

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PERU

SUPPORT FOR THE SOCIAL SECTOR REFORM PROGRAM

(PE-L1100)

LOAN PROPOSAL

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ELECTRONIC LINKS	
REQUIRED	
1.	Annual Work Plan (for the first disbursement and the first 18 months of implementation) http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35240194
2.	Monitoring and evaluation arrangements http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35240032
3.	Procurement Plan http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35287899
OPTIONAL	
1.	Institutional assessment of the executing agency (ICAS) http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2267256
2.	Fiduciary requirements and agreements http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35240228
3.	Safeguard and Screening Form for Screening and Classification of Projects (SSF) http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35309903

ABBREVIATIONS

ARFs	Fiduciary agreements and requirements
GTZ	Gesellschaft für Technische Zusammenarbeit [German Agency for Technical Cooperation]
IAFAS	Institutional health insurance fund administrator
ICAS	Institutional assessment of the executing agency
KfW	Kreditanstalt für Wiederaufbau [German financial cooperation agency]
LIBOR	London Interbank Offered Rate
MTPE	Ministry of Labor and Employment Promotion
PEAS	Plan Esencial de Aseguramiento en Salud [Basic Health Insurance Plan]
PGH	Padrón General de Hogares [General Household Registry]
REMYPE	Registro Nacional de Micro y Pequeña Empresa [National Registry of Microenterprises and Small Businesses]
SENEP	Servicio Nacional de Empleo del Perú [National Employment Service of Peru]
SIS	Seguro Integral de Salud [Comprehensive Health Insurance]
SISFOH	Sistema de Focalización de Hogares [Household Targeting System]
UCPS	Unidad de Coordinación de Préstamos Sectoriales [Sector Loan Coordination Unit]
ULFs	Local targeting units

PROJECT SUMMARY
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(PE-L1100)

Financial terms and conditions			
Borrower: Republic of Peru Executing agency: Ministry of Economy and Finance		Amortization period:	25 years
		Grace period:	3 years
		Disbursement period:	3 years
Source	Amount	Interest rate:	LIBOR-based
IDB (Ordinary Capital)	US\$6,000,000	Inspection and supervision fee:	*
Local	US\$2,500,000		
Other financing		Credit fee:	*
Total	US\$8,500,000	Currency:	U.S. dollars from the Single Currency Facility of the Bank's Ordinary Capital, subject to the operational framework for lending in local currency (documents GN-2365-12 and GN-2365-6)
Project at a glance			
Project objective/description: The objective of this loan is to help strengthen the reform of key social and labor programs for reducing poverty. Its purpose is to develop instruments to strengthen conditional cash transfer programs, health care, labor programs, and targeting.			
Special contractual condition for execution: The participation of each beneficiary entity in this program will be contingent upon each entity's signing a subsidiary implementation agreement with the executing agency, in accordance with the terms previously agreed upon with the Bank (paragraph 3.3).			
Exceptions to Bank policies: None.			
Project qualifies as: SEQ <input checked="" type="checkbox"/> PTI <input checked="" type="checkbox"/> Sector <input checked="" type="checkbox"/> Geographic <input type="checkbox"/> Headcount <input type="checkbox"/>			

(*) The credit 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 provisions of the Bank's policy on lending rate methodology for Ordinary Capital loans. In no case will the credit fee exceed 0.75% or the inspection and supervision fee exceed, in a given six-month period, the amount that would result from applying 1% to the loan amount divided by the number of six-month periods included in the original disbursement period.

I. DESCRIPTION AND RESULTS MONITORING

A. Background, problems addressed, and rationale

1. Introduction

- 1.1 The Peruvian government is carrying out multiple interventions to reduce poverty, and while the current authorities are working to improve the efficiency and boost the impact of these interventions, some special programs require sweeping reforms if they are to be strengthened, given the importance of their objectives. The Bank is supporting this effort through the Social Sector Reform Program, using a series of programmatic policy-based loans,¹ the objective of which is to implement substantial reforms to the primary social and labor programs to help improve their effectiveness, efficiency, and targeting. Against this backdrop, the government has requested the Bank's assistance in designing and implementing the reforms called for in the programmatic series, in the form of a technical-cooperation loan.

2. Macroeconomic situation

- 1.2 As a result of prudent macroeconomic management, sustained internal demand, high prices for the main exports, and strong private investment, Peru has had one of the fastest-growing economies in the region in recent years. Between 2002 and 2007, the economy grew at an average annual rate of 6.7%, posting a 9.8% growth rate in 2008 and a 0.9% growth rate amid the international crisis of 2009. This economic growth has been reflected in the creation of better jobs—e.g., formal urban employment in enterprises with 10 or more employees grew 8.3% in 2008 and 1.3% in 2009—and in a decrease in the poverty rate.
- 1.3 To counter the effects of the 2009 crisis, the government adopted countercyclical policies and an economic stimulus plan, which it recently completed. Amid signs of a rapid economic recovery—internal demand has bounced back, the business confidence index is at pre-crisis levels, and GDP grew 6% in the first quarter—monetary stimulus measures are being gradually phased out. Fiscal prudence measures were also announced to ensure that the target fiscal deficit (1.6% of GDP) is met in 2010 and, subsequently, to approach the fiscal limit established by law.² Meanwhile, inflation is projected to rise from 0.25% in 2009 to the target range, at about 2.5%³ in 2010, and the current account deficit is expected to be sustainable (0.9% of GDP).
- Poverty and human capital**
- 1.4 The strong performance of the economy has been accompanied by a substantial decrease in the rates of poverty and extreme poverty, which fell steadily—even during the crisis—from 48.6% to 34.8% and from 17.1% to 11.5%, respectively,

¹ The program is being financed through three consecutive lending operations with one tranche per year. The first loan (PE-L1072) was disbursed in 2009.

² The decrease in tax revenues during the crisis led to a fiscal deficit of 1.9% of GDP. However, under the Law on Fiscal Prudence and Accountability, the fiscal deficit of the nonfinancial public sector may not exceed 1% annually.

