It also allows for the reforms to be informed by findings from program execution, so as to consolidate progress on the second operation.
- 2.2 This series will use the deferred drawdown option⁵⁹ to more effectively address the uncertainty of the post-pandemic economic recovery and the higher expected volatility of access to capital markets for emerging countries, which could give rise to unanticipated financing needs for the treasury. Use of this instrument, which functions as an insurance policy, is consistent with the government's debt management policy, which calls for diversifying its sources of financing as a precautionary measure. Particularly in periods of financial volatility, this allows it to have access to financing at sustainable costs.
- 2.3 **Sizing of the operation.** This first operation is for US\$600 million, financed with Ordinary Capital resources.⁶⁰ This amount, to be disbursed in a single disbursement, is justified by the country's fiscal needs in a broad sense, although it is not directly related to the costs of the reforms as described in paragraph 3.27(c) of document CS-3633-2. The operation accounts for 2.9% of the public sector's financing needs for 2021 and 9.6% of financing from multilateral agencies.

⁵⁷ "Good Practice Standards for the Evaluation of Public Sector Operations." Evaluation Cooperation Group, Working Group on Public Sector Evaluation, 2012 revised edition. February 2012.

⁵⁸ According to the Comprehensive Evaluation Group, policy-based loans should be evaluated on the basis of relevance, effectiveness, and sustainability. Efficiency was not included as a criterion because the scaling of policy-based loans is tied to a country's financing gap, regardless of project benefits.

⁵⁹ With a disbursement period of up to three years (see document GN-2667-2).

⁶⁰ The second operation is tentatively slated for 2022 in an amount to be determined. It will be prepared in accordance with the dialogue with the country authorities and in a manner consistent with the programmatic policy-based loan modality and the deferred drawdown option.

B. Environmental and social risks

- 2.4 In accordance with directive B.13 of the Environment and Safeguards Compliance Policy (operational policy OP-703), this program does not require an ex ante impact classification. The operation supports the identification of policies, regulations, management instruments, and other institutional-strengthening actions, and therefore no direct, significant negative social and environmental impacts are anticipated.

C. Fiduciary risks

- 2.5 No fiduciary risks have been identified. Should the country need them, the operation's resources will go directly to the treasury single account to cover the national government's financing needs. The executing agency has appropriate financial management and control systems, both internal and external, for this purpose.

D. Other key issues and risks

- 2.6 **Political environment.** A medium-high risk was identified in connection with the changing political environment in the wake of the April 2021 presidential elections, which could result in changes in sector priorities, thereby compromising the fulfillment of policy conditions for the second operation. To mitigate this risk, policy measures to protect vulnerable persons in the short term from the effects of the crisis have been identified, including expansion of the Trabaja Perú program and of health services, as well as measures to promote medium-term structural reforms that the country has prioritized and which sector-specific ministries have been carrying out, partly with the Bank's support through technical assistance and investment operations; there is consensus around the importance of these reforms. Such is the case, for instance, with the efforts to enhance social insurance (through technical assistance) and the active labor market policies (through loan 3547/OC-PE); to enhance access to quality health services (through loan 4726/OC-PE); to reform higher education (through loan 4555/OC-PE); and to improve services for preventing and responding to violence against women (through technical assistance). To foster continuity in reforms, the Bank's team is supporting progress on the triggers for the second operation, to ensure that these processes are on track and can assist the new administration in fulfilling their objectives. In addition, an opportunity for high-level technical dialogue will be sought in order to emphasize the importance of achieving key reform milestones, demonstrate progress, and agree on next steps.
- 2.7 **Sustainability.** The Peruvian government has strongly supported the policy actions promoted by this programmatic series. Most of these actions promote structural changes in social policies with a medium- and long-term perspective. They also focus on strengthening and/or improving national policies, such as actions related to the Essential Health Insurance Plan, the PNESTP, and the National Prevention Strategy. Actions to improve country systems, programs, and/or interventions—such as the Trabaja Perú and Empléate programs, the fund for coverage of high-cost services, PRONABEC, and the SNEJ—have been included as well. This emphasis on policies, programs, and interventions that are high priorities for the country, and not only for the current administration, will ensure continuity over time.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements

- 3.1 **Borrower and executing agency.** The borrower is the Republic of Peru, and the executing agency is the Ministry of Economy and Finance, acting through the Office of the Public Treasury (DGTP). The DGTP is responsible for negotiations related to the operation, as well as for the program's financial aspects. It is also responsible for coordinating with the entities implementing the reforms to verify the policy conditions, as well as for submitting monitoring reports and evidence of the fulfillment of policy conditions.
- 3.2 **Strategic coordination** will be the responsibility of the DGTP of the Ministry of Economy and Finance. The DGTP will, among other actions, coordinate efforts and meet with the various government agencies responsible for taking measures, monitor the measures included in the policy matrix and promote the fulfillment of these measures, participate in the evaluation of the program, and appropriately address risks.
- 3.3 **Special contractual conditions precedent to the first and only disbursement of the financing.** The disbursement of the resources of the Bank's financing, to be made at the borrower's request, will be subject to fulfillment of the policy reform commitments described in the program components and as set forth in the policy matrix (Annex II) and [policy letter](#), as well as the fulfillment of other conditions established in the loan contract.

B. Summary of arrangements for monitoring results

- 3.4 **Monitoring.** Due to the nature of this operation, monitoring will focus on: (i) verifying the fulfillment of policy actions in the first operation, as set forth in the policy matrix (Annex II) and the [means of verification matrix](#); and (ii) monitoring implementation of indicative policy actions for a second operation. Once the disbursement is made, the executing agency will be responsible for: (i) submitting to the Bank a semiannual report on implementation of the indicative policy actions for a second operation; and (ii) collecting information on performance indicators as needed to evaluate program results using the [monitoring and evaluation plan](#).
- 3.5 **Evaluation.** The program evaluation will be reflected in the project completion report, in accordance with OP-1242-5, to be prepared upon completion of the programmatic policy-based loan series. Two methods will be used to evaluate program outcomes and impacts. Fulfillment of the second specific objective will be evaluated using experimental evaluations of the job training pilot initiatives. The evaluations will use baseline data from the pilot initiatives' application forms and administrative records from the electronic monitoring form. Other objectives will be evaluated on a reflexive basis, by comparing the status of selected indicators to measure the fulfillment of each objective before and after the reforms promoted by this program (see [monitoring and evaluation plan](#)).

IV. POLICY LETTER

- 4.1 The Bank has reached agreement with the Government of Peru on the macroeconomic and sector-specific policies included in the [policy letter](#) to be submitted by the Ministry of Economy and Finance. This letter outlines the government's strategy for this program and reaffirms its commitment to implement the agreed activities.

Development Effectiveness Matrix		
Summary		PE-L1262
I. Corporate and Country Priorities		
Section 1. IDB Group Strategic Priorities and CRF Indicators		
Development Challenges & Cross-cutting Issues	-Social Inclusion and Equality -Productivity and Innovation -Gender Equality and Diversity -Institutional Capacity and the Rule of Law	
CRF Level 2 Indicators: IDB Group Contributions to Development Results	-Beneficiaries of employment support initiatives (#) -Countries with strengthened gender equality and diversity policy frameworks (#)	
2. Country Development Objectives		
Country Strategy Results Matrix	GN-2889	Support the formalization of the economy; improve public management; improve access and quality of health services; and improve the safety of citizens
Country Program Results Matrix	GN-3034	The operation is included in the Operational Program Report 2021
Relevance of this project to country development challenges (If not aligned to country strategy or country program)		
II. Development Outcomes - Evaluability		Evaluable
3. Evidence-based Assessment & Solution		10.0
3.1 Program Diagnosis		2.5
3.2 Proposed Interventions or Solutions		3.5
3.3 Results Matrix Quality		4.0
4. Ex ante Economic Analysis		N/A
5. Monitoring and Evaluation		9.4
5.1 Monitoring Mechanisms		3.4
5.2 Evaluation Plan		6.0
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood		Medium Low
Environmental & social risk classification		B.13
IV. IDB's Role - Additionality		
The project relies on the use of country systems		
Fiduciary (VPC/FMP Criteria)	Yes	Financial Management: Budget, Accounting and Reporting. Procurement: Information System, Price Comparison, Contracting Individual Consultant, National Public Bidding.
Non-Fiduciary	Yes	Strategic Planning National System, Monitoring and Evaluation National System.
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:		
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project	Yes	Technical assistance through transactional budget, operations: ATN/OC-17684-PE; ATN/OC-18051-PE; 3486/OC-RG; ATN/CF-18365-RG; 4726/OC-PE; 4555/OC PE; y 3547/OC-PE"

Evaluability Assessment Note:

This is a programmatic series, of US\$600 million in its first operation, aimed at improving the protection of the vulnerable population through social policies in the areas of the labor market, public health services, technical-productive higher education, and prevention of and response to violence against women. The specific objectives are to improve (i) access to insurance against loss of income; (ii) access to public health services; (iii) equitable access to technical-productive higher education; and (iv) the quality of services for the prevention of and response to violence against women. The diagnosis is adequate and highlights the problems faced by the country. The project identifies four main problems. First, low access to social insurance programs against loss of income: the social insurance system is designed to protect formal wage earners, and only a minority (27% of the economically active employed population) meets this condition; Additionally, protection mechanisms against loss of income have limited effectiveness, given job instability (46% of wage earners have a duration of employment of less than one year), even among formal wage earners. Second, there is limited access to public health services: the system suffers from low benefits and limited financial coverage (for example, 40% of children under 36 months of age do not receive their complete vaccinations, and 55% of chronic patients do not seek medical attention for delays in care). Third, there is low and unequal access to Higher and Technical-Productive Education (ESTP in Spanish): only 30% of high school graduates access ESTP and only 20% of students from lower-income households access it. Fourth, there is a high prevalence of violence against women (VAW): around 58% of women report having suffered an episode of intimate violence at some point in their life, and there is evidence that the prevalence of VAW has increased with the pandemic of COVID-19. The policy actions of the first operation, in addition to prioritizing short-term actions aimed at protecting the vulnerable population during the crisis, focuses on the approval of regulatory reforms, development and/or start of implementation of policy measures to resolve structural issues that will improve, in the medium term, the problems identified in the four dimensions of the diagnostic: (i) insurance against loss of income; (ii) access to public health services; (iii) equitable access to ESTP; and (iv) reduction in the prevalence of VAW. The indicative actions for a second operation seek to encourage the implementation, consolidation and/or continuity of these structural reforms.

The proposed performance indicators are reasonable and well specified. The monitoring and evaluation plan proposes to measure the key results before and after the series, with adequate sources of information. It also proposes an experimental evaluation of two pilots related to job training. The use of administrative data in these evaluations implies that short, medium and long-term impacts could be studied, which could provide very relevant information on the effectiveness of these types of active policies in the labor market.

POLICY MATRIX

Objectives: The general objective is to more effectively protect vulnerable persons through social policies targeting labor markets, public health care services, technical and production-oriented higher education, and prevention of and response to violence against women. The specific objectives are to improve: (i) access to insurance against loss of income; (ii) access to public health services; (iii) equitable access to technical higher education; and (iv) the quality of services to prevent and respond to violence against women.

Components / Policy objectives	Policy conditions for programmatic operation I	Status of conditions for programmatic operation I ¹	Triggers for programmatic operation II
Component 1. Macroeconomic stability			
1. Maintain a macroeconomic environment conducive to fiscal sustainability	1.1.1. Ensure a macroeconomic environment that is consistent with program objectives, as set forth in this policy matrix.	Fulfilled	1.2.1. Ensure a macroeconomic environment that is consistent with program objectives, as set forth in this policy matrix.
Component 2. Policies to improve access to insurance against loss of income			
2. Improve mechanisms for protection against loss of income	2.1.1. A nationwide intervention aimed at using a wage subsidy to encourage the formal hiring of vulnerable persons has been developed.	Fulfilled (Q4 2020)	2.2.1. The nationwide intervention in which a wage subsidy is being used to encourage the formal hiring of vulnerable persons is being evaluated, with findings disaggregated by gender, race, and ethnicity.
	2.1.2. The enterprise architecture ² of the Office of the Superintendent of Labor Market Oversight (SUNAFIL) has been developed; its process of digitalizing its inspection activities is under way; and a timetable for implementing this process has been approved.	Fulfilled (Q4 2020)	2.2.2. Implementation of the digitalization process of the phase related to SUNAFIL's oversight process on the basis of its enterprise architecture has been completed.

¹ This information is merely indicative as of the date of this document. In accordance with document CS-3633-2 (Policy-based Loans: Guidelines for Preparation and Implementation), fulfillment of all the specified conditions for disbursement, including maintenance of an appropriate macroeconomic policy framework, will be verified by the Bank at the time the borrower requests the tranche release and will be promptly certified in the disbursement eligibility memorandum.

² Enterprise architecture defines and represents the organization's business processes and technological systems, how they are interrelated, and the extent to which processes and systems are shared by different parts of the organization.