³ After holding the benchmark interest rate at 1.25% for several months, the Central Bank of Peru recently raised it to 1.5%.

between 2004 to 2009.⁴ However, the poverty and extreme poverty rates in 2009 were nearly three and ten times higher, respectively, in rural areas (60.3% and 27.8%) than in urban areas (21.1% and 2.8%). Also, poverty took a disproportionate toll on residents of mountainous areas (53.4%), especially rural mountainous areas (65.6%), and on residents of the rain forest (46%).

- 1.5 Despite the steady decrease in poverty, the effort to substantially improve the living conditions of poor people still faces challenges. The intergenerational transmission of poverty in rural areas is reflected in persistent chronic malnutrition, with a relatively high rate (40.3%) for children under 5 in 2009, and in low usage of priority health care services, which is evidenced, for example, by only 28% for children under 3 receiving growth and development checkups. Meanwhile, the weight of the informal sector is greater in the Peruvian economy than in other countries in the region, for a variety of reasons (e.g., high costs of formalization and meager benefits thereof). This has an adverse effect on people's well-being and on labor productivity.⁵ Economic growth does not benefit everyone equally; thus, promoting human capital accumulation and creating greater productive and job opportunities for poor people will require concerted, targeted, high-quality social and labor programs and policies.**Poverty reduction programs**

- 1.6 An analysis of social expenditures and programs to combat extreme poverty⁶ identified a number of social and labor programs and initiatives that are among the most important and strategic efforts, in terms of design, potential impact, complementarity, capacity, and political will and feasibility, to be included in the reform framework promoted by the series of programmatic loans. Specifically, these policy measures include the Juntos conditional cash transfer program, the Comprehensive Health Insurance (SIS) program, and various labor programs and policies, including the Projoven youth labor training program, the “Construyendo Perú” [Building Peru] temporary job program, the Labor Statistics and Research Program, and the National Employment Service of Peru (SENEP). The programmatic series also includes the Household Targeting System (SISFOH).⁷ Progress has been made in each of these interventions in terms of design and implementation, but significant challenges remain in the effort to consolidate them and in terms of inputs needed to support the reform process.

⁴ The poverty gap and the severity of poverty (inequality in poverty among demographic groups) also decreased during this period.

⁵ The Bank estimates that if labor and capital factors reached the same productivity levels as in the United States, the region's income per capita would double. Also, Peru's total factor productivity is estimated at less than 40% of that of the United States and ranks second from the bottom on a list of 18 countries in the region. See IDB, 2010: “Development in the Americas: The Age of Productivity: Transforming Economies from the Bottom Up”.

⁶ See reports titled “Política Social en Perú” [[“Social Policy in Peru”](#)] and “Protección Social en Perú” [[“Social Safety Net in Peru”](#)].

⁷ These programs cover some 12 million beneficiaries, assuming no duplicate enrollment, and their budgets for 2010 total more than one billion nuevos soles, or 16% of total spending on programs to combat extreme poverty.

- 1.7 **The Juntos conditional cash transfer program.** This program is at the heart of the government's strategy for reducing intergenerational poverty, and it benefits some 450,000 households in 638 districts, primarily in rural mountainous areas. In 2009, the Juntos program undertook substantial reforms because, despite being in existence since 2005, it had not graduated from its status as a pilot project, because it still uses the operational system and has no official operating regulations that spell out its final design and operating structure. Thus, previous assessments offered significant recommendations for redesign (see [The budget assessment report Presupuesto Público Evaluado: Juntos](#)),⁸ as the program faced design and implementation challenges that hindered its impact on health, nutrition, school attendance, and academic progress among beneficiaries. Over the course of 2009, with nonreimbursable technical assistance from the Bank, Juntos developed new operating rules⁹ that reflect significant improvements in the design and development of operational processes in the following areas: logical framework, targeting instruments and processes that are consistent with SISFOH, evaluation of supply as an entrance requirement for new municipios, program exit strategy, payment by amounts instead of a universal payment, a differentiated structure for cash transfers, improved mechanisms for verifying coresponsibilities and linking fulfillment with payment, improved intersectoral coordination through the development of model interagency agreements, and the adjustment and adaptation of the information system for managing the various duties.
- 1.8 The persistent challenges in implementing the new regulations include the need for a pilot program to finalize a system for differentiated payments, consideration of new technologies, a more systematic intersectoral coordination effort for verifying coresponsibilities, and implementation of a new exit strategy (including processes for recertifying households in coordination with SISFOH).
- 1.9 **Comprehensive Health Insurance (SIS).** To promote human capital, especially among poor children, the government also has comprehensive health insurance (SIS), which currently has some 10.5 million members and which pays the variable cost of a package of interventions in the entities of the Ministry of Health. Under the new Framework Law for Universal Health Insurance (Law 29344 of 2009), the SIS is classified as an institutional health insurance fund administrator (IAFAS). As such, the SIS must offer the Basic Health Insurance Plan (PEAS) or other health care coverage through the various financing arrangements,¹⁰ and consumers will be

⁸ The World Bank's ex post evaluation (Perova and Vakis, 2009: "[Welfare impacts of the 'Juntos' Program in Peru: Evidence from a non-experimental evaluation](#)") shows positive yet moderate, unmaximized impacts on the reduction of monetary poverty, the use of health care services, and food consumption. Additionally, an analysis by the Analysis Group for Development (GRADE) (2009: "[Microsimulator of Conditional Transfers in Education for the Juntos Program](#)") documents inconsistency with SISFOH in terms of poverty criteria and the threshold for identifying beneficiaries.

⁹ The new operating rules were approved by the Board of Directors in January 2010.

¹⁰ The law places the SIS under the subsidized system, which includes people who will be covered by the SIS through full public financing, aimed mainly at the most vulnerable people living in poverty or extreme poverty. In addition, the SIS may operate as part of what is known as the semicontributory system, or even the contributory system, by raising private insurance funds.

able to purchase health services and even reinsurance coverage from other IAFASs or an institutional health care provider in the system. As part of its new obligations, the SIS must make various changes to operate efficiently as an insurance fund administrator.