Components / Policy objectives	Policy conditions for programmatic operation I	Status of conditions for programmatic operation I ¹	Triggers for programmatic operation II
	2.1.3. Two job training pilot initiatives for vulnerable persons have been developed, aimed at helping them enter the formal workforce, which will then help improve the design of the Empléate program.	Fulfilled (Q1 2021)	2.2.3. The design of the Empléate program has been improved on the basis of lessons learned from the two job training pilot initiatives.
3. Improve access to insurance against loss of income	3.1.1. A technical proposal is being prepared to create unemployment insurance that ties unemployment benefits to participation in active labor market programs.	Fulfilled (Q4 2020)	3.2.1. The technical proposal for creation of unemployment insurance has been approved, tying unemployment benefits to participation in active labor market programs.
	3.1.2. The Trabaja Perú program has been expanded to respond to the COVID-19 crisis, including the establishment of criteria for targeting the eligible population and coordinating with regional governments.	Fulfilled (Q4 2020)	3.2.2. The design of the Trabaja Perú program has been improved. The new design should include, at a minimum, a tie-in with the Job Center and a countercyclical financing mechanism.
Component 3: Policies to improve access to public health care services			
4. Strengthen the sector's legal and regulatory framework to ensure effective coverage	4.1.1a The technical proposal for updating the Essential Health Insurance Plan (PEAS) to expand coverage to a greater number of health services has been presented, along with the proposed regulatory document for its approval.	Fulfilled (Q1 2021)	4.2.1. The financing model for paying for Essential Health Insurance Plan services within the framework of the integrated health networks has been established.
	4.1.1b The mechanisms for paying health care providers have been approved, tying incentives related to quality of care and provider efficiency.	Fulfilled (Q1 2021)	
	4.1.1c The health services and medical and health procedures prioritized ¹ by the Essential Health Insurance Plan, within the framework of the exchange of services, have been approved for primary care (integrated health networks).	Fulfilled (Q1 2021)	

³ Prioritized for the COVID-19 emergency.

Components / Policy objectives	Policy conditions for programmatic operation I	Status of conditions for programmatic operation I ¹	Triggers for programmatic operation II
	4.1.2. A proposal for creation of a solidarity fund to cover high-cost health events for all institutional administrators of health insurance funds has been presented.	Fulfilled (Q1 2021)	4.2.2 The proposed law on creation of this fund has been considered by the Peruvian Congress.
	4.1.3. A proposed executive resolution creating a temporary multisector commission in order to prepare the report containing the technical proposal for consolidating the national health system has been prepared.	Fulfilled (Q1 2021)	4.2.3a A multisector commission has been formed to prepare a technical proposal for consolidation of the health system.
			4.2.3b A proposal for consolidation of the health system, based on the recommendations of the multisector commission, has been submitted to the Congress.
5. Expand the use of telehealth	5.1.1. Approval has been issued for: (i) the list of health care personnel in the National Registry of Health Care Personnel (INFORHUS) who will provide care via telemedicine; (ii) the list of institutional health care providers (IPRESSs) that will provide these services and their needs for computer and biomedical equipment for telehealth; and (iii) the staff training plan for the use of information and communication technologies and telehealth tools.	Fulfilled (Q1 2021)	5.2.2. The public IPRESSs of the regional and metropolitan health authorities across the country are using the “Teleatiendo” health care information system.
Component 4: Policies to improve equitable access to technical and production-oriented higher education (ESTP)			
6. Develop an institutional framework to increase equitable access to ESTP and allow for continuity in educational pathways	6.1.1. The national ESTP policy (PNESTP) has been approved.	Fulfilled (3Q 2020)	6.2.1. At least one implementation plan for identifying specific actions for fulfillment of the objectives prioritized in the PNESTP has been approved.
	6.1.2. The Multisector Working Group has been reactivated to propose a model for the National Qualifications Framework (MNC).	Fulfilled (1Q 2021)	6.2.2a The Multisector Working Group has approved the proposed MNC.
			6.2.2b The Ministry of Education has established the criteria for recognizing previous studies through processes of accreditation and certification of competencies.