- 1.10 To face its new circumstances, the SIS, with technical assistance from the Bank, is preparing the necessary adjustments to its current organizational structure to adapt it to the new regulatory framework,¹¹ as a way of enhancing cost controls and monitoring and controlling the quality of services through better use of critical processes (enrollment, collection efforts, eligibility verification, payment of claims to providers, medical audits, administrative audits, and quality outcomes). The SIS information system has also been audited, and the needs and costs to modernize it and allow it to effectively manage its basic operational processes and support management decisions have been assessed.¹² The Bank's support has also helped it make progress in costing the PEAS and developing new tools to create the annual SIS budget with insurance logic. However, additional actions are needed to support the strengthening of the entity, including support for implementation of critical processes, an actuarial study, and full development of the information system.
- 1.11 **Labor programs.** The labor component of the programmatic series promotes a comprehensive view of the labor market with stronger, coordinated employment programs based on employability enhancement policies and related to the National Employment Service of Peru (SENEP); productivity; adequate employment; and a relevant labor information system. Specifically, the expected outcomes are: (i) that Construyendo Perú will be an effective temporary-employment instrument for protecting consumption by the very poor in the event of negative shocks; (ii) that Projovent will be an effective professional training tool for increasing opportunities for young people who might have difficulties obtaining and/or keeping a job; (iii) that there will be a labor development policy aimed at regulating supply and demand of labor training in order to improve workers' productivity and employability; (iv) that a true labor information system is up and running; and (v) that SENEPE has been designed and is linked to employment programs and employment observatories, and that it succeeds in expanding coverage. Also, because of the significance of the informal economy in Peru and its relation to total factor productivity and growth in GDP per capita, which affect people's well-being, the government has requested the Bank's support to increase the effectiveness of current policy measures aimed at bringing enterprises and workers into the formal sector, especially microenterprises and small businesses.¹³

¹¹ Adjustments will be made to the Operation and Duty Regulations, the Operation and Duty Manual, the Personnel Allocation Table, etc.

¹² Cooperation resources from the German Agency for Technical Cooperation (GTZ), supplementing IDB financing, are currently being used to commission consulting services to develop the profile of the public investment project as part of the National Public Investment System, in order to modernize the SIS information system.

¹³ Since the mid-1990s, the informal sector has accounted for more than 70% of the economy. This figure decreased during the economic boom (2004-2008), only to increase again as a result of the financial crisis.

- 1.12 To help fulfill the policy targets and reduce the role of the informal economy, the Bank has been providing technical assistance to the various labor programs. It is supporting the Ministry of Labor and Employment Promotion (MTPE) in strengthening its leading programs (Labor Statistics and Studies Program, Revalora Perú, and Construyendo Perú), which have design weaknesses and are not sufficiently targeted to solve problems related to the informal economy and/or low levels of labor productivity or to protect workers from negative shocks. It is also advising the MTPE and the National Institute of Statistics and Data Processing in designing an effective and timely labor information system.¹⁴ In addition, an impact evaluation has been designed for Projovent, which has not been thoroughly evaluated since 2002. The Bank is also assisting the MTPE and the Ministry of Production in improving implementation of the Law on Microenterprises and Small Businesses, which is aimed at promoting the incorporation of informal microenterprises and small businesses into the formal sector.¹⁵ Meanwhile, the Bank has a technical-cooperation project aimed at developing and implementing SENEP to better connect job-seekers and employers. Lastly, proceeds from loan 1534/OC-PE (Youth Labor Training Program)¹⁶ are being used to finance the outcome evaluation and qualitative studies for the program in order to improve design and performance.
- 1.13 The government has been using resources from the national budget to finance the impact evaluation for Construyendo Perú, as well as the design of a national employment plan that includes a labor training component aimed at promoting employability. Also, to ensure that conditionalities for the programmatic series are fulfilled, the government will need to implement the impact evaluations for the Projovent and SENEP programs and the labor information system, and also strengthen its leading policy measures aimed at increasing participation in the formal economy.
- 1.14 **Targeting system.** Originally created with support from the Bank, SISFOH is responsible for identifying the population living in poverty. Using it more widely will help make social programs more cost-efficient in achieving their targets by helping them to deliver the corresponding good or service to the target population with greater precision.¹⁷ Information on the socioeconomic characteristics of households is consolidated in a General Household Registry (PGH) based on an initial census of households in poor sectors in 375 districts, in 30 cities and 60 provinces in the country. This registry must be updated on a continuous basis (at least every three years) to reevaluate whether a beneficiary household should remain in a specific program. To achieve this outcome, SISFOH needs sustainable

¹⁴ Instead of an integrated system, there is currently a variety of household and business surveys produced by various public entities in uncoordinated fashion and using different standards. The current system is therefore inefficient and unsuitable for public policy development and decision-making.

¹⁵ This law was passed in 2009, but thus far there is no evidence of the expected impact.

¹⁶ Operation PE-0241 will be completed on 30 September 2010.

¹⁷ See [Report on Diagnostic Assessment of Household Targeting System \(SISFOH\)](#).

financial and human resources, because at this time the PGH is at risk of becoming obsolete due to a lack of updated data.

- 1.15 Over the course of 2009, and with nonreimbursable technical assistance from the Bank, SISFOH performed diagnostic assessments of the targeting of selected social programs and their potential alignment with this program, made progress in developing inputs for the legal and regulatory framework for targeting in Peru, and learned about international experience in establishing master beneficiary registries. Pending challenges include formal integration of SISFOH into the Ministry of Finance, allocation of a dedicated budget item in the annual national budget, strengthening of SISFOH's instruments and algorithms at the academic and interagency level, and creation of a greater number of local targeting units (ULF) by municipios; a central consolidated team from SISFOH must be prepared to train these ULFs, transfer manuals to them, and provide them with software.

5. Strategy and coordination

- 1.16 **Bank strategy and lessons learned.** This project is in line with the Bank's country strategy with Peru (2007-2011, document GN-2472-2), one of whose objectives is to increase "the efficiency of social policy" to help alleviate poverty and reduce the vulnerability of the poor, through efforts to promote human capital and strengthen the beneficiary targeting system. The strategy also aims at "raising the economy's productivity and competitiveness," including the labor system, workforce training, and workforce placement programs, which are areas of intervention of a project component. The project is also consistent with the government's main strategic initiatives in social policy.¹⁸
- 1.17 This project reflects the lessons learned from the operation titled "Reform of Poverty Alleviation and Human Capital Development Programs" (PE-0247, 1600/OC-PE): (i) the advisability of using programmatic loans for complex reforms; (ii) the importance of focusing reforms on the deepest issues in a small number of entities, as opposed to a large number of dissimilar conditions in various public entities in different sectors; and (iii) the importance of building on previous successes, such as improving health care services for the very poor after sufficiently expanding access.¹⁹
- 1.18 **Rationale for the project and for the Bank's participation.** In early 2009 the Peruvian government requested the Bank's support for a reform program through three consecutive single-tranche loan operations²⁰ in the form of a programmatic policy-based loan to support the Social Sector Reform Program. The objective of this program is to develop policy instruments and programs for sustainable poverty reduction by implementing substantial reforms to the primary social and labor programs to help improve their effectiveness, efficiency, and targeting. To assist in

¹⁸ These include the joint strategy for the fight against poverty and chronic malnutrition in children (known as Crecer), the strengthening of social programs (2006), and the Budgeting-for-Results Program.

¹⁹ "[Project Completion Report \(PCR\) for the Reform of Poverty Alleviation and Human Capital Development Programs](#)" (PE-0247, 1600/OC-PE).

²⁰ The first loan (PE-L1072) was disbursed in 2009.

designing and implementing the reforms as part of the programmatic series, the government has worked with the Bank to schedule the preparation of a technical-cooperation loan.

- 1.19 **Project strategy.** To address the various structural, intergenerational, and vulnerability-related causes of poverty, a successful poverty-reduction strategy should incorporate programs that are linked along various lines, including: (i) promotion of human capital; (ii) productive and employment opportunities; (iii) increased income; and (iv) improvement in the physical environment. The programmatic and technical-cooperation loans focus on key programs and policies in all of these areas, but they prioritize those that promote human capital accumulation and employment, which are key to the strategy's long-term sustainability. In addition, the targeting of beneficiaries will be incorporated to help make the interventions more efficient. It should be noted that the Bank, in designing the various project components, considered the effectiveness of similar interventions in other countries.²¹
- 1.20 Considering the complexity and scope of the reforms needed to improve antipoverty programs, these reforms are expected to take several years, and more progress may be made in some areas than in others. The government and the Bank have opted for a programmatic loan to leverage reforms in view of the flexibility that this type of loan offers.
- 1.21 **Coordination with other multilateral development institutions.** The German cooperation agency Kreditanstalt für Wiederaufbau (KfW) is cofinancing the second programmatic operation to reform social programs, the contribution for which should be disbursed this year. KfW has also participated in all missions for program preparation. KfW has offered to contribute additional technical cooperation and is currently financing consulting services for the issues of targeting (validating instruments in rural areas) and health care (developing the profile of a public investment project for the SIS information system). Also, financing will be provided for the upcoming international seminar on targeting systems, along with the technical assistance from GTZ.
- B. Objectives, components, and cost**
- 1.22 The objective of this loan is to help strengthen the reform of key social and labor programs to reduce poverty, and its purpose is to develop instruments to strengthen programs for conditional cash transfers, health care, labor programs, and targeting.
- 1.23 **Component I. Demand-side human capital development (conditional cash transfers—Juntos program) (US\$970,000).** A key aspect of reforming the program is improving the verification process for coresponsibilities of health care

²¹ As for targeting, the Bank has been supporting SISFOH in Peru through loan 1601/OC-PE and has worked on this issue in several other countries (e.g., Ecuador and Colombia). The Bank is financing multiple conditional transfer programs in countries in the region, and in some cases is advising on the introduction of new technology for gathering and transmitting data (e.g., Dominican Republic). The Bank has also been involved with health insurance systems for the poor (e.g., Mexico, Colombia, Bolivia, etc.). It is currently considering the issue of the informal economy in countries where the problem is most acute.

and education beneficiaries and linking compliance to the payment system. The government is proposing a pilot initiative for using new technologies through cellular phones²² and/or personal digital assistants (PDAs) in order to gather and transmit data on the use of the services more effectively and efficiently. Loan proceeds will finance an analysis of feasibility and technological alternatives, procurement of necessary equipment, creation of applications for electronic devices and data transmission services (Internet and/or cellular phones). This component also provides resources to evaluate differentiated payment methods,²³ another key aspect of the reform effort, and a pilot project for the provision of mother-child health services by nongovernmental organizations.²⁴

- 1.24 **Component II. Supply-side human capital development (Comprehensive Health Insurance—SIS) (US\$820,000).** This component includes essential elements in the reform and institutional strengthening of the health insurer for the poor, including the beneficiaries of Juntos. Support will be provided for the development and implementation of critical processes (enrollment, benefits, billing, and payments) to use the expanded insurance model. To support SIS's budgetary needs over the coming years, an actuarial study will be commissioned under the new benefits plan promoted by the Ministry of Health. Because of the importance of the information used by SIS in priority areas of the antipoverty policy, such as malnutrition and mother-child health, this component includes development of a public investment project to improve its information system.
- 1.25 **Component III. Improvement of initiatives to formalize and create opportunities (US\$700,000).** This component is aimed at supporting the government in reducing the weight of the informal economy, among both enterprises and workers. In particular, the Ministry of Production will be supported in redesigning the Law on Microenterprises and Small Businesses, based on the evidence generated by a monitoring and evaluation system that has been previously designed and implemented. This system will provide centralized and continuous statistical information on progress in implementing the law, such as growth in the number of enterprises enrolled and listed in the National Registry of Microenterprises and Small Businesses (REMYPE), the main benefits for the enterprises (and vice versa), enrollment of workers in the public health care system, etc. This information will be complemented by an evaluation of the law's impact in getting microenterprises and small businesses, along with their employees, to join

²² One alternative to consider is near field communication technology, which allows data communication between devices across short distances. For example, this could facilitate the collection of data on users as they approach a health care facility or educational establishment.

²³ Differentiated payments vary in amount and structure, depending on the number and age of the children in the household, in order to reflect the opportunity cost of preventive investment in health care and education and thereby find a more efficient way to link cash incentives to the program's development objectives. The differentiated payment methods to be considered place emphasis on having a greater impact at a young age and on the use of health care and nutrition services, as opposed to increased school attendance and advancement to secondary school.