Components / Policy objectives	Policy conditions for programmatic operation I	Status of conditions for programmatic operation I ¹	Triggers for programmatic operation II
7. Increase the coverage of public education and financial aid programs	7.1.1. A technical standard setting forth a structured plan to expand capacity in public universities within the framework of the 2021 public sector budget law has been prepared with the aim of increasing student admissions through institutional public financing from the sector.	Fulfilled (1Q 2021)	7.2.1. The transfer of resources to public universities within the framework of the technical standard for expanding capacity has been approved, with the aim of increasing student admissions.
	7.1.2. The rules on scholarships and student loans have been approved, making it possible for beneficiaries to finance their schooling wholly or partly through a combination of scholarships and loans, thus increasing the size of the beneficiary population.	Fulfilled (1Q 2021)	
8. Ensure access to online education	8.1.1. The targeting criteria for providing Internet access to students and instructors of public universities who are economically vulnerable as a result of the health emergency have been approved, in the framework of the 2021 public sector budget law, to ensure the continuity of remote education.	Fulfilled (1Q 2021)	8.2.1. The technical standard setting forth the basic conditions for quality has been prepared in view of changes to the regulations of the Law on Institutes and Schools of Higher Education and the Public Career of Their Instructors, fostering the development of online and/or hybrid education.
Component 5. Policies to reduce violence against women)			
9. Improve service delivery in the National System for Preventing and Responding to Cases of Violence Against Women	9.1.1. The national strategy to prevent violence against women has been approved	Fulfilled (1Q 2021)	9.2.1. Implementation of the national strategy to prevent violence against women is under way.
	9.1.2. The transfer of budget allocations to the Performance-based Budgeting Program for Reducing Violence Against Women (PpoR-RVcM) has been approved.	Fulfilled (2Q 2020)	9.2.2. The Aurora Program has developed a monitoring system for all three services of the PpoR-RVcM under the Ministry for Women and Vulnerable Populations.
	9.1.3. The care protocol of the Women's Emergency Centers (CEMs) has been approved.	Fulfilled (1Q 2021)	9.2.3. The CEMs' new care protocol has been implemented, which entails training staff to follow the protocol.

Components / Policy objectives	Policy conditions for programmatic operation I	Status of conditions for programmatic operation I ¹	Triggers for programmatic operation II
	9.1.4. The Specialized National Justice System for Protection and Enforcement in Cases of Violence against Women and Domestic Violence (SNEJ) is being implemented in 5 of the country's 34 judicial districts.	Fulfilled (1Q 2021)	9.2.4. The SNEJ has been implemented in an additional 3 of the country's 34 judicial districts.
	9.1.5. An integrated protocol for enforcement of protection measures for women who are victims of violence, including a monitoring mechanism, has been proposed to the Peruvian National Police (PNP).	Fulfilled (1Q 2021)	9.2.5. The integrated protocol for enforcement of protection measures for women who are victims of violence has been implemented within the regular patrol beats of the Peruvian National Police, as set forth in the "Safe Neighborhood" implementation protocol.
	9.1.6. A proposed job description for PNP officers responding to violence against women and domestic violence has been prepared.	Fulfilled (1Q 2021)	9.2.6. The police curriculum suited to the job description for responding to violence against women and domestic violence has been approved.
	9.1.7. An online course on violence against women and domestic violence has been prepared for police officers working in jurisdictions not included in the SNEJ over the medium term.	Fulfilled (1Q 2021)	9.2.7. The impact of the online course on participants has been evaluated in terms of: (i) knowledge of the law; (ii) gender prejudices and stereotypes; (iii) quality of work; and (iv) user satisfaction.

RESULTS MATRIX

Program objectives:	The specific objectives are to improve (i) access to insurance against loss of income; (ii) access to public health services; (iii) equitable access to technical and production-oriented higher education (ESTP); and (iv) the quality of services to prevent and respond to violence against women. The fulfillment of these objectives will contribute to the general objective of more effectively protecting vulnerable persons through social policies targeting labor markets, public health care services, ESTP, and prevention of and response to violence against women.
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GENERAL DEVELOPMENT OBJECTIVE

Indicators	Unit of measure	Baseline value	Baseline year	Expected year fulfilled	Target	Means of verification	Comments
General development objective: The general development objective is to more effectively protect vulnerable persons through social policies targeting labor markets, public health care services, ESTP, and prevention of and response to violence against women.							
Labor informality rate	%	72.7	2019	2025	70.0	National Household Survey (ENAH)	Employers and self-employed individuals with no tax identification number, wage-earners with no employer-funded social security, and unpaid workers of family businesses are deemed part of the informal sector.
Percentage of the population with technical and production-oriented higher education	%	32.2	2019	2025	34.5	National Household Survey	This includes people age 15 or older whose educational attainment includes higher education, which may or may not have been at a university (including graduate studies).
Prevalence of physical and/or sexual violence against women at the hands of their husbands or intimate partners in the past 12 months	%	10.9	2018	2025	10.7	Demographic and Family Health Survey (ENDES)	This indicator does not include psychological violence. Numerator: number of women age 15-49 who report experiencing this type of violence in the 12 months prior to the survey. Denominator: number of women age 15-49 who lived with a spouse or intimate partner in the past 12 months. As for the target, violence against women is thought to have increased significantly (although this has not yet been measured) as a result of the pandemic. The baseline for this indicator is for 2018. If indeed there has been a significant increase due to the pandemic, it will be necessary to first go back to the baseline value and then work from there.

SPECIFIC DEVELOPMENT OBJECTIVES

Indicators	Unit of measure	Baseline value	Baseline year	End of program (2025)	Means of verification	Comments
Specific development objective 1: Improve access to insurance against loss of income						
Formal workers whose wages are subsidized by the "Subsidies for the Recovery of Formal Employment" program	Persons	0	2020	343,081	Annual report of the Ministry of Labor and Job Promotion (MTPE) on the "Subsidies for the Recovery of Formal Employment" program	The end-of-program value is for 2021. Should the program continue, the annual numbers of beneficiary workers will be added together.
Persons trained in advanced digital and social/emotional skills	Persons	0	2020	3,000	MTPE quarterly status report on pilot initiative for job training in digital skills	The end-of-program value is for 2021. Should the program continue, the annual numbers of trained persons will be added together.
Young people trained in technical and social/emotional skills	Persons	0	2020	10,000	MTPE quarterly status report on pilot initiative for job training for young people	The "end of project" value is for 2021. Should the program continue, the annual numbers of trained persons will be added together.
Specific development objective 2: Improve access to public health services						
Percentage of disease burden covered by the Essential Health Insurance Plan (PEAS)	%	65	2009	81	Biannual evaluation report on the Essential Health Insurance Plan	The disease burden is defined as the measurement of health losses attributed to various illnesses and injuries, including those that result in death or disability. The disease burden is expressed in years and is measured by an indicator known as "healthy years of life lost" (YLD) or "disability-adjusted life years." The indicator combines two components: (i) years of life lost due to premature mortality; and (ii) years lived with disability. According to the Ministry of Health, 5,315,558 healthy years of life were lost in 2016.
Percentage of the population whose out-of-pocket expenditure on health care exceeds 10% of total household income	%	9.2	2018	8.5	National Household Survey	Due to the expected impacts of the pandemic, this percentage is projected to decline more steeply after 2022.

Indicators	Unit of measure	Baseline value	Baseline year	End of program (2025)	Means of verification	Comments
Number of health care personnel providing care via telemedicine	Persons	1,000	2020	16,000	Quarterly report in the application of the National Registry of Health Care Personnel (INFORHUS)	The value upon program completion reflects all health care personnel providing care via telemedicine in 2021-2025.
Specific development objective 3: Improve equitable access to ESTP						
Job descriptions designed to be included in the National Qualifications Framework (MNC)	Job descriptions	0	2020	30	Documents approved by the MNC authority or by the party acting on its behalf	The job descriptions will be ready for inclusion in the MNC when: (a) their current content has been analyzed; (b) the appropriate level of qualification has been determined; and (c) the qualifications—including the description of knowledge, skills, and contexts of application—have been configured.
Students enrolled in public universities in the priority areas identified by the Ministry of Education	Index (base = 100)	100	2020	118	Higher education recordkeeping system of the Office of the Director of Policy for Development and Quality Assurance of University Higher Education	The Ministry of Education still needs to identify the priority areas. A total of 412,763 students were enrolled in 2020 (ESCALE-MINEDU).
Percentage of young people in the first and second income quintiles who are enrolled in ESTP	%	31.2	2019	34.9	National Household Survey	People ages 17-24 are considered young. This indicator reflects both university and nonuniversity higher education.
Public university instructors receiving Internet services	Persons	12,135	2020	23,791	Official letters from public universities reporting the number of beneficiaries to the Office of the General Director of University Higher Education	The value upon program completion is for 2021. Should the program continue, the annual values for instructors receiving Internet services will be added together.
Specific development objective 4: Improve the quality of services for preventing and responding to violence against women						
% of personnel of the Women's Emergency Centers (CEMs) who have been trained in the new care protocol	%	0	2020	90	Recordkeeping system of the Ministry for Women and Vulnerable Populations	The Women's Emergency Centers currently employ 3,863 people nationwide. Plans call for training to be provided to 900 people in 2021, 1,200 in 2022, and 1,457 in 2023.