²⁴ The operational evaluation for this intervention will be carried out internally by Juntos with its own resources.

the formal sector, as well as any potential negative incentives that the law might create, such as encouraging firms to dissolve and/or discouraging growth among enterprises that wish to benefit from more favorable tax rules by virtue of their smaller size. Complementing this effort will be support for designing and evaluating small pilot programs to promote the placement of informal-sector employees in formal-sector enterprises through a system of training and internships in formal-sector enterprises, combined with grants to retain these employees at the end of their internships.

- 1.26 **Component IV. Strengthening of the Household Targeting System (SISFOH) (US\$5,495,000).** To keep the PGH current, some two million households need to be recertified, and a strategy for updating the database on an ongoing basis needs to be designed and implemented. The institutional character of the central unit of SISFOH—as the entity with the mandate and capacity to develop, update, and standardize targeting instruments and to maintain the general registry of beneficiaries—also needs to be strengthened. This will entail procuring hardware and software, commissioning specialized consultants, and carrying out promotional efforts and providing technical assistance for municipalities and social programs.
- 1.27 **Component V. Administration and evaluation (US\$425,000).** The program has administrative resources to finance the consultants from the executing agency who are responsible for implementing this program, as well as to finance the audits. Resources are also included to commission the monitoring and evaluation of activities and outcomes and the final project evaluation.
- 1.28 **Cost and financing.** The total cost of the project is US\$8.5 million, which will be financed with the US\$6 million loan from the Bank and a counterpart contribution of US\$2.5 million, in accordance with the budget provided in Table 1.1.²⁵

C. Key indicators in the Results Framework

- 1.29 The main outcomes to be achieved through the project include: (i) expanded use of mother-child health services in the areas of intervention; (ii) higher percentage of claims audited in health care establishments and the SIS; (iii) higher number of enterprises joining the formal sector and registering with the REMYPE; and (iv) reduced leakage of nonpoor beneficiaries from a priority social program that has adopted and implemented the SISFOH tools (for more details, see [Annex II – Results Framework](#)).

²⁵ The cost of each component has been determined in accordance with the financing needs to solve the problems that have been identified.

Table 1.1: Project costs (US\$ thousand)

Components	Bank	Counterpart	Total
1. Reform of Juntos program	690	280	970
1.1. Verification of coresponsibilities	280	120	400
1.2. Evaluation of differentiated payment	300	120	420
1.3. Alternative health care service provision	110	40	150
2. Strengthening of SIS	580	240	820
2.1 Critical processes of the insurer	430	170	600
2.2 Financial management	100	40	140
2.3 Information system	50	30	80
3. Improvement of formalization initiatives	490	210	700
3.1. Evaluation of Law on Microenterprises and Small Businesses	140	60	200
3.2. Evaluation of pilot initiatives to bring enterprises and workers into the formal sector	350	150	500
4. Strengthening of the SISFOH	3,880	1,615	5,495
4.1 Recertification of households	2,820	1,180	4,000
4.2 Updating of PGH on an ongoing basis	780	320	1,100
4.3 Institutional strengthening	280	115	395
5. Administration, auditing, and evaluation	300	125	425
5.1 UCPS equipment	230	100	330
5.2 Monitoring	55	20	75
5.3 Auditing	15	5	20
Unallocated	60	30	90
Total	6,000	2,500	8,500

II. FINANCING STRUCTURE AND RISKS

A. Financing instruments

- 2.1 The loan, with resources from the Bank's Ordinary Capital, will be for US\$6 million with a counterpart contribution of US\$2.5 million. The financing conditions will be as follows: (i) LIBOR-based interest rate; (ii) 25-year amortization period; (iii) three-year disbursement period; and (iv) three-year grace period. The borrower will be the Republic of Peru, and the executing agency will be the Ministry of Finance (MEF), acting through the Sector Loan Coordination Unit (UCPS). The National Public Debt Office will negotiate the operation. The UCPS, in addition to being the executing agency, will carry out technical coordination efforts to prepare and oversee the project, and the beneficiary and participating entities will be the Juntos program, the SIS, the Ministry of Production, and SISFOH.

B. Environmental and social safeguard risks

- 2.2 In its meeting 22-10 of 31 May 2010, the Committee on Environment and Social Impact confirmed the project's classification as Category "C" and, after reviewing the project profile, submitted no comments. Thus, the project is not expected to generate negative environmental or social impacts.

C. Fiduciary risks

- 2.3 The UCPS has been the executing agency for multiple projects and technical-cooperation operations financed by the Bank, the World Bank, and other financing entities. The institutional capacity of the UCPS as the executing agency of the project titled “Reform of Poverty Alleviation and Human Capital Development Programs” (loan 1601/OC-PE)²⁶ was evaluated last year, and its fiduciary risk was found to be low.

D. Other risks

- 2.4 In its role as project coordinator, the UCPS, based on its experience on other projects, has found some weaknesses in the work of the subexecuting agencies. These weaknesses are associated with: (i) limited knowledge of the Bank’s procurement policies; (ii) limited capacity to take action for the monitoring and sustainability of reform efforts (sometimes contingent on levels of organizational authority); and (iii) lack of commitment to implementing the reforms. Given the intersectoral nature of the project, which involves the participation of multiple actors with various interests, there is also a risk that lapses in coordination may hinder program execution. To mitigate these risks, the UCPS will assume responsibility for the administrative implementation of loan proceeds on behalf of the participating entities, but it will also sign implementation agreements with these entities to ensure the monitoring and continuity of activities. In addition, entities for coordinating social policy, such as the Technical Secretariat of the Interministerial Social Affairs Committee, will be used to strengthen the coordination of the various sector entities on social and labor matters.

III. IMPLEMENTATION AND ACTION PLAN

A. Summary of implementation measures

- 3.1 **Borrower, guarantor, and executing agency.** The borrower will be the Republic of Peru, and the executing agency will be the UCPS of the Ministry of Finance. The UCPS will perform duties related to administrative and financial procedures involved in loan execution, and it will monitor and evaluate the project with the technical information provided by sector entities.
- 3.2 The specific duties of the UCPS in executing the loan include: (i) administration of financial resources from the loan; (ii) planning for execution of the loan and the annual work plans; (iii) coordination with sector entities for implementing the loan, with regard to selecting and engaging consultants and services and/or procuring goods; (iv) preparation and updating of the procurement plan; (v) supervision of progress in executing the loan; (vi) follow-up on and monitoring of progress in consulting and procurement contracts; (vii) preparation and processing of payments and proper recordkeeping for the loan in accordance with applicable provisions; (viii) preparation of financial statements and disbursement requests; and (ix) monitoring and evaluation of project execution.

²⁶ See [Institutional Evaluation of Executing Agency \(ICAS\), Optional Electronic Link 1](#).

- 3.3 The entities involved in the reforms promoted under the programmatic loans, and the beneficiaries of the technical assistance provided under this operation, are the Juntos program, the SIS, the Ministry of Production, and the MEF Bureau of Economic and Social Matters to which SISFOH reports. Each entity will designate the staff members responsible for technical coordination to ensure that the objectives of the components under their responsibility are fulfilled as agreed, and to report this fulfillment to the UCPS. Each entity will also prepare the appropriate progress, monitoring, and control reports. Also, agreements will be signed with the UCPS to stipulate the objectives, responsibilities, and obligations of the parties, and to specify the specifics of execution. The participation of each beneficiary entity in the program will be contingent upon the entity's having signed an implementation agreement with the executing agency, in accordance with the terms previously agreed upon with the Bank.
- 3.4 **Fiduciary agreements and requirements (ARF).** The ARFs²⁷ reflect the financial management and procurement guidelines to be used in the project. These guidelines have been developed on the basis of a fiduciary analysis of the country and the executing agency, the institutional analysis of the executing agency, the Bank's experience working with the UCPS, meetings held with UCPS personnel, and regular meetings with the project team and key personnel from participating entities. The UCPS's current Operations Manual for administering debt operations has also been analyzed.
- 3.5 **Procurement.** Procurement policies for the operation will be in accordance with Bank documents GN-2349-7 and GN-2350-7. The Procurement Plan details all project procurement processes, including: (i) contracts for goods, nonconsulting services, and consulting services required for the first three years of the program; (ii) proposed methods for engaging nonconsulting services and for selecting consultants; and (iii) procedures used by the Bank to review procurement. Due to the nature of the project and the risk involved, the borrower must update the Procurement Plan annually or whenever substantial changes occur. Any proposed revision of the Procurement Plan must be submitted to the Bank for approval. The current version of the Procurement Plan will be available on the Bank's website. The Bank will conduct ex post reviews of procurement processes, in view of the UCPS's capacity to follow the Bank's policies and procedures.
- 3.6 **Disbursements.** Disbursements will be made in accordance with the project's actual liquidity needs. The executing agency will maintain a projection of disbursements including estimates for the 36 months of the project, and this projection will be updated on an annual basis. The first disbursement request to be submitted to the Bank by the UCPS will be accompanied by an expense schedule for activities in the annual work plan for the next 180 days. Disbursements will be justified in the next request, to at least 80%. Ex post reviews of supporting documentation will be carried out by Bank personnel and/or consultants and by the external auditors. Reports will be issued for each ex post review. Any expenditures that are ineligible for

²⁷ <http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35240228>.

reimbursement by the Bank will be reimbursed through the local contribution or other resources, depending on the nature of the ineligibility.

- 3.7 **External audits.** The UCPS will submit the project's audited financial statements on an annual basis during the project. The external audit will be carried out by independent auditors acceptable to the Bank, in accordance with applicable requirements and the terms of reference previously approved by the Bank. Since the UCPS hires a single firm to audit all of its projects, the project has resources from the loan and the counterpart contribution to help cover part of these costs, as needed.

B. Summary of measures to monitor outcomes

- 3.8 **Monitoring and evaluation.** With information on project implementation centralized and received from participating entities, the UCPS will submit semiannual progress reports to the Bank, indicating the achievements for each component and for the project as a whole, based on the indicators in the Results Framework. Also, a final project evaluation will be carried out by an independent consultant within 90 days after 90% of the loan proceeds have been disbursed, and will include: (i) outcomes of financial execution for each component; (ii) fulfillment of targets in accordance with agreed outcome indicators; and (iii) fulfillment of contractual obligations, *inter alia*.²⁸
- 3.9 **Program information systems.** Some of the output and outcome indicators will depend on the information systems and databases of the programs targeted in the interventions. To this end, the project includes resources to strengthen the information systems of the SIS and SISFOH.

²⁸ For more detailed information on project monitoring and evaluation, see [Monitoring and evaluation arrangements](#).

Development Effectiveness Matrix
Summary

Indicator	Score	Maximum Score
I. Strategic Relevance	Low-High	
1. IDB Strategic Development Objectives	3.2	10
Country Diversification	0.7	2
Corporate Initiatives	0.0	2.5
Harmonization and Alignment	0.5	3.5
Beneficiary Target Population	2.0	2
2. Country Strategy Development Objectives	7.2	10
Country Strategy Sector Diagnosis	3.6	6
Country Strategy sector objective & indicator	3.6	4
II. Development Outcomes - Evaluability	Satisfactory	
3. Evidence-based Assessment & Solution	8.7	10
4. Evaluation & Monitoring Plan	3.2	10
5. Cost-Benefit or Cost-Effectiveness	7.0	10
6. Risks & Mitigation Monitoring Matrix	7.5	10
III. IDB's Role - Additionality		
7. Additionality	7.0	10
Technical Assistance provided prior the project	3.0	3
Improvements in management of financial, procurement, monitoring or statistics internal controls	4.0	4
Improvements in environmental, health and labor performance	0.0	3

I. Strategic Relevance: This is a Poverty-Target reimbursable technical assistance that promotes social equity by providing key technical assistance to the Government of Peru in order to successfully implement broad and substantive reforms in the social sector that the Bank is accompanying with Programmatic Policy Based Loans.

II. Evaluability: This project is based on lessons learned from other PBPs that point to the importance of providing strong and continuous technical assistance to increase the likelihood of success of those programs, in terms of completing reforms and achieving development objective. The project supports several evaluations and policies to strengthen targeting. Although the project has an evaluation budget it does not have a specific evaluation plan. The diagnosis on targeting has a cost-benefit analysis about measures to improve targeting. The risks involved are low except for a budgetary issue on incorporating debt-financing in the national budget; there are also risks regarding the will to implement policy reforms, that have mitigation measures. Also, the technical assistance provided through this project is precisely designed to support the policy reforms agreed upon in the PBP sequence.