Indicators	Unit of measure	Baseline value	Baseline year	End of program (2025)	Means of verification	Comments
						This indicator will not reach 100% due to staff turnover.
Police officers in the Family Division whose competencies align with the applicable job description	Index (base = 100)	100	2020	150	Results of test and admission processes	Once the job description has been established, a mechanism will be activated to determine how many police officers meet the description (i.e. the baseline). At the same time, two complementary mechanisms will be activated: first, a training process for officers who do not meet the job description; and second, a process for recruitment of new personnel for the Family Division who do meet the job description. These two processes should result in a 50-point increase in the index measuring the number of Family Division officers meeting the job description.

OUTPUTS

Indicators	Unit of measure	Baseline value	Baseline year	End of program (2021)	Means of verification	Comments
Component 2: Improve access to insurance against loss of income						
A legal provision granting subsidies for the recovery of formal employment in the private sector	Approved legal provision	0	2019	1	Emergency Decree 127-2020, published in <i>El Peruano</i> on 1 November 2020, whose objective is a recovery of formal employment through incentives for hiring and the preservation of jobs through a subsidy for private employers adversely impacted in the national state of emergency declared as a result of the spread of COVID-19	Responsible entity: Ministry of Labor and Job Promotion (MTPE).
Legal provision approving SUNAFIL's enterprise architecture	Approved legal provision	0	2019	1	Resolution of the chair of the board of directors of SUNAFIL (Resolution 10-2020-SUNAFIL/PCD) approving the enterprise architecture	Responsible entity: MTPE

Indicators	Unit of measure	Baseline value	Baseline year	End of program (2021)	Means of verification	Comments
Legal provision for the design of two job training pilot initiatives for vulnerable persons to help them enter the formal workforce	Approved legal provision	0	2020	1	Supreme Decree 019-2020-TR, published in <i>El Peruano</i> on 23 October 2020, creating the National Employability Program, which aims to enhance the employability of people 15 and older living in poverty, extreme poverty, and/or a state of social or employment-related vulnerability through job training, promotion of self-employment, and certification of job competencies Resolutions of the MTPE Office of the Director of Training and rules for granting scholarships for the job training pilot initiatives	Responsible entity: MTPE.
Work plan for the technical proposal for creation of unemployment insurance	Work plan	0	2019	1	Work plan for preparation of the technical proposal for creation of unemployment insurance, approved by the MTPE	Responsible entity: MTPE.
Legal provisions approving the restructuring and expansion of the Trabaja Perú program as part of the COVID-19 response	Approved legal provision	0	2019	1	Emergency Decree 070-2020, published in <i>El Peruano</i> on 19 June 2020, authorizing transfers of allocations in the public sector budget for fiscal year 2020 in order to finance investments executed through the Trabaja Perú program to help create temporary jobs. Ministerial Resolution 182-2020-TR amending the program's operations manual	Responsible entity: MTPE.
Component 3: Improve access to public health care services						
Technical proposal to update the Essential Health Insurance Plan (PEAS) in order to cover a larger number of health services; and the proposed regulatory document to enable its approval	Proposal	0	2020	1	Report with the technical proposal to update the Essential Health Insurance Plan, along with the draft supreme decree for approval	Responsible entity: Ministry of Health

Indicators	Unit of measure	Baseline value	Baseline year	End of program (2021)	Means of verification	Comments
Legal provision approving mechanisms for paying institutional health care providers (IPRESSs)	Approved legal provision	0	2020	1	Ministry of Health ministerial resolution approving the payment mechanisms	Responsible entity: Ministry of Health and Comprehensive Health Insurance (SIS).
Official document approving the medical and health services and procedures prioritized in the Essential Health Insurance Plan in the framework of the exchange of primary care services (integrated health networks)	Approved official document	0	2020	1	Certificate of agreement between Ministry of Health and EsSalud approving the health services and medical and health procedures under the Essential Health Insurance Plan	Responsible entity: Ministry of Health
Technical proposal for creation of the fund to cover high-cost health services for all institutional health insurance fund managers	Proposal	0	2020	1	Ministry of Health report presenting the technical proposal for the fund	Responsible entity: Ministry of Health
Proposed legal provision to create the temporary multisector commission to prepare the report with the technical proposal for consolidation of the national health system	Proposal	0	2020	1	Ministry of Health report presenting the proposed legal provision	Responsible entity: Ministry of Health
Technical documents for implementation, development, and strengthening of telehealth	Approved documents	0	2020	3	(i) INFORHUS system report as of the last working day of each quarter (ii) IPRESS list with conditions for providing telehealth, as of the last day of each quarter (RENIPRESS/DITEL/DIRESA-GERE SA-DIRIS) (iii) Telehealth training plan 2021	Responsible entity: Ministry of Health
Component 4: Improve equitable access to ESTP						
Legal provision approving the national ESTP policy through 2020	Approved legal provision	0	2019	1	Supreme Decree 012-2020-MINEDU, published in <i>El Peruano</i> on 22 January 2021, approving the PNESTP	Responsible entity: Ministry of Education (MINEDU)