III. Additionality: The Bank has provided support for the development of this reimbursable technical cooperation in order to specify the key technical assistance required, and it has also supported with non-reimbursable assistance the implementation of policy measures of the PBP sequence. In particular, the activities in this operation will provide the government with reliable monitoring and evaluation data for better policy-making.

SUPPORT FOR THE SOCIAL SECTOR REFORM PROGRAM (PE-L1100)

RESULTS FRAMEWORK

Project objective	The objective of the project is to help strengthen the reform of key social and labor programs for reducing poverty, by developing instruments to strengthen programs for conditional cash transfers, health care, labor programs, and targeting.		
Purposes	Baseline	Final target	Comments
Rate of usage of mother-child health care services in intervention areas	28% CRED	35% CRED	The rate of fulfillment of the growth and development indicators (CRED) in accordance with the nationwide protocol of the Ministry of Health is used here. This rate will be determined for the districts targeted in interventions as a way of observing the effect of measures promoted by the project. <u>Source:</u> National Demographic and Health Survey (ENDES)
Number of enterprises joining the formal sector, as validated by the tax collection agency (SUNAT)	81,000 microenterprises and small businesses	89,100 microenterprises and small businesses (10% increase)	No appropriate official statistical information is available to help analyze actual progress in the purposes of the Law on Microenterprises and Small Businesses, such as in the number of enterprises using the law but already using its previous version. Through nonreimbursable technical-cooperation resources, the Bank is supporting the Ministry of Production in strengthening its data generation and analysis team. Also, a system for monitoring and evaluating the law should be designed and implemented.
Annual budget resources “saved” through improved targeting.	S/. 0 million	S/. 60 million	This refers to the SIS program. <u>Source:</u> SISFOH database and SIS; National Household Survey (ENAH0)

	Baseline	Year 1	Year 2	Year 3	Final target	Comments
Component 1: Demand-side human capital development (conditional cash transfers—Juntos program)						
Outputs: Pilot initiative for using new technologies through cellular phones and/or personal digital assistants in order to gather and transmit data on the use of the health care and educational services.	0 pilot initiatives	0 pilot initiatives	1 pilot initiative	1 ¹ pilot initiative	1 pilot initiative	Loan proceeds will finance an analysis of feasibility and technological alternatives, procurement of necessary equipment, creation of applications for electronic devices and data transmission services (Internet and/or cellular phones). In fine-tuning the design of the pilot initiative, the exact number of districts where the improved method for collecting and transmitting data will be specified.
Evaluation of various differentiated payment methods to improve incentives to use services.	0 evaluations	1 evaluation	1 ¹ evaluation	1 ¹ evaluation	1 evaluation	Differentiated payments vary in amount and structure, depending on the number and age of the children in the household, in order to reflect the opportunity cost of preventive investment in health care and education and thereby find a more efficient way to link cash incentives to the program's development objectives. The differentiated payment methods to be considered place emphasis on having a greater impact at a young age and one the use of health care and nutrition services, as opposed to increased school attendance and advancement to secondary school.
Commissioning a nongovernmental organization to provide mother-child health care services in various districts in isolated geographical areas.	0 contracts	0 contracts	1 contract	1 ¹ contract	1 contract	

¹ Cumulative target (continuity of output).

Midterm outcomes: Monthly verification of coresponsibilities in education and health care in pilot districts and transmission of related information to the Juntos program.	0% pilot districts	0% pilot districts	80% pilot districts	100% pilot districts	100% pilot districts	<u>Source:</u> Juntos database
Final outcomes: Adoption of mechanisms by the Juntos program, in universal processes, to provide greater incentives for the beneficiary population to use health care and educational services (e.g., outsourcing service delivery to improve quality, differentiated payments, alternative mechanisms, verification of coresponsibilities).	0 mechanisms	-	-	2 mechanisms	2 mechanisms	
Component 2: Supply-side human capital development (Comprehensive Health Insurance—SIS)						
Outputs: Technical assistance for the SIS through specialized consultants for improving the insurer's critical processes	0 advisory service products	4 advisory service products	3 advisory service products	0 advisory service products	7 advisory service products	The advisory service products will help improve implementation of critical processes of the SIS (enrollment, collection management, eligibility verification, payment of claims to providers, medical auditing, administrative auditing, and quality outcomes).
Actuarial study of the SIS under the Basic Health Insurance Plan (PEAS) scenario.	0 studies	1 study	0 studies	0 studies	1 study	

Public investment project (PIP) to modernize the SIS's information system, in terms of feasibility.	0 PIPs	1 PIP	0 PIPs	0 PIPs	1 PIP	Approval of the PIP feasibility study also entails the development, submittal, and approval of the profile and prefeasibility study (or exemption procedure in the latter case) as part of the National Public Investment System.
Midterm outcomes: SIS critical processes incorporating new design and implementation criteria.	0 processes	0 processes	1 process	2 processes	3 processes	Priority processes include enrollment, payment systems, administrative audits, medical audits, and quality results, but the possibility of making improvements in other processes has not been ruled out. <u>Source:</u> SIS administrative data
Final outcomes: Percentage of claims audited by onsite medical supervision at health care facilities and at the SIS.	4% claims audited	-	6% claims audited	8% claims audited	8% claims audited	The baseline and midterm and final targets will be confirmed after the findings of the advisory service outputs are reviewed. <u>Source:</u> SIS administrative data
Component 3: Improvement of initiatives to formalize and create opportunities						
Outputs: Evaluation of impact of Law on Microenterprises and Small Businesses on integration of enterprises into the formal sector, business growth, and integration of workers into the formal sector.	0 evaluations	0 evaluations	1 evaluation	1 evaluation	1 evaluation	The baseline and design aspects of the evaluation must be established.
System for monitoring and evaluating the law.	0 systems	0 systems	1 system	1 ¹ system	1 system	The indicators for monitoring implementation of the law will need to be determined.