Indicators	Unit of measure	Baseline value	Baseline year	End of program (2021)	Means of verification	Comments
Legal provision reactivating a multisector task force for preparation of the National Qualifications Framework	Approved legal provision	0	2020	1	Ministerial Resolution 037-2021-MINEDU forming the multisector task force for preparation of the National Qualifications Framework	Responsible entity: Ministry of Education
Technical standard to expand capacity in public universities in the framework of the 2021 budget law	Approved standard	0	2020	1	MINEDU vice-ministerial resolution approving the technical standard	Responsible entity: Ministry of Education
Legal provision approving the rules on scholarships and student loans	Approved legal standard	0	2020	1	Supreme Decree 018-2020-MINEDU, published in <i>El Peruano</i> on 30 December 2020, approving the regulations of Law 29,837, the law creating the National Scholarship and Student Loan Program.	Responsible entity: Ministry of Education
Legal provision approving the targeting criteria for the provision of Internet services to students and instructors of public universities who are experiencing economic vulnerability due to the health emergency	Approved legal provision	0	2020	1	Supreme Decree 002-2021-MINEDU, published in <i>El Peruano</i> on 20 January 2021, approving the targeting criteria for the provision of Internet service to students and instructors of public universities who are experiencing economic vulnerability due to the health emergency	Responsible entity: Ministry of Education
Component 5: Reduce violence against women						
Legal provision approving the strategic guidelines for the prevention of violence against women	Approved legal provision	0	2020	1	Legal provision of the Ministry for Women and Vulnerable Populations (MIMP) approving the national strategy for the prevention of violence against women	Responsible entity: MIMP
Transfer of budget allocations from the MIMP to various national and subregional government entities in order to finance the interventions included in the Performance-based Budgeting Program for Reducing Violence Against Women (PPoR-RVcM)	Approved legal provision	0	2019	1	Supreme Decree 110-2020-EF, published in <i>El Peruano</i> on 15 May 2020	Responsible entity: MIMP

Indicators	Unit of measure	Baseline value	Baseline year	End of program (2021)	Means of verification	Comments
Legal provision approving the Women's Emergency Centers' care protocol	Approved legal provision	0	2020	1	Ministerial resolution approving the Women's Emergency Centers' care protocol	Responsible entity: MIMP
Report on implementation of the Specialized National Justice System for Protection and Enforcement in Cases of Violence Against Women and Domestic Violence (SNEJ)	Report	0	2020	1	Report on implementation of the PPoR-RVcM, including a status report by the MIMP on implementation of the SNEJ	Responsible entity: MIMP
Proposed integrated protocol for execution by the Peruvian National Police (PNP) of protection measures for women who are victims of violence	Proposal	0	2020	1	Technical proposal document submitted by the Interior Ministry and the Peruvian National Police to the latter entity	Responsible entity: Interior Ministry
Proposed job description for PNP personnel responding to violence against women and domestic violence	Proposal	0	2020	1	Document containing the job description for those responding to violence against women and domestic violence	Responsible entity: Interior Ministry
Training on violence against women and domestic violence for police officers working in jurisdictions not included in the SNEJ over the medium term	Course	0	2020	1	Progress report on design and/or implementation of the online course	Responsible entity: Interior Ministry

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/21

Peru. Loan ____/OC-PE to the Republic of Peru. Program to Enhance Social Policies
Protecting the Vulnerable Population in Peru

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Republic of Peru, as borrower, for the purpose of granting it a financing to cooperate in the execution of the Program to Enhance Social Policies Protecting the Vulnerable Population in Peru. Such financing will be for the amount of up to US\$600,000,000 from the resources of the Bank's Ordinary Capital, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on ____ 2021)