Pilot programs aimed at promoting the placement of informal-sector employees in formal-sector enterprises, through a system of training and internships in formal-sector enterprises, combined with grants to retain these employees at the end of their internships	0 pilot programs	0 pilot programs	3 pilot programs	3 ² pilot programs	3 pilot programs	There may be up to an estimated 3 types of pilot programs.
Midterm outcomes: Information that helps to better understand the characteristics of enterprises enrolling in the REMYPE, of their employees, and the reasons why enterprises do not apply the law.	0 reports	xx reports	yy reports	zz reports	zz reports	Reports will be issued on the evaluations and the monitoring systems. The numbers of reports are still to be determined.
Final outcomes: Proposal to redesign the Law on Microenterprises and Small Businesses based on evidence generated by the monitoring and evaluation system, the impact evaluation of the law, and the evaluation of pilot programs for placing informal-sector employees in formal-sector enterprises.	0 redesigned laws	0 redesigned laws	0 redesigned laws	1 ¹ redesigned law	1 redesigned law	

² Cumulative target (continuity of output).

Component 4: Strengthening of the Household Targeting System (SISFOH)						
Outputs: Approximately 2 million households in 158 districts in 20 cities, re-registered with SISFOH's Master Socioeconomic File	0 households	2,000,000 households	0 households	0 households	2,000,000 households	
Continuous updates of SISFOH's General Household Registry (PGH).	0 households	0 households	250,000 households	250,000 households	500,000 households	
Technical assistance via user training (municipios and social programs) for the institutional strengthening of SISFOH.	0 municipios/ social programs	100 municipios/ social programs	100 municipios/ social programs	100 municipios/ social programs	300 municipios/ social programs	
Midterm outcomes: Increase in the number of municipios with a local targeting unit (ULF).	180 ULFs	220 ¹ ULFs	260 ¹ ULFs	300 ¹ ULFs	300 ULFs	<u>Source:</u> SISFOH administrative data
Final outcomes: Reduced leakage of nonpoor beneficiaries from SIS in metropolitan Lima.	68%	-	-		55%	<u>Source:</u> SISFOH and SIS administrative data; National Household Survey

SUPPORT FOR THE SOCIAL SECTOR REFORM PROGRAM

SUMMARY PROCUREMENT PLAN First quarter 2011 to fourth quarter 2013

Ref.	Description and type of procurement contract	Estimated contract cost (US\$000)	Procurement method	Review (ex ante or ex post)	Source and % of financing		Prequalification (Yes/No)	Estimated dates		Status (pending, in process, awarded, canceled)	Comments
					% IDB	% local/ other		Publication of specific procurement notices	Completion of contract		
Goods											
1	Hardware and software for SISFOH’s UCF	160	NCB	ex post	70	30	No	Q1/2011	Q3/2011	pending	
2	Information transmission network equipment (telephones, video, data)	220	NCB	ex post	70	30	No	Q3/2011	Q1/2012	pending	
Nonconsulting services											
1	Data transmission services (cell phones, Internet)	180	NCB	ex post	70	30	No	Q1/2012	Q4/2013	pending	
2	Provision of mother-child health care services in various districts in isolated geographical areas by a nongovernmental organization	150	NCB	ex post	70	30	No	Q3/2011	Q1/2013	pending	
3	Recertification of some two million households in 158 districts in 20 cities through a survey with the SISFOH file	4,000	ICB	ex ante	70	30	No	Q1/2011	Q4/2011	pending	
4	Continuous updating of SISFOH’s General Household Survey	1,100	ICB	ex ante	70	30	No	Q3/2011	Q4/2013	pending	

5	User training workshops (for municipios and social programs) for institutional strengthening of SISFOH	60	S	ex post	70	30	No	Q1/2011	Q4/2013	pending	About 5 workshops per year
Consulting services											
1	Analysis of feasibility and alternative technologies for gathering and transmitting data	40	CQS	ex post	70	30	No	Q1/2011	Q2/2011	pending	
2	Evaluation of various differentiated payment methods in Juntos program	420	QCBS	ex ante	70	30	No	Q3/2011	Q4/2013	pending	
3	Design of computer modules to support critical SIS processes in infrastructure of new information system	210	QCBS	ex ante	70	30	No	Q2/2011	Q4/2011	pending	
4	Technical assistance for SIS to improve critical processes of insurer	390	QCBS	ex ante	70	30	No	Q2/2011	Q1/2012	pending	
5	Impact evaluation of effects of Law on Microenterprises and Small Businesses	200	QCBS	ex ante	70	30	No	Q2/2011	Q3 2012	pending	
6	Evaluation of pilot interventions	350	QCBS	ex ante	70	30	No	Q2/2011	Q3/2012	pending	
7	National communication and awareness campaign on benefits of Law on Microenterprises and Small Businesses	150	QCBS	ex ante	70	30	No	Q3/2012	Q4/2012	pending	.
8	Actuarial study of SIS under PEAS scenario	140	QCBS	ex post	70	30	No	Q2/2011	Q1/2012	pending	
9	Development of public investment project to modernize SIS information system	80	CQS	ex post	70	30	No	Q1/2011	Q4/2011	pending	

Individual consultants											
1	Key individual consultants of the central targeting unit	145	NICQ	ex post	70	30	No	Q1/2011	Q4/2013	pending	
2	Development of applications for electronic devices for data collection	48	NICQ	ex post	70	30	No	Q1/2011	Q3/2011	pending	

ICB: international competitive bidding; LIB: limited international bidding; NCB: national competitive bidding; S: shopping; DC: direct contracting; FA: force account; PSA: procurement through specialized agencies; PA: procurement agents; IA: inspection agents; PLFI: procurement in loans to financial intermediaries; BOO/BOT/BOOT: build, own, operate/build, operate, transfer/build, own, operate, transfer; PBP: performance-based procurement; PLGB: procurement under loans guaranteed by the Bank; PCP: community participation procurement; QCBS: quality- and cost-based selection; QBS: quality-based selection; FBS: selection under a fixed budget; LCS: least-cost selection; CQS: selection based on the consultants' qualifications; SSS: single-source selection; NICQ: National Individual Consultant selection based on Qualifications; IICQ: International Individual Consultant selection based on Qualifications

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-_____/10

Peru. Loan ____/OC-PE to the Republic of Peru
Support for the Social Sector Reform Program

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 support for the social sector reform program. Such financing will be for an amount of up to US\$6,000,000 from the Single Currency Facility of the Ordinary Capital resources of the Bank, 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 _____ 2010)

LEG/SGO/IDBDOCS#35280190-10
